

LEGISLATIVE ASSEMBLY

Wednesday 15 June 2011

The Speaker (The Hon. Shelley Elizabeth Hancock) took the chair at 10.00 a.m.

The Speaker read the Prayer and acknowledgement of country.

AUDITOR-GENERAL'S REPORT

The Clerk announced the receipt, pursuant to section 63C of the Public Finance and Audit Act 1983, of the Performance Audit Report of the Auditor-General entitled, "Government expenditure and transport planning in relation to implementing Barangaroo: Delivery Authority, Department of Transport, NSW Treasury", dated June 2011 and received on 15 June 2011.

BUSINESS OF THE HOUSE

Extension of Sitting

Mr BRAD HAZZARD (Wakehurst—Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW) [10.00 a.m.]: I want to inform members about the House sittings for today and tomorrow. I have conveyed this information to the Opposition but I want to ensure that all members are aware of the sitting times. It is highly likely that the House will be required to sit tomorrow night and at this stage it is certain that the House will be required to sit tonight. This morning we will deal with Government business commencing with the introduction and agreement in principle speech of the Local Government Amendment (Elections) Bill. The House will then deal with the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011, the Evidence Amendment (Journalist Privilege) Bill 2011 and the Infrastructure NSW Bill 2011. Then the House will deal with the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011.

For the benefit of all parliamentary staff, Hansard and others, I apologise for the change in sitting arrangements today. I can indicate that we will take a dinner break between approximately 6.20 p.m. and 7.20 p.m. or 7.30 p.m. Members and staff will have an opportunity for dinner and a brief respite from Parliament. Then we will continue with the industrial relations legislation and I expect that the House will rise at about 10.00 p.m. I will move for suspension of standing orders in this regard as soon as possible this morning. All members should be aware that their presence is required tonight if they intend to speak on the industrial relations bill. There will be no divisions and no quorums during this evening's sittings. I trust the New South Wales Blues do well tonight.

The SPEAKER: Go the Blues.

LOCAL GOVERNMENT AMENDMENT (ELECTIONS) BILL 2011

Bill introduced on motion by Mr Donald Page.

Agreement in Principle

Mr DONALD PAGE (Ballina—Minister for Local Government, and Minister for the North Coast) [10.05 a.m.]: I move:

That this bill be now agreed to in principle.

I am pleased to introduce the Local Government Amendment (Elections) Bill 2011. The bill reflects the Government's commitment to provide a transparent and effective legislative framework for the administration of local government in New South Wales. The bill fulfils the Government's commitment to return autonomy to local councils by giving them back the powers they enjoyed in the past to conduct their own elections. The bill also ensures that councils in certain circumstances do not need to fill casual vacancies by way of by-elections,

resulting in significant savings on the costs of holding those by-elections. The bill also provides a window of opportunity to those councils that wish to reduce their councillor numbers and abolish wards without the need to hold a constitutional referendum. These proposals also will save councils considerable expenses. The proposals in the bill have been developed to address recurring and significant issues identified in the review of local government election provisions that was conducted following the last council ordinary elections. The bill will address concerns raised by the public, councils and the Local Government and Shires Associations of New South Wales regarding the conduct and cost of local government elections.

I will now turn to the detail of the Local Government Act amendments. The first proposal is designed to transfer the conduct of local council elections, constitutional referendums and polls to councils while maintaining the option of contracting their conduct to the Electoral Commissioner. The bill makes it clear that where a council decides to conduct its own elections, referendums and polls the general manager is responsible for their conduct. However, where a council decides to contract the conduct of its elections, referendums and polls to the New South Wales Electoral Commissioner, the Electoral Commissioner is responsible for their conduct. Currently the Local Government Act provides that the Electoral Commissioner is responsible for the conduct of all local government elections—ordinary elections, by-elections, elections of mayors elected by the public—constitutional referendums and polls. The expenses incurred in conducting these elections, referendums and polls are met by the councils for which they are conducted.

The Electoral Commissioner has been conducting local government elections and referendums since 1987. The Local Government (Elections) Amendment Act 1987 transferred this responsibility from town and shire clerks to the Electoral Commissioner. Prior to 1987 all councils in New South Wales had conducted their respective elections independently. This arrangement had been in place since 1867. The transfer of the conduct of council elections to the Electoral Commissioner occurred as a result of a commitment made by the then Labor Government that the Electoral Commissioner would assume responsibility for the conduct of all council elections and referendums, commencing with the ordinary elections held in September 1987. This was to reflect the arrangements at Commonwealth and State level.

In 2008, following a review of local government election pricing by the Council on the Cost and Quality of Government, the New South Wales Electoral Commission for the first time conducted the September 2008 ordinary elections on a full cost recovery basis. The sudden increase in costs for those elections caused a dramatic number of complaints from councils. Those complaints were supported by the Local Government and Shires Associations of NSW. Thus, in its publication titled "NSW Election Priorities 2011" the Local Governments and Shires Associations stated that the increase in costs and "... the cost shift from the NSW Government to councils totalling \$9,050,150 made it clear that the responsibility of conducting local government elections should stay within individual councils should the council wish to do so."

The associations further stated that councils are better placed to conduct their own elections with more efficient use of council staff and revenue. The Government accepts the associations' position. The Liberal and National parties committed prior to the last State elections to give councils the opportunity to conduct their own elections should they so choose. This legislation honours our election commitment. The Government is of the view that returning the conduct of elections to councils would see council revenue better spent on community infrastructure and services, restore community involvement in the local government election process and provide speedier results for candidates and communities. While providing for the powers for council general managers to conduct council elections, the bill also ensures that councils may decide to continue to have their elections conducted by the Electoral Commissioner.

Thus the proposal is flexible enough to cater for those councils that choose not to conduct their own elections. Where a council determines to conduct its own elections, the responsibilities of the general manager will include appointing a suitably qualified independent returning officer and a substitute returning officer for the council's area, and appointing the polling places and determining the fees payable to the returning officer, substitute returning officer and electoral officials. A returning officer may be sourced from a neighbouring council or another council in New South Wales. This could be an experienced member of senior staff of that council or a suitable member of the public. Importantly, the general manager will not be able to be appointed as a returning officer to conduct an election of a neighbouring council because they are charged with the responsibility for the administration of their own council's election.

The general manager will also be responsible for managing the relevant election costs and prepare, for the Minister, a report on the conduct of each election. The report will disclose, among other things, full and transparent costings for that election. It is already the practice of the Electoral Commissioner to report to the

Government on the outcome of council ordinary elections. While the latter requirement is not included in this bill, it is intended that it will form part of the new regulation or guidelines it is proposed will be developed by the Division of Local Government in conjunction with the Electoral Commission. The guidelines will assist councils to clearly understand the level of service and accountability required of them so that they can make an informed choice whether to conduct their elections.

It is important that councils do not make a final decision on who is to conduct their 2012 elections until they have considered the guidelines. It is also important that any savings and efficiencies in the conduct of elections and referendums by councils do not come at the expense of the principles of openness, transparency and accountability that underpin the arrangements of elections for the other tiers of government. The Local Government and Shires Associations expects that the proposed amendments not only will substantially reduce the costs of council elections but will also result in more prompt reporting of the results of elections.

Those councils that wish to have their elections, referendums and polls conducted by the Electoral Commissioner may by resolution decide to do so by entering into appropriate contractual arrangements with the Electoral Commission. To this end, a council will need to resolve within 12 months after the ordinary election that the council is to enter into a contract or make arrangements with the Electoral Commission to administer all council elections—other than the elections of a mayor by councillors—referendums and polls for the balance of a term of a council including the following ordinary election. This will provide the necessary certainty required. However, in the event that a council and the Electoral Commission cannot agree on the terms of a contract, the bill provides that the general manager is responsible for the conduct of elections, referendums and polls of the council concerned.

The bill has a number of transitional provisions that ensure that councils may retain the services of the Electoral Commissioner to administer their elections, referendums and polls until the conclusion of the September 2012 ordinary elections. Where a council chooses to use the Electoral Commission to conduct its ordinary elections in 2012 the council must pass a resolution to this effect before 31 October 2011 or before a later date specified in the regulation. The council must also notify the Electoral Commission and the Division of Local Government of its decision as soon as possible to enable the Electoral Commission to commence the necessary preparations for the election. The expenses incurred by the Electoral Commissioner in connection with any such election are to be met by the council for which it is conducted.

After the 2012 ordinary elections but before the expiry of a 12-month period councils will be able to make a further decision whether their elections, referendums and polls are to be conducted by the Electoral Commission or by the councils. Another important aspect of this proposal covers allegations of maladministration of elections, referendums and polls conducted by councils. Some complaints alleging maladministration would require review and possible formal investigation by the Division of Local Government. If such an investigation is warranted the Act already provides powers to the chief executive to authorise an investigation of a council under section 430 of the Local Government Act.

The bill additionally provides that the expenses associated with the preparation of a report under section 430 arising out of the conduct of elections, referendums and polls by a council can be recovered by the division from the council. Other complaints, depending on their nature, will be dealt with by the Independent Commission Against Corruption, the police or the Ombudsman. Candidates aggrieved about an election result, qualifications of candidates, et cetera will continue to avail themselves of the jurisdiction of the Administrative Decisions Tribunal and the Supreme Court of New South Wales. The proposal ensures that the Government's promise to return autonomy to councils to enable them to conduct their own elections is fulfilled. The proposal will enhance autonomy of local government and is likely to achieve savings of election costs to councils.

The second and third proposals in the bill will offer opportunities, for a limited time only, to those councils that wish to reduce their councillor numbers or abolish all wards without the need for approval at a constitutional referendum. Members may be aware that in 2005 a scheme was introduced allowing councils, for a limited time, to reduce their councillor numbers without having to first obtain approval to do so at a constitutional referendum. The scheme was introduced following requests from a number of councils to reduce their councillor numbers without the need to hold costly referendums. The total savings from this initiative across New South Wales are between \$298,600 and \$589,000 or approximately \$15,000 to \$27,000 per council area. The reductions took effect from the ordinary elections on 13 September 2008.

In 2008 a bill was introduced into the Parliament which contained among other things a proposal for a one-off reduction of councillor numbers. The bill was, however, withdrawn for a number of reasons, including

that due to the passing of time it no longer had any utility as it was designed specifically for the 2008 ordinary elections. The proposal in this bill therefore offers councils a further opportunity to reduce their councillor numbers. It also responds to the interest shown by several other councils that missed the closing date for applications under the previous scheme.

As with the 2005 proposal, the councillor reduction opportunity is proposed to be available to those councils that will have three or more councillors per ward upon reduction. However, a council will not be permitted to reduce its numbers to fewer than five councillors per council, which is the minimum set under the Act. The steps in the application process will generally be the same as those under the previous scheme. A resolution must first be passed by a council indicating its intention to apply to the Minister for approval to reduce the number of councillors on the council. The council must allow a period of 42 days public notice during which submissions can be made to it about the draft resolution. This consultation period is more generous than the previous scheme.

An application period will apply during which councils may seek my approval as Minister to reduce councillor numbers. The application may be made only within five months from the commencement of the proposed amendments. The period is necessary as the proposal will impact on the Electoral Commission's preparations for the 2012 ordinary elections. I stress that this opportunity to reduce the number of councillors without a constitutional referendum is for a limited time only, and the process will be driven by the councils themselves and their communities. Successful applications will take effect at the 2012 ordinary council elections. As was the case under the previous councillor reduction scheme, the bill again provides that a casual vacancy in the office of a councillor is not to be filled before the reduction takes effect unless the vacancy will result in the council having fewer councillors than under the approved reduction.

The third proposal in the bill will allow councils to abolish all wards without the need for approval at a constitutional referendum. Similar to the second proposal, councils will be able to apply to me as Minister for approval to abolish all wards for a limited period of five months, starting on the commencement of the proposed amendment. The council must also allow an extended consultation period of 42 days. The Local Government Act provides that a council must not divide an area into wards or abolish all wards unless it has obtained approval to do so at a constitutional referendum. In New South Wales 62 local councils are divided into wards. Many of those councils work effectively and efficiently and are regarded as proven leaders in community engagement and service delivery. However, the functioning of other councils may be impeded or even compromised because their governance structure is not appropriate.

The Local Government Act provides that if a council is divided into wards the same number of councillors is to be elected for each ward and the mayor is to be excluded when determining that number if the mayor is to be elected by all the electors for the area. That qualification means that if a legislative proposal to allow councils a one-off opportunity to reduce their councillor numbers without the need to hold a constitutional referendum is implemented those councils that have wards and a popularly elected mayor will be necessarily restricted in determining the number of councillors that would best represent their community. If a proposal to allow councils a one-off opportunity to reduce their councillor numbers without the need to hold a constitutional referendum is implemented a number of councils consisting of fewer than three councillors per ward will not be able to benefit from it. That is despite the fact that those councils were keen to reduce their councillor numbers in the past.

It is proposed that the steps in the application process be similar to those suggested for a council application to reduce councillor numbers. For those councils that have a one or two councillors per ward structure the proposed amendments will mean that the method of electing councillors will change from optional preferential to proportional representation. That is because the Act provides that the voting system in a contested election is to be optional preferential if the number of councillors to be elected is one or two or proportional if the number of councillors to be elected is three or more. The proportional voting system is generally used across all levels of government in multimember electorates because it is designed to allocate seats or offices in proportion to the overall number of votes obtained by the candidates.

The abolition of wards in any given local government area will lead to a lower quota, which is expected to encourage more people to stand for office and, therefore, enhance the democratic process. The second and third proposals therefore complement each other and are in line with the Government's commitment to provide a legislative framework that would enhance councils' ability to engage in structural reform. The proposed amendments will introduce the necessary flexibility and will enhance councils' ability to determine the best

possible governance structure without impediments that currently exist in the Act. Finally, as with the proposal to reduce councillor numbers, the opportunity to abolish all wards without a constitutional referendum is for a limited time only and the process will be driven by the councils themselves and their communities.

The next proposal in the bill is to provide that where a casual vacancy occurs in the office of a councillor, but not a mayor elected by the electors, the council need not fill that vacancy if it has obtained approval to reduce councillor numbers at a constitutional referendum and the reduction has not yet taken place. The Act provides that a decision made at a constitutional referendum binds the council until changed by a subsequent constitutional referendum. The Act further provides, however, that such a decision does not apply to a by-election held after the constitutional referendum and before the next ordinary election. That means that if a constitutional referendum decides that the number of councillors of a council is to be reduced the decision will take effect only after the next ordinary election and the requirement to fill any casual vacancy within three months of the vacancy occurring stands.

The cost of holding a by-election is significant. Where a council is divided into wards it is only the electors in the ward in respect of which the casual vacancy arises who must vote. Consequently, the cost to such a council will be less than that for an ordinary election. However, where a council is not divided into wards, the cost of holding a by-election may be as high as the cost of an ordinary election. That is because all the electors of the council's area must vote. Approximately 60 per cent of local councils in New South Wales are not divided into wards. Therefore, the cost of holding a by-election for such councils is considerable.

The situation became worse in 2008. Following a review of local government election pricing, from 2008 the Electoral Commission has been conducting council elections by applying statewide consistent standards with full cost recovery. This change in approach resulted in many councils experiencing significantly increased costs from previous elections. For example, in its report on the Local Government Elections 2008 the Electoral Commission advised that the average cost of conducting the 2008 ordinary election for a metropolitan council was \$369,550 and for a rural council it was \$92,796. As the Act stands, each of these councils must hold a by-election to fill any casual vacancy that may arise prior to the September 2012 ordinary elections, except if the vacancy occurs within 12 months immediately preceding the election.

In this latter case the council may apply to the Minister under section 294 of the Act for approval not to conduct a by-election and allow the vacancy to be filled at the forthcoming ordinary election. This proposal is aimed at providing councils with an option to decide for themselves whether they need to fill a casual vacancy where the electors of the area have already approved the reduction in councillor numbers at a constitutional referendum but the reduction has not yet taken place. The proposal responds to numerous concerns regarding the cost of holding by-elections expressed by councils and their peak industry bodies, the Local Government and Shires Associations. It is expected that the proposal will result in cost savings for those councils that decide not to fill a casual vacancy in these circumstances.

The last proposal is also about dispensing with by-elections to fill casual vacancies within certain time frames. An ordinary election of councillors for an area is to be held every fourth year on the second Saturday after the September 2008 election. The Act provides that if a casual vacancy occurs in a civic office the office is to be filled by a by-election within three months. As the Act stands now, if a casual vacancy in a civic office occurs within the last 12 months of a four-year term a council may resolve to apply to the Minister for approval not to conduct a by-election but to allow the casual vacancy to be filled at the next ordinary election. This relieves a council from having to hold two elections within a 12-month period.

Casual vacancies in a civic office may occur for different reasons. For example, a vacancy may occur as a result of the resignation, disqualification or death of a councillor. As previously noted, the cost of holding a by-election may be significant. The size of a by-election can vary greatly. The variables that apply with respect to the cost of by-elections include whether the election is for a ward or council area, the number of electors for a particular ward or area, and the geographical size of the electorate. Those factors determine, among other things, the number of polling places that need to be declared, the number of staff required to conduct the election, the number of postal votes that need to be processed, and other matters. In the current financial year, 2010-11, 14 by-elections were held as at April 2011 with a range in cost of \$1,790 for Urana-A Ward, which is the smallest council in the State by population, to \$126,720 for Hawkesbury council.

A number of issues were identified and considered during a review of the election provisions in the Act by the former Department of Local Government in 2007. Of particular relevance were the costs to councils of a by-election to fill casual vacancies and the impact on communities where newly elected first-term councillors

find themselves unable or unwilling to make the necessary commitment to their communities to be effective elected representatives but who refrain from resigning because the resulting vacancy would trigger a costly by-election. The bill proposes to extend the time during which councils need not fill casual vacancies from 12 months to 18 months. This measure is also introduced in response to numerous concerns regarding the cost of holding by-elections expressed by councils and their peak industry bodies, the Local Government and Shires Associations.

It is intended that the proposed amendment apply to any casual vacancy that occurred before or after the amendment is enacted. This will assist those councils that may be facing a by-election between now and when the amendment becomes operational. At present the Division of Local Government is aware of one council—Lake Macquarie City Council—that must hold a by-election to fill a casual vacancy within the three-month period. The council is not divided into wards. This means that council's costs associated with the conduct of that by-election will be significant. The proposal in the bill will result in significant cost savings for a council that decides to apply to the Minister for an order that a casual vacancy in the office of a councillor not be filled. In closing, I reinforce that all proposals in this bill demonstrate the Government's continued commitment to supporting the local government sector by returning autonomy and promoting good governance. I commend the bill to the House.

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

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Bills

Motion by Mr Donald Page agreed to:

That standing and sessional orders be suspended to permit the resumption of the adjourned debate and passage through all remaining stages at this sitting or any subsequent sitting of the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011.

PAYROLL TAX REBATE SCHEME (JOBS ACTION PLAN) BILL 2011

Agreement in Principle

Debate resumed from 14 June 2011.

Mr MICHAEL DALEY (Maroubra) [10.33 a.m.]: I lead for the Opposition in debate on the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill and note that the introduction of this bill was accompanied by the usual propaganda we have come to expect from this Government about how bad the economy was under 16 years of Labor administration. Of course, that is an unabashed lie. On almost the first day on which they assumed office members opposite trotted out a lie about a budget black hole and it has been repeated day after day ever since. As I said on the other side of the House and I repeat on this side of the House: Just because a lie is repeated does not make it true and it will never make it true. This legislation is a continuation of that propaganda. It is not without its merits, but it is not a panacea for jobs nor will it assist the economy in the way in which the Treasurer indicated yesterday in his agreement in principle speech.

I remind the House that the former Labor Government delivered 15 out of 16 surplus budgets. The former Labor Government also handed over the State's economy to the present Government with a triple-A credit rating and with surpluses two years into the forward estimates. This State has now had eight consecutive quarters of positive economic activity—a better record than any other State. New South Wales' seasonally adjusted unemployment rate for March 2011 was 4.8 per cent on a trend basis. Unemployment also fell for the seventh quarter in a row in March 2011 to reach 4.8 per cent, which is the lowest it has been since September 2008, and the economy grew by 4.9 per cent from September 2009 to September 2010. New South Wales' 4.9 per cent growth rate for State final demand is higher than the national average of 4.4 per cent.

In the September quarter last year, State final demand grew by 1.4 per cent. That is more than double the rate of growth of domestic final demand, which grew by 0.6 per cent. This State's 1.4 per cent growth rate is the highest of all States and should be compared to declines at the end of last year in Victoria of 0.1 per cent, in Queensland of 0.5 per cent and in South Australia of 0.5 per cent. As I said, this State has enjoyed eight consecutive quarters of growth, which is more than can be said about any other State. Members should compare

the economy of this State with those of Western Australia and Queensland. This State has enjoyed steady economic growth. That growth is based on the hospitality and finance sectors; it is not the bucking bronco that we see in Western Australia and Queensland because it does not rely principally on digging materials out of the ground and exporting them. Ours is a much more mature and steady economy. Over 16 years, and in particular over the past four years, the Labor Government used infrastructure spending to continue to create real jobs.

Mr Gareth Ward: Like the metro project.

Mr MICHAEL DALEY: I do not need interjections from the member for Kiama. If he were to look at the budget he would see that the infrastructure spend in this State over the past three years was the highest of any State in the history of the Federation. The Labor Government spent \$12 billion on infrastructure last year, \$11 billion the year before and \$10.8 billion the year before that. It was the biggest infrastructure program ever undertaken in this country and it created 155,000 jobs a year. The former Government also reduced payroll tax for all businesses and delivered a double payroll tax cut in 2010-11. A payroll tax reduction to 5.5 per cent was brought forward to 1 July 2010 and it was reduced again to 5.45 per cent from 1 January 2011. These were permanent, not temporary, tax cuts. Those changes to payroll tax rates and thresholds are estimated to save New South Wales businesses about \$4 billion over the six years to 2013-14.

The former Government committed more than \$2 billion to vocational education and training and invested more than \$200 million in youth programs in 2010-11. It also provided \$27 million for the Learn or Earn program to boost training opportunities and to create apprenticeships for young people. About \$25 million has also been spent to create 2,000 new public sector cadetships. The former Government grew the public sector and protected its workers. It nurtured them, fostered them, recruited them and retained them. In contrast, this Government is attacking their wages and conditions and will make this State less competitive. Nurses and teachers in particular will flee to other States and young people will not take up those professions when they see the way this Government treats them. That will be true also of other public sector jobs.

The Labor Government spent \$11.2 million over two years to support unemployed young people to return to education, training and employment. In addition, the State experienced good and steady jobs growth. The Australian Bureau of Statistics figures for October 2010 indicate that New South Wales' seasonally adjusted employment rate was 5.4 per cent, 23,618 jobs were created in September last year alone and more than 150,000 jobs have been created since March last year. In New South Wales, 132,000 jobs were created in the last year alone.

I know the Treasurer and the Government are spruiking that this bill will create 100,000 jobs; it will not create them. It might assist big businesses, when they decide of their own volition to employ people. The Government has not given us any time frame for the creation of 100,000 jobs. It could take four years or it could take longer. In New South Wales, 132,000 jobs were created in the last year alone and since March 2009 more than 182,000 jobs have been created. The participation rate in New South Wales increased by 1 per cent over the last year at the same time as unemployment fell, which is an indication of the strong jobs growth experienced in recent years.

As I said, the bill may be of assistance to businesses; every time they are given a handout they are assisted. But it is not a panacea, as the Treasurer would have us believe. It might well be an incentive, but to which businesses will it be an incentive? The mechanism that is inherent in the bill for the payment of the rebate is that it will be in two equal parts to be paid after the first and second anniversaries of the hiring of a new employee. If a small business is to get \$2,000 from the Government on the first anniversary of the creation of a new position and the hiring of an employee and another \$2,000 on the second anniversary that may be an incentive. But guess what? This will not go to small business. This is essentially a \$4,000 handout for big business.

Only 10 per cent of companies in New South Wales pay payroll tax, so how does a payroll tax rebate help the 90 per cent of businesses in New South Wales that do not pay payroll tax? Members opposite can shout at me and gob off as much as they like but they cannot alter the truth or change the mathematics. Almost every small business in this State, 640,000 businesses, will not be eligible for this rebate. It is \$400 million in subsidies for people at the big end of town. Rio Tinto and Macquarie Bank will be eligible for the handout but how many plumbers will get it? None of the small ones. How many sole traders will see it? None. Small mechanical firms that do not pay payroll tax will not see it.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! Members will direct their comments through the Chair.

Mr MICHAEL DALEY: The way to help business with payroll tax is to reduce the rate and increase the threshold, not to give a handout only to businesses that pay payroll tax. This proposal will not reward companies for adding jobs. In fact, if anything it will encourage big business to put downward pressure on wages so they can afford more staff and get more handouts. We heard in the debate on public sector wages and conditions, which will continue tonight, that this Government has no regard for employees. It does not care about employees wages or conditions and they are the Government's own employees. If it is going to cut a swath through the conditions of its own 300,000 employees what does it care about others? It cares nothing for them.

[Interruption]

I will. During the State of Origin match Government members will be at the football and Opposition members will be here protecting the workers of New South Wales. Government members can all go swanning in the boxes but we will be right here. They will not have to go looking for us tonight; we will be here on State of Origin night looking after the Government's employees. We are the only ones who have ever given a rat's about them. Government members do not. We will be here taking care of them. We do not oppose the bill because we understand it was part of the Government's election promises and it has a mandate to introduce it, but it should not spruik that it is a panacea or say that it is assistance to business in New South Wales. It is assistance for a small number of businesses; it does nothing to help small businesses. It will not create 100,000 jobs. By way of a small handout it will assist businesses that will create the jobs anyway. Answer this question: I want the Treasurer or one of the loudmouths opposite who is going to speak—

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! Government members do not need to give the member for Maroubra a hand. He is digging a big enough hole for himself.

Mr MICHAEL DALEY: Was that an interjection from you, Mr Assistant-Speaker, in response to a point of order? I thought the Speaker had established a precedent that the Chair does not interject in these debates unless a point of order is called. I hope the Speaker is watching this debate because the Assistant-Speaker has now interjected to call Government members to order even though no point of order was taken. I welcome entirely that new approach to the governing of the House. I want one of the loudmouths over there that is going to speak to answer this very simple question at the outset of their contribution: How will this bill assist businesses in New South Wales that do not pay payroll tax? I really want them to answer that question. The Treasurer says they will grow, but they will grow of their own volition and hard work. It has nothing to do with this bill.

Mr STEPHEN BROMHEAD (Myall Lakes) [10.45 a.m.]: I think we have just listened to a speech that came from fantasyland. That was absolutely unbelievable. Members on the Opposition benches ran the State into the ground over the past 16 years—16 years of incompetence, 16 years of mismanagement, 16 years of scandals and 16 years of corruption. That was how long it took them to take the premier State from the penthouse to the outhouse. Under Labor, New South Wales was known as "disaster incorporated". That is what their Government did. The member for Maroubra spoke about infrastructure and if I get a chance I will talk about infrastructure in New South Wales in the last 16 years—16 years of Labor infrastructure failures. Firstly, I support the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011, which implements a Government initiative from its 100 Day Action Plan to rebuild the economy of New South Wales and, in particular, regional New South Wales. The bill will assist in the creation of new jobs by establishing a payroll tax rebate scheme that gives employers an incentive to increase the number of employees until 100,000 new jobs are created. It is an incentive—that is the important thing—to employers to employ more people.

Mr Nick Lalich: So, it is limited to 100,000.

Mr STEPHEN BROMHEAD: That is 100,000 more than Labor produced. It is intended that the rebate scheme will assist in creating 100,000 new jobs, with 60 per cent of those new jobs being in metropolitan areas and, importantly, 40 per cent being in non-metropolitan areas. Metropolitan areas are defined as the local government areas in the Sydney Statistical Division plus the local government areas of Newcastle and Wollongong. Non-metropolitan areas consist of the rest of New South Wales. We recognise that to make New South Wales number one again we have to make regional New South Wales number one again. The Jobs Action Plan will provide a payroll tax rebate to employers of up to \$4,000 per full-time employee and a pro rata rebate for part-time employees based on the number of hours worked compared to the standard working hours of full-time employees.

Employers will be paid the rebate in two equal parts, available after the first and second anniversaries of the hire of a new employee. To apply for the rebate, employers will initially register a new employee with the

Office of State Revenue within 30 days after the commencement of his or her employment. An employer who satisfies the eligibility criteria will be able to apply for payment of up to \$2,000 after both the first and second anniversaries of the date on which the employment commenced. Eligibility criteria for the rebate include that the position must be a genuinely new position. The employer must achieve a sustained increase in the number of full-time equivalent employees throughout the two years of the employment of the new employee unless the reason for not achieving this requirement was beyond the employer's control. The wages of the new employee must be liable for payroll tax in New South Wales and work must be performed wholly or mainly in New South Wales.

As a general rule, rebates will not be payable if the higher level of employment is not maintained at the first-year and second-year anniversary dates. This will encourage firms to retain new employees and avoid any potential abuse of the scheme. However, there may be instances, for example, if an employee resigns, where the employer's full equivalent number of employees on an anniversary date falls below the required level for reasons beyond the employer's control. In these situations the chief commissioner must pay the rebate. If the number of employees falls below the required level for more than 30 days in each of the two years, the rebate will not be paid unless the fault occurred because of factors beyond the employer's control. In that case, the rebate will be based on the length of time the position was filled using the same formula that applies to the calculation of the rebate for part-time employees.

Certain employment arrangements will not be eligible for the rebate. For example, employing people under a labour hire arrangement where liability for payroll tax arises under payroll tax provisions applying to employment agents; engaging independent contractors who are not engaged as employees; and employing people for seasonal work where the position will not be filled for two years. Employment agents will be able to qualify for rebates in respect of their own employees provided they satisfy the criteria. Employers will not be eligible for the rebate if their total annual wages are below the payroll tax threshold, which means they are not liable to pay payroll tax, or if they are exempt from payroll tax, for example, charitable bodies. [*Quorum called for.*]

[*The bells having been rung and a quorum having formed, business resumed.*]

As I was saying, employers will not be eligible for the rebate if their total annual wages are below the payroll tax threshold, if they are exempt from payroll tax or if they receive other rebates such as the rebate for apprentices and trainees. State government departments and non-business statutory authorities are excluded from the rebate scheme because they are largely funded from appropriations from the Consolidated Fund. Government authorities are exempt from payroll tax on non-business activities and they are also excluded from the scheme. The bill contains a number of revenue protection measures. For example, to ensure the rebate is made available to employers who have genuinely increased their workforce, the new employee must not have worked for the employer or for a related business or for businesses acquired as a result of takeovers or mergers in the previous 12 months. Similarly, the chief commissioner may refuse to pay a rebate claim if the required increase in the number of full-time equivalent employees was contrived—for example, by sacking existing employees prior to filling new positions.

The member for Maroubra spoke about alleged infrastructure successes in the past 16 years, which was absolute rubbish. Let us go through some of the failures. The North West Rail Link was first promised in 1998 and was to be fully delivered by 2010. It was delayed in 2005, to be completed by 2017 and dumped in February 2008. Unsurprisingly, it was revived by the Keneally Labor Government in the lead-up to the election. Labor first promised the South West Rail Link in December 2004. The project was costed at \$688 million and was supposed to be completed by 2012. In March 2008 Labor re-announced the South West Rail Link at a cost of \$1.36 billion. In November 2008 it was dumped. A year later, in 2009, Labor re-announced the project but the completion date had blown out by four years to 2016, and three months later Labor revealed the total cost had blown out to \$2.1 billion. Under Labor the South West Rail Link was running four years late and had tripled in cost. That is a total cost blowout of \$1.4 billion.

The Pacific Highway was promised to be delivered by 2006, which is shameful. Last year the Keneally Labor Government axed the so-called western metro and handed back, unbelievably, \$80 million to the Federal Government. This was after Infrastructure Australia panned the New South Wales Government for the poor quality of its submissions. That is why we set up Infrastructure NSW. The Chatswood to Parramatta rail link was announced in 1998 as part of the Action for Public Transport 2010. Labor promised to build the Chatswood to Parramatta rail line by 2006. Instead, it only managed to deliver half of it. In 2006 the then Premier promised to look into a fast rail link between western Sydney and the city but axed it the next year, similar to most of Labor's pre-election promises—announce it, get in and dump it.

The north-western metro was promised in 2008 only to be axed, forcing more pain on western Sydney commuters, and Labor cut short the poorly planned Rozelle metro. The Hurstville to Strathfield rail link was promised in 1998 and dumped. The Bondi Beach rail link, promised in 1998, was dumped. The high-speed rail link to Newcastle and the Central Coast, promised in 1998, was dumped. The high-speed rail link from Sutherland to Wollongong, promised in 1998, was also dumped. The central business district-new harbour crossing rail link which was promised in 2005 was dumped. The central business district to Rozelle metro—we just love that one—was promised in 2008 and was dumped with a cost to the New South Wales taxpayers of \$500 million. It was wasted, not a sod was turned and not an inch of infrastructure was built. What would that amount have achieved in members' electorates? What could regional New South Wales have done with that?

It does not finish there. In 1998—I would like to see what wines were introduced that year, because it was a good year for Labor—Labor promised to build seven transit ways but managed to deliver only 2½ of them. The half that was built was the back half, not the front half. Those that Labor failed to deliver included the Parramatta to Blacktown transit way, promised in 1998 and dumped; the Penrith to St Mary's transit way, promised in 1998 and dumped; the Blacktown to Wetherill Park transit way, promised in 1998 and dumped; and the Blacktown to Castle Hill transit way, promised in 1998 and half delivered.

From 2007 to 2009 traffic on the M7 increased by 13 per cent; on the M2 by 9 per cent; on the M4 by 6 per cent; and on the M5 by 4 per cent. In 2008 average travel speeds in the morning peak on the M2 were 21 kilometres per hour; on the M4 and Parramatta Road, 28 kilometres per hour; while the M5 managed to crawl up to 34 kilometres per hour. Many other examples of incompetence, mismanagement and waste were displayed by the former Government, and infrastructure lies were peddled before the election only to be ignored later. For example, Labor promised to deliver an easy access upgrade to Burwood station in 2001, but it took nine years to deliver it. It promised a railway station for the University of Western Sydney at Werrington and, unsurprisingly, it was dumped. It is unbelievable that the member for Maroubra could make such comments given Labor's record. It is unbelievable that Opposition members, all 20 of them, could say that given the election results on 26 March. I almost said 16 March, which was the date of a motor vehicle accident with which we are all familiar.

On 26 March the people of New South Wales said they had had enough of Labor spin, lies and scandals, and were sick of the lack of delivery of infrastructure and the lack of jobs and the fact that New South Wales was deteriorating to a stage at which it is one of the worst States in Australia. The people had had enough. Yet despite all that, the Labor Party still has not got the message. The Coalition Government will deliver jobs, particularly in regional areas, and make New South Wales number one again. One component in achieving that goal is a rebate in payroll tax. That will provide an incentive for employers to employ people. Members opposite should jump up and down because for 16 years they did absolutely nothing and employment went to record lows in regional New South Wales.

Mr Nick Lalich: They kept us there for 16 years because we did nothing, right?

Mr STEPHEN BROMHEAD: No, it was 16 years of spin. The former Premier had 34 full-time spin doctors—spinning, spinning, spinning. I have just read out four pages of Labor spin and lies and proposals that Labor said it would deliver but did not deliver. I commend the bill to the House.

Mr CHRIS PATTERSON (Camden) [11.00 a.m.]: I speak in support of the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011, which implements an initiative of the Government from its 100 Day Action Plan to rebuild the economy of New South Wales. The Jobs Action Plan will create 100,000 new jobs in New South Wales. The bill implements the New South Wales Government's initiative to restore economic growth to communities by strengthening, developing and providing opportunity for growth. The Jobs Action Plan will provide a payroll tax rebate of \$4,000 per full-time employee and a prorated rebate for part-time employees for the first 100,000 new payroll tax paying jobs created in New South Wales. It will also pay the rebate in two equal parts after the first and second anniversary of the hire of a new full-time employee. To apply for the rebate employers will simply submit a declaration, along with evidence of employee numbers and eligibility for the rebate, to the New South Wales Office of State Revenue. To qualify for this rebate the job must be a genuinely new position.

Mr Bryan Doyle: A new job.

Mr CHRIS PATTERSON: I thank the member for Campbelltown for that. This will be defined as an increase in the full-time equivalent number of employees on the first and second anniversary of the hire of a new

employee. Quite clearly, payment of the rebate on the anniversary of the creation of a job re-enforces the fact the job has been good over a sustainable period. The wages for the new position must be liable for payroll tax in New South Wales and, quite obviously, the work of the position must be performed mainly in New South Wales. For part-time employees the rebate will be prorated based on full-time equivalent hours of employment. Rebates will not be payable if the higher level of employment is not maintained at the one-year and two-year anniversary points. Again I make the point that this will encourage firms to retain new employees and provide a safeguard for potential abuse.

The whole idea of the 100,000 job creation action plan is to ensure that the jobs are sustainable. That will obviously help grow the New South Wales economy. It must be reiterated that importantly 40,000 of the 100,000 jobs created will be in New South Wales regional areas. This will provide regional areas with a much-needed boost and create long-term employment in these areas. We are all aware of the hardships that regional New South Wales face and any steps the Government can take to alleviate those hardships should be encouraged. It is a priority of the O'Farrell Coalition Government to support the whole of New South Wales, and that has been demonstrated with this action plan and by the fact that 40 per cent of jobs will be created in regional areas.

The scheme has been designed to meet the Government's commitment to reduce unnecessary red tape for businesses. It will make New South Wales more competitive and a more attractive destination for employers. Only a couple of weeks ago the member for Campbelltown, the member for Wollondilly and I hosted a community Cabinet meeting in Campbelltown, which all members of the Cabinet attended. The Treasurer will I am sure confirm that one of the highlights of that gathering was the opportunity to meet with local chamber presidents and business leaders. The message from them was clear: this measure will give small business the confidence to employ again. At one of the forums in Campbelltown business leaders specifically sought out the Treasurer, a chamber president and me to advise that the action plan is a positive initiative not only for our area but also for New South Wales as a whole. They said it was about time that government supported small business in New South Wales.

It has been said on numerous occasions that for too long employers have not had the confidence to employ staff because the previous Government did not give small business the necessary support. There has been a real fear that without necessary support employing staff would not be achievable. The business leaders with whom the Treasurer and I spoke stated clearly that the Coalition's Jobs Action Plan will give small business the confidence to employ again. They believe the plan will kickstart re-employment in New South Wales. The Coalition Government supports business in New South Wales, and regional New South Wales will benefit hugely because four out of every ten jobs will be created in regional areas and supported through this plan.

We can grow our economy if small business and government work together. But it must be done together. Neither government nor business can do it alone. It is a partnership. With the support of government, businesses can have the confidence to thrive. I do not know where the member for Maroubra obtained his facts but the former Government New South Wales had a dismal employment record. Figures obtained from the Australian Bureau of Statistics show that over the past 15 years our employment growth was less than that of Victoria, Western Australia and Queensland. That is not an acceptable performance for what should be the number one State in Australia. The Coalition Government will make New South Wales number one again. I come from a small business operating family and understand first-hand the restraints placed on businesses. I welcome, as do all small business operators with whom I have spoken, this payroll tax rebate scheme.

With the indulgence of the House I will refer to an issue that the member for Myall Lakes neglected to mention regarding the infrastructure shortfalls—that is, the South West Rail Link. I bring that up because the member for Myall Lakes, in his enthusiasm, clearly glossed over the importance of that rail link to the people of the area. I make the point that 10 announcements were made regarding the South West Rail Link, the first in 2004 by Bob Carr with the project starting at \$688 million. The tenth announcement, made by Premier Keneally, was for a \$2.1 billion project—that constitutes a blowout of \$1.5 billion. However, given all those announcements and Premier Rees taking the South West Rail Link off the table, thus adding another two years to the project, not one metre of track was laid. As part of the community Cabinet meeting I have referred to, the Treasurer—and the Treasurer delighted the crowd on many occasions at that meeting—the Premier, the Minister for Transport, the member for Campbelltown, the member for Wollondilly and I were at Glenfield station where we saw the first 100 metres of track laid post 26 March. The member for Myall Lakes—

Mr Nick Lalich: You're not giving that credit to Barry—that he laid that 100 metres of track straight after the election?

Mr CHRIS PATTERSON: He was certainly there for it. All small business operators I have spoken to believe the Jobs Action Plan is a great idea. I commend the bill to the House.

Mr ANDREW GEE (Orange) [11.12 a.m.]: I speak in support of the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011. The Jobs Action Plan provides rebates to employers of up to \$4,000 per full-time employee for 100,000 jobs. What is most attractive about the scheme is that 40 per cent of those jobs will be in regional New South Wales. It means that 40,000 new jobs in regional New South Wales will be eligible for the rebate. The bill delivers on one of the Liberal-Nationals key pre-election commitments.

I was quite amused by the comments made by the member for Maroubra in this debate. Over the last couple of days in this House a succession of Labor members have waxed lyrical about how good life was in the glory days, the salad days, of New South Wales Labor. As I sit on this side of the Chamber I ask myself: What parallel universe do these people live in? They are still delusional about the malaise that set in across New South Wales under 16 years of their reign.

The member for Maroubra asked: "Who will this rebate help? It will only help big business." Well, I have some news for the member for Maroubra. There are people in the community who take risks. There are people in the community who borrow money, who employ people, and who create wealth. The member for Maroubra may not mix with many of those people; they may not exist in his world. But those people exist in my world, they exist in my electorate, and they exist in every electorate across New South Wales.

I was fortunate to be preselected in June 2010. Shortly after that preselection Mr O'Farrell visited the electorate of Orange and announced the Jobs Action Plan for regional New South Wales. One of the businesses he and I visited on that day was Jeff Hort Engineering, which is run by Jeff Hort himself. Jeff moved to Orange, like many of us did, to start his business and build a life there. Jeff has been very successful. He employs more than 120 qualified fabricators, fitters, machinists and apprentices. On that day Jeff Hort sat across the table from us and spoke about payroll tax being a disincentive to his business because it unfairly punishes successful businesses. That is the problem with payroll tax. We would all like to see payroll tax abolished, but we cannot do that.

However, we are offering the next best thing: easing the burden on businesses and lessening the impact of this impost on them so they can get on with the business of employing people and creating wealth. This morning it became clear why members on the other side of the House are so dismissive of the effects of this legislation. Their comments were indicative of what they simply do not understand about the economy in New South Wales. They do not understand who is out there creating the jobs, who is out there creating the wealth, who is taking the risk, and who is employing people. Not only will big business benefit from this legislation; small and medium-size businesses will also benefit from it. The threshold for payroll tax in this State is only about \$658,000. You do not have to be Rio Tinto to be hit by payroll tax.

Mr Mike Baird: Twelve employees.

Mr ANDREW GEE: The Treasurer advises that a company with 12 employees pays payroll tax. I thank the Treasurer for that information. Not only will the businesspeople themselves benefit from this legislation but the people they are employing will also benefit from it. Working men and women of Australia stand to benefit from this legislation, because they are the ones who will be given the jobs. That is what members on the other side of the House fail to understand.

It is worthwhile going through a couple of the key elements of this legislation. Clause 5 establishes a rebate scheme for payroll tax paid or payable by employers who employ people in new jobs on or after 1 July 2011. Clause 7 provides that employment is "eligible employment" if a person is employed, as a full-time or part-time employee, in a position that is a new job; the employment commences on or after 1 July 2011; the employment is maintained for the minimum employment period; the services of the employee are performed wholly or mainly in New South Wales; the employment satisfies any further eligibility criteria set out in the rebate criteria; and the employment is not excluded from the rebate scheme.

Clause 8 defines what is meant by a "new job". A position is a new job if the employment of a person in that position results in a sustained increase in the number of the employer's full-time equivalent employees—that is, an increase that is sustained for two years. The legislation will be a big stimulus for new jobs creation. Clause 10 provides for the minimum employment period in respect of a new job. The minimum employment

period is stipulated as two years starting on the date eligible employment is claimed to commence. A person must be employed in the position for which the rebate is claimed for the whole of the minimum employment period, disregarding short vacancies.

Clause 14 provides that the rebate can be claimed for the first and second year of employment only. The first year of employment is the period commencing on the date the eligible employment is claimed to commence and ending on the first anniversary of that date. The second year of employment is the period commencing the day after that first anniversary and ending on the second anniversary of the date the eligible employment is claimed to commence. Clause 15 provides that the rebate payable is \$2,000 a year for each full-time employee and a proportional amount for a part-time employee. A number of employees stand to benefit from this legislation. Clause 17 enables the Chief Commissioner of State Revenue to determine the number of full-time equivalent employees of an employer, and the amount of the rebate, by agreement with the claimant in certain cases.

Part 4 of the Act will provide for registrations and claims for rebate. Clause 23 provides that the Chief Commissioner of State Revenue is to decide whether a rebate is payable in respect of a claim and the amount of the rebate payable. Clause 24 gives the chief commissioner power to refuse a claim if he or she is of the opinion that a claimed increase in the number of full-time equivalent employees of an employer is contrived for the purpose of claiming a rebate under the rebate scheme. In other words, checks will be in place in the legislation to ensure that all claims are bona fide.

If objections are made to claims, the legislation also provides for an objector who is dissatisfied with the Chief Commissioner's determination of an objection to apply to the Administrative Decisions Tribunal for a review of the Chief Commissioner's original decision. This Act is not like the schemes that were put in place by those opposite—for example, the Solar Bonus Scheme. Checks have been included in the Act to ensure that there are no rorts or blowouts and those inclusions are commendable.

As a general rule rebates will not be payable if the high level of employment is not maintained at the one-year and two-year anniversary dates. This will encourage firms to retain new employees and avoid any potential abuse of the scheme. However, there may be instances, for example if an employee resigns, where the employer's full-time equivalent number of employees on an anniversary date falls below the required level for reasons beyond the employer's control. In those situations the chief commissioner must pay the rebate. If the number of employees falls below the required level for more than 30 days in each of the two years, the rebate will not be paid unless the fall occurred because of factors beyond the employer's control. In that case the rebate will be based on the length of time the position was filled; using the same formula that applies to the calculation of the rebate for part-time employees.

Certain employment arrangements will not be eligible, for example, employing people under a labour hire arrangement where liability for payroll tax arises under payroll tax provisions applying to employment agents. Engaging contractors not as employees is another avenue of abuse that will be effectively closed as a result of this legislation, as will employing people for seasonal work where the position will not be filled for two years. Employment agents will be able to qualify for rebates in respect of their own employees provided they satisfy the criteria. Employers will not be eligible for the rebate if their total annual wages are below the payroll tax threshold—they are not eligible to pay payroll tax—or if they are exempt from payroll tax, such as charitable bodies that have no commercial undertakings, or if they receive other rebates such as the rebate for apprentices and trainees under the Payroll Tax Act 2007.

Basically the scheme ensures that the rebate is made available to employers who have genuinely increased their workforce. The new employee must not have worked for the employer or for a related business or for businesses acquired as a result of takeovers and mergers in the previous 12 months. Similarly, the chief commissioner may refuse to pay a rebate claim if the required increase in full-time equivalent employees was contrived—for example, by sacking existing employees prior to filling the new positions. This legislation will be a tremendous shot in the arm to business and employment growth in New South Wales.

The attitude of the member for Maroubra to this legislation—that only big business will benefit—shows a total lack of understanding of how business operates in New South Wales. The attitude of the member for Maroubra shows a total lack of understanding of what businesspeople have to go through to turn a dollar and create wealth and opportunity in this State. I am talking about people who have not been fortunate enough through their careers to be able to recline in jobs on the Queen's shilling, jobs for the boys or party apparatchiks. These people are taking the risks, employing people and borrowing money—in some cases losing it and making it again—and these are the people that the Liberals and The Nationals want to support.

The Government will support those people through this legislation. Not only will the Government support businesspeople; it will also support the working men and women of this State who will directly benefit from this legislation. Those on the opposite side fail to understand that and have overlooked it in debate on this legislation. The bill delivers on a key promise and commitment made by the Liberals and The Nationals in the lead-up to the election. Today is a proud day: the Government is delivering on that commitment. The bill will create wealth and opportunity in this State, and I wholeheartedly commend it to the House.

Mr JAMIE PARKER (Balmain) [11.24 a.m.]: I speak on the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011, which seeks to provide a payroll tax rebate for employers of up to \$4,000 per full-time employee. The briefing note states that the bill is intended to assist in creating 100,000 jobs—60 per cent in metropolitan areas and 40 per cent in non-metropolitan areas. Supporting the business community, and small business in particular, is a very important objective for any member of Parliament. It has been my great pleasure to support local business in my area during my role as a councillor and mayor for several years. I support entrepreneurship and I encourage people to invest, innovate and build the kind of engaged community we would all like to see.

The Greens are supportive of efforts to remove the impost on providing employment. In principle The Greens are supportive of efforts to reduce any impediment to job creation and are supportive of efforts to retain staff in New South Wales. But a few questions need to be asked about this bill. I thank the member for Orange for outlining some of the important integrity measures contained in the bill. Those integrity measures will ensure that people seeking the exemption will do it on a genuine basis. Those people will not be simply hiring and firing and then re-employing people to gain the benefit of the rebate. They will be genuinely committed to increasing employment and providing new jobs.

The cost of this measure is significant. During the crossbench briefing we were told the cost would be in excess of \$330 million. That is a significant investment by this Government. Over the past few months there has been a great deal of discussion about defending the integrity of the Government's revenue stream and proactively managing costs. The Government has introduced some particularly unpopular bills—one in particular on industrial relations, which we will be discussing later on this evening. That proposed legislation seeks to restrain wage growth to 2.5 per cent—just as the previous Government had done—but, more importantly, it seeks to abolish the independence of the umpire: the Industrial Relations Commission.

It is important to analyse the detail of the bill to understand its impact on job creation. Surprisingly, from looking at the Treasury papers, over the last year 130,000 jobs have been created. The financial sector has been significantly impacted by the global financial crisis. A significant proportion of the constituents in the electorate of Balmain are employed in the finance sector and they were hurt as a result of it. Contractors, independent workers and those working in large multinational companies were also impacted by the global financial crisis. However, significant stimulus spending led to a mini-boom because the increased level of employment last year was significant and was not predicted by a significant proportion of economists. We know from looking back and from looking forward that significant job growth is predicted.

The question that must be asked is, "Out of that \$330 million how many new jobs will be created?" Surely that is a simple exercise. A question about how many jobs would be created was asked at the crossbench briefing. The question asked not about how many jobs would be created because of the measures being taken by the Government and the private sector, but how many new jobs. The response was that the number of new jobs would be "several thousand". I ask: Is that 2,000, 3,000 or 5,000 new jobs? I request the Minister to address this matter in his reply to the debate in order to give members a better understanding of its impact. Obviously Treasury has done some modelling and significant sensitivity testing relating to options. We have heard a lot of talk about 100,000 jobs but this bill will not create or stimulate 100,000 new jobs—no-one is claiming that.

The modelling done by Treasury at the Government's request shows several thousand new jobs will be created, and that is a positive step. But those several thousand new jobs will have the potential to cost \$330 million over four years. I ask the Treasurer in his reply to outline the predicted total cost of this measure and the cost per new job it will create. As I said, reducing payroll tax is an important step forward. The Government when in opposition made this commitment and it is obviously keen to follow through on its commitment, as it should. One of the great advantages of being in government is that you have the ability to test the cost benefits of the proposal, to engage in sensitivity modelling and to look at the proposed impacts of the bill. I ask the Treasurer to indicate whether the Government has looked at the cost impact of this measure on revenue in the long term.

We have been told that the measure will cost \$330 million over three to four years. Did the Government look at investing this \$330 million over three to four years in education and training, a new hospital, extended light rail, or improvements in public transport? What would the job creation impact be if the \$330 million were invested in infrastructure that delivered benefits to regional and rural New South Wales and potentially metropolitan Sydney? What job creation benefit would be gained from such a project? During my time at university I spent many years stuck in the neoclassical econometrics. I learnt that one of the difficulties for those who do not have the benefit of a government Treasury—

Mr Paul Lynch: It is not necessarily a benefit.

Mr JAMIE PARKER: It may not be a benefit. One of the difficulties is the ability to look at different modelling. The creation of several thousand jobs at a cost of \$330 million seems to be a very expensive exercise. I ask the Treasurer whether the Government has looked at other modelling to determine whether this \$330 million could be better spent. Even without the benefit of Treasury modelling I can say that a \$330 million investment in infrastructure in New South Wales could result in significant job creation and deliver significant benefits over time. I ask that question of the Treasurer and I look forward to his response. An important point is the forgone revenue. I also ask the Treasurer to indicate how the Government intends to fund this measure. Will the Government seek to raise other taxes to keep the revenue base identical? Does the Government consider that the revenue will come from other areas? Will it come from the proposed restraint on public sector wages or other measures?

Mr John Williams: He sounds like my mother-in-law.

Mr JAMIE PARKER: I note the interjection from the member for Murray-Darling. I am going into some detail, but it is important that when significant amounts of money are to be expended members ask the Treasurer where the money will come from; if it is proposed to be raised from other areas what are those areas; and if it is proposed to come from savings where are those savings coming from. Every member of this House should be asking those questions. The key points that I have raised must be addressed by the Treasurer. I ask the Treasurer to provide an answer to my questions. It is clear that payroll tax is a problematic tax. It is an inefficient tax; it is a tax on employment; it is a tax that is not optimal.

The \$330 million of expenditure—and we are not clear on the total cost—must be justified by what it will deliver. We have been told that it will deliver several thousand new jobs. I ask the Treasurer to release the modelling to the House in order to demonstrate whether it will create 2,000 or 3,000 jobs. The answer we received from a government bureaucrat was several thousand jobs. To me, several thousand means 2,000 or 3,000. The creation of 3,000 additional jobs at a cost of \$330 million is a significant amount of expenditure. We know there will be significant job growth. The budget papers from the last period have predicted significant job growth and the economists' understanding of employment outlines significant employment growth.

I welcome opportunities that reduce the impost of payroll tax. I ask the Treasurer to highlight exactly how many new jobs will be created by this proposal. Can the Treasurer release the modelling that demonstrates the total number of new jobs, whether it is 2,000 or 3,000? Can the Treasurer indicate whether in his view the creation of 2,000 or 3,000 jobs at a cost of a reduction in ongoing revenue to the State of \$330 million is an appropriate expenditure? Can the Treasurer also indicate if alternative modelling was done to see whether this \$330 million ongoing impact on revenue could have been better spent in another way?

Mr John Williams: You couldn't make a decision at Leichhardt.

Mr JAMIE PARKER: I am proud to say that at Leichhardt Council we have done very well. We had many years of the Labor Party. If members read my recent speech on infrastructure for Leichhardt Council they will see that the council before us—wait for it, you will be surprised—underspent almost 75 per cent of rates revenue in terms of carryover. The current council has addressed this issue and made sure that the carryover is not taken forward.

Mr John Williams: You didn't waste it.

Mr JAMIE PARKER: We did not waste it. We spent it on childcare centres and important public infrastructure. I am glad the member for Murray-Darling has interjected on this issue. What could the Government alternatively spend the \$330 million on to create jobs? It is not a one-off cost but an ongoing rebate every year for three to four years. Does the Government have an opportunity to invest the \$330 million in a

different job creation program, particularly infrastructure, which delivers long-term, ongoing benefits to the community? I thank the House for the opportunity to speak on this bill. I look forward to the Treasurer's response. I welcome the Government addressing payroll tax. I hope the Government will invest the \$330 million in the most efficient and effective way to create the most jobs and provide the greatest benefit to the people of New South Wales.

Mr BRYAN DOYLE (Campbelltown) [11.36 a.m.]: I support the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011, which has been introduced by probably one of the greatest Treasurers this State has ever known. It is the start of a renaissance for New South Wales. Through this Government, New South Wales is the home of small business, enterprise and job incentive. This bill will grow jobs, which is important in my electorate of Campbelltown, the opal of the south-west. Campbelltown is an emerging regional city with a need for new jobs. Job creation is vital and true stimulus spending. Every job created has a knock-on effect of more jobs and greater prosperity. That is true stimulus spending. Local jobs benefit local communities. Local businesses contribute to and grow their local communities. The impact of this bill is significant. The member for Maroubra admitted that this bill will help grow jobs.

One wonders why the former Labor Government did not introduce such a measure. Its only ability was to make big businesses small and run small businesses out of business altogether. I will highlight some of the impacts of this bill on Campbelltown, the opal of the south-west. Ingleburn Village Mowers and Power Tools is a small business that will benefit from this bill. The mower centre employs 30 people and is a centre of excellence for small petrol mowers. This family-run business services the entire region, providing small engine mowers, whipper snippers and the like. It is so highly regarded that the Army sends its personnel there for training on small petrol mowers and engines. The business contributes to its local community, including devising a small motor engine course for school students. The course is run at Airds High School, which is located in my electorate. This bill will help people like Geoff Grimes of Ingleburn Village Mowers to recruit and train more people.

The bill will help other great businesses in the Campbelltown area. The club industry is one of the great industries that the previous Labor Government tried to beat the hell out of and the Federal Government is attempting to beat the hell out of. This Government supports businesses such as clubs. Campbelltown is blessed to have a wonderful array of service clubs that give back to their community. Campbelltown Catholic Club started out to raise funds for schools in the area and it still contributes to its local community. Campbelltown RSL, the mighty Wests Tigers and Ingleburn RSL all employ large numbers of local people, and they too will benefit from the payroll tax rebate scheme.

Car dealerships will also benefit from the scheme. I note that the member for Murray-Darling is a former car dealer. In fact, he is the only car dealer from whom I bought three cars during my stint in Broken Hill. I now buy my cars from Macarthur Ford, another great car dealership in Campbelltown. Car dealerships employ a large number of local people and they too will benefit from the payroll tax rebate scheme. A few members of the House are lawyers. There is nothing wrong with lawyers—I have had training in the law. Campbelltown has the greatest of Sydney's legal firms, Marsdens, and it is a very good local employer. This bill will grow business because it will give people the incentive to employ people. One of the great things about this Government is that it was elected to get this State moving and to make it number one again. That is why I can confidently commend this bill to the House.

Mr RICHARD TORBAY (Northern Tablelands) [11.41 a.m.]: I support the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011. I have heard a great deal of the debate since this bill was introduced by the Treasurer. I commend the Treasurer for introducing this legislation, for a number of reasons. For the benefit of members of the business community in the Northern Tablelands I will outline what this bill will do. As the Treasurer has indicated, the bill is primarily about creating new jobs. It establishes a payroll tax rebate scheme that will give employers an incentive to increase their number of employees until 100,000 new jobs are created, which is the stated policy of the Government. It is a good policy because job creation is very important, and this bill underlines the support that we should give particularly to the business sector and to small and medium business enterprises, which are the engine room of every local community.

Like the Minister for Primary Industries, and Minister for Small Business, who is at the table, I have been in this place since 1999 and I have heard a lot of debate about payroll tax. This rebate scheme is a good first step in creating jobs, because it is a massive disincentive to businesses to see a payroll tax structure when they are trying to grow, and create employment and services. The growth of businesses with job creation assists the State and it is central to the reason for the introduction of the bill. I was also pleased to see how metropolitan

areas are defined in this bill. The Sydney Statistical Division, or the Sydney area, and the areas of Newcastle and Wollongong are included in the Sydney Basin, and non-metropolitan areas consist of the rest of New South Wales. That is a good way to draw the distinction that people in rural and remote communities have been commenting on for years.

A payroll tax rebate to employers of up to \$4,000 per full-time employee, with a pro-rata arrangement for the rebate for part-time employees, based on the number of hours worked compared with the standard working hours of full-time employees, is a fair allocation of the process. The eligibility criteria for the rebate raise a number of questions. As I said, the scheme is a good first step, but after its implementation I would like to see the criteria reviewed, particularly some of the exclusions, and consideration given to what can be done to assist employment into the future.

The second point I make is in relation to the work that has been done by a range of organisations and institutions that believe taxation incentives are a major driver of population growth. In a previous private member's statement I have raised population statistics in inland country New South Wales, particularly in the west of the State, which are alarming. The population is declining in those areas. Some years ago the Institute of Chartered Accountants issued a report, and the Local Government Association and the National Farmers Federation were part of that report. I urge all members to read the report on zonal taxation. It is online and it is a large report, but it is definitely worth reading.

If we are going to talk about job growth—which is great—we also need to consider where population is growing and where it is not, and how taxation incentives like the payroll tax rebate scheme and other taxation incentives can assist in taking the pressure off major growth areas that are having trouble coping with growth and providing opportunities for people looking for lifestyle changes. These sorts of taxation incentives will assist with opportunities that many inland regional communities are crying out for. It is a win-win situation: it is a solution for the metropolitan area that seems to be significantly overburdened by development and it is a win for the regional and rural community that is crying out for those opportunities. Balanced growth will assist the provision of the resources that are necessary for the ongoing viability of the State.

I commend incentives such as this rebate scheme. All members of Parliament stand up in this place and request new hospitals, new schools or school extensions for their electorates. But I acknowledge that there are affordability issues, so I will not stand here and say that the Government should abolish payroll tax altogether. A mechanism that aims to grow jobs, to grow the economy and to adjust the taxation contribution downwards is a fair initiative, given that all the resources we ask for on behalf of our electorates have to be paid for. We must acknowledge that fact, and I believe the Treasurer has done that with this legislation. However, I would like to see a review of this scheme in a reasonable time—perhaps a year or two—so that businesses can provide feedback into exactly how this legislation has been working.

The intention of the legislation is clear, but we must ensure that its operation is consistent with that intention. The Government has introduced some good legislation in a number of areas with these sorts of incentives and flexibility. But I would like to hear suggestions on how to improve the Government's reach to create jobs and to encourage population growth with other taxation incentives that assist rural and regional New South Wales and, in turn, Australia. I commend the bill to the House.

Mr JOHN WILLIAMS (Murray-Darling) [11.48 a.m.]: I make a contribution to the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011. As a small-business owner for 30 years and having paid payroll tax for 30 years I believe I am qualified to have an opinion on payroll tax. Today we have heard a number of contributions and I refer particularly to the contribution from the member for Maroubra who effectively said that this was a very minuscule amount of money to act as an incentive. These types of measures will be the deciding factor when small business operators make decisions about employing one or two extra staff members. This legislation will be effective in encouraging them to make such a decision.

The member for Maroubra asked how this legislation will benefit people who are not paying payroll tax. Clearly, it will not. The member has probably lost touch with his electorate, but he should find out how many of his local small businesses pay payroll tax. The member for Campbelltown talked about motor vehicle dealers. Every motor vehicle dealership in my electorate pays payroll tax. Such small businesses are big employers. They employ many more people than one would assume, given the number of people in the showroom. People also work behind the scenes providing the support that those businesses need to operate. I am sure that business operators who take advantage of this legislation will compliment the Government. Of course, the member for Maroubra will be very happy to bathe in reflected glory.

The member for Balmain spoke in true academic fashion. He demonstrated how academics deal with decisions and come up with nothing. Everything governments do involves a degree of risk. If governments do not make any decisions or take any risks they will rapidly stall the economy. We must take risks and this risk is well worth taking. Payroll tax has always been an issue and we have had extensive debate about it. It is acknowledged that the payroll tax rate in New South Wales is the highest in the country. We have had a problem with payroll tax for many years and it is widely recognised as a major disincentive to employment. There is no doubt that employers consider the impact of payroll tax every time they think about expanding their workforce.

This legislation implements the Government's policy of subsidising small business to engage more employees. It will prove its worth over time and will lead to major employment growth. The member for Maroubra might also increase his margin from 0.7 per cent to 1.7 per cent or even 2.7 per cent if it works well. He will certainly enjoy a spin-off. This Government is all about fixing the problems confronting this State and this is just one component of the 100 Day Action Plan. I assure the doubting Thomases opposite that this is very good legislation—the proof will be in the pudding. I commend the bill to the House.

Mr ANDREW FRASER (Coffs Harbour—The Assistant-Speaker) [11.54 a.m.]: I will respond briefly to the diatribe we just heard from the member for Maroubra and the questions asked by the member for Balmain in relation the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill. Members opposite should remember that encouraging small business to employ more people by providing a payroll tax break generates increased economic activity. Is that not what this State has been lacking for the past 16 years? We need a State government that encourages small businesses to employ more people, to increase their profits, and to reinvest in the community and their businesses.

Members on this side of the House have acknowledged that their electorates are run by the powerhouse of the State, that is, small business. If we did not have small businesses in our electorates we would not have electorates. The majority of rural and regional electorates are not home to major companies; we have medium-size businesses and the majority of them pay payroll tax. More than two million people are employed by businesses in New South Wales that pay payroll tax. Even a small business with 12 employees will pay payroll tax. I am amazed that the member for Maroubra, the shadow Treasurer, has bagged an initiative that will increase economic activity in this State and will help small businesses not only in Coffs Harbour but also in Myall Lakes, Murray-Darling, Manly, Monaro and Burrinjuck.

We support our small businesses and we want to encourage them to employ more young people so that rural and regional New South Wales does not suffer from employment migration to Sydney or Brisbane. We do not want business to be driven out of this State. Over the past 16 years the small business sectors of Victoria and Queensland have grown more quickly than ours. Under the Kirner Government, Victoria was regarded as the rust bucket of the Australian economy—people were moving in droves to New South Wales. They are now bypassing this State on their way to Queensland and some people are even returning to Victoria because they get a better deal out of those two States than they ever got from the Labor Government in this State. This Government is trying to address that imbalance.

The member for Balmain, the first Greens member in this place, complained bitterly about the \$330 million that will be spent to stimulate our economy. It is good that the Minister for Primary Industries is at the table. She well knows about the red gum decision that impacted primarily on the member for Murray-Darling's electorate. If \$330 million had been offered to close down an industry worth \$72 million to the economy the member for Balmain would have been champing at the bit to grab it. He should consider the overspend on the management of national parks in this State over the years. Despite that, we have not seen real growth in ecotourism that was promised by members opposite. The member for Balmain talked about the great job that Leichhardt Council has done. He should get out of the ocean and go back to the pond because he is not making a splash here.

I am amazed at the number of jobs in the timber industry that The Greens have destroyed, not only in the red gum industry but also in the North Coast hardwood industry. That industry was decimated by The Greens in partnership with the Labor Party in its attempt to secure Greens preferences. We all remember what Frank Sartor now denies he said to the timber workers. He told them that the Labor Party needed Greens preferences to retain government, and the Greens wanted a red gum national park so they would get one. As I said, they totally ignored a \$72-million industry. Where are the ecotourism jobs Labor said would be created? They have not eventuated.

It is amazing how the red gum forest has improved with increased rainfall. Of course, that increased growth will result in more bushfires in those vital forests, which could continue to provide a fantastic resource

not only to the local area but also to the New South Wales economy. I commend the Treasurer for bringing in legislation that is part and parcel of our promise. He brought it in within the 100 days. It will be great for small business, particularly in regional and rural New South Wales.

Ms KATRINA HODGKINSON (Burrinjuck—Minister for Primary Industries, and Minister for Small Business) [11.59 a.m.]: I want to make a brief contribution to debate on the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011. The creation and passage of this bill by a Treasurer who has already been described in this place as the greatest Treasurer we have ever had is a strong indication of the passion this Government has for small business in New South Wales. For the past 16 years we saw nothing but ignorance of small business in this State. An adage used to go around the Opposition benches, "How do you create a small business under Labor?" The answer was, "You start with a large business." That reflected the attitude Labor had towards small business in this State.

We have a positive action plan for small business. During the election campaign I went to many regions around the State spruiking this action plan policy to local communities. Whether it was to a transport company in Macksville or an abattoir operator in Cowra, everywhere I went businesses welcomed this concept with open arms. It has been a bugbear of small businesses for so long that they need to carry this payroll tax burden with them. I have listened to the debate carefully and some interesting things have come out during the debate—I will allow the Treasurer to address them in his reply—but, overall, the sentiment has been that this will be a positive thing for the State and will encourage investment and jobs growth in the regions, particularly as 40 per cent of these 100,000 new jobs will be targeted at non-metropolitan areas. It will be the greatest boost small business in country New South Wales has had for as long as I can remember.

Like many members on this side, I have been a small business operator—with 19 years experience. It is tough in regional areas to start a small business, to keep it going, to expand it to other towns and then, if it comes to pass, to sell that business on so it can continue into the future with good new owners. Nary any support has been given by the Labor Government over the past 16 years for small businesses of any scope. I am determined to turn that around. We have already started advertising for the small business commissioner. Our Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011 is another part of our plan to support businesses and regional economies. I totally commend the bill to the House.

Mr MIKE BAIRD (Manly—Treasurer) [12.02 p.m.], in reply: It is a pleasure to wrap up this debate. I thank members for their contributions to the Payroll Tax Rebate Scheme (Jobs Action Plan) Bill 2011. A few contributions need to be responded to, particularly that by the member for Maroubra. One of the important points in life—and it is a broad life lesson—is that if you do things wrong the first way to start to march forward is to understand the mistakes, accept them and learn from them. We have continual denial from those opposite about their economic performance, about what they did to jobs, investment and infrastructure in this State. Unfortunately, the member for Maroubra continued this. He tried to paint a story, as State Labor regularly did, of an economy, whether it had green shoots or whatever, that was going well. Fundamentally, it was not.

We have been behind every other State in relation to jobs for the past 10 years. It is the same story with economic growth. It is important in this debate that the member for Maroubra and other members of the former Government understand how they portray themselves in relation to jobs, investment and an economic environment. Importantly, a lot of the growth in the last few months that the member for Maroubra articulated was attributable to Federal stimulus money. When you start to wind back public investment you see the true state of the economy and, unfortunately, today the story is one of struggle and concern and certainly one we need to address. That is why we are taking the action we are in this bill.

The member for Maroubra also spoke about the black hole. I do not know how often I have to say this but he made an incredible claim today when he admitted that Labor did not hand over four surpluses, which, only a few days before the election, it said it did. In his speech today he admitted there were two years of surpluses and then the deficits flowed. So for the first time the former Government has admitted, through the member for Maroubra, that it did hand across two deficits. We know, as more information has come to light, that it was a row of deficits, but the shadow Treasurer admitted the Labor Government handed over deficits.

On the black hole, I reiterate that a few days before the election the Labor Government was talking about a row of surpluses; the day after the election we have a difference of \$4.5 billion, which blew out to \$5.2 billion. That is, we were \$5.2 billion worse off than we were told a week before the election. Whatever way you cut it, that is what we are dealing with, and the shadow Treasurer knows that and should acknowledge that. He talked about infrastructure spending. I do not want to go into the whole story, but ultimately it is not what

you spend but how you spend it. We saw examples such as the CBD Metro, where money was spent but it was spent in a way that delivered nothing to the State and nothing to infrastructure. There were examples like that time and again.

I acknowledge that the former Government made some cuts in payroll tax but the gap was so wide for so long that jobs and economic activity were driven away from New South Wales. We have started to remedy the payroll tax problem with this initiative today. The member for Maroubra tried to say that it had no impact on businesses across the State when more than two million employees were impacted by companies paying payroll tax. I would argue that a small business of 12 people paying payroll tax is an important part of the economy. It seems that State Labor does not want to have anything to do with those small or medium businesses that will directly benefit from this action today.

The member for Myall Lakes made a strong contribution. He spoke about the infrastructure failure and, importantly, he stated, "This bill will give employers an incentive to employ." That was well encapsulated. That is the spirit of the bill. We are trying to provide an incentive to businesses to employ. We make no apologies for trying to get this economy moving and giving employers the opportunity to get the State going by providing jobs. The member also noted opportunities in non-metro growth in regional New South Wales, which is a big part of this initiative. The member for Camden, himself a small-business owner, spoke about looking for sustainable jobs. He is exactly right. We want to grow the economy, but we want to grow it in a way that is sustainable in the long term. That is the intent of this bill. The member spoke about local residents at the Macarthur community Cabinet. Time and again they said they want support, and this is exactly the sort of measure they want to see.

The member for Orange spoke about attracting jobs to regional New South Wales, which is exactly what this bill will do, and delivering on commitments. It is important for the House to understand that what we are doing today is delivering on our commitments that we gave in the campaign. That is what the O'Farrell Government is about, delivering on our commitments. The member for Orange also spoke in glowing terms about mums and dads who take risks, borrow and employ. That is how businesses are created. This bill will support enterprise, support risk-taking, and support those mums and dads, those families, those pioneers who put their ideas and hopes into practice and back themselves. The O'Farrell Government wants to support them. This jobs action plan tells them to go out and employ, and we will take away the payroll tax burden so they can support their dream. It is those businesses that support jobs in this economy.

The member for Balmain made an interesting contribution, which I welcome. I wish that all members would put every proposal that came before the House under some fiscal scrutiny. Indeed, when I was in opposition I argued for such a process. This is the first fiscal approach The Greens have taken and I welcome this positive start. The member for Balmain asked how this commitment would be funded. During the election campaign the Coalition announced its savings upfront. We have matched savings to our commitment: did not take a dollar off the bottom line, did not add a dollar of debt because we were not sure what we would inherit. We have matched savings to our commitments and that is how we will fund them.

We have a challenge with the budget. That is something we are dealing with in the lead-up to September. We are committed to that and we are supporting jobs. However, until the economy is moving New South Wales will not have the growth it desperately needs. The member for Balmain asked about the effectiveness of the plan. The Government intends to review the plan. Indeed, the member for Northern Tablelands articulated that well. The member for Campbelltown said that the O'Farrell Government is supporting enterprise and small businesses. He stated that locally this would be a winner. He referred to Ingleburn Village Mowers, the Catholic Club and other businesses across his community. This support will encourage businesses across New South Wales to employ people and get the economy moving.

I commend the member for Northern Tablelands for his contribution. He supported incentives for jobs, particularly in non-metropolitan areas. He also asked for a review, and I support that request. With every dollar and every program we will run through the process to determine effectiveness. We will determine whether the money being spent is delivering incentives and the necessary jobs. We will also ascertain whether any improvements can be made. We make no apologies about ensuring that money being spent is creating jobs. We will run that discipline not just for this program but for every program. Unless we have that discipline in the decision-making we will end up with the sorts of poor decisions and money lost under the 16 years of the former Labor Government.

The member for Murray-Darling made an interesting contribution. It is great to have a member in this House from such a robust small business background. He paid payroll tax for 30 years, so he understands the

filling out of forms, paying the tax and how to use the money either in jobs or investment. He argued that the proof of the pudding would be in the eating, and I agree with him. We will assess the program to determine its impact on jobs and the economy. The member for Coffs Harbour said that this measure will be a great boost to small businesses, particularly in regional New South Wales. He gave a few economic examples that he was quite passionate about and stated the support of businesses in his region for this measure.

The member for Burrinjuck is not only a passionate member and Minister but also a wonderful advocate for small business. When the shadow cabinet campaigned and travelled to communities the constant message was the lack of support and that the Government did not understand the challenges that businesses faced through taxation and regulation. Businesses were merely asking for a fair break. This Government is delivering. We are giving them a fair break and a level playing field. We are also providing incentives. The Government is delivering on another election commitment, to target the creation of 100,000 new jobs across this State, jobs that will benefit families, small businesses and the wider economy. Our Jobs Action Plan will provide a clear signal to business that the Government supports jobs growth in this State.

It will also boost regional economies, with 40,000 of these jobs targeted in regional New South Wales. I have already spoken extensively about the need for this plan. Labor's dismal performance on economic growth or jobs growth is a reminder of why we need this sort of bill. It provides a real incentive for businesses to employ. It encourages employers to expand their operations in New South Wales. The provision of jobs will promote economic growth and, most important, it encourages confidence within New South Wales—confidence in business, confidence in communities and confidence within families. The Jobs Action Plan is part of the Government ensuring that New South Wales is the first place to do business. I commend the bill to the House.

Question—That this bill be now agreed to in principle—put and resolved in the affirmative.

Motion agreed to.

Bill agreed to in principle.

Passing of the Bill

Bill declared passed and transmitted to the Legislative Council with a message seeking its concurrence in the bill.

EVIDENCE AMENDMENT (JOURNALIST PRIVILEGE) BILL 2011

Agreement in Principle

Debate resumed from 27 May 2011.

Mr PAUL LYNCH (Liverpool) [12.15 p.m.]: I lead for the Opposition on the Evidence Amendment (Journalist Privilege) Bill 2011. This bill proposes, by way of amending the Evidence Act, to prevent a journalist from having to disclose an informant's identity if the journalist has promised that he or she will not. This is done by establishing a rebuttable presumption that can only be overturned by a court if the public interest in disclosure of the informant's identity outweighs any likely adverse effect. There are also other minor amendments to the public interest considerations in determining professional confidential relationship privilege in the Model Uniform Evidence Bill regime. The model of a rebuttable presumption is a significant change to the existing law. The current Evidence Act provisions allow a court to prevent evidence being adduced in a hearing if doing so would disclose a protected confidence or protected identity information and if the disclosure is likely to harm a protected confider.

This involves the balancing and consideration of various factors and the competing public interest. This is often referred to as a discretionary approach. This professional confidential relationship privilege has operated in this State since 1998. It is not restricted to journalists and their sources but applies to a much broader range of professional relationships. The presumptive approach is often said to have its origins in subsection 68 of New Zealand's Evidence Act. That provides, in short, a presumption that journalists will not be required to give evidence unless the party requesting the evidence can convince the judge that certain criteria have been satisfied. This rebuttable presumption effectively reverses the onus of proof.

The previous Labor Government in Victoria expressed support for a similar scheme, and I understand that the new Victorian Government is of the same view. It has been Federal Labor policy since 2007. There have

been a number of attempts to legislate federally, which came to ultimate fruition earlier this year, in March. Amendments went through the Federal Parliament in 2007 under the Coalition Government, although I think there is a broad view that they really did not solve the issue. The 2009 bill was introduced by the then Federal Government but it lapsed. On 29 September last year Senator Brandis introduced legislation into the Commonwealth Parliament, amongst other things, enshrining the New Zealand model. A very similar bill was introduced by Mr Wilkie, the member for Denison, on 18 October.

The Federal Government supported the Wilkie bill, which also supported the New Zealand model of rebuttable presumption, which eventually passed, although with subsequent amendments. This history is important not just to trace the development of the legislation but because national consistency is an important issue in this area and has indeed been broadly supported for some time in relation to the Evidence Act. The policy and philosophical basis behind the approach is to increase the flow of information to the public. Journalists make information available to the public. This legislation will help provide confidence that this can be done without journalists being held in contempt. It will encourage full disclosure of information in the public interest. Therefore, it will provide greater support for whistleblowers. Of course, it is not *carte blanche*. The presumption is not absolute but rebuttable, so there is no absolute guarantee that a source will always be protected.

There have been a number of instances in recent years where there has been a collision between investigative journalists and the courts. Most recently there was the case of two *Sydney Morning Herald* journalists and subpoenas issued by the New South Wales Crime Commission. That was resolved when the Crime Commission decided not to pursue the production of information it had sought. The instance most frequently referred to, however, in debates on this topic is one from 2004. Michael Harvey and Gerard McManus were journalists on Melbourne's *Herald Sun* newspaper. They pursued and wrote a story about the then Coalition Federal Government rejecting a \$500 million increase in war veterans' entitlements. They refused to identify their source, which led to their being in contempt of court. They were convicted of that and fined \$7,000 each. That, of course, is not the only case.

Tony Barras from the *Sunday Times* was fined and imprisoned for 10 days in Western Australia; Gerard Budd was imprisoned for 14 days after writing for the *Courier Mail*; Deborah Cornwall from the *Sydney Morning Herald* received a suspended jail sentence; Chris Nicholls from the ABC received a prison sentence in South Australia; and three journalists from the Herald and Australian Associated Press faced jail in proceedings with the NRMA, although they were not ultimately pursued by the NRMA. That is the history behind this bill, and there has for some time been a substantial convergence of support for the presumptive model.

The Opposition has two criticisms of this bill. Although neither criticism would justify opposing the bill, one of them will justify the moving of amendments. Both criticisms relate to the scope of the bill—in essence, it does not go far enough. The first criticism is that the bill picks out the situation of only one profession, that of journalists, and provides additional protection for their confidential relationships and sources. There are many other relationships in which confidentiality could legitimately arise in the public interest. These include the relationships of a counsellor and a client, a doctor and a patient, a social worker and a client, a psychologist and a patient, a therapist and a client, and a nurse and a patient. Interestingly, this preference for a broad-based privilege not being restricted to journalists was expressed by the Liberal senators in a recent Senate Standing Committee on Legal and Constitutional Affairs inquiry report. It was also reflected in the bill proposed in 2010 in the Commonwealth Parliament by Liberal Senator George Brandis.

One of the curious consequences of the approach in this bill is that one might have the interesting position of an informant, client or patient giving exactly the same piece of information to various types of professionals with widely divergent types of protection being applicable—dependent not upon the identity of the informant or the nature of the information but upon the type of professional to whom the information was disclosed. That stems from selecting only one type of relationship to benefit from this additional protection.

I remember a number of years ago being included in discussion in this place about protections for and confidentiality of records by sexual assault counsellors, usually arising in the context of sexual assault prosecutions and trials. A more thoughtful consideration of professional confidentiality might have included thinking about that category of cases, and whether the current scheme is adequate and whether it should be reinforced. These are not reasons to oppose the bill but a lament for a lost opportunity. The second aspect in which the bill does not go far enough is in its definition of "journalist". The bill's definition of "journalist" is as follows:

journalist means a person engaged in the profession or occupation of journalism in connection with the publication of information in a news medium.

This accords with the definition originally contained in the Wilkie and Brandis bills in the Commonwealth Parliament. However, it is different in material ways from the definition eventually adopted by the Federal Parliament and does not go as far as the Commonwealth provision. The Commonwealth Evidence Amendment (Journalists' Privilege) Act 2011 provides a definition of "journalist" as follows:

journalist means a person who is engaged and active in the publication of news and who may be given information by an informant in the expectation that the information may be published in a news medium.

This is self-evidently different from and broader than the formulation in the bill before us—although not as terrifyingly broad as some commentators may suggest. There are two serious issues here. The first is that the Attorney, in putting forward the bill, is rejecting national consistency and national uniformity of evidence law. I have never argued that national consistency is essential in every area of human endeavour in this country, but I think there is a very powerful argument for it in relation to evidence laws and confidentiality protections. I also note the irony of the current Government in its having insisted upon harmonisation of occupational health and safety law but not being able to bring itself to pursue that in relation to the evidence law.

It has been a long-term aim to standardise the rules of evidence in Australian jurisdictions. Indeed, it has been a standing item on the Standing Committee of Attorneys-General for some time. However, this bill rejects that. In fact, the most dramatic thing about the bill is its rejection of uniform national rules of evidence. Indeed, it is hypocritical of the present Attorney to do this. He is doing in this bill something for which he excoriated the previous Labor Government. On 6 October last year the then shadow Attorney General—the current Attorney General and mover of this bill—criticised the then Government for not having the Federal position on shield laws.

Specifically, the now Attorney said then, "Desirably, all States and Territories should adopt shield laws in order to ensure consistency in what is a national problem." That was in October last year. Seven months seems to be a long time in politics—and we have another broken promise from the current Government. What the Attorney General is doing now is the opposite of what he said he would do at that time. By way of this bill the Attorney General rejects national consistency. Presumably, he supports national consistency only when it is precisely the model he wants. I indicate that in the consideration in detail stage I will move amendments that will, if adopted, bring this legislation into line with the national scheme.

The second serious issue is what the provision actually means. Presumably, the narrower definition in the present bill is about precluding protections for what is pejoratively called the blogosphere and restricting them to what is often termed mainstream media. There are some problems with this. Certainly the bill does not exclude web-based journalism; it applies to any medium and is not restricted to print, radio or television. Moreover, the definition of journalism in the bill is not quite as narrow as anti-blogger advocates might hope for. In a sense, there is circularity in the definition in the bill: a journalist is someone engaged in the profession of journalism. That is perhaps not the most helpful definition I have ever seen.

However, journalists are not as easily identified as, say, doctors or lawyers. The regulation of the latter two groups of professionals makes their identification much easier. That cannot be said about journalists. So there is already a degree of ambiguity as to how wide the definition is because of the lack of precision in what the term "journalist" means. I believe there is an arguable case, even under the current provision, that someone who does merely a semi-regular blog for token payment comes within the definition and thus the benefit of the protections. So in that sense refusing to adopt the Commonwealth definition is closing the statute doors after the horse has bolted.

But it is even worse: those arguing for a narrower definition presumably do so because they think protections should only extend to serious professional investigative journalists. However, that is simply not the case in this bill. Clearly, the bill would extend protections to, for example, gossip columnists. Lighter, less serious journalism gets the same protection as proper investigative journalism. Granted the directions of some elements of mainstream media, one suspects that the greatest use of the protections in this bill will be by journalists working in the tabloid media pursuing celebrities—which is where some of the major emphasis is going in our contemporary media.

That is not to argue against the bill but, rather, to argue that the rationale for the narrower definition in the bill over the Federal model does not exist. If it already includes gossip columnists, how can one exclude people on the web? If one relies upon the principles behind the legislation—to protect whistleblowers where it is in the public interest to do so—the arguments for the Commonwealth provisions are very powerful. The focus

should not be on who makes what comment in public but, rather, whether it is in the public interest that their source be revealed. As I indicated earlier, I will move amendments to the bill during the consideration in detail stage.

Mr JONATHAN O'DEA (Davidson) [12.27 p.m.]: The Evidence Amendment (Journalist Privilege) Bill 2011 was introduced by the Attorney General on 27 May. The bill will extend genuine protection to journalists' sources. Before the election on 26 March this year the Coalition made a commitment to open and transparent government—to be accountable to the people of New South Wales. Consistent with that commitment the Government is now delivering laws which provide greater press freedom and therefore more accountability to government. Australia and New South Wales have a long tradition of robust democracy. Sadly, the 16 years of Labor rule in this State insidiously ate away at that tradition. Shutting down Parliament to block scrutiny of Labor's shambolic midnight deal to sell the State's electricity assets was possibly the most egregious example in a long line of actions by the former Government to shut down scrutiny and smother accountability with a dirty blanket of self-interest.

In contrast, the new Liberal-Nationals Government is committed to restoring New South Wales to open and accountable government, and delivering on its election commitment by pressing forward with this important reform. Journalist shield laws create privileges for journalists that protect them from requirements to disclose information about their sources. As with other privileges, the justification for journalist shield laws is that a significant public interest is served by withholding certain information from the courts. Journalist shield laws are premised on the protection of the right to freedom of expression, which extends to freedom of the press. Undue restrictions on the free flow of information may undermine the capacity of citizens to make informed choices. The media plays an important role in informing the community on matters of public interest. Where government matters are concerned, a free press encourages political debate and scrutiny of the political process, and that is necessary for an open and accountable government.

Laws that compel journalists to reveal their sources in court proceedings arguably discourage the disclosure of sensitive information to journalists and, by extension, can restrict the dissemination of information in the public interest. The publication of news often depends on assistance from sources that provide information only on the condition that their identities remain confidential. Consequently, there is a public interest in allowing journalists to withhold from courts information about their sources where this promotes the capacity of the media to inform the community on matters of public interest.

It has been the experience of many journalists that the current provisions of the New South Wales Evidence Act 1995, which provides professional confidential relationship privilege, and which allows the court to prevent evidence being adduced in a court hearing, does not adequately protect their sources. Unlike the proposed specific journalists' privilege proposed by this bill, the existing privilege is not a presumption against disclosure. Rather, it gives courts discretion to direct that evidence of a confidential communication to a professional not be adduced if doing so would disclose a protected confidence or protected identity information, and that the disclosure is likely to harm a protected confider. Such a direction must be made if the court is satisfied that the source might be harmed if the evidence is adduced, and that the harm outweighs the benefit of the evidence being given. However, in many cases such a direction is not in fact made notwithstanding often persuasive arguments of the harm that might be done to the source by accusing evidence.

The specific journalists' privilege to be introduced by this bill will include the following elements. First, a presumption that where a journalist has promised not to disclose an informant's identity the journalist or his or her employer is not compelled in a civil or criminal proceeding to disclose the identity of the informant or enable that identity to be ascertained. Second, a provision allowing the court to order that the presumption does not apply if it is satisfied by a party that, having regard to the issues to be determined in that proceeding, the public interest in the disclosure of the identity of the informant outweighs any likely adverse effect of the disclosure of the informant or any other person, the public interest in the communication of facts and opinion to the public by the news media and, accordingly, also in the ability of the news media to access sources of facts.

Third, definitions of "journalist", "news medium" and "informant", which I note were not accurately quoted by the shadow Attorney General, will ensure that the privilege applies to disclosures to persons who in the normal course of their work collect information in the expectation that the information may be published in a news medium. A claim for privilege should not be able to be made in respect of disclosures to a non-journalist that might be opportunistically relayed to a news medium outside the normal course of that person's work. Fourth, the presumption will apply to pre-trial processes such as subpoenas or discovery. Specifically the amendments will provide that a person who is issued with a pre-trial disclosure requirement such as a subpoena

need not comply to the extent that compliance would require disclosure of the identity of an informant, and a party seeking disclosure of identity information may apply to the court for an order that the specific journalists' privilege does not apply.

Fifth, the presumption should not be removed merely because the giving of information by an informant may have been unlawful but loss of the privilege in these circumstances should remain a matter of judicial discretion. Journalists' shield laws aim to strike an appropriate balance between two competing public interests: the public interest in having all relevant, probative evidence before the courts, and the public interest in the free dissemination of information. While it has been said that journalism is in fact history on the run, this legislation will help ensure that journalists' sources are not unfairly rundown in the process.

Mr JAMIE PARKER (Balmain) [12.34 p.m.]: The Greens support the Evidence Amendment (Journalist Privilege) Bill 2011 but believe that its scope should be expanded. As the House is aware I recently moved a motion calling on the Government to amend the Evidence Act to protect journalist sources. As I said at that time, a key element of the parliamentary system of government in New South Wales is transparency and freedom of the press. In addition to formal accountability mechanisms such as the Independent Commission Against Corruption and the Ombudsman, members of Parliament and government officials are accountable to an active and engaged media.

Journalists' sources, or whistleblowers, play a key role in that process of accountability but they often suffer great damage for their efforts on behalf of the community. Recently the Federal Parliament passed similar amendments to the Commonwealth Evidence Act. In 2010 an inquiry into the Federal bill was conducted by the Senate Legal and Constitutional Affairs Committee. The report of that inquiry noted:

While this is a complex and disputed area, in the view of the committee, journalists' privilege can be differentiated from other professional privileges because of the nature of the public interest. Journalists' privilege operates not only to protect the privacy of the source and the relationship of trust between the journalist and the source, but also to protect public interests in the accountability of public officials, an informed public and the free flow of information, all of which are vital components of a democratic society. Journalists' privilege can also be distinguished by the fact that there have been specific cases in the past where journalists have suffered serious legal consequences because of their adherence to their professional code of ethics in protecting the confidentiality of their sources.

The committee also expressed concern about access to journalists' telecommunication records by law enforcement agencies for the purposes of identifying confidential sources of information. The noise from the rally being held outside the Parliament can be heard in the Chamber. Following that report an Act was passed by the Federal Parliament. This so-called "shield" legislation protects journalists from revealing their sources when they have promised to protect the identity of a whistleblower. The Federal law requires the Government to prove that it is in the public interest that the whistleblower's identity is revealed. If no public interest can be proved, the presumption is that a journalist is not required to reveal his or her sources. Pleasingly this legislation was passed in both Houses of Federal Parliament with the support of the Labor Government, the Australian Greens, the Liberal-Nationals Opposition and the Independents. It follows similar laws protecting journalists' sources in New Zealand and the United Kingdom.

While the Federal legislation is to be applauded, most legal proceedings in this State are not covered by Commonwealth law. Similar legislation therefore needs to be passed in New South Wales to give protection to journalists' sources under State law. I moved my motion in this House, and spoke to it, to encourage the bringing forward of The Greens bill in the upper House. It is now before that House. I welcome the fact that the Government has introduced this bill for debate in this place. But, unfortunately, the bill is significantly different from the Federal law. Harmonisation wherever possible between Federal and State legislation is important. The significant difference relates to its scope and how it relates to non-traditional forms of journalism, particularly bloggers and other forms of new media journalism.

When he introduced the bill the Attorney General talked about the Standing Committee of Attorneys-General deciding to amend the professional confidential relationships privilege provisions in the model uniform evidence legislation to strengthen the protection for journalists. While this bill implements the recent amendments to the model uniform evidence legislation in New South Wales, it does so in a way that is not consistent with the recent amendments to the Commonwealth Act.

Given that matters in New South Wales may be dealt with under Commonwealth or New South Wales State law, it is unfortunate that the Government has not fully harmonised State law with Commonwealth law. The lack of harmonisation raises concerns about the opportunity to jurisdiction shop. Parties look at the differences in State and Commonwealth legislation to find the best jurisdiction for them to engage in legal

action. It is clear that the New South Wales Government should have the strong objective to work in unison with the Federal Government and harmonise laws where appropriate. Similar legislation was passed unanimously by the Independents, the Liberal-Nationals Coalition, The Greens and the Labor Party in the Federal Parliament. The Greens consider that the State law proposed by the Attorney General should be consistent with the Federal law. It is disappointing that it is not the case.

Not fully harmonising the State law with the Commonwealth law will lead to increased complexity and jurisdiction shopping. It also reflects a failure to properly understand the changing nature of journalism in the new media age. From my involvement in my electorate, it is clear to me that a whole range of people in Balmain and further abroad may not fit into the definition of "journalist" but they engage in a range of journalist activities for the public benefit. A significant portion of their time is taken up engaging in serious public interest work. They will be protected by the Federal legislation but they will not be protected by this legislation. I foreshadow that The Greens in the other House will seek to amend the bill to overcome these shortcomings.

The harmonisation of the Federal and New South Wales legislation should not be onerous. The definition of "journalist" has been debated significantly in the Senate in the Australian Federal Parliament. That legislation is now law federally. The Greens consider that it is reasonable to harmonise the legislation. On behalf of The Greens, I indicate that we support the bill. We welcome the Attorney General taking these positive steps. We encourage the Attorney General to introduce harmonisation with the Federal bill. It is in the public interest that harmonisation takes place. It is in the public interest that we expand the scope of this bill to cover more non-traditional forms of journalism and make it consistent with the new Commonwealth laws.

Mr MARK SPEAKMAN (Cronulla) [12.42 p.m.]: The Evidence Amendment (Journalist Privilege) Bill 2011 has two purposes. The first purpose is to amend the Evidence Act in relation to the disclosure of the identity of persons who give information to journalists. If a journalist has promised not to reveal an informant's identity, the bill provides that that journalist and his or her employer will not be compelled to disclose the informant's identity in any proceedings in a New South Wales court, unless the court determines otherwise. The subsidiary purpose is to amend the general provisions of the Evidence Act that relate to professional confidential relationship privilege, as was agreed to by the Standing Committee of Attorneys General as part of the model uniform evidence bill.

As the member for Davidson said, under division 1A of part 3.10 of the Evidence Act there is scope to protect the identity of journalists' sources. However, there is not the rebuttable presumption that this bill will introduce to protect journalists' sources. It is vital that journalists can obtain information to inform the public of matters of public interest. The bill is designed to facilitate access to such information. Currently an anomaly exists in that there is tension between the law that requires the disclosure of journalists' sources on the one hand and the ethical obligations of professional journalists on the other. The Australian Journalists Association code of ethics states that journalists should:

Aim to attribute information to its source. Where a source seeks anonymity, do not agree without first considering the sources motives and any alternative attributable source. Where confidences are accepted, respect them in all circumstances.

It is anomalous that under current law journalists could adhere to their code of professional ethics which requires them to face the wrath of the courts, including penalties of imprisonment. Last year the Federal Senate Legal and Constitutional Affairs Legislation Committee considered two bills before the Commonwealth Parliament that sought to create a special journalist privilege based on the New Zealand model. In submissions to that committee the Australian Press Council stated:

The existing Australian laws, state and federal, leave open what might happen. At best they suggest that judges "may" take into account the desirability of not calling professionals (in this case, journalists) to reveal sources. This leaves journalists vulnerable to legal fishing expeditions that may make them subject to contempt of court charges for failure to divulge sources, simply, in most cases, because the litigants are unwilling to do the work to unmask the sources. In short, that existing legislation is no real protection at all.

The need for reform was highlighted by the case of the *R. v. McManus and Harvey* in Victoria in 2007. That case arose out of a publication in the Melbourne *Herald Sun* in 2004. Two journalists had refused to divulge the source of their report that a former Minister had ignored a recommendation to increase war veterans benefits by \$650 million and instead had presented Cabinet with a plan to spend only \$150 million. In that case the journalists, McManus and Harvey, each were fined \$7,000 for contempt of court. Cases such as this show the personal price that journalists may pay when they are not legally able to keep secret the identity of their sources. The bill seeks to remedy this problem. As the member for Liverpool said, this bill does not introduce an absolute

presumption. It introduces a rebuttal of presumption. This will protect journalists and their sources and support the important role that the media play in investigating and disseminating information of significant public interest.

The rebuttable presumption will have the effect that it is up to others to prove that public interest in disclosure of identity outweighs the likely harm to the source and the public interest in the information being presented in the first place. It is important to have that rebuttable presumption. Competing public interest and personal considerations are involved. At present, the playing field is skewed the wrong way against a journalist who seeks to uphold his or her professional ethics. The bill seeks to address the imbalance by introducing a rebuttable presumption—which means it is up to others to prove competing public and other interests—taking due account of the public interest in protecting the sources of the journalistic information and making sure that whistleblowers and other sources have their identity protected. I commend the bill to the House.

Mr DOMINIC PERROTTET (Castle Hill) [12.47 p.m.]: I support the Evidence Amendment (Journalists Privilege) Bill 2011. The freedom of the press is an essential component for an open and transparent democracy. The freedom of the press encourages political debate and scrutiny of the political process, and that, in turn, allows members of the public to make informed decisions in respect of this process. The freedom of the press also ensures that information in the non-government sector is investigated and, if it is in the public interest, disseminated. Professional journalists play a vital role in our society and are an important part in the functioning of our democracy. Journalists often are referred to as the fourth pillar of our democracy. It is essential to ensure anonymity for the free flowing of information necessary for the proper functioning of our democracy.

The law, as it stands, gives a court the discretion to compel journalists to reveal his or her source. The law presently provides that confidential communications with professionals—doctor-patient, lawyer-client, journalist-source—may be protected. However, this protection is not automatic and the onus is on the person asserting confidentiality to demonstrate to the court that he or she should be protected. Even then the court retains the discretion to have the communication adduced in evidence under section 126B of the Evidence Act. Under the current law journalists can be compelled by courts to reveal their sources if they do not demonstrate that those sources should be protected. Such a law can restrict the dissemination of information that is in the public interest.

In circumstances where sources cannot be confident that their identity will remain confidential and can be disclosed by an order of a court, they will be less likely to provide information that the public ought to know. It makes little sense that a journalist can face punishment from a court, including imprisonment in some cases, for simply following and, importantly, adhering to the Journalists Code of Ethics, which was referred to by the member for Cronulla earlier today. This bill amends the Evidence Act 1995 to provide journalists with the ability to adhere to the Journalists Code of Ethics by providing for a new qualified privilege for journalists. It will remove a court's discretion to require a journalist to reveal his or her source. Specifically the bill states:

If a journalist has promised an informant not to disclose the informant's identity, neither the journalist nor his or her employer is compellable to give evidence that would disclose the identity of the informant or enable that identity to be ascertained.

However, this will not be a blanket law, and the bill provides an important exception in circumstances in which the public interest in the disclosure of the identity of the informant outweighs any adverse effect on the informant or any other person. The important change in the law lies in reversing the onus so that the person seeking the disclosure will be the one who is required to prove that it is in the public interest that the source will be presumed to be protected unless it can be shown by the other non-journalist party that it is in the public interest for the source to be disclosed.

The provision for providing qualified privilege mirrors provisions in section 68 of the New Zealand Evidence Act 2006 as well as the basis of the private member's bill introduced by Senator George Brandis in the Commonwealth Parliament last year. It is also the basis of a bill introduced in the New South Wales Legislative Council by Greens member Mr David Shoebridge, MLC. However, there are important differences between the New South Wales Government bill and the New South Wales Greens bill. The Government does not support the New South Wales Greens bill because of concerns about the broad application of the proposed privilege. The most important difference lies in the definition of "journalist". This bill establishes a definition of "journalist", which states:

journalist means a person engaged in the profession or occupation of journalism in connection with the publication of information in a news medium.

The definition of "journalist" in the bill appropriately limits the scope of the new journalists' privilege while at the same time remains sufficiently open to reflect contemporary journalistic practices. By contrast, the definition of "journalist" and "informant" adopted by the New South Wales Greens bill would inappropriately expand the scope of the privilege to cover activities beyond the reach of what a journalist does. Specifically, The Greens bill will broaden the scope of privilege so that it applies to non-professional journalists.

The member for Balmain stated that this bill would not cover forms of new media or blogging as media expands today. That is incorrect and shows a misunderstanding of the bill. The point is well covered in the definition of "journalist". For example, if a journalist is engaging in blogging or forms of new media and he or she is employed as a journalist, he or she will be covered by this legislation. That is the important difference between the bills. The wide scope of the term "journalist" as provided in the New South Wales Greens bill mirrors that provided by the Australian Greens in the recent Commonwealth bill. Senator Brandis criticised the scope of this definition, stating:

[It] could mean any person who, for example, publishes material on the internet or contributes to a blog—any citizen who buy any medium publishing something that might be considered newsworthy.

Senator Brandis concluded that the proposed amendments to the Commonwealth bill would expand the whole purpose of the bill well beyond its original conception, which is to protect journalists' sources in defined circumstances. Senator Brandis said:

It would not merely protect journalists and it would not merely protect news media; it would be carte blanche to anyone who wanted to publish anything anywhere that might be considered news.

It is important to remember that the creation of a privilege is about withdrawing information from a court. The new journalists' privilege to be inserted by the New South Wales bill is complementary to the existing professional confidential relationships privilege in the New South Wales Evidence Act 1995. That privilege applies to confidential communications with professionals, including journalists, in the context of their work. Senator Brandis said:

We see this reform as an extension of the law that protects professional confidences and we accept that, because reliance on sources in the bona fide investigation and subsequent publication of news is integral to a journalist's work, the relationship between a journalist and a source ought, at least presumptively, be a privileged relationship.

Journalists play an essential role in the proper functioning of our democracy. It is essential that we ensure that journalists are not subject to contempt of court proceedings for failing to divulge sources. During the election campaign the Liberals and The Nationals made an election promise to return accountability and transparency to government. As part of that commitment we made a specific election promise to introduce journalist shield laws to protect journalists' sources. This bill strikes the right balance, ensuring that the public interest is paramount by protecting a source unless there is a public interest for revealing that source. The bill represents the implementation of another election promise by the New South Wales Liberal-Nationals Government. The bill will ensure that the vital role that journalists play in our society is protected and, importantly, it will support the essential role that the media plays in investigating and disseminating information of significant public interest. I commend the bill to the House.

[*Business interrupted.*]

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Routine of Business

Mr BRAD HAZZARD (Wakehurst—Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW) [12.56 p.m.]: I move:

That standing and sessional orders be suspended to:

- (1) Provide for the following routine of business after the conclusion of the motion accorded priority:
 - (a) Government business;
 - (b) at 5.30 p.m. notices of motions (general notices);
 - (c) at 6.00 p.m. matter of public importance;

- (d) at 6.00 p.m. inaugural speech;
 - (e) The Speaker to leave the chair at the conclusion of the inaugural speech;
 - (f) The Speaker to resume the chair at 7.30 p.m. for the consideration of Government business; and
 - (g) the House to adjourn without motion moved at the conclusion of Government business.
- (2) Provide that from 7.30 p.m. until the rising of the House, no divisions or quorums be called.

As I indicated to the House this morning there are changed arrangements for this evening's sitting. I indicate again to the House that I have had discussions with the Opposition and I understand that the Opposition is aware of the issue and will not oppose it.

I indicate that the intention is that the House will adjourn at 10.00 p.m. I note that that is not made clear in the motion, but my intention is that the House will rise at 10.00 p.m. or at the conclusion of whatever speech is being delivered at approximately 10.00 p.m. The speech being delivered at that time will not be interrupted; the House will adjourn at its conclusion. The matter to be debated tonight is the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. My intention is to resume that debate tomorrow morning at 10.00 a.m. Tonight there will be no divisions and no quorums, and members will have an opportunity to speak on the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011.

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

Motion agreed to.

EVIDENCE AMENDMENT (JOURNALIST PRIVILEGE) BILL 2011

Agreement in Principle

[Business resumed.]

Mr GREG SMITH (Epping—Attorney General, and Minister for Justice) [1.00 p.m.], in reply: I thank the members for Liverpool, Davidson, Balmain, Cronulla and Castle Hill for their contributions to the debate. The member for Liverpool foreshadowed an amendment designed to bring the Evidence Amendment (Journalist Privilege) Bill 2011 into line with the national scheme. I do not believe it is appropriate to call it a national scheme when the original Council of Australian Governments decision is consistent with this bill. Indeed, the Victorian Parliament will debate, and I assume pass, similar legislation. The Greens influence has ensured that only two States and the Commonwealth will have this type of legislation. This situation has come about because of the Labor Party's attempts to keep favour with those wonderful Greens members of the Federal Government—which is what they really are—by including bloggers in the legislation. Of course, they include terrorists and similar people because anyone can be a blogger.

The proposed amendment adopts the definition of journalist and news medium in the Commonwealth Evidence Amendment (Journalists' Privilege) Bill 2010 as amended by The Greens. Adopting those definitions will not resolve all of the discrepancies between Commonwealth and New South Wales privileges affecting communications with journalists. For example, the model uniform Evidence Bill and the New South Wales Evidence Act include a professional confidential relationship privilege that applies to journalists, but that is not currently included in the Commonwealth Evidence Act—so much for it being a national scheme if it is passed by the Commonwealth Parliament.

The basic form of privilege is the same. It is a rebuttable presumption against disclosure of journalists' sources. The only difference is in the scope of the persons to whom the privilege will apply. The New South Wales bill appropriately restricts the privilege to disclosures to working journalists, not to anyone who might publish newsworthy information. The Government's definition is not narrow; it relies on the plain English meaning of "journalist". The Opposition's proposed amendment stretches the meaning of that word. The current definition can include news media, new media and other developments in contemporary journalistic practices. However, it requires that there be a connection with the provision of information by a source to a journalist in the course of his or her work.

That is in contrast to the definition in The Greens legislation and in the Commonwealth Evidence Act as recently amended and the amendments foreshadowed by the member for Liverpool, which is unacceptably

broad. They cover any person who publishes any newsworthy material that may have been provided in a context unrelated to the work of a journalist. To demonstrate how that could be misused, I refer to the case of *ICAC v Cornwall* (1993) 38 NSWLR 207. In that case, articles appeared in the newspaper containing information supplied by police officers in an attempt to frustrate an inquiry being undertaken by the Independent Commission Against Corruption. The officers provided false information to a journalist and the effect of its publication was to scare off a very valuable informant who was to be a witness in a major prosecution, which failed as a result.

There will be exceptions to this privilege. According to newspaper reports, the Pauline Hanson application to the Court of Disputed Returns has apparently been frustrated by the fact that the source of the information has now admitted that it was false. That is the problem with using the broader definition and including bloggers. Anyone who wanted to damage someone else would simply give information to a blogger and the source would be protected. Precautions have been included if information is given to a bona fide journalist whose living depends upon publishing credible information and checking sources to ensure nothing malicious is occurring. I do not believe that the member for Liverpool has carefully considered his amendments. I have practised in the courts for more than 30 years and I have seen false allegations brought from time to time as informants try to put their rivals out of business.

Some of the things that the member for Liverpool has done might have afforded him experience of false information being provided, but I would rather rely on the wording of this bill. The bill amends the Evidence Act to strengthen the protections available to journalists and their sources—that is, real journalists. It creates a specific journalists' privilege in the form of a rebuttable presumption that a journalist is not compelled to disclose the identity of an informant in proceedings in a New South Wales court. In addition, the bill strengthens the protections already available to journalists under the existing professional confidential relationship privilege by adopting the recent amendments made to the model uniform evidence bill developed by the Standing Committee of Attorneys-General. I commend the bill to the House.

Question—That this bill be now agreed to in principle—put and resolved in the affirmative.

Motion agreed to.

Bill agreed to in principle.

Consideration in detail requested by Mr Paul Lynch.

Consideration in Detail

ACTING-SPEAKER (Mr Lee Evans): Order! By leave, I will deal with the bill in groups of clauses and schedules.

Clauses 1 and 2 agreed to.

Mr PAUL LYNCH (Liverpool) [1.03 p.m.], by leave: I move Opposition amendments Nos 1 and 2 on sheet C2011-039A in globo:

No. 1 Page 3, schedule 1 [3], lines 18-20. Omit all words on those lines. Insert instead:

journalist means a person who is engaged and active in the publication of news and who may be given information by an informant in the expectation that the information may be published in a news medium.

No. 2 Page 3, schedule 1 [3], line 21. Omit "a". Insert instead "any".

The Attorney General, in his bumbling and unprofessional way, was not here during my contribution to the agreement in principle debate.

Mr Greg Smith: I watched it on the monitor in my office.

Mr PAUL LYNCH: As usual, he is displaying his contempt for the standing orders by interjecting when another member is speaking. If he had bothered to listen to my contribution he would have understood the object of the amendments. His comments in reply clearly demonstrate that he has no idea what they contain or what is being proposed. He seems to be under the misapprehension that I have moved the Shoebridge bill.

I certainly have not. My amendments will bring this legislation into line with the legislation passed by the Federal Parliament. I would have thought that passage through that Parliament would make it a national scheme. Regardless of whether the Attorney General wants to quibble about that, without these amendments the bill before the House will ensure that we have two different pieces of legislation governing this area of the law in this State. Surely someone with 30 years' experience at the bar would understand the significance of that.

Mr Greg Smith: Sarcasm doesn't do you well. You've never been very good at it.

Mr PAUL LYNCH: I am simply doing to you what you did to me. The problem with the Tories in this place is that you like to give it out but you do not like to get it back.

ACTING-SPEAKER (Mr Lee Evans): Order! The member for Liverpool will address his comments through the Chair.

Mr PAUL LYNCH: In that case: The problem with the Attorney General is that, like most Tories, he likes giving it out but does not like getting it back. He demonstrates double standards in the way he behaves and how he treats other people. The substantive argument from the Attorney against these amendments seems to have been that they will let bloggers into the field to make all sorts of comments. He ought to read his own bill because it will allow semi-regular bloggers to make a token payment and get the benefit of the protections.

It seems to me that if that is what he is moving, the substance of his argument against these amendments simply falls away. The bill already will protect gossip columnists. The logic of his position does not hold up. If he is protecting gossip columnists, how can he say he is not going to protect other people writing on the Web? The reality is that there is already Federal legislation and the Attorney is now moving something entirely different from that. Coming from a government that was so obsessed about harmonisation and occupational health and safety, I find it bizarre that it has so many different standards.

Mr GREG SMITH (Epping—Attorney General, and Minister for Justice) [1.10 p.m.]: In reply I will get my bat and I will let it go through to the keeper. I will not try to snick it, and I will not wave it.

Ms Linda Burney: And you are not funny.

Mr GREG SMITH: And I am not funny. I should quote some Shakespeare, but I will not. We oppose the amendments.

Question—That the amendments be agreed to—put and resolved in the negative.

Amendments negatived.

Schedule 1 agreed to.

Consideration in detail concluded.

Passing of the Bill

Motion by Mr Greg Smith agreed to:

That this bill be now passed.

Bill passed and transmitted to the Legislative Council with a message seeking its concurrence in the bill.

INFRASTRUCTURE NSW BILL 2011

Agreement in Principle

Debate resumed from 14 June 2011.

Ms TANIA MIHAILUK (Bankstown) [1.12 p.m.]: I speak on the Infrastructure NSW Bill 2011, which the Opposition does not oppose but it reserves the right to make amendments in the other House. Less than 100 days in the job and the O'Farrell Government's contract with the people of New South Wales—as we can hear outside with this wonderful 12,000-plus rally—is wearing a bit thin.

Mr Stephen Bromhead: You have to be joking.

Ms TANIA MIHAILUK: The member should go outside and see what is out there. Go out and listen to the people. Already O'Farrell's promise that Infrastructure NSW would be an independent board that could make decisions on infrastructure independently from politicians is a joke. The Infrastructure NSW Bill 2011 will give this Premier power and control over the future of this State the likes of which have never been seen before. Government members may argue that is entirely plausible on the basis of a mandate, except that we on this side of the House know that O'Farrell has no true vision for New South Wales.

I may be wrong, but in 10 years we may be standing here praising this dogmatic, self-serving legislation but more likely we will be in Barry's barren State, which is where we will end up if we continue down the path of industrial relations changes and occupational health and safety legislative changes because New South Wales will have no workers. No future employees will ever want to enter the professions of nursing, teaching, police, building, trades, et cetera, because there will be no incentive or security in these industries.

The board of Infrastructure NSW comprises some interesting experts. It has representation from the chief executive officer, the Director General of the Department of Premier and Cabinet, the Secretary of the Treasury, the Director General of the Department of Trade and Investment, Regional Infrastructure and Services, and the Director General of the Department of Planning and Infrastructure. However, I note that it has no representation from Transport, Health, Education or Ports. Those officials are absent. The Premier clearly has no faith in the Minister for Roads and Ports and the Roads and Traffic Authority, who are not represented on the Infrastructure NSW board. That is quite surprising, given that Roads accounts for one-third of the budget.

Transport is another player that is missing. I am surprised. If Barry had no confidence in the Cabinet he chose he could have chosen from one of those eager, more than capable backbenchers that I see before me. They could have taken those spots in the Ministry and played a role in Infrastructure NSW. Clearly the Premier also has little faith in the judiciary, given the debate and the rally outside about industrial relations and public sector employees, and the sad reality that the Industrial Relations Commission will only be able to determine wages for the public sector at the whim of the Premier.

[*Interruption*]

Whenever I hear any kind of opposing voice in this place I know I am saying the right thing. It is sad that the Premier has taken this path with the Infrastructure NSW Bill 2011. I would have thought that Infrastructure Australia and its advisory board would have provided a much more open and transparent example to follow. I have never seen such interference from one person in determining the future of infrastructure in New South Wales, and that is a big concern. Clearly, the Premier has some concerns with his Cabinet. The Treasurer, as has been mentioned in this place, is being undermined too. The other day I listened to the contribution from the Deputy Premier. I was pleased to hear him raise the M5 East. I would hope that this Government will commit to the M5 East duplication. During the elaborate debate on this bill the Deputy Premier gave his version of how to improve the never-ending congestion on the M5 East when he said:

The poor people of the south-west trying to make their way to the city along the car park known as the M5 East would love to have intermodal hubs. The containers could come in on trucks, be loaded onto rail and, whooshka, off they go to Port Botany. That would take all the trucks off the M5 and avoid terrible pollution in the M5 East tunnel.

They are the words of the Deputy Premier. If government members want to mock them, it is up to them. He said, "whooshka." Look at *Hansard*: they are his words. What a fascinating grade 1 view of the ins and outs of the largest and rapidly growing transport corridor in Australia—if only life were that simple. Take note south-west Sydney—Campbelltown, Camden, Fairfield, East Hills Bankstown and Liverpool—the Coalition's solution is not to widen the M5 East but, rather, to build intermodal hubs that apparently "we would all love" and, "whooshka, all the trucks and terrible pollution will disappear." I now turn to outlining some facts about the M5. The M5 corridor serves a population of around 1.5 million, representing around one-third of Sydney's population and almost 8 per cent of Australia's population.

Mr Andrew Constance: Point of order: I take this point of order reluctantly given that a new member of Parliament is speaking. I draw your attention to the objects of the bill and ask you to draw the member back to the legislation before the House, instead of allowing her to carry on with this diatribe, which has gone from the absurd to the ridiculous. I ask you to instruct her to debate the legislation before the House.

Ms TANIA MIHAILUK: To the point of order: I am speaking directly about the M5 East, which should be a consideration for Infrastructure NSW. It was a topic that the Deputy Premier raised in his contribution on the bill.

ACTING-SPEAKER (Mr Lee Evans): Order! The member for Bankstown will return to the leave of the bill.

Ms TANIA MIHAILUK: I now outline some facts about the M5, which the Deputy Premier raised. The corridor serves a population of around 1.5 million, representing around one-third of Sydney's population and almost 8 per cent of Australia's population. Around one million jobs are located along the corridor, representing around 45 per cent of Sydney's jobs and 10 per cent of Australia's jobs. Forecasts for 2026 indicate that the population in the M5 corridor will increase by around 300,000 to around 1.8 million and jobs will increase by 100,000 to 1.1 million. The increase in population is due in part to the South West Growth Centre alone, comprising Liverpool, Camden and Campbelltown—I am sure some members are aware of that—which will feed into the M5 and M5 East, and is planned to have an additional 100,000 homes in the next 30 years.

Mr John Sidoti: Bankstown has no shortage.

Ms TANIA MIHAILUK: That is true. It is expected that once the third container terminal comes on stream at Port Botany in 2012-13 an additional 1.5 million truck movements will compete for space on this already overstretched transport network. If these additional large truck movements are added to the existing 8,000 vehicles an hour that currently use the M5 East traffic across Sydney will be at a standstill. I am sure members opposite would be concerned about that because, as I mentioned earlier, more than 45 per cent of Sydney uses the M5 East. The overstretched transport networks that now serve this area of Sydney are networks vital to our freight, commercial and commuter traffic. Freight through Sydney Airport and Port Botany will double in the next few years with containers predominately destined for areas connected with the M5 East.

Premier Barry O'Farrell has confirmed a plan to spend \$350 million on widening the motorway in south-west Sydney from four lanes to six lanes. We now know that to pay for the promise motorists will continue paying tolls on the road probably for an additional four years and now possibly beyond 2023. We will end up seeing the taxpayer paying \$680 million directly to private sector companies for a road worth \$350 million. Such great savings! We knew that the plan did not make sense from day one. It was never likely to achieve any major reduction in traffic congestion because it clearly does not take into consideration the M5 East tunnel constraints. It now seems the price blowout will be even higher. The Premier should rule out extending the toll beyond what was promised prior to the election. Widening the M5 West without duplicating the M5 East tunnel will create a major choke point. I will not say too much more about the M5.

Mr Andrew Constance: Choke point?

Ms TANIA MIHAILUK: Absolutely: Widening the M5 West without widening the M5 East will create a major choke point along the M5 from King Georges Road to the tunnel.

Mr Andrew Constance: You are full of choke.

Ms TANIA MIHAILUK: So are you because you clearly do not know a lot about the M5 East and the M5 West if you do not know that. For two years I have chaired the M5 local government task force, which comprises 15 councils. Some members would know many of the representatives very well. The M5 East in particular is a major concern to many councils across our region. The member for Camden is a great supporter of that task force and the widening of the M5 East. Regional New South Wales would too benefit tremendously if the M5 East tunnel were widened because many regional and rural members' constituents travel to Sydney in particular to Sydney Airport through the M5 tunnel. Indeed, the Deputy Premier said earlier trucks carrying containers travelling back from regional New South Wales travel down the M5 West, through the M5 East and back out to Port Botany.

There is no doubt that regional New South Wales will be supported by widening of the M5 East in addition to the M5 West. Considerable infrastructure needs to be improved across our whole State but particularly the M5 East and M5 West. As long as I am the member for Bankstown I will continue to advocate for the widening of the M5 corridor. This is a major transport network that needs all the support it can muster. I will observe with interest how Infrastructure NSW and the board will determine which applications and areas are given priority and the type of five-year and 20-year plans that will be developed by this independent board. *[Extension of time agreed to.]*

The Opposition does not oppose the bill, but reserves its right to move amendments in the other House. However, the Opposition raises several concerns with respect to how projects will be administered and the process of independence. The fact that the Minister for Roads, the Roads and Traffic Authority and the Minister for Transport are excluded from the process and the Deputy Director General of Planning will report directly to the Premier on infrastructure and bypass his own Minister should be of concern to Cabinet but apparently this is not the case.

Mr Andrew Constance: Point of order: Although I am loath to take a point of order on a new member, she is misleading the House. Clause 14 refers to the functions of Infrastructure NSW and the involvement of partnerships and associations with government agencies, persons and bodies, including the Minister. It is a concern that the member is misleading the House. She should be brought back to the leave of the bill instead of making up things and opening her mouth without thinking. It is outrageous. I ask you to bring her back to the leave of the bill. She should not mislead the House and misrepresent the Government's position.

Mr Richard Amery: To the point of order: I have followed the debate closely, which has been wide ranging. The member for Myall Lakes attacked the former Government and referred to railway lines and so on. The member for Bankstown is talking about a major infrastructure project in her region. That is within the ambit of the bill. The Minister is being oversensitive and unreasonable in taking a point of order.

Mr Andrew Constance: Further to the point of order: The member for Bankstown made the point that the Minister for Transport, the Minister for Roads and other Ministers would not be involved in this process, which is a deliberate misrepresentation of the legislation. Misleading the House is quite a serious issue and this new member needs to understand that. For the member for Mount Druitt to speak about wide-ranging debate when the point of order relates specifically to comments by the member for Bankstown about the legislation and involvement of other members is just gilding the lily.

ACTING-SPEAKER (Mr Lee Evans): Order! The member for Bankstown will conclude her comments.

Ms TANIA MIHAILUK: I will talk a little more about the bill.

Mr Andrew Constance: You obviously haven't read the bill.

Ms TANIA MIHAILUK: I read it with interest. Our M5 local government task force has met a couple of times to discuss infrastructure in New South Wales. I can also provide the Minister with the minutes of our meeting if he would like to read about some of their concerns in relation to, dare I say, the M5. I will not talk further about the M5 because the member for Bega certainly does not want to hear any more about it. I refer, in particular, to the 20-year State infrastructure strategy. That is a good point of the bill. A State needs long-term vision, not just five-year plans—although, of course, this bill details the processes for infrastructure improvements under five-year plans. The board, in particular, will develop 20-year strategies and submit them to the Premier in accordance with the terms of the bill. The Parliament will have an opportunity to consider the 20-year infrastructure plans that we would like to see, which would support not only south-west Sydney but also the broader Sydney area and regional New South Wales.

Regional New South Wales needs support by way of infrastructure improvements; there is no doubt about that. I strongly support Statewide infrastructure improvements. Given that roads and transport account for more than one-third of the budget, it would be good to see Infrastructure NSW resolve to make sure that at least one-third of moneys outlaid in the future go towards roads and transport infrastructure improvements. As I said earlier, I will observe with keen interest how the board and this Government will determine the priority of infrastructure projects in the future and how these projects will be delivered transparently. The Government has made a decision that Infrastructure NSW will be more than an advisory body unlike Infrastructure Australia. We are testing this in New South Wales—

Mr Andrew Constance: It has nothing to do with Infrastructure Australia.

Ms TANIA MIHAILUK: Infrastructure Australia is an advisory body and Infrastructure NSW is not. The Government has made a decision that the bill will give the board more far-reaching powers than Infrastructure Australia has. That is clear. The bill also gives greater powers to the Premier, which is why we raised concerns and suggested that the entire Parliament be involved, or at the very least the entire Cabinet, in

making decisions for south-west Sydney, Sydney and broader New South Wales. The member for Bega is probably ready for lunch and his interest is certainly waning. Tragically it appears he has very little interest in the M5 and M5 East.

Debate adjourned on motion by Mr Stuart Ayres and set down as an order of the day for a later hour.

APPROPRIATION (SUPPLY AND BUDGET VARIATIONS) BILL 2011

COURT SECURITY AMENDMENT BILL 2011

CREDIT (COMMONWEALTH POWERS) AMENDMENT (MAXIMUM ANNUAL PERCENTAGE RATE) BILL 2011

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

[Acting-Speaker (Mr Lee Evans) left the chair at 1.34 p.m. The House resumed at 2.15 p.m.]

REPRESENTATION OF MINISTERS ABSENT DURING QUESTIONS

Mr BARRY O'FARRELL: I inform the House that during the absence from the Chamber today of the Deputy Premier, Minister for Trade and Investment, and Minister for Regional Infrastructure and Services I will answer questions relating to his portfolios, and that in the absence of the Minister for the Environment, and Minister for Heritage the Minister for Family and Community Services, and Minister for Women will answer questions relating to her portfolios.

QUESTION TIME

[Question time commenced at 2.21 p.m.]

INDUSTRIAL RELATIONS LEGISLATION

Mr JOHN ROBERTSON: My question is directed to the Premier. Will the Premier heed the call of the more than 12,000 public sector workers who turned up to demonstrate today and throw out his industrial relations legislation?

The SPEAKER: Order! Government members will come to order. Opposition members will remove those props. If they do not they will find themselves out of the Chamber.

[Interruption]

The SPEAKER: Order! Opposition members will find themselves out of the Chamber today if they continue with their disorderly behaviour. Government members will also come to order. The member for Kiama will come to order. The Premier has the call.

Mr BARRY O'FARRELL: I support the comment of the Deputy Leader of the National Party asking the member for Wollongong to put the mask back on.

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

Mr BARRY O'FARRELL: Firstly, can I say that I am very glad that the New South Wales Electoral Commission counts the votes, because I would prefer to take my advice on the numbers outside today not from the Leader of the Opposition but from the media. I could not help noticing that the 2GB news broadcast today at 2.00 p.m. said there were 6,000 people outside.

The SPEAKER: Order! Members on both sides of the House will come to order.

Mr BARRY O'FARRELL: What was interesting about that exaggeration was that it struck a chord with me. I was trying to think about what was double—

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

Mr BARRY O'FARRELL: If I am right, I think Labor polled about one million votes in the election—

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

Mr BARRY O'FARRELL: —and I think the New South Wales Liberal-Nationals polled 2.1 million votes.

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

Mr BARRY O'FARRELL: The first point I wish to make today is that the biggest protest we have seen this year was on 26 March. In part that protest was about taking tough decisions to clean up the financial mess left to us by those opposite. As I said yesterday, what we hear is hysteria and hypocrisy from those opposite. Why? Because the wages policy that the Government is pursuing is the wages policy pursued by those opposite for four years with one exception.

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

Mr BARRY O'FARRELL: They never delivered it. That cost the taxpayers—taxpayers who walked by the protest today—\$900 million. The Government says enough is enough. If people enter into an agreement to receive wage increases over and above 2.5 per cent in exchange for productivity increases—that is the policy of those opposite that the Government is going to follow through—those agreements ought to be fulfilled. The Treasury estimate is very clear: \$1.96 billion would be added to the State's bottom line if we continued Labor's policy but did not follow through on those agreements. What is important is that those agreements are entered into freely. That is the policy that members opposite had: a 2.5 per cent guaranteed increase to public servants and if they wanted more the unions, on their behalf, would enter into an agreement.

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

Mr BARRY O'FARRELL: An agreement that would involve productivity tradeoffs in education, health and other portfolios. I believe that one should honour that agreement and deliver it. That is what the Government will do. The only other point I wish to make is that the policy the Government is pursuing is apparently okay when it is pursued by Labor governments. That is what happened in New South Wales over the past four years and it is happening as I speak in Queensland, Tasmania and South Australia. That demonstrates the hypocrisy and the hysteria—

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

Mr BARRY O'FARRELL: In this place over the past couple of months I have been concerned about the member for Heffron because rarely does one see her head lifted. I assumed that it was just because the puppet masters have gone. Joe and Eddy have gone and there is no-one to hold up her head. What we saw outside today and what we saw in the first question from the Leader of Opposition today demonstrates what is wrong with the Labor Party: it does not listen to the public. It does not act in the public interest. It only ever stands to attention when the union masters demand they do so.

The SPEAKER: Order! The member to Canterbury will come to order.

PUBLIC SECTOR WAGES POLICY

Mr BART BASSETT: I address my question to the Premier. What action is the Government taking to ensure the 2.5 per cent cap on wage increases is applied fairly across the public service?

Mr BARRY O'FARRELL: I thank the member for Londonderry for his question.

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

Mr BARRY O'FARRELL: The seat of Londonderry was won from the Labor Party not just through the hard work of the member for Londonderry but also because of the protests in that area, as across the rest of

the State, about the way in which Labor had run New South Wales over the past 16 years. As I have repeatedly said, the Government inherited a mess from the previous Labor Government so it had no option but to take the tough decisions to get the State's finances back into the black. But the Government's wages policy is not one of those tough decisions; the Government is simply adopting the policy put forward by those opposite four years ago.

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

Mr BARRY O'FARRELL: The tough part is doing what Labor failed to do, which is to implement its very own policy.

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

Mr BARRY O'FARRELL: The fact is that when he was down at Unions NSW he signed up to this deal with the former Labor Government, and now he comes in here crying crocodile tears.

The SPEAKER: Order! The Leader of the Opposition will come to order. I call the member for Keira to order.

Mr BARRY O'FARRELL: Of course, the Government would love to give our front-line workers, our nurses, our teachers, our firefighters, even higher wage increases, because they do important work for communities across this State, but the only way to be able to do that is to get the State's finances back under control and to put some rigor back into the way in which our State budget operates. That means retaining the 2.5 per cent cap on wages and offering in exchange for agreements in productivity savings amounts beyond the 2.5 per cent cap. I also want to stress that the 2.5 per cent cap will apply to all public officials, including members of Parliament and senior bureaucrats, as well as front-line staff and public servants.

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

Mr BARRY O'FARRELL: The Leader of the Opposition wants to play word games. There is the 2.5 per cent cap that members opposite imposed and increases beyond that are in exchange for productivity savings.

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

Mr BARRY O'FARRELL: Let us be clear about this: that 2.5 per cent cap signed up to by the member for Blacktown will apply to members of Parliament as well as senior public servants. I am not going to pretend that that cap is going to affect me in the same way it will affect teachers, nurses and firefighters, but I want to send a message to all those affected by the wages policy that it is going to apply equally across the board to all public officials.

As I said before, if we did nothing, if we continued with the way the former Labor Government implemented the wages policy without any follow-through it would add \$1.96 billion to our bottom line. That is money I would prefer to invest in road and rail projects across the city and the State. We were elected to clean up the mess in this State, to start building infrastructure and to rebuild the State's finances. At every opportunity Labor has attempted to sabotage our efforts to do so. They have run a scare campaign suggesting that conditions and entitlements are under threat. That is simply untrue. It is the same wages policy, applied to the same employees, as the policy of those opposite.

The SPEAKER: Order! The member for Keira will come to order. The member for Toongabbie will come to order. The Leader of the Opposition will come to order.

Mr BARRY O'FARRELL: Their policy allowed conditions and entitlements to be traded away, as they did in at least three portfolios I could name, if workers and unions agreed to it. That remains the case today.

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

Mr John Robertson: Now you can do it unilaterally.

Mr BARRY O'FARRELL: That is untrue. The Leader of the Opposition should be able to read legislation. Our wages policy offers to public servants fair wage increases and assures taxpayers that any wage increases granted will be affordable. Either House of this Parliament has the right to veto the wages policy if it is unfair or unconscionable.

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

Mr BARRY O'FARRELL: Our wages policy is fair and reasonable. We will continue to do the hard yards to clean up this State. We will do so without the support of those opposite and we will not do so listening to the union movement.

PUBLIC SECTOR WAGES POLICY

Ms LINDA BURNEY: My question is directed to the Premier. How can the Premier justify exempting police but not firefighters from his public sector wages policy?

The SPEAKER: Order! Government members should listen to the answer rather than complain about not being able to hear it.

Mr BARRY O'FARRELL: Let me break it gently to the member for Canterbury: that is the nature of parliamentary democracy. Even the *Sydney Morning Herald* has acknowledged that the Liberal-Nationals do not have a majority in the upper House.

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

Mr BARRY O'FARRELL: As a result, whether we are dealing with occupational health and safety legislation, industrial relations legislation or other legislation, it can be changed.

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

Mr BARRY O'FARRELL: That does not stop our resolve to tackle the big issues to get the State's finances under control—

The SPEAKER: Order! I call the member for Wollongong to order for the second time.

Mr BARRY O'FARRELL: —and to do the job that many people who voted for us for the first time on 26 March expected those opposite to do during their 16 years in government.

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

Mr BARRY O'FARRELL: I could not help noticing yesterday a press release that emanated from the office of the Leader of the Opposition about a reshuffle in the shadow ministry. I congratulate the member for Lakemba on being appointed the shadow Minister for Roads. This is the bloke who last October made headlines for a car episode through the streets of Enfield. His joy ride cost him, losing control of a \$400,000 Lamborghini when he hit a high-fronted concrete gutter.

The SPEAKER: Order! The member for Toongabbie will come to order. I call the member for Maroubra to order.

Mr BARRY O'FARRELL: It is a matter of history that police time was wasted and a tow truck had to be called.

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

Mr BARRY O'FARRELL: We will never know whether he was abiding by the 60 kilometres per hour speed limit on Coronation Parade, but we do know that the Leader of the Opposition has rewarded his behaviour with the portfolio of Roads.

The SPEAKER: Order! I call the member for Canterbury to order for the second time.

Mr BARRY O'FARRELL: The portfolio of Roads is meant to encourage greater road safety on roads across this State. One wonders what other appointments the Leader of the Opposition has up his sleeve. I wonder how long it is before the member for Wollongong is appointed the shadow Minister for Local Government. I wonder how long it is before the member for Toongabbie is appointed the shadow Minister for

anger management. They cannot appoint a shadow Minister for ethics because Joe Tripodi and Eddie Obeid have retired from the Parliament. The one certainty is that before this Parliament expires my favourite, the member for Kogarah, will become the shadow Minister for Police.

MID NORTH COAST FLOODS

Mr ANDREW FRASER: My question is addressed to the Premier. How is the Government assisting regions of the mid North Coast and the Hunter affected by heavy rain, winds and flooding?

Mr BARRY O'FARRELL: Parts of New South Wales, including the mid North Coast, the Hunter and the Central Coast, are currently affected by heavy rain, winds and flooding. The Deputy Premier, whose electorate of Oxley is affected, is currently touring the area to offer his support, together with the State Emergency Service Commissioner, Murray Kear, who has led the response to this latest episode. The State Emergency Service also has activated its State headquarters. The State Emergency Service has received more than 1,000 requests for assistance from residents, mainly regarding wind damage and the risk of flash flooding, and has been assisting with flood rescue, sandbagging operations and helping people with damaged roofs.

The State Emergency Service is being assisted by policy and emergency management agencies in implementing various measures. Fire and Rescue NSW has deployed an additional five appliances to Kempsey overnight and dispatched a helicopter to the area. Family and Community Services has opened seven evacuation centres to support displaced residents and given assistance to approximately 70 people. Evacuation orders have been issued for the Kempsey area, Rawdon Island and Settlement Point on the Hastings River and to residents in caravan parks in Dungog and Clarence Town. An estimated 1,300 people have been affected by these evacuation orders.

When I spoke to the Deputy Premier shortly before coming to question time he told me that, whilst the Kempsey levees had not yet been breached, they were expected to do so later today. He also told me that the lower Macleay looked like an inland sea. Farmers and communities are isolated and there has been a loss of feed and silage. This demonstrates the type of assistance that farmers and communities will need. In addition to the operational response, I can announce that the Government has made natural disaster declarations for the areas of Clarence Valley, Bellingen, the Kempsey shire and the upper Hunter. Additional declarations will be made as necessary in the coming days as damage assessments continue to be made. These declarations make financial support available to persons directly affected by these weather events.

This is an important safety net for families, small businesses and primary producers, including our farmers. The New South Wales agencies are fully coordinated and keeping the community updated. The Deputy Premier told me that he expected a disaster recovery centre to be established to coordinate the efforts of all government agencies. I take this opportunity to thank the hundreds of police and emergency services personnel, State and local government employees, volunteers, charity workers and registered clubs for all they have done and will continue to do to ensure the safety of local residents over this period. At times such as this we appreciate the assistance of all these groups.

In particular, all members of this House should stand up for the registered club movement, upon which an enormous load is placed whenever one of these events occurs anywhere across the State. Anyone needing help from the State Emergency Service should contact their local unit on 132 500. In a life-threatening emergency people should always ring triple-0. For further information residents and others can visit the websites of the State Emergency Service, the Roads and Traffic Authority for updates on road closures and diversions, and the Bureau of Meteorology. The New South Wales Government will stand shoulder to shoulder with the people affected by this natural disaster and we always will, regardless of politics and who is in government.

PUBLIC SECTOR WAGES POLICY

Mr GUY ZANGARI: My question is directed to the Minister for Education. How can the Minister justify exempting police but not teachers from the Government's public sector wages policy?

Mr ADRIAN PICCOLI: Opposition members are so predictable. I prepared a few notes.

The SPEAKER: Order! The member for Fairfield asked the question and he should listen to the answer.

Mr ADRIAN PICCOLI: The education budget is under a great deal of pressure, as is the rest of the New South Wales budget. As we know, we have a \$5.2 billion black hole. That is a large part of the reason we have made the decision on public sector wages. As the Premier has said on a number of occasions, our policy is identical to the policy that was in place for four or five years under the previous Labor Government. Why are we implementing this policy? No member of this House would doubt for a moment our desire to pay our public servants more money, particularly front-line public servants such as nurses, teachers, police and Department of Community Services workers. Of course that is our desire: it is everybody's desire.

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

Mr ADRIAN PICCOLI: But we are faced with a finite budget. In fact, the New South Wales budget has been left in such a dire state by the former Labor Government that this is one of the measures we have had to undertake. Had the former Government run the budget properly and had we been left with the kind of surpluses that we should have been left with, we might be in a different situation.

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

Mr ADRIAN PICCOLI: I will give the member for Fairfield a bit of leniency because he has only been in this place for 10 weeks and he is in a marginal seat, but I will let him know the financial pressures that have been put on the Department of Education thanks to the actions of the previous Labor Government, in which the member for Fairfield was an important participant.

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

Mr ADRIAN PICCOLI: There are the unflued gas heaters. Who knows what it will cost to replace them—\$200 million, \$400 million? We are not quite sure what we will have to pay. We remember the incident last year when the previous Minister for Education and Training announced a replacement program for unflued gas heaters. That had not been approved by Cabinet and she got absolutely pasted by the member for Heffron. It was very amusing to watch.

Mr Guy Zangari: Point of order: Standing Order 129, relevance. I asked how the Minister can justify exempting police but not teachers from the Government's public sector wages policy.

The SPEAKER: Order! I understand the point of order, and it is a valid point of order. However, the Minister is speaking generally about the education budget and he is being relevant. I will hear further from the Minister, but I suggest he return to the leave of the question.

Mr ADRIAN PICCOLI: I was about to make the point that the reason this decision has been made, and it includes teachers, is because of the budget pressures that not only the education budget is under but that the entire budget is under. I am outlining some of the reasons why this policy has been put in place. Let us say as a minimum that it will cost \$200 million to fix the unflued gas heater problem left to us by the previous Government, and there is also a \$400 million maintenance backlog left to us by the previous Government.

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

Mr ADRIAN PICCOLI: That maintenance backlog was identified in 2008 in the condition assessment that was carried out. It was \$400 million back in 2008 and I was told not 15 minutes ago that it is now more than \$400 million.

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

Mr ADRIAN PICCOLI: We have gone backwards since 2008. They are the kinds of things that individual members of Parliament and the Department of Education are making representations about to my office.

The SPEAKER: Order! I call the member for Toongabbie to order for the second time.

Mr ADRIAN PICCOLI: There is an additional \$90 million in unfunded electricity charges. Every school pays an electricity bill and that is set to increase by \$90 million over the next four years. These are the budget pressures that the Department of Education is facing.

The SPEAKER: Order! I call the member for Maroubra to order for the second time. Members of the Opposition will come to order.

Mr ADRIAN PICCOLI: Over the next four years \$80 million will be needed to fund the national curriculum implementation.

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

Mr ADRIAN PICCOLI: The former Labor Government signed off on the national curriculum process without an undertaking from the Commonwealth to fund it. So this Government has to fund it.

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

Mr ADRIAN PICCOLI: Also, there will be a \$90 million increase over the next four years for special education. Those are the kinds of financial and budget pressures the education budget alone faces over the next four years.

The SPEAKER: Order! Opposition members will come to order. If they do not, I will place them on three calls to order.

Mr ADRIAN PICCOLI: That is the reason that this decision has been made. I hope that answers the question from the member for Fairfield.

The SPEAKER: Order! The member for Maroubra will come to order. Opposition members will come to order.

QUEENSLAND BUDGET

Mr RAY WILLIAMS: My question is addressed to the Treasurer. Will the Treasurer inform the House of the budget delivered yesterday by the Queensland Labor Treasurer, including the approach to public sector wages adopted by Labor in that State?

The SPEAKER: Order! Members of the Opposition and Government members will come to order.

Mr MIKE BAIRD: I thank the member for Hawkesbury for his question and for his interest in all matters of responsible budget management. The dynamo of the north-west continues to add value in this place. The budget delivered yesterday by the Queensland Labor Government confirmed an operating deficit of just over \$4 billion for 2011-12. In addition, the Queensland Labor Government has forecast diminishing deficits averaging about \$900 million over the following three years. Its aim is to return to surplus by 2015-16. Those diminishing deficit forecasts are built on the back of forecast revenue growth of 4.3 per cent and forecast expenses growth of 1.6 per cent, despite expenses growth of 8.7 per cent for 2011-12.

We have heard that story before: When Labor takes that approach expenses growth is never maintained. Like that of the former Labor Government in New South Wales, the key problem of the Queensland Labor Government is expenses growth. At least the Queensland Labor Government has acknowledged that. The House should note that the Queensland Government has started to bring in a range of measures to try to get its budget under control. Those measures include the voluntary separation of 3,500 public servants—

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

Mr MIKE BAIRD: The Queensland Government has increased its existing efficiency dividend savings target of \$162 million, and it has also included a wages policy. The House will be very interested to hear about the wages policy of the Queensland Labor Government, because it is very similar to what the Leader of the Opposition signed up to previously. Budget Paper No. 2—I point that out because we know what the Opposition is like with numbers and budget papers—outlines the fiscal strategy and page 3 states:

... the Government has undertaken significant budgetary reform to strengthen the long term sustainability of the State's finances to ensure the Budget is on track to return to surplus by no later than 2015-16. The measures undertaken in this regard include implementing a Government wages policy that limits budget-funded wage increases to 2.5 per cent per annum ...

That has a familiar ring to it, because it is New South Wales Labor's policy as well. Having seen that, I went straight to the website of the Australian Council of Trade Unions—which is great reading and I have saved it on my computer as a favourite. I was looking for a protest on the website. There has to be a protest in Brisbane, does there not, because unions have been given 2.5 per cent?

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

Mr MIKE BAIRD: The question is: Will the protesters who were outside Parliament House today go to Brisbane? Will they then go to Adelaide? Will they then go to Hobart?

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

Mr MIKE BAIRD: Is this about State governments introducing a 2.5 per cent wages policy or is this about union bosses having a go at conservative governments?

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

Mr MIKE BAIRD: I will quickly run through the facts again. The O'Farrell Government is saying a minimum pay rise—

The SPEAKER: Order! I call the member for Toongabbie to order for the third time.

Mr MIKE BAIRD: We are saying 2.5 per cent is a minimum pay rise.

Mr John Robertson: You've capped it.

Mr MIKE BAIRD: We have not capped it.

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

Mr MIKE BAIRD: The Leader of the Opposition is telling lies. There could be more if there are employee-related savings.

The SPEAKER: Order! I call the member for Kogarah to order for the second time.

Mr MIKE BAIRD: We are providing more teachers, more police and more nurses. That is our policy and that is a fact. If those opposite are throwing away their policy, they need to tell us how they would fund the \$2 billion. Have they got their masks on? Where are their masks?

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

Mr MIKE BAIRD: I ask members of the Opposition to take their masks home and put them up on their walls so that they can see true leadership.

The SPEAKER: Order! The member for Maroubra will come to order. The member for Kogarah will not use a prop.

Mr MIKE BAIRD: Our Premier is a true leader: he is someone who is willing to stand up for communities, to stand against union bosses and to stand up for what is right for this State.

The SPEAKER: Order! I call the Leader of the Opposition to order for the second time.

Mr MIKE BAIRD: That is it right there. Take it home and put it on the wall. The member must explain how to fund the \$2 billion he has forgone. [*Time expired.*]

PUBLIC SECTOR WAGES POLICY AND NURSES

Dr ANDREW McDONALD: My question is directed to the Minister for Health.

The SPEAKER: Order! I would love to hear the question. The member for Keira and the member for Toongabbie will come to order. The member for Toongabbie should listen to the question being asked by a member from the Opposition side of the House.

Dr ANDREW McDONALD: I refer the Minister to her answer yesterday in this House that she has been very happy to speak to rank and file nurses to thank them for the work they do. Will she now reward them by exempting them from the Government's public wages policy?

The SPEAKER: Order! Some members will find themselves outside the Chamber if they continue to interject. The member for Canterbury will come to order.

Mrs JILLIAN SKINNER: I am very happy to talk at any time about nurses and my respect and admiration for them. Most members of this House know that I am the daughter of a nurse. I have a great deal of respect for nurses and I love going to hospitals to talk to them.

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

Mrs JILLIAN SKINNER: Members opposite do not like to be reminded that nurses signed an agreement on 22 February that covers them for the next three years. They will get salary increases of 3.9 per cent this year, 3 per cent in 2011-12 and 2.5 per cent in 2012-13. Nurses have an award in place covering the next three years. This Government has a great deal of respect for nurses. I will remind the House how the former Government treated nurses. We all know it cut back on the number of nurses—

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

Mrs JILLIAN SKINNER: —including 340 positions abolished in western Sydney. Members opposite might find this interesting. An article in the *Lamp*, a New South Wales Nurses Association publication, states:

Making experienced nurses redundant to remedy budget shortfalls ignores the longer-term needs of the health system, which depends on nurses with a high level of skill and experience... It is regressive. It is myopic. It is reckless.

That is dated 2 October 2009.

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

Mrs JILLIAN SKINNER: If members opposite do not like that, I refer them to an article in the *Sydney Morning Herald* written by Natasha Wallace and dated 19 November 2009. The article quotes former senior nurse manager at Nepean Hospital, Dee Wickham, who said that in her 43 years of nursing in the New South Wales public system things have never been worse. This is when members of the Opposition were in office.

The SPEAKER: Order! The member for Wollongong will come to order. I remind the member for Toongabbie that he is on three calls to order.

Mrs JILLIAN SKINNER: The article further states:

Nurses would be in her office every day complaining that they were unable to properly care for patients because they were so overloaded...

Who was in office? It was that lot over there.

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

Mrs JILLIAN SKINNER: If members opposite think that that information is too old, they should consider an editorial entitled "We're at tipping point" published on the Nurses Association website. I cannot identify the author, but it could be the general secretary. It states:

The State Government and NSW Health have repeatedly said no frontline nursing positions will be lost in our public hospitals. Despite this, the facts on the ground paint a completely different picture... The unconscionable trend to scale back nursing positions, usually by stealth, is putting the safety of patients and nurses at risk.

That editorial is dated 3 February 2010. Who was in office then? We had a Labor Government. I will compare that with this Government's approach.

The SPEAKER: Order! I call the member for Macquarie Fields to order for the second time.

Mrs JILLIAN SKINNER: The member for Kogarah should listen to the theatre nurses at St George Hospital in her electorate. The association's web address is www.nswnurses.asn.au. That quote was from the head of the New South Wales Nurses Association.

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

Mrs JILLIAN SKINNER: When members opposite were in government they cut nurses' jobs and did not care about their workload and its impact on patients. By way of contrast, this Government has promised to provide an extra 2,500 nurses and to end bullying and harassment. Nurses will get a much better deal under the O'Farrell Government.

WORLD ELDER ABUSE AWARENESS DAY

Mr DOMINIC PERROTTET: I address my question to the Minister for Ageing. What is the Government doing as part of World Elder Abuse Awareness Day?

Mr ANDREW CONSTANCE: I thank the member for asking this incredibly serious question. I know that he has a keen interest in this issue because his region is home to more than 85,000 people over the age of 65. The O'Farrell Government will protect the human dignity and human rights of the most vulnerable in our community. That is why our social policy framework is built on the principles of early intervention and prevention. It is designed to devolve decision-making to local communities. This Government wants people to make individual choices and to accept responsibility for their decisions. It particularly wants to engage with the non-government sector to support people within their community.

Today is World Elder Abuse Awareness Day. For the first time the New South Wales Government has joined with UnitingCare Ageing Community Care and the Uniting Church of St Ives to launch a DVD spelling out the damaging consequences of elder abuse in our community. The Australian Institute of Criminology has recently released research indicating that 4.6 per cent of people over the age of 65 are the victims of neglect and abuse. That means about 50,000 people in New South Wales are victims of cowardly acts perpetrated by people who abuse and neglect the elderly. A number of factors drive that sort of behaviour. National Seniors Australia has cited increased negativity and society's changing attitude to ageing. Ageing parents are also the victims of the changing attitudes of adult children, and increased materialism is driving changes in attitudes to family inheritance and the assets held by older people.

Of course, insufficient protection has been provided to victims of elder abuse. I was joined this morning by the Minister for Family and Community Services, and Minister for Women in launching a DVD entitled *As Life Goes On*. It is incredibly confronting and spells out instances of elder abuse. One immediately brings to mind elders being subjected to physical abuse, petty theft and crime in the community. However, this abuse is being perpetrated by the families and friends of the elderly. This was brought home to me as the member for Bega when I provided a brochure on bullying to every household in my electorate. I was amazed by the response to my office from constituents over the age of 65 who were the subject of abuse and neglect.

A number of avenues are available to people who are subject to elder abuse, but it must be recognised that it is incredibly difficult for anyone to report a loved one or a family member to an agency knowing the potential consequences of doing so. Myriad agencies are available to give that support, but whilst there is that hurdle to overcome it is vital that seniors across the State know that agencies are out there to support them. Included among those are the Aged Care Rights Service and Legal Aid, which has initiatives for legal education for older people. They also include a joint initiative being run by the Council of the Ageing with Legal Aid where legal pathways are available to support our ageing community. Of course, information can also be accessed through the New South Wales Trustee and Guardian.

We need to talk about this issue. We need to have it out and about so that people in our community are aware of this hidden challenge facing seniors across the State. That is why I particularly pay tribute to UnitingCare Ageing and the St Ives Uniting Church for the work that has been done to launch this DVD, which will go to 200 local government authorities and agencies across the State to ensure that the human rights and dignity of the most vulnerable in our community are safeguarded—a matter that the O'Farrell Government is determined to address.

BOARDING HOUSE ACCOMMODATION

Ms CLOVER MOORE: My question is directed to the Minister for Fair Trading. Following reports that the State Government will look at occupancy agreements to give boarding house residents basic rights, what action will the New South Wales Government take to increase the viability of boarding houses to ensure that people have access to this essential stopgap between homelessness and other low-cost accommodation?

Mr ANTHONY ROBERTS: I thank the member for Sydney for her sincere interest in this issue. I also pay tribute to and acknowledge the honourable member for Ryde, who is taking a leading role on the issue of boarding houses in this State. As the member for Sydney knows, the previous Labor Government spent 16 years talking but not a lot of doing. The O'Farrell-Stoner Government recognises that boarding houses are as important a part of the accommodation mix in the community today as ever before. Boarding houses provide much-needed housing to many people, particularly vulnerable people, and it is essential that we protect the residents and ensure the ongoing viability of this sector of the housing market. Boarding house residents should be able to expect accommodation that is safe, clean and secure.

[Interruption]

As long as it is not next to members of the Opposition.

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

Mr ANTHONY ROBERTS: It is also important that regulation of the sector deters unscrupulous operators and provides reasonable and balanced powers for agencies to enforce standards. The Government also recognises that excessive regulation could impose additional and unnecessary costs on the industry, which may result in further closures and leave residents without suitable accommodation. As the member for Sydney has previously noted, this complex issue cuts across many areas of policy responsibility, including housing, planning, fair trading and disability services, among others.

An interdepartmental committee chaired by the Department of Family and Community Services has been examining issues relating to boarding houses from a whole-of-government perspective since 2008. One of the key issues being considered is how to better protect the rights of residents of boarding houses. A principles-based approach may be the most appropriate solution to providing greater security and protection to residents while at the same time ensuring that the viability of boarding house operators is not further diminished. Again, these issues are being considered by the interdepartmental committee as part of a whole-of-government approach to potential reform. Matters relating to social and affordable housing, planning issues, the role of local government and disability service standards make this an extremely complex issue.

Without pre-empting the outcome of that work, I can say that the Government's response will ensure that the needs of vulnerable residents, including those with a disability, are balanced with ensuring a viable boarding house industry. We are determined to move ahead with this key issue and pick up the pieces that we have been left with after 16 years of inaction by those opposite. This is just another instance in a long list of the former Government's dithering and determination to sit on its hands. I am advised that Fair Trading undertook a review of inquiries and complaints received by its customer service division between 1 January 2008 and 31 December 2009. A total of 16 inquiries and complaints were specifically identified as relating to boarding houses. Fair Trading provided information and advice to assist these residents. I am pleased to say that, unlike the previous Labor Government, the Liberal-Nationals Government will be carefully considering the interdepartmental committee's proposals.

RUGBY LEAGUE STATE OF ORIGIN MATCH

Mr TIMOTHY OWEN: My question is addressed to the Premier. Will the Premier advise what benefits tonight's State of Origin match will bring to New South Wales?

The SPEAKER: We will win of course.

Mr BARRY O'FARRELL: I thank the member for Newcastle for his question. I use this opportunity on behalf of the two Knights supporters in my house to congratulate the appointment of Kurt Gidley to the team to join Akuila Uate. At the outset, let us all join forces to support the New South Wales Blues tonight. I am even sure that my friends on the other side of the Chamber, the member for Canterbury, the member for Blacktown and the member for Maroubra, will join with me on this occasion in wishing the Blues every success tonight against the Maroons.

The SPEAKER: I am sure they will.

Mr BARRY O'FARRELL: The former member for Blacktown would have joined me in this; he played rugby league. As well as State of Origin being a fantastic football match, it is a significant major event

for this city. Tonight's match is a sell-out. That means that almost 83,000 people have bought tickets to cheer home New South Wales against Queensland in game number two in the series. While it is a great sporting event, it delivers enormous economic benefits to the State. It is estimated that at least 10,000 visitors will come into Sydney for this event. They will stay in our hotels, eat in our restaurants, use our cabs and spend money in our shops. It drives economic growth; it keeps people employed.

The fact that the second State of Origin game has coincided with a long weekend has also been of benefit to New South Wales because it is likely that people have extended their visits to the city. Even if the average visitor were to spend just two nights in Sydney, that means that those 10,000 visitors will realise an additional \$6 million in tourism benefits to the State. That has a direct economic impact on New South Wales—it represents jobs and money through businesses. All that is left now is for the Blues to come out tonight and win the match. Given the contribution to the team of St George-Illawarra with the inclusion of Mark Gasnier and others from that team, on this occasion I acknowledge the member for Wollongong, who is looking not quite as good as she did at the start of question time.

The SPEAKER: Order! The Premier will return to the leave of the question.

Mr BARRY O'FARRELL: There is some criticism of the front row of New South Wales. The member for Wollongong and I could add some heft to that. I am not sure which other member could be the hooker, perhaps the member for Canterbury. Hang on—two props and a hooker, that is the front row. But it would not come within a scratch of Paul Gallen, Mick Innes and Tim Mannah. I was fortunate on Sunday to witness a Blues training session. I can tell members that the team is simply determined to win. Because of public concern about the weight of our forwards I offered to put my boots on and pad up, but I have to say they respectfully declined my offer.

Mr John Sidoti: Mitchell Pearce man of the match.

Mr BARRY O'FARRELL: Mitchell Pearce, man of the match, any other advance on that? The member cannot look past Eastern Suburbs when it comes to players in the State of Origin. The players tonight go out there with the wishes and support of all New South Wales residents behind them. It will be a wet and miserable night but that is no guarantee of any outcome. Those of us old enough will remember 29 May 1991, State of Origin game two: the infamous match with the Wally Lewis-Mark Geyer episode. What is important about that match is that it took place on a similar sort of day and New South Wales triumphed 14-12.

We have in Ricky Stuart a man who, as coach, has enormous respect across football and in whom we can all have confidence. We have in Paul Gallen someone who, as our captain, shows great leadership and great determination in every match; he has our full support. I am pleased to stand here, I hope on behalf of all members, to wish Anthony Minichiello, Jarryd Hayne, Will Hopoate, Mark Gasnier, Akuila Uate, Jamie Soward, Mitchell Pearce, Paul Gallen, Michael Ennis, Tim Mannah, Beau Scott, Ben Creagh, Greg Bird, Trent Merrin, Kurt Gidley, Anthony Watmough, Luke Lewis all our very best as they bring home the bacon; as they start to reverse the series, to win this series and send a very strong message to Queensland—a much stronger message than the Treasurer gave earlier today, but his Manly players will do well too.

Question time concluded at 3.10 p.m.

JOINT STANDING COMMITTEE ON THE OFFICE OF THE VALUER-GENERAL

Government Response to Report

The Clerk announced the receipt of the Government's response to report No. 3/54, entitled "Report on the Seventh General Meeting with the Valuer-General", received on 7 June 2011.

PETITIONS

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

Oxford Street Traffic Arrangements

Petition requesting the removal of the clearway and introduction of a 40 kilometres per hour speed limit in Oxford Street, received from **Ms Clover Moore**.

Public Sector Wages Policy

Petition opposing the proposed Industrial Relations Amendments (Public Sector Conditions of Employment) Bill 2011 and requesting that public sector workers have access to pay rises relative to cost of living increases and the Industrial Relations Commission, and are able to continue to provide quality service to the community, received from **Mr Greg Aplin**.

Pet Shops

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

Local Court Magistrate Jennifer Betts

Petition requesting that Jennifer Betts not be removed from her position as a magistrate of the Local Court of New South Wales, received from **Dr Geoff Lee**.

Tenancy Agreement Pet Bans

Petition requesting a prohibition on blanket pet bans in by-laws, rules and tenancy agreements, received from **Ms Clover Moore**.

Community Housing Mental Health Services

Petition requesting increased mental health support for people with mental illness who are tenants of Housing NSW and community housing, received from **Ms Clover Moore**.

PETITIONS

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

Byron Shire Central Hospital Ewingsdale

Petition requesting funding for construction of the proposed Byron Shire Centre Hospital at Ewingsdale, received from **Mr Donald Page**.

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY

Carbon Tax

Mr TROY GRANT (Dubbo—Parliamentary Secretary) [3.13 p.m.]: My motion, that this House condemns the Federal Labor Government's carbon tax and its solar credits multiplier, should be accorded priority because a carbon tax will increase cost of living pressures and cost jobs in New South Wales. I do this on behalf of not only the Dubbo electorate but also the people of New South Wales. In my view this is one of the greatest challenges and threats that our national economic community has ever faced. This is not a debate on climate change; it is a motion that should be accorded priority as it impacts on the very survivability of our communities, particularly those in regional New South Wales. It threatens the gross domestic product of regional areas such as the Hunter, Wollongong and my area of western New South Wales. The carbon tax is based on a shaky international scene where there is no certainty in the global carbon trading markets.

The SPEAKER: Order! Members who wish to have private conversations should do so outside the Chamber.

Mr TROY GRANT: This motion should be accorded priority because we need to know what this carbon tax means for New South Wales families, in particular, our pensioners. How will it affect families in my electorate and across New South Wales, and those already struggling to pay their power bills? It will have a devastating impact on small businesses, which in regional New South Wales are the very fabric of our communities. They are already struggling. On 26 March they asked for our help and what happened? The Federal Labor Government wants to give them another kick in the guts. I think not. The solar credits multiplier

and its associated costs are a Federal mess, and they are being passed on to communities. We need to send a message to Canberra that the Federal Labor carbon tax is unacceptable. I do not believe its benefits justify its costs.

I do not believe any incremental reduction in any environmental risk is justified because of the enormous catastrophic risk the carbon tax presents to the cost of living for families and its flow-on impact on the State in providing services to meet this fallout. The carbon tax ignores the macroeconomic reality of a possible recession impact on the global financial sector and what that will mean for New South Wales. Do we want to be the trigger in Australia? I believe not. Other energy reduction use options have not been fully explored. The carbon tax proposed by Federal Labor is completely inconsistent with other emerging international efforts. Why are we jumping in now and risking our economy and our future? As usual with Federal Labor there is a complete lack of coherence in the plan or with any information coming forward. The Coalition was elected on 26 March because our communities have had a gutful; they have had 16 years of being downtrodden in every economic and social sphere.

Ms Linda Burney: Name them.

Mr TROY GRANT: Name them? They are on the electoral roll and they voted for us.

The SPEAKER: Order! The member for Dubbo should not be tempted.

Mr TROY GRANT: The communities of New South Wales have clearly made a point, one that the member opposite clearly has not listened to or heeded.

Mr Michael Daley: Talk through the Chair.

The SPEAKER: Order! The member for Maroubra will resume his seat. He will direct his comments through the Chair and refrain from giving directions to the member for Dubbo.

Mr TROY GRANT: This motion is of vital importance because members opposite do not understand that whatever Federal Labor does has a flow-on effect because we are responsible for service delivery in this State. We will be left to pick up the broken pieces of our communities. When people cannot pay their power bills and domestic violence ensues, the New South Wales police will have to attend. Who will have to look after families from broken relationships? It will be Family and Community Services, and those charged with delivering services in New South Wales will be left to pick up the pieces. It is of the utmost importance to send a clear message that Federal Labor's carbon tax will not be another kick in the guts that this State has to endure; we endured enough in the past 16 years under State Labor.

Industrial Relations Legislation

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [3.18 p.m.]: This is now the sixth occasion that we have sought to give this matter priority. Today we seek priority to discuss one more extraordinary aspect.

The SPEAKER: Order! Members leaving the Chamber should do so quietly and conduct their conversations outside the Chamber.

Mr Andrew Fraser: Point of order: Madam Speaker, I draw your attention to Standing Order 77, which states:

A Member shall not anticipate discussion of any matter which is on the Business Paper. In determining whether discussion anticipates debate the Speaker shall have regard to the probability of the matter being debated by the House within a reasonable period and the most effective means for it to be raised.

The Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 is on the Business Paper for today and will be debated later this evening. Standing orders have been suspended to bring on that debate. Therefore, the motion by the Leader of the Opposition anticipates debate on the bill and therefore should be disallowed.

The SPEAKER: Order! I have listened to the point of order, but this is about establishing priority. The Leader of the Opposition may continue.

Mr JOHN ROBERTSON: Today I seek priority to discuss one of the more extraordinary aspects of the Government's attack on workers—and I say that noting that so many aspects of it are extraordinary. Gagging the upper House using a method we have not seen used for more than a century is extraordinary. Shackling the Industrial Relations Commission for the first time in a century is also extraordinary. But the most extraordinary development came on 3 June when the Premier announced that police would be exempted from these laws because, "I appreciate the views of the crossbenchers that there are special circumstances relating to the police ...".

The SPEAKER: Order! Members will come to order.

Mr JOHN ROBERTSON: The matter deserves priority because nurses, teachers, ambulance officers and fire officers in every electorate of our State are being cast aside by the Premier. The exemption the Premier is now offering is a clear admission that these laws will hurt our front-line services. No other reason could justify the need to exempt police. On what basis does this Government justify saying that it is okay to slash the conditions of fire officers, nurses, teachers, or any other public sector workers? That question deserves to be answered and it deserves priority.

The SPEAKER: Order! Members who wish to have private conversations should do so outside the Chamber.

Mr JOHN ROBERTSON: Each member knows this, because each member knows that the people who voted for them include nurses and ambulance officers who save lives, fire officers who run in while most of us run out, and social workers who care for vulnerable children and keep lives on track.

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

[Interruption]

The SPEAKER: Order! The member for Kiama will come to order. I call the member for Kiama to order.

Mr JOHN ROBERTSON: Those people deserve to have their interests heard in this place, just as much as any hardworking police officer does. This matter deserves priority because nurses, teachers and fireys deserve to know why this Government thinks it is okay to slash their pay but not those of their fellow public servants in the Police Force. And we know this is the case: these laws will slash public servants' pay. Does that issue not deserve priority? The Workplace Research Centre at the University of Sydney has shown that if these laws had been in place over the past decade a registered nurse would be \$12,232 a year worse off. Do members of this place not have nurses in their electorates to represent? A teacher would be \$14,580 a year worse off. Do members not want to give priority to the interests of teachers in their electorates? This is the Government that claims it wants to recruit better teachers.

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

Mr JOHN ROBERTSON: I suggest that dropping teachers' pay is not a way to lure them. Does that issue not deserve priority? I fully expect that members opposite will not hesitate to toe the party line and vote against this motion. This will be the sixth time they have failed to give priority to the nurses, teachers, fireys and ambulance officers that they should be representing in this House.

The SPEAKER: Order! Members will come to order.

Mr JOHN ROBERTSON: It will be the sixth time members opposite have denied them priority.

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

Mr JOHN ROBERTSON: It shows the desperation of members opposite to hide from scrutiny on this issue.

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

Mr JOHN ROBERTSON: But I can tell you, the people are watching. They gathered once, and they will gather again. They will stand outside the offices—

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

Mr JOHN ROBERTSON: If members opposite were serious about representing the interests of their constituents, they would give this motion priority.

Question—That the motion of the member for Dubbo be accorded priority—put and resolved in the affirmative.

CARBON TAX

Motion Accorded Priority

Mr TROY GRANT (Dubbo—Parliamentary Secretary) [3.24 p.m.]: I move:

That this House condemns the Federal Government's carbon tax and its solar credits multiplier, which will increase cost of living pressures and cost jobs in New South Wales.

As I said earlier, the issue we are currently facing and that is being imposed on us by the Federal Labor Government is almost without measure considering its potential consequences to the State. That is why I am very proud to condemn the Federal Labor Government's carbon tax and its solar credits multiplier, which will increase cost of living pressures and result in loss of jobs in New South Wales. As I have said and as we have heard recently, this is not a debate about climate change; it is a motion about the ability of our communities to survive, particularly those in regional New South Wales.

[Interruption]

Members opposite may laugh, but this is a serious issue. The proposed carbon tax threatens the gross domestic product of our regional areas, a matter that has been spoken about at length by my colleagues and other members of this House. Members of this House cannot be divided on where New South Wales responsibilities lie in delivering services to our State, supporting our economy, and supporting the key institutions in our communities such as small business. This was an election issue some 12 weeks ago. People in my electorate of Dubbo were driving around with stickers on their cars that read "No carbon tax". Anyone who thinks this is a Federal issue and not a State issue is sadly mistaken.

The carbon tax proposed by the Federal Labor Government is based on a shaky international scene. Countries are leaving this debate by the truckloads, led mostly by Canada. At the moment there is absolutely no certainty in the global carbon trading market. Why is the Federal Labor Government insisting on risking the future of our State and our communities by imposing this tax when it is totally unjustified within the carbon trading market not only of this country but of the world, where there are divided opinions on climate change—indeed, so divided that nobody can agree? Why are we pushing so hard to pose a threat to our communities that are already doing it tough, particularly those in regional New South Wales? Why are we scaring the bejesus out of them by imposing this tax and running this fear campaign?

This carbon tax means uncertainty for New South Wales families, it means uncertainty for New South Wales businesses, and it means absolute fear and trepidation for our pensioners. When I was doorknocking throughout the election campaign I met an elderly disabled pensioner in the small village of Tullamore. I knocked on her door and introduced myself. I said to her, "How are you doing?" She immediately apologised to me for the state of her lawns; she had unkempt grass. She said, "I'm sorry, I haven't been able to pay the boy to mow my lawns." I said to her, "There's no need to apologise. How are you going?" She said, "Well, recently I have been struggling a bit; I am having trouble paying my power bills." I replied, "Really? What are you eating at the moment?" She said, "Mostly tinned spaghetti. I skip a few meals here and there."

That situation is totally and absolutely unacceptable. That lady was faced with that situation in only February this year. Yet, our Federal Labor Government is insistent on imposing yet another impost on the cost of living of that poor lady, as well as many others like her right across our State. It is totally unacceptable. That lady's predicament was created by members opposite, who obviously did not care about their communities. Where do members opposite stand on this issue?

Those opposite could be accused of many things. I would like the Leader of the Opposition to tell the people of New South Wales where he stands on this issue. On 24 March 2010 in the *Australian Financial Review* the Leader of the Opposition is reported as saying, "We need a price on carbon to make gas

competitive." Did he think about the causes or consequences of that? Did he think about the impacts of a carbon tax on the cost of living? Did he think about how the additional policing, nursing, family and community services would be paid for by this State? The Leader of the Opposition should join the Government in condemning the Federal Labor Government. If he had any courage he would say no to the Prime Minister and her Cabinet on a carbon tax.

Ms Linda Burney: You have no idea how government works, do you?

Mr TROY GRANT: The Federal Labor Government cannot justify a carbon tax. There is not a skerrick of evidence—

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Canterbury will have an opportunity to contribute to the debate.

Mr TROY GRANT: For the information of the member for Canterbury, I do know how government works. I have been part of it for 22 years. The Federal Labor Government should be condemned. We should tell our electorates that New South Wales says no to a carbon tax. If one were to measure the risk against the gains to be made from the imposition of a carbon task it is catastrophic. It does not stack up. It makes no economic sense whatsoever.

Mr Andrew Gee: They will go overseas.

Mr TROY GRANT: Everything will go overseas. Even overseas they are divided on this issue; they cannot agree that a carbon tax is the right way to go. The Federal Government has failed to take into account that the second Kyoto agreement is a mystery—it will not happen. The International Energy Agency has stated that global action is well short of what is needed to limit global temperatures. Yet we continue to head down this track when it will only result in pain and suffering for the people of New South Wales.

Ms LINDA BURNEY (Canterbury) [3.31 p.m.]: Julia Gillard will be trembling in her shoes after the contribution by the member for Dubbo. The Government has brought this Federal issue into discussion several times now, but the Opposition is willing to debate it. Every now and then a major challenge comes along and it requires leadership—something we do not see from the other side of the Chamber. The challenge for this generation is how to manage climate change, which will determine the legacy for the next generation and beyond. We know that those opposite are led by a Premier who "absolutely accepts the science of climate change" because he told ABC television just that on 18 March this year. He said that he would be committed to using the resources of government to dealing with this great challenge: the challenge of our time.

Where is that leadership now? It is nowhere to be found and from the contribution by the member for Dubbo it is not very obvious. The Government has no policy and takes no action. It does not even have a relevant department any more. There is no longer a Department of Environment and Climate Change in New South Wales. In the absence of any leadership those opposite use this as a football and toe the line for Tony. If members opposite want to talk about federal issues and federal approaches to managing climate change then let us check the record on the position of the Federal Coalition. Leadership is about having a considered and consistent position, not just saying anything to anyone and flip-flopping around. Let us check the position that members opposite are so keen to back in this House. On the one hand we have Tony Abbott saying:

I am, as you know, hugely unconvinced by the so-called settled science on climate change. Atmospheric concentrations of carbon dioxide have significantly increased since the spread of industrialisation, but it seems that noticeable warming has only taken place between the 1970s and 1990s.

Those are comments by the person members opposite are blindly following on this issue—Tony Abbott. On the other hand we have this position from Coalition ranks:

We have a clear policy on climate change. Climate change is real.

Who said that? Which Coalition member dared to contradict Tony Abbott? It was Tony Abbott.

Mr John Williams: Point of order: I ask that the member for Canterbury be brought back to the leave of the motion. The motion is clearly about her going to her Prime Minister, who will be replaced on 1 July by Bob Brown, and tell either one of them that—

The DEPUTY-SPEAKER (Mr Thomas George): Order! That is not a point of order.

Ms LINDA BURNEY: Good try, member for Murray-Darling. I do like you.

Mr Adrian Piccoli: Stop calling him darling then.

Ms LINDA BURNEY: I cannot help it; I just cannot help it.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Canterbury will direct her comments through the Chair.

Ms LINDA BURNEY: Who contradicted himself? It was Tony Abbott. Meanwhile another Coalition leader, also called Tony Abbott, put this position on the record, position number three:

I am confident, based on the science we have, that mankind does make a difference to climate, almost certainly the impact of humans on the planet extends to climate.

Only to be contradicted by this position:

Ok, so the climate has changed over the eons and we know from history, at the time of Julius Caesar and Jesus of Nazareth, the climate was considerably warmer than it is now. And then during what they called the Dark Ages it was colder. Then there was the medieval warm period. Climate change happens all the time and it is not man that drives those climate changes back in history.

That was said by one Tony Abbott. It is confusing, but let us see if we can get to the bottom of it. Here is a succinct position:

We believe climate change is real, yes, we believe humans make a contribution towards climate change.

That is a clear-cut line from guess who—Tony Abbott. Here is an even clearer line:

The argument is absolute crap.

Who said that? It was said by none other than Tony Abbott—so much for leadership. Is there anything better in the New South Wales Coalition ranks? No, apparently there is not. Let us check the *Hansard* of this Parliament. I refer to the proposal by the Government Whip in the other place that the Government should:

... fund a \$10 million research institute, whereby peer-approved papers could be produced which would demonstrate that dragons are responsible for global warming.

How is progress against that initiative going? Who said that? What sort of leadership can we expect on this issue when the Government Whip in the other place states on record:

... dragons have the same scientific relevance to climate change as carbon dioxide.

The New South Wales Coalition faces the same problem as the Federal Coalition. The majority of members, who no doubt are sensible and rational people and who accept that there is now a long-established consensus on the need to act on this issue, are being hamstrung by a bunch of loony-fringe, conspiracy theorists in their midst. So much for a responsible government or the leadership that families and communities in New South Wales might expect from a Government that promised higher standards.

Mr GARRY EDWARDS (Swansea) [3.38 p.m.]: I condemn the Federal Government's carbon tax and solar energy multiplier. These measures will increase cost-of-living pressures, including but not limited to the cost of electricity, on the good people of Australia, New South Wales and the electorate of Swansea. While Federal Labor has pledged to provide financial assistance to families disadvantaged by the proposed carbon tax, today many already are struggling with cost-of-living pressures. Several weeks ago a Blacksmiths resident, Ernest Farrell, contacted my office to show me how his electricity bill had risen each quarter. For years his bill had ranged around \$200 a quarter. His latest bill was over \$500, a figure that was out of reach of his budget. He has since applied for an extension of time to pay his bill and is currently paying it off in instalments. When everyday Australians need to pay their power bills off in instalments, similar to paying off a mortgage or car loan, that is a very strong sign that more needs to be done to reduce electricity prices.

Any measure that adds to cost-of-living pressures must be curtailed. The Federal Labor Government is out of touch with this simple reality. The Independent Pricing and Regulatory Tribunal announced yesterday that New South Wales energy customers would be slugged with close to an 18 per cent electricity price rise from 1 July. A carbon tax will not only drive up electricity prices for consumers; it will also have a flow-on effect to retailers. The Federal Government has guaranteed only half the money collected from big polluters will

go to assist households. How does that assist a shopper who is being hit from food price rises for everyday items? Companies such as Wesfarmers and Woolworths face annual rises in electricity and operational costs and these costs will be passed on to the consumer in the form of increased food prices. Everything on supermarket shelves will be priced to absorb the cost of a carbon tax.

Yesterday Coca Cola Amatil general manager, Terry Davis, confirmed this fact when he said, "Any costs associated with a carbon tax would be passed on." Those costs will be passed on to members of our communities and the whole of Australia. A carbon tax is a discriminatory tax because it advantages imported goods over locally produced goods. Mr Davis, as general manager of a company that owns Goulburn Valley, SPC and Bluetongue Brewery, among many other well-known brands, has confirmed that soft drink, coffee, beer and tinned fruit all will become more expensive under a carbon tax. Will this then jeopardise local jobs in the canning and bottling of fruits from this region? What will stop companies from moving their operations offshore and importing products to Australia to escape the effects of a carbon tax?

The proposed carbon tax also will impact on other industries, in particular, the mining sector. Mining operations around my electorate contribute significantly to this State's economic output. More than 2,500 people are directly employed in coalmining in the Newcastle and Lake Macquarie regions. That does not include the thousands of people employed directly and indirectly in mining operations in the Hunter Valley and upper Hunter regions. Mines in my electorate include Centennial Mannerling, the Longwall Development Operations Chain Valley mine, Myuna mine and Mandalong mine. The port of Newcastle is the world's largest coal port. In 2010 alone Rio Tinto and Coal and Allied invested more than \$9 million in Queensland and New South Wales, including \$6 million invested in more than 400 community projects and about \$1.5 million in direct or community-controlled payments.

The wages spent by mining workers across the Hunter and Central Coast regions flow into the local economy. Without these wages, how will local communities across the regions survive? Further, without the royalties from these coal exports, how can we rebuild New South Wales and make it number one again? The New South Wales Minerals Council has said that thousands of direct jobs in New South Wales will be at risk and mining operations have the potential to close if a carbon tax is introduced. I say to all members of the House: A carbon tax will impact on transport, electricity, fuel and food costs and will affect every citizen of New South Wales. I commend this motion as a matter of priority to the House.

Ms TANIA MIHAILUK (Bankstown) [3.43 p.m.]: I have lost count of how many times Federal issues have been raised by the Government as a motion to be accorded priority. I have a sense of déjà vu. The O'Farrell Government is doing the bidding of Tony Abbott's Federal Opposition. The Federal Opposition is in such disarray it relies on the New South Wales Coalition Government for support. I understand that Government members may not be happy with their own leader. They cannot be inspired by a leader who made a humiliating backflip on the Solar Bonus Scheme debacle. They want to debate the issue of climate change again and again. Their speeches probably have been written by Tony Abbott's staff, although the member for Dubbo may have contributed a little to his own speech.

Mr Troy Grant: Point of order: My motion to be accorded priority relates to a clear subject matter. The two Opposition speakers have steered from here to Atlantis away from the subject matter of the motion. I ask that the remarks of the member for Bankstown be brought back to the motion and be relevant. The motion condemns the Federal Government for implementing a carbon tax and the impact of a carbon tax on our communities. That is the subject of the motion.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The motion is:

That this House condemns the Federal Labor Government's carbon tax and its solar credits multiplier which will increase the cost of living pressures and cost jobs.

The member for Bankstown will return to the leave of the motion. It is not about climate change.

Ms TANIA MIHAILUK: I would have thought that climate change and the carbon tax were related to each other. I am happy to remind the Government of its appalling record on this issue. The Government does not have a Minister for climate change. It baffles the mind. As the Federal Government and jurisdictions around the country debate the issue of climate change, New South Wales does not have a Minister for climate change. Regardless of which side one sits on this issue, the response of governments to climate change is one of the most hotly contested political debates in years.

It has potentially far-reaching impacts on individuals, families and businesses across the State. The Premier's contribution to this debate and one of his first actions as Premier was to abolish the Department of Environment, Climate Change and Water and remove the Climate Change ministerial portfolio. In communities around the country the debate about the effects of climate change and the human contribution to the levels of carbon in the atmosphere will continue, without recognition and input from the leader of the New South Wales Government.

Mr Stephen Bromhead: Point of order: The motion to be accorded priority is about the carbon tax and the impact on the cost of living in New South Wales. Your last ruling was that the member for Bankstown should address the issue of carbon tax and the cost of living in New South Wales.

Mr Richard Amery: To the point of order: The member for Myall Lakes said that the member for Bankstown was not speaking to the motion because she was talking about climate change, not the carbon tax. That is an absurd definition of the subject of the motion. Carbon tax is about climate change.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Mount Druitt is an experienced member of this House. The last two Opposition speakers have made not one mention of the Government's carbon tax or the solar credits multiplier. It has all been about climate change. The member for Bankstown will return to the leave of the motion.

Ms TANIA MIHAILUK: The United States of America and Europe are now investing more in clean energy than in conventional sources. In less than 25 years 80 per cent of America's energy needs will be supplied by clean energy sources. China is shutting down one high-polluting, inefficient and unsafe coal-fired power plant every one to two weeks. China is also the biggest producer of solar panels and it is installing wind turbines at the rate of one every hour. By 2022 India will generate almost half of Australia's energy needs by solar alone. [*Time expired.*]

Mr TROY GRANT (Dubbo—Parliamentary Secretary) [3.48 p.m.], in reply: A carbon tax is one of the most significant economic imposts on our country and on our State in foreseeable memory. We have had the opportunity today to tell the community that this side of the House says no to the Federal Labor Government's carbon tax. The member for Swansea—I used to work in his electorate; it is a wonderful part of the world—understands what the motion is about. He talked very specifically about the motion and he addressed the issue of the solar credits multiplier and the impact that that will have on our cost of living in addition to the carbon tax. He spoke very well on the motion and I thank him for that.

I am sure that members of the Swansea community and the rest of New South Wales applaud him for taking this issue seriously, unlike those opposite who, after two points of order, ignored the ruling from the Chair and talked about the merits or otherwise of climate change. Whatever one's views are on the issue of climate change, it is clearly stated throughout the media and throughout the community that people are petrified about the impost of a carbon tax. They want to know what it means and how much it will cost. Until those opposite have those answers how can they sit there and ignore the needs of the community—the needs of their electorates? The member for Canterbury obviously does not give a rat's about her electorate. Is that right?

The DEPUTY-SPEAKER (Mr Thomas George): Order! Members will direct their comments through the Chair.

Ms Linda Burney: Point of order: I ask that the member withdraw his last comment.

Mr TROY GRANT: I apologise. I give a rat's about my community. That is why I am so passionate about this issue. The community can watch the parliamentary webcast or read the comments made in this House, but they need to know who is standing up for them in relation to the impacts on their cost of living and the survivability of their communities due to the Federal Government imposts.

Mr Charles Casuscelli: The businesses. Small business.

Mr TROY GRANT: Small business will bear the brunt, and if small business in regional New South Wales bears the brunt where does it flow? It flows downhill and it flows into the livelihoods and the households of our community. The community has had enough after 16 years of being tossed and turned in the economic chaos of the Labor Party. Enough is enough. But what do they do? The Federal sphere now wants to kick the community again. As I said in my opening remarks, those opposite do not have a clue about the cause and effect

of this carbon tax on communities in New South Wales. They sit there and look like they do not care. That is a worrying sign for their electorates and it is a worrying sign for our State. In the *Australian* today Graham Lloyd wrote a column, which began:

The Gillard government has crafted polished reasoning to support the introduction of a carbon tax, based on Australia playing its fair part in a global community effort to combat climate change.

What scares the daylight out of me from the antecedents of the Federal Labor Government and from the antecedents of those opposite is that this is all about what is being crafted, what will be imposed on us, and it is not for the right reasons but for another round of spin and rubbish and economic vandalism that those in the Federal Government want to impose on our communities. We must stand united in this Parliament and say no, we will not accept it. Those opposite are letting their communities down if they do not join with us in condemning the Federal Labor Government—a Government responsible for the failed insulation program, for the failed Building the Education Revolution program and for everything else that has failed. Are we now going to trust the Federal Government with a carbon tax, which is only being crafted for its political purposes? Those opposite should have some courage and get the Leader of the Opposition to stand up and tell the communities of New South Wales whether he supports a carbon tax and whether he is prepared to make them suffer for more and for longer. [*Time expired.*]

Motion agreed to.

INFRASTRUCTURE NSW BILL 2011

Agreement in Principle

Debate resumed from an earlier hour.

Mr TROY GRANT (Dubbo—Parliamentary Secretary) [3.55 p.m.]: I speak on the Infrastructure NSW Bill 2011, which is most important legislation—

Ms Linda Burney: It has just been put in front of you.

Mr TROY GRANT: I do not need it put in front of me; it was put in front of me a long time ago in our policy that we took to the—

The DEPUTY-SPEAKER (Mr Thomas George): Order! I direct the member for Dubbo to—

Mr TROY GRANT: I apologise, Mr Deputy-Speaker. It is very hard not to respond. It is like having a blowfly around—you just want to swat it because it is annoying. I will direct my comments through the Chair, but the buzzing is very irritating. This Government has presented to the people a clear path forward in relation to our infrastructure investment, spending, design and consultation and how we will seize every opportunity to build our State and regrow our regions. I commend the legislation to the House and I commend it to the people of New South Wales because finally, after 16 years, we have a way forward. This is an opportunity for regional communities—wonderful communities such as Dubbo, Narromine, Parkes, Forbes, Canowindra, Orange and Bathurst—to have a body that is not politicised but will have a clear agenda to invest properly, invest economically and invest soundly to make sure that our State—

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Canterbury will come to order. She will have an opportunity to participate in the debate.

Mr TROY GRANT: This is a once-in-a-generation opportunity for this State to get it right after things have gone so horribly wrong over the past 16 years. My electorate of Dubbo has been a victim of the betrayal of those opposite over the past 16 years with a lack of investment in infrastructure. We sit at the geographic heart of New South Wales. We have a great opportunity to be a rail and road infrastructure hub. But would those opposite in the last 16 years listen? No. Did those opposite create a mechanism by which arguments could be put forward, planned and costed? No, they did not. That was one of the greatest betrayals to befall this State. The past 16 years failed to identify our public infrastructure needs. The communities can tell us what is needed, and we are here in this place now because they want us to rectify the situation. We have heard their voices and

now they have a voice in this Chamber to address their concerns. Were any priorities set over the past 16 years? To give credit where it is due, the Labor Government did set some priorities, but they were like yo-yos—one moment a project was a priority and the next it was not. What did that cost the State? Where were the economic rationale and responsibility—

Ms Linda Burney: You tell us.

Mr TROY GRANT: It did not exist and that is why members opposite are no longer in government. Major infrastructure projects that will come under the auspices of Infrastructure NSW will include vital works on road and rail transport links, energy networks, water and sewerage systems, health care facilities and recreation facilities such as stadia and parklands. They are all critical to the social and economic wellbeing of the community. That is no more true than in rural and regional New South Wales. Many rural and regional members are in the Chamber at the moment. I lived for a time in the electorate of Tamworth, and the local member has just joined us.

Mr David Elliott: What a fine member.

Mr TROY GRANT: Indeed he is. An enormous number of people gather in Tamworth each January to enjoy a wonderful country music festival. Everyone would be a winner if that community had proper infrastructure investment. It needs better and safer roads so that festival goers can travel there in safety. It also needs more venues. That is a good example of the social benefits of investment in recreational infrastructure. The member for Charlestown is another wonderful member. I have also lived and worked in his electorate, so I am well aware of the massive road congestion that occurs. This bill will allow the State and the Government to do some planning to address the issues raised by the member for Tamworth and the member for Charlestown.

I am sure that the member for Northern Tablelands could list a large number of infrastructure projects that are required in his electorate. Providing them has not been possible over the past 16 years and projects have not been delivered, because the former Government had no infrastructure project framework; it had an ad hoc, flip-flop process involving announcements about infrastructure and failed plans that cost billions of dollars. This legislation provides a way forward and I commend the Premier for his foresight in introducing it.

I am sure the member for Northern Tablelands will join me and our other regional colleagues in welcoming regional representation on the Infrastructure NSW board. That is a shimmer of light that members opposite will never comprehend. They will be awakened to the fact that consulting regional New South Wales will result in an increase in prosperity driven by proper planning and investment. The concept of Infrastructure NSW is built on the successful Infrastructure Australia, Partnerships UK and Partnerships Victoria models. This framework has not simply popped into the Premier's head like one of the thought bubbles that members opposite experienced during their time in office. He is implementing a tried and tested model to achieve these outcomes. That is yet another shimmer of light and it is very welcome in regional New South Wales.

I am also comforted by the fact that the bill establishes Infrastructure NSW as a statutory corporation and a government agency with dedicated responsibility for infrastructure provision. There will be no more buck-passing between departments, bickering and bantering between electorates or crossover conflict between councils. Their voices will be heard and they will contribute to project development and funding, and the resulting projects will be believable and achievable. The community of New South Wales gave up hope of ever seeing that happen under the former Government.

Infrastructure NSW will also have a 20-year infrastructure strategy that will provide a road map for what we want to achieve. It will detail the when, where and how of infrastructure projects. That is a very exciting prospect. The 20-year strategy will contain a five-year infrastructure plan incorporating timetables against which performance will be measured and accountability will be sheeted home. The community will know what is happening. The sectoral State infrastructure strategy statements will also involve strategy statements as required across key economic sectors. That is a surprise and another shimmer of light. We will have cooperation and we will understand impacts across government departments and the entire government sector. That will mean that one project will not create a problem for another area of the economy. That is a wonderful initiative and a cornerstone of the planned system.

I am happy that Infrastructure NSW will reduce the time it takes to deliver vital major projects. We have been waiting nine years for a new hospital at Dubbo. That is unacceptable and it is a joke, but the wait is nearly over. Infrastructure NSW will also ensure that communities get better value for their money by

minimising cost overruns and delays, and that will be a welcome relief. It will be charged with getting the job done, getting it done properly and getting it done within budget. It will make decisions in the public interest, not in the interests of those in Sussex Street or those who wish to bid and lobby. This Government has already introduced legislation to stop that. Another good thing about Infrastructure NSW is that it will have the potential to attract investment to New South Wales, which has not happened in recent times. It will provide those who wish to invest with greater certainty about project delivery. It will also be accountable through the strategy, which will be tabled in Parliament and which will be subject to debate, and that is a first.

Infrastructure NSW will tackle the key problems confronting infrastructure planning and project delivery. They include an absence of detailed long-term plans and a lack of consensus about long-term requirements; failure to provide a credible implementation program and to deliver projects on time and on budget; failure to integrate strategic infrastructure planning with land-use and environmental planning; and failure to coordinate the provision of infrastructure with urban development. It will eliminate a slow and complex major project approval process and perceptions of political interference and inadequate public consultation.

The combination of and interaction with these problems has led to the failure of the current system of infrastructure delivery. Without significant structural reform designed to solve these problems the malaise that has affected New South Wales for 16 years would continue. I am proud to say on behalf of the electorate of Dubbo that we welcome the creation of Infrastructure NSW and look forward to making a contribution to its plans. The Dubbo electorate is open for business.

Debate adjourned on motion by Mr Michael Daley and set down as an order of the day for a later hour.

INDUSTRIAL RELATIONS AMENDMENT (PUBLIC SECTOR CONDITIONS OF EMPLOYMENT) BILL 2011

Agreement in Principle

Mr MIKE BAIRD (Manly—Treasurer) [4.10 p.m.]: I move:

That this bill be now agreed to in principle.

This Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 was introduced in the other place on Tuesday 24 May 2011 and the original second reading speech appears at page 17 of the *Hansard* galley for that day. As members will be aware, the bill was amended in the other place. This is an important bill for New South Wales. The New South Wales Government has made a commitment to the community to rebuild the economy, return quality services, renovate infrastructure, restore accountability, and protect the local environment and communities. We are rebuilding a strong New South Wales economy through lower taxes and supporting businesses to grow and create jobs. The Government is returning quality services and supporting front-line areas such as health, transport, education and community safety. This includes providing 900 additional teachers under the Literacy and Numeracy Action Plan and opening 1,390 beds and providing 2,475 extra nurses under the Better Hospitals and Healthcare Plan.

The Government is building the infrastructure that will make a difference to both the economy and people's lives including the commencement of work on planning and budgeting for the North West Rail Link. The Government is deeply committed to its core purpose of delivering the high-quality front-line services that New South Wales deserves by a highly skilled and effective public sector. To this end we have announced the establishment of the Public Sector Commission to help establish the New South Wales public service as the best public service in Australia, to provide employees in that service with support in their day-to-day jobs and to ensure that at every turn the public service is supported in carrying out its actions and providing services to the New South Wales community.

In order to deliver on this plan and ensure that the commitments will be funded, action needs to be taken to control government expenditure. Employee-related costs are the largest component of government expenditure, accounting for almost half of government expenses. In 2010-11 approximately half of government expenses will be employee-related and are projected to be \$28 billion. Managing this expenditure is a major challenge, given that front-line services such as education, health care and policing are labour intensive. We need to support these services at every turn, but from a financial point of view each 1 per cent increase in wages permanently increases government expenses by around \$277 million a year.

Underpinning the need for fiscal restraint is the Government's wages policy. As was articulated during question time today, this approach is being taken by State governments across the country. The policy was first introduced by the previous Labor Government in 2007, but that Government failed to implement it. The New South Wales Coalition Government will continue the key provisions of the wages policy that was introduced by the former Labor Government. However, the Coalition Government has proposed changes to the way the wages policy operates to ensure that the key requirements of the wages policy are followed. Put simply, we are seeking the ability to control our budget and deliver fair wages.

Our policy and legislative response will ensure that wage increases of 2.5 per cent are available each year to our hardworking public sector employees. Increases in excess of 2.5 per cent are available—despite the claims of the Leader of the Opposition earlier today—but will be required to be funded through employee-related savings. The policy we have articulated in this place is in line with that of all other States. Indeed, it is not out of kilter with the Commonwealth's policy and it is a policy that was supported by State Labor previously.

Key elements of the policy require that any increases to employee-related expenses exceeding 2.5 per cent per annum, including wages, allowances, superannuation and conditions of employment, must be funded through employee-related cost savings that have been achieved; and details of the savings measures used to fund increases in excess of 2.5 per cent are to be detailed in the award or agreement where that is appropriate. Some people seem to take the view that governments have a bottomless pit of money to pay for any or all hoped-for pay increases. We are taking the approach that we want to pay a fair wage and we want to support public sector workers. We want to put on the record that we appreciate the incredibly valuable work that public sector workers do day in day out to provide services to our community, and if we did not have them we would not know where we would be. We pay tribute to those workers.

However, we do not have a bottomless pit of money. The intention is to ensure an appropriate balance between public sector wage increases, the availability of funds for the delivery of the Government's commitments and value for money for New South Wales taxpayers. It is a delicate balance but one that we must achieve. Where agencies and unions are able to identify agreed employee-related savings, those savings will be able to be passed on in the form of higher wages. That is the choice if wage increases beyond 2.5 per cent are desired. That is clearly on the table.

However, this balance has been skewed by years of lack of commitment by successive Labor governments to rigorously follow their own policy. This has led to a blowout in unfunded public sector wage costs. Indeed, Treasury estimates that this approach over the past four years has cost the State \$900 million. We have spoken a lot about that \$900 million. It is an incredible amount of money. If you were to ask every community across the State how they could use that \$900 million, they would tell you that it could be used to fund additional front-line services and on desperately needed infrastructure. Our nurses certainly need improved hospitals and healthcare facilities.

The DEPUTY-SPEAKER (Mr Thomas George): Order! Every Opposition member will have the opportunity to make a contribution at the appropriate time.

Mr MIKE BAIRD: I say again, for the benefit of the member for Cessnock, that the savings that were agreed were not achieved. That is the simple fact. We are saying that savings can be agreed to, they should be delivered. Labor has already supported this proposed legislation. Former Labor Premier Morris Iemma said in a memorandum about Labor's wages and policy released on 11 September 2007:

[The policy] is intended to maintain real wages by allowing for increases of 2.5 per cent per annum. Additional increases are available where employee-related cost savings are achieved.

Former Treasurer Roozendaal reiterated in the *Australian Financial Review* on 15 July 2009 that extra margins above 2.5 per cent would be offset by employee-related cost savings. In fact, Labor's own wages policy from 2007—a policy that was signed up to by the Leader of the Opposition in his former role—states:

Any increases to employee related expenses, including wages, allowances, superannuation etc, exceeding 2.5 per cent per annum must be funded through employee related reform measures and cost savings.

There is nothing revolutionary about this policy. There is nothing different from what has been proposed, supported and argued by State Labor over many years. We are seeing evidence of that in the decisions taken by other State governments across the country. Our wages policy is comparable to the wages policies of most State

governments around the country. Under the Federal Labor Government's wages policy Commonwealth wages increase by around 2 per cent per annum. Agencies may agree to increases above that amount provided they are offset by productivity improvements.

In Victoria, public sector wage increases are limited to 2.5 per cent, with additional increases permissible only if directly funded by real productivity cost offsets. The South Australian Labor Government has a target of limiting general government public sector wage increases to 2.5 per cent. The Queensland Labor Government, as we heard today, also has a target of limiting public sector wage increases to 2.5 per cent, with government-owned corporations able to provide additional increases only if funded by productivity savings.

The Tasmanian Labor Government has a target of limiting public sector wage increases to 2.5 per cent, with any additional amounts to be funded from existing budgets. It is disappointing that union bosses—who represent a small proportion of workers—have decided to take such an unreasonable and extreme view of our wages policy here in New South Wales. We want to get the budget back on track so that we can build the infrastructure and provide increased support to all our front-line workers. That is what we are trying to achieve.

I now turn to the elements of the bill. The primary amendment to be made to the Industrial Relations Act is the insertion of a new section 146C containing the explicit requirement that when making or varying awards or orders the commission must give effect to the Government's policy on conditions of employment for the public sector as declared under the regulations. The reference to the Government's policy on conditions of employment is intended to be broad enough to enable all relevant elements of the public sector wages policy to be included in the declaration made under the regulations. The commission will be required to give effect to the Government's policy only where any such declared policy applies to the matter before it. These will be matters arising in the public sector. Clearly, this requirement will not apply to, for example, matters relating to local government employers and employees.

This is provided for in new section 146C (8), which was amended in the other place to put beyond doubt that the bodies to whom these new requirements will apply do not include local government. As outlined earlier, the Government's wages policy is designed to ensure fiscal discipline and to protect the budget bottom line, therefore ensuring services and other commitments of the citizens of this State are able to be delivered. That is why the bill includes the new requirement in new section 146C (1) that in public sector matters the Industrial Relations Commission's prime objective is to give effect to the Government's wages policy. This will support the achievement of the Government's budgetary objectives.

Mr John Robertson: Where does it say wages policy in the bill?

Mr MIKE BAIRD: On the front cover. The objective is supported and strengthened by subsection (3) of new section 146C, which provides that any award or order that is inconsistent with the declared wages policy of the Government will be of no effect.

Mr John Robertson: You are ignoring me because you cannot point it out.

Mr MIKE BAIRD: No, I said it is on the front cover.

Mr John Robertson: The front cover actually says "public sector conditions of employment". It does not talk about wages.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The Leader of the Opposition will have the opportunity to speak in the debate at the appropriate time.

Mr MIKE BAIRD: You will have a long time to chat about it.

Mr John Robertson: I just want him to tell me where "wages" is in the bill.

The DEPUTY-SPEAKER (Mr Thomas George): Order! I call the Leader of the Opposition to order and remind him that interjections are disorderly at all times. If the Leader of the Opposition wishes to take a point of order he should do so. The Treasurer has the call.

Mr MIKE BAIRD: The amendment also includes very specific words to ensure that its intention may not be subverted by reference to section 146 or any other provisions of the Act. This is found in new subsection

(7). In order to make it clear to the commission what the amendment requires it to do, the relevant elements of the policy will be declared in the regulations. New subsection (2) provides some flexibility in how the regulation may be made. The regulations may declare particular aspects of government policy on public sector conditions of employment or they may adopt an existing policy set out in a relevant document.

The commission will be left in no doubt about the matters to which it must give effect when it makes or varies awards or orders relevant to public sector employment. The Government is mindful of concerns about the independence of the judiciary. In light of such concerns, subsection (5) of the proposed new section provides that the requirement to give effect to the Government's wages policy does not apply to the Commission in Court Session, also known as the Industrial Court. The requirement to give effect to government wages policy will only apply when the commission is exercising its non-judicial functions of making or varying awards and orders.

Members may be aware that several public sector unions filed claims in the Industrial Relations Commission in the dying days of the previous Government. New subsection (6) ensures that the new section 146C requirements will apply to all matters pending before the commission. This will include appeals from any matters already decided. In other words, the amendment is intended to have immediate effect on commencement in relation to all matters not yet concluded before the commission. However, as has been announced in the other place, the regulation to be made declaring the Government wages policy will make it clear that the new section will not apply to the police wages matter that is currently before the commission.

The amendments in this bill will ensure that the Industrial Relations Commission of New South Wales has a central role in providing New South Wales public sector workers with fair and reasonable wage increases while also ensuring that the New South Wales Government contains expenses, provides efficient service delivery and invests taxpayers' money wisely. Once the budget is in order we will have the capacity to build the infrastructure and to help front-line workers deliver their services. In recent weeks we have seen a lot of hysteria about this bill, with a number of myths being spread. We saw that again today. The bill does not freeze public sector wages. Indeed, there has been much talk about that sort of approach.

It actually provides a wage rise of 2.5 per cent. It gives effect to a 2.5 per wage rise. Wage rises above 2.5 per cent continue to be available; I make that point very clear to the Leader of the Opposition, who seems concerned that that is not the case. It is the case, but it is on the proviso that such rises are fully offset by employee-related cost savings. As has been said on many occasions, this policy is exactly the same as that of the previous Government. The only difference is that this Government will make sure that the employee-related cost savings are actually delivered, rather than merely promised. It comes back to the issue of \$900 million. The bill does not give the Government a unilateral right to strip conditions of employment.

ACTING-SPEAKER (Mr Gareth Ward): Order! The House will come to order. The member for Shellharbour will come to order.

Mr MIKE BAIRD: Any changes to conditions of employment will only occur when wage rises of more than 2.5 per cent are sought and the change to the relevant conditions will contribute to the required employee-related cost savings. Both parties will need to agree to such changes. That is the Government's policy.

Mr John Robertson: Where is that in the bill?

Mr MIKE BAIRD: The member should write it down. That is exactly what it is.

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will come to order.

Mr MIKE BAIRD: Once again, this policy is no different from that of the previous Government. For example, in 2009 changes were made to the sick leave provisions of the Crown Employees (Public Service Conditions of Employment) Award to require evidence of illness to be provided. This arose from the memorandum of understanding between the Government and the Public Service Association aimed at identifying employee-related cost savings. The only difference in the new approach is that this will avoid recourse to memorandums of understanding by ensuring that the employee-related cost savings required to offset additional wage increases are agreed upon by the parties, identified in the award made by the commission and actually delivered, not just promised.

Finally, the bill does not strip away the powers of the Industrial Relations Commission of New South Wales or constitute an attack on it. Indeed, as I have already noted, the bill recognises the central role played by

the commission in assisting the parties to identify and agree upon any required employee-related cost savings. I argue that this bill is about providing a fair balance—a balance to provide fair wages that we can afford to pay our front-line public sector workers. The value of their ongoing contribution to this State cannot be underestimated. That is why we are determined to deliver a fair wage to them. At the same time, it enables additional pay rises above that 2.5 per cent to be met by savings that are identified. We are very happy to support that and we do so through this policy. This measure provides an opportunity to bring in about \$2 billion—\$1.96 billion—over the next four years. If the Leader of the Opposition and members opposite reject this bill, how do they propose the \$2 billion will be funded? What cuts will be made to infrastructure or savings to find \$2 billion?

ACTING-SPEAKER (Mr Gareth Ward): Order! Members of the Opposition will come to order.

Mr MIKE BAIRD: We need to understand this important point. It is one thing for Labor to say it is opposed to the policy, which for all intents and purposes is the same as its policy; it is yet another thing to say how it will make up that \$2 billion.

ACTING-SPEAKER (Mr Gareth Ward): Order! I call the member for Shellharbour to order.

Mr MIKE BAIRD: This is about standing up for communities, and the Government is doing that. The Premier has shown leadership; he is willing to stand up for front-line workers and communities across the State. I commend the bill to the House.

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [4.27 p.m.]: I lead for the Opposition on this already infamous piece of legislation, the Industrial Relations Amendments (Public Sector Conditions of Employment) Bill 2011—infamous for its content and even more infamous for its undemocratic birth. The Government has shut down any review of this legislation and has shown an unfettered desire to ignore any scrutiny or protest. The Government's stated objective in this amendment is to require the Industrial Relations Commission to give effect to certain Government policies on public sector conditions of employment and for related purposes.

There are a number of matters that the families and communities of New South Wales should have noted from what has been said in this House. The first is that they should know that whether or not they are public servants, whether or not their family members include a police officer, nurse or teacher, this proposed legislation is an attack not just on front-line workers but also on the services upon which they depend. It is an attack on people who work every day to take a hospital bed and turn it into a way of getting someone better. It is an attack on people who take the rail lines and make them into a train journey so that the people of New South Wales can get to work. It is an attack on people who keep our roads and streets safe so that families can be secure. Every worker, business and family in this State depends on such people.

These services are the platform on which we build our own lives and successes. In his 16 years in opposition Barry O'Farrell constantly talked about building up this platform. He talked about better services, not worse services. He talked about more nurses, not fewer nurses. He talked about greater investment in these important services. Well, that can only be achieved by working with those who make this possible, not by working against them. Over 16 years Labor worked with our front line to change the lives of New South Wales families for the better. In our high schools today sit young Australians with incredible promise before them. These children receive an education that is equal in standard to the very best in the world because we worked together with teachers to build the best school system in the nation.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Strathfield will come to order. The member for Wollondilly will come to order.

Mr JOHN ROBERTSON: These children grow up in safe communities because we worked together with police to drive down crime and make our neighbourhoods safer than they have ever been. And should any of these children get ill, they are seen to with care and professionalism by nurses whom we have worked with to build the best-performing emergency services in the country. And in pursuing their dreams, these young Australians and their families and communities are quietly supported each day in a strong and, importantly, fair New South Wales. It is only in that fair and just New South Wales that our individuals and businesses can truly reach their highest potential.

New South Wales workers should not have to choose between prosperity and a fair go. We have shown we can do both. That is the Australian way. But now, the Premier wants to reverse that order. He wants New

South Wales, and our public sector workers in particular, to make a choice: Do you want prosperity? Do you want fair treatment? Because Premier O'Farrell will not let them have both. That is the O'Farrell way. And it lays bare the sheer lengths he went to in order to hide his real agenda from the electorate. And that is the second thing I want the families and communities of New South Wales to understand: that Barry O'Farrell hid these plans from them and hid them deliberately. Barry O'Farrell had every chance to reveal them, but he did not.

ACTING-SPEAKER (Mr Gareth Ward): Order! There are too many interjections in the Chamber. The Leader of the Opposition will be heard in silence.

Mr JOHN ROBERTSON: When Barry O'Farrell was asked if there would be pain ahead for our front-line workers he said, "No, there's no threat to them whatsoever." When his team slipped up and told the media how he would deliver "tough messages to nurses and teachers"—we all remember that—he tap-danced and got the genie back in the bottle. When Barry O'Farrell's finance spokesman let the cat out of the bag on outsourcing and off-shoring jobs, Barry O'Farrell gagged him. But now, just weeks into his new Government, the pretence is over and we see the extent to which Barry O'Farrell misled the people of New South Wales on his ambitions. This attack on our public servants is not reform. It is an extraordinary consolidation of power to one man. Power that has been kept in balance between government, workers and our courts for close to a century will be transferred to the pen of a Minister.

Power to dictate the pay and conditions of every nurse, teacher, social worker and public sector worker in this State will reside with a single politician. This from the man who made so much of his promise to decentralise power, the man who promised to put trust back into our public servants. Well, he does not trust them to negotiate their own pay and conditions. And nor does he trust an independent umpire to determine a fair outcome. Both these things are obliterated in this unprecedented attack on our hardworking front-line workforce. This bill consolidates power in an unprecedented way. I ask members opposite whether they have read it. They no doubt have their speaking points from the Premier's office, but have they read this bill?

Mr Charles Casuscelli: We have listened to our communities.

Mr JOHN ROBERTSON: But you have not read the bill.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Wollongong will come to order. The member for Wollondilly will come to order.

Mr JOHN ROBERTSON: Do members opposite really understand the inequity of power the bill creates, not just now but for governments in the future? The bill is short—and deliberately so, because it is about establishing a legal framework into which the Government can do whatever it likes, whenever it likes. The Government keeps saying this is all about public sector wages policy, but it is not. The Premier keeps saying it is about enforcing the policy of the previous Government, but it is not.

ACTING-SPEAKER (Mr Gareth Ward): Order! Government members will come to order. Opposition members will also come to order.

Mr JOHN ROBERTSON: And how do we know this? Because the bill is silent on the issue of wages policy. It is a pretty straightforward question I ask here: If this bill is about enforcing a policy, why is that policy nowhere in the bill? The bill is not about wages or wages policy. It is not about any particular policy. It is instead a blank page for the Government to enforce any pay cut or any cut in conditions, or change any working conditions at the stroke of a pen—not just now, but at any time so long as this Act stands. My colleague in the other place the Hon. Adam Searle noted that such laws are sometimes referred to as "Henry VIII laws"—that is, laws that were light on detail and simply conferred on the monarch a broad power to do whatever he liked. He could fill in the details later, or change them at a whim, and yet these whims instantly became law. Well, step aside Henry VIII—here comes Barry the first!

ACTING-SPEAKER (Mr Gareth Ward): Order! Opposition members will come to order.

Mr JOHN ROBERTSON: This is not hyperbole. This Act not only creates a blank canvas for any future Premier or Minister to make any idea law; it also binds the relevant court to enforce the Premier's will. King Henry would have been proud of this indeed.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Wollondilly will come to order.

Mr JOHN ROBERTSON: I draw the House's attention to new section 146C, which is headed "Commission to give effect to certain aspects of government policy on public sector employment". It reads:

(1) The Commission must,—
not "may", but "must"—

when making or varying any award or order, give effect to any policy on conditions of employment of public sector employees:

- (a) that is declared by the regulations to be an aspect of government policy that is required to be given effect to by the Commission, and
- (b) that applies to the matter to which the award or order relates.

The provision simply refers to "policy"; that is all it says. The Industrial Relations Commission must enforce the policy of the government of the day. The provision does not talk about wages policy. It does not reference any specific document. It certainly does not reference Labor's policy—proving what lies the Government has been spreading on that front. Instead, any policy that happens to take a Premier's fancy now or in the future will be enforced.

[Interruption]

I know why you are excited by this—

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will direct his remarks through the Chair. The member for Toongabbie will come to order.

Mr JOHN ROBERTSON: I know why the Treasurer was so keen to introduce this bill: because it applies to not just this Premier but any future Premier. Workers can find their conditions slashed without discussion and without an independent umpire to hear their case. If workers are in any doubt about this, I draw their attention to new section 146C (7) of the bill. Section 10 of the Industrial Relations Act requires the Industrial Relations Commission to only make awards that contain "fair and reasonable conditions of employment". This new provision, new section 146C (7), will sit over the top of that. What does it require? That the Industrial Relations Commission only adhere to government policy. You cannot get a clearer conflict with the Industrial Relations Commission's sworn duties. You cannot get a bigger hole punched through the Premier's repeated lies that we "still have an independent umpire". We do not.

This ends a system that all Australians understand to be fair and necessary. Australians know that neither side of the employment table should ever get all the power. There are rights and responsibilities that rest with employers, and there are rights and responsibilities that rest with employees, and so we have always sought to strike the right balance. Neither side is ever 100 per cent right. Accordingly, we seek to compromise and reach agreement but if that cannot be achieved an independent umpire has been available to hear both sides of the case. That has been the way things have been done in New South Wales for more than a century. It has kept things in balance. It has kept our services staffed and our State working. The Premier now wants the umpire removed from the field while, at the same time, claiming that the rules of the game are unchanged. Last week the Premier told Parliament:

Our system will work on the principle that the Parliament sets the rules and the umpire, the Industrial Relations Commission, enforces them.

New section 146C (7) proves that the umpire has been silenced. Yet the Premier has the audacity to tell the public, "We still have rules. We still have an umpire. It is still cricket." Sure it is if you accept that the umpire has been bound, gagged and left in the locker room while the Premier's XI stroll out with their bats and say, "So who wants to play?" It is not cricket. It is a failure of public policy. It ends a system that has kept New South Wales running well; a system that has meant that power has never strayed too far from one side or the other. That system has been fair and has worked well for New South Wales.

The Hon. Adam Searle pointed this out in the other place before he was silenced, but one does not need to be a lawyer of his experience to spot the cannon ball holes in this bill. Clear conflicts are emerging where the Industrial Relations Commission will inevitably be asked to make an order that, based on the evidence before it, is not fair and reasonable. This will wedge the sworn officers of the commission between two conflicting sections of law: one section requiring the commission to toe the Government line, and the other requiring it to

reject it if, in its view, it is not considered fair and reasonable. If this ridiculous situation is created, industrial relations in the public sector will grind to a standstill. It will lead to a lawyers' picnic and it will create greater uncertainty for workers and the businesses that depend on our public services, which is all of them.

Rather than moving New South Wales business forward, those opposite seem hell-bent on moving it backwards. They want to take us out of the age of negotiation and conciliation and return us to an era of conflict and uncertainty. But our State will not be in that situation because we know that our industrial relations system has worked. The New South Wales economy led the nation out of the global financial crisis. We have had a stable period of economic growth. Contrary to the myths spread by the Treasurer, the budget is in the black and the triple-A credit rating is secure. There is no economic crisis nor is there massive debt.

ACTING-SPEAKER (Mr Gareth Ward): Order! Government members will come to order.

Mr JOHN ROBERTSON: There is no justification for these Howard-Reith era attacks on our public sector. It therefore begs the question: Why do it? We will not get answers to that question from the Government, given that it has shut down the House of review and is now bullying public servants into submission. The people of New South Wales should, and do, regard the actions of the Government in the other place with deep concern and suspicion. In its determination to avoid scrutiny by our House of review the Government invoked a standing order that has not been used since 1906. The Government claimed that as this legislation is important and urgent it was okay to silence debate. But do the people of New South Wales really believe that the Premier's agenda is more urgent than any law of the past century?

I ask the people of New South Wales to remember the great crises our State has endured in the twentieth century and to note that even during grave and important days no government has used this as an excuse to silence scrutiny. The Great Depression no doubt created need for important reforms but none so important that the Government of the day gagged the Parliament. Numerous crises through times of war, natural disaster and social unrest have required our Parliament to act quickly, but they have never seen the Parliament silenced into submission. This silencing of debate also lays waste to the Premier's defence that Parliament can veto any unfair conditions imposed under this legislation. This is the part where the Premier does his best humble act—which seems to be getting harder every single day—and tries to tell workers and families "But I am just a humble Premier. I do not control the upper House. They can always overrule me, so why worry?" I ask the workers of New South Wales to consider how well that has gone so far.

Finally, I want our families and communities to understand that these laws will hurt the people they depend on. The Government has freely admitted that these laws will hurt our front-line workers, but through its own admission it would not want to do this to police. This extraordinary position not only lays spare all the lies about there being no threat to workers conditions, but it also divides our emergency services and sets them against each other—a dangerous precedent for New South Wales. Surely if these laws are too harsh for our police then they are too harsh for this Parliament to inflict on anyone. Who can honestly say that the lifesaving role of a nurse is not equal to that of a police officer? Who can honestly say that ambulance officers and firefighters, who work side by side with our police, do not deserve the same respect and protection?

ACTING-SPEAKER (Mr Gareth Ward): Order! The House will come to order. I call the member for Wollongong to order.

Mr JOHN ROBERTSON: Members opposite protest too much. If these laws should not be applied to police then they should not be applied to anyone. The Government wants to cut the supports that make good law and order possible, and it will be the people of New South Wales who suffer the consequences. As I said at the outset, people should understand the flow-on effects of this legislation because they will be many, they will be long lived and they will hurt families and businesses right across New South Wales. In the end it is the design of the bill itself—this very thin and very vague, yet very powerful, bill—that should be of concern to all members of this House.

While invoking historical context in this debate, I note that the progress of our democracy over the past century has been one of devolving individual power. It has been a progress of intentionally splitting and balancing power across the mechanisms of government. Both sides of Australian politics have long agreed that this democratisation, the separation of power, is the strength of our system of government. Again I ask how many of those opposite—never mind the dot points from the Premier—have actually read the bill? Do those opposite understand the deliberate vagueness in its drafting? Do they understand the unfettered power that it extends not only to this Premier but to any future Premier?

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Baulkham Hills will come to order.

Mr JOHN ROBERTSON: Do members opposite understand that this legislation will stand for generations and through changes of leadership? Do they understand the precedent they are setting for lawmaking in this place? I ask again—because I have not had a response—if members opposite have read the bill?

Mr David Elliott: Yes.

Mr JOHN ROBERTSON: I hear one voice. The member for Baulkham Hills is the only one who is prepared to acknowledge that he has read the bill.

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will direct his remarks through the Chair.

Mr JOHN ROBERTSON: I acknowledge the interjection by the member for Baulkham Hills. He is the only one who is prepared to acknowledge that he has read the bill. I assume by the silence of the others opposite that they have not read the bill. Because if they had, and if they truly represented their electorates—which I believe are always suspicious of politicians consolidating power to themselves—they would vote against it. The Opposition will fight this bill. The nature of the bill gives us no choice but to fight it.

This bill is an attack on the integrity and independence of our public service, and that is worth fighting against. It is a gag on the independence of the industrial umpire. It is effectively the silencing of a court, and that is worth fighting against. It is a consolidation of power away from people and to politicians, and that is certainly worth fighting against. This is radical legislation. It is the sort of legislation that requires a mandate. The one thing we do know is that the Government does not have a mandate for this legislation, so Labor will fight it.

ACTING-SPEAKER (Mr Gareth Ward): Order! Opposition members will come to order.

Mr JOHN ROBERTSON: Labor will fight for economic growth and social justice. Labor will fight for the rights of workers and for a dynamic economy. Labor will fight to protect the services that every New South Wales family depends on. I say to every hardworking nurse, teacher and public servant in this State: Labor will support you. I say also to every family in New South Wales that they should support them as well. These are the people who teach our kids, who nurse us when we are sick and who stand in harm's way to protect each and every one of us. The Premier will do none of these things, but he wants to trample on those who will. Our public servants deserve fairness and our support. That is what Labor will fight for and deliver. I oppose the bill.

Mr CHARLES CASUSCELLI (Strathfield) [4.49 p.m.]: I am bemused by the comments of the Leader of the Opposition.

ACTING-SPEAKER (Mr Gareth Ward): Order! Members leaving the Chamber will do so in silence.

Mr CHARLES CASUSCELLI: The Leader of the Opposition criticised the Government for attacking the integrity of public servants, but when the Labor Party was in office it politicised the public service to the point of pushing it to sheer incompetency. When those opposite were in government and I was a general manager with the Roads and Traffic Authority, I received telephone calls from the then roads Minister and his staff asking questions about operational matters that were not part of the Minister's responsibilities. Yet they criticise this Government for attacking the integrity of the public service. I remind the Opposition that when they were in power there was a mass exodus of professionals from the public service, professionals who were driven by despair at the incompetence and waste of the former Government. The Opposition should look at the public record.

Mr Ryan Park: NAPLAN results, HSC results, literacy results.

Mr CHARLES CASUSCELLI: And more. I will give the Opposition another word of advice: The Opposition lives in a parallel universe. If I remember correctly, the Leader of the Opposition said that the Labor

Government had delivered prosperity and fairness over the past few years. I do not know how he defines the term "prosperity and fairness". I understand the meaning of the words and I can tell the Opposition what it does not mean: It does not mean people sitting in cars on congested roads.

ACTING-SPEAKER (Mr Gareth Ward): Order! Government members will come to order.

Mr CHARLES CASUSCELLI: It does not mean people remaining on waiting lists for health services. It does not mean people standing on railway stations waiting for unreliable or cancelled trains. It does not mean any of that. Within 500 metres of this House four coffee shops have closed because the cost of doing business in this State has gone through the roof. How can any small business that relies on the supply of energy at reasonable rates survive, given the extraordinary increases over the past few years under the administration of those opposite?

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will come to order.

Mr CHARLES CASUSCELLI: I do not consider that that is prosperity.

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will come to order.

Mr CHARLES CASUSCELLI: The Leader of the Opposition should talk to the families of small businesses that have come to grief as a result of the former Government's policies.

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will come to order. The member for Keira will come to order.

Mr CHARLES CASUSCELLI: The Leader of the Opposition should look at the *Webster's Dictionary* definition of "prosperity" and "fairness". I have friends and relatives in the New South Wales public service. I have served in the New South Wales and Commonwealth public service.

Mr Ryan Park: Your former friends.

Mr CHARLES CASUSCELLI: No, up until today they are all my friends.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Strathfield will direct his remarks through the Chair.

Mr CHARLES CASUSCELLI: I also have significant experience in the private sector. I hope that I can contribute to this debate based on my experience not only in the public sector but also within the private sector. In my inaugural speech I acknowledged the contribution of public servants in this State and the Commonwealth. My support of public servants is well documented. I have served within their ranks and alongside them in emergency and other situations.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Canterbury will come to order. The member for Keira will come to order.

Mr CHARLES CASUSCELLI: I will say this very slowly for you.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Strathfield will direct his remarks through the Chair.

Mr CHARLES CASUSCELLI: I will not support any bill that demeans or detracts from the value that public servants bring to this State.

Mr John Robertson: So you will vote against this bill.

Mr CHARLES CASUSCELLI: No, I will not. The Leader of the Opposition should take note of what I have to say. I am very concerned at the amount of misinformation that has been promulgated about the Government's intentions.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Canterbury will come to order.

Mr CHARLES CASUSCELLI: I have received and responded to a number of representations in relation to the myth being perpetuated by the Opposition about cutting conditions and forcing agencies to cut staff. It is untrue. I will put that on the public record again: it is untrue. The Opposition well knows that the Government's commitment is to increase the number of police, nurses and teachers, and this requires priority of funding. Our commitment is at odds with the claims being made by the Opposition. I am disgusted but not surprised at the antics of the Opposition. They are the ones who alienated talented and committed public servants and drove professionals from the ranks of the public service into the arms of the private sector and consultancies.

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will come to order. The member for Keira will come to order. The member for Wollongong will come to order.

Mr CHARLES CASUSCELLI: The management consultancies in this State are full of talented professionals who left under their administration.

ACTING-SPEAKER (Mr Gareth Ward): Order! I call the Leader of the Opposition to order.

Mr CHARLES CASUSCELLI: I say to public servants today to remember the utter contempt that the previous Government demonstrated for the New South Wales public service. Its incompetence and waste drove public servants out and ensured that the cost of living dramatically increased for all of us. It is gratifying to note that the Opposition is consistent and predictable. They were dishonest and incompetent in government and they are proving to be dishonest and incompetent in Opposition. I am not sure whether the people of New South Wales would find it equally gratifying. New South Wales is in a mess.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Wollongong will come to order.

Mr CHARLES CASUSCELLI: This may come as a shock to the Opposition, but the public servants voted against them.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Wollongong will come to order.

Mr CHARLES CASUSCELLI: We have a mandate.

Ms Noreen Hay: You are misleading the Parliament.

Mr CHARLES CASUSCELLI: The Opposition says that the mandate given to us on 26 March is a figment of our imagination. I direct my remarks to the Leader of the Opposition.

Mr John Robertson: Point of order: I ask that the member for Strathfield be directed to make his remarks through the Chair.

ACTING-SPEAKER (Mr Gareth Ward): Order! I remind the member for Strathfield that he must direct all his remarks through the Chair. Opposition members will come to order.

Mr CHARLES CASUSCELLI: The Opposition says that the Government does not have a mandate. They should look around them, and I do not mean in this place. They should go outside in the real world and look around. Will they see prosperity?

Ms Noreen Hay: Point of order: The member for Strathfield is misleading the House. The reason the Government does not have a mandate is that it did not tell the people of New South Wales what it intended to do.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Wollongong will resume her seat. If she wishes to speak in the debate she should seek the call at the appropriate time. Her comments are not appropriate.

Mr CHARLES CASUSCELLI: They must live in the twilight zone if they do not believe that the Government was given a mandate on 26 March. If they do not believe that we have a mandate they should go outside and look at the all elements to see how prosperous we are. When they go outside do they see a vibrant

and confident community? I do not think so. Do they see a budget overflowing with milk and honey? I do not think so. Do they see happy motorists on our roads? I do not think so. The last time I went to a public hospital emergency room on a Saturday night there were not a lot of happy campers.

ACTING-SPEAKER (Mr Gareth Ward): Order! Opposition members will come to order.

Mr CHARLES CASUSCELLI: I know where our State's place is in this lucky country and it is not a place of fairness and prosperity.

ACTING-SPEAKER (Mr Gareth Ward): Order! Opposition members will come to order.

Mr CHARLES CASUSCELLI: On behalf of the community I say to the Opposition that they need to get real and honest. The response to the Government's legislation that seeks to apply the former Government's wages policy has been hysteria and a concerted effort to spread misinformation. True to form, the same has been forthcoming from the unions. They are highly predictable. The most mistaken of mistaken beliefs is that members opposite are looking after the interests of the New South Wales public service now that members of the former Government sit in Opposition. Contrary to the garbage that is being recycled by the Opposition, the legislation has not been hastily produced, nor is it being rushed.

It is remarkable that our public sector wages policy is exactly the same as that of the former Labor Government. But the real difference is that we will ensure that it is applied, as intended, with some degree of honesty. Since 2007, annual wage increases across the public sector have averaged 4 per cent, but only 54 per cent of the promised savings offsets have been achieved. Is that not dishonest? This has resulted in taxpayers having to pay an extra \$900 million to cover the shortfall. As I engage with public servants, whether it is in social or business circumstances, invariably their unprompted concerns focus on overwork and stress. Time and time again I hear the same words: overwork and stress, overshadowed only by the sheer frustration public servants felt when they were taken for granted by the former Labor Government.

In response to these concerns our Government has committed to increasing the numbers of front-line public servants with 2,475 nurses, 900 teachers and 550 police officers. Surely that should attract the support of not only public servants but also unions. Instead, we have a campaign of fear and ignorance. The Government has proposed changes to the way the wages policy operates to ensure that the key requirements of that policy are applied. That is a fundamental feature of a democracy: the ability of government to set a public sector wages policy and give effect to it without an entity such as the Industrial Relations Commission to usurp the will of Parliament.

[Interruption]

You would agree with this because you were in a democratic parliamentary system. The previous Labor Government introduced a wages policy in 2007.

ACTING-SPEAKER (Mr Gareth Ward): Order! Opposition members will come to order. The member for Strathfield will be heard in silence.

Mr CHARLES CASUSCELLI: The key elements were to maintain the value of wages by funding increases of up to 2.5 per cent. Further increases were available when employee-related savings were identified to offset the cost of higher wage rises. The policy was intended to strike a balance between maintaining the real value of wages for public servants and the capacity of the State budget to fund wage increases. Under the previous Labor Government a substantial quantum of the agreed savings that was to fund wage increases was never achieved. That resulted in an additional \$900 million in costs to New South Wales taxpayers. I consider that to be a betrayal of the New South Wales community, and its trust in the Labor Party to do anything resembling the common good must be in question.

ACTING-SPEAKER (Mr Gareth Ward): Order! Opposition members will come to order. The member for Strathfield will be heard in silence.

Mr CHARLES CASUSCELLI: One of the myths surrounding this legislation is that it changes employee access to arbitration. It does not. Either party can approach the Industrial Relations Commission for assistance at any time. In fact, employer and employee representatives have better access to conciliation and

arbitration in the New South Wales system than under the Fair Work arrangements. Further, there will be no changes to the Industrial Relations Commission's current powers to hear claims based on equal remuneration for men and women doing work of equal or comparable value.

In summary, the New South Wales Government has announced that it will retain the key elements of Labor's wages policy, with any wage rise above 2.5 per cent required to be funded from employee-related savings; it will improve the integrity of the policy by requiring savings to be achieved before they can be passed on in higher wages; it will legislate to ensure the Industrial Relations Commission gives effect to the Government's wages policy in making public sector awards; and it will introduce the key elements of the wages policy through a disallowable regulation, meaning that the Legislative Council has the reserve power. There are many ways in which we can support our public servants, and one of them is not treating them any differently from the rest of the community as a consequence of the New South Wales budget realities.

ACTING-SPEAKER (Mr Gareth Ward): Order! The Leader of the Opposition will come to order.

Mr CHARLES CASUSCELLI: The reality is that the economy of New South Wales suffered grievously under the former Labor Government, and the State's capacity to reward all workers in New South Wales has been incapacitated by those who sit opposite, who now want us all to forget it. Shame on them.

Ms Noreen Hay: Why do you hate the firefighters? Tell us that.

Mr CHARLES CASUSCELLI: I worked with them.

ACTING-SPEAKER (Mr Gareth Ward): Order! Opposition members will come to order. The member for Strathfield will be heard in silence.

Mr CHARLES CASUSCELLI: The public service has been quoted over the past eight years as saying, "They have no idea. They didn't then and they don't now." I commend the bill to the House.

Ms LINDA BURNEY (Canterbury) [5.04 p.m.]: I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. The Government talks about a mandate. The Government does not have a mandate for this policy. A mandate is when you take a policy to the people before the election, and you are clear and honest. You were none of those things, so please do not perpetuate the myth that you have some mandate for this particular policy, because that is a lie and you know it. In your hearts you know it. In your hearts you know that there are people in your electorates—people who keep your electorates going—who are furious with you. In fact, you should have walked out onto Macquarie Street in the pouring rain today and seen on show the anger and the disappointment at your betrayal of 400,000 people who work in New South Wales.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Canterbury will direct her remarks through the Chair.

Ms LINDA BURNEY: Let us be clear what public servants do. Governments make decisions and public servants make those decisions a reality for the people of New South Wales. What the Government has set in train is an undermining of that trust, an undermining and a betrayal of the people who teach our children, the people who protect our children, the people who make unwell people well, the people who put out fires and save lives and the people who keep the streets of New South Wales safe. They are the people that the Government has betrayed.

Mr Jai Rowell: It's your policy.

Ms LINDA BURNEY: You say that it is our policy. I will come to that in a moment. Time and time again the Government has moved to ram this bill through the Parliament. I note that the Hon. Sophie Cotsis, the shadow Minister for Industrial Relations in the other place, is sitting at the back of the Chamber. First in this place and then in the other place the Government has broken its promise of open and accountable government. Members in the other place took a courageous stand against the way the Parliament had been treated. They acted to ensure the bill was properly reviewed and they offered the Government solutions to a deadlock. Yet, the Government ignored those attempts at a compromise and chose to guillotine the debate. That will come back to haunt the Government—not just next year or the year after or the rest of this term but for many, many decades to come. For the first time in more than 100 years a debate was ended prematurely by a government.

It is telling that despite the Premier's continuous utterances about his Government's overwhelming mandate, just over one dozen Labor members and less than half as many members of The Greens managed to bring this Government to its knees so that it had to invoke a provision that has not been used in this place for 106 years. I take this opportunity to acknowledge the contributions of the Hon. Sophie Cotsis, the Hon. Peter Primrose, the Hon. Greg Donnelly and the Hon. Adam Searle in the second reading debate. I also acknowledge those Labor members whose voices were not heard on this matter due to the Government's reckless and self-indulgent actions. Regardless of the Government's spin and propaganda, this bill goes far beyond what it has admitted. The bill provides Government Ministers with sweeping powers to implement wages policies through regulation. It denies New South Wales public sector workers access to the independent umpire, the Industrial Relations Commission. You know that that is the fundamental difference.

Mr David Elliott: No, we don't.

Ms LINDA BURNEY: You are dopey if you do not.

Mr Charles Casuscelli: Point of order: I ask that the member direct her remarks through the Chair.

ACTING-SPEAKER (Mr Gareth Ward): Order! I remind the member that she must direct her remarks through the Chair. I rule that the word she used was unparliamentary.

Ms LINDA BURNEY: He should have objected. The bill also rips away the power of the Industrial Relations Commission by forcing it to enforce the Government's wages policy. Members opposite steadfastly and stupidly refuse to acknowledge that. The Premier has told the people of New South Wales that the Government's goal is to implement a policy and that it will allow 2.5 per cent wage increases across the public sector but that there is provision for increases above that level only if they are offset by employee-related savings. However, this legislation does not make mention of wages or a wages policy. The Treasurer knows that, but members opposite refuse to acknowledge it. It does not mention wages or a wages policy.

Mr David Elliott: What is 2.5 per cent?

Mr John Robertson: It is less than the rate of inflation.

Ms LINDA BURNEY: Yes, that is what it is. I am glad the member said that because that will undo him.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Baulkham Hills and the Leader of the Opposition will come to order. The member for Canterbury will be heard in silence. The staff behind the Chair will also be silent.

Ms LINDA BURNEY: This legislation contains no requirement for the Government to give effect to this policy. It is a blank cheque that will allow the Government to do whatever it wants. It is taking for granted the trust placed in it by the people of New South Wales. The Premier has claimed that the Legislative Council has the option to disallow regulations that it deems unfair. There are several problems with that proposal. First and foremost, the power of an independent, well-respected judicial body is being given to politicians. That alone should trigger alarm bells for those well-respected members opposite who are concerned about the centralisation of authority.

Furthermore, that power is likely to be concentrated in the hands of a few individuals on the crossbench. With all due respect to the honourable members of the other place, as far as I am aware no member of the conservative crossbench has any real experience in industrial relations policy. I have heard informally that members of the crossbench have been under considerable pressure from the level of representations made to them about this bill. I hope that members of the Christian Democratic Party and the Shooters and Fishers Party will consider the volume of correspondence and phone calls they will receive when they have the casting vote on disallowing a wages policy put forward by the Government.

This situation creates an even more worrying possibility. I say this as someone who was a public servant before coming into this place, so I know what I am talking about. A future government of either political persuasion could win a true majority in the other place and it would be able to implement whatever wages policy it deemed appropriate without even the modest recourse provided by the Legislative Council. These concerns

have not been addressed by the Government. In essence, its response has been to say, "Trust us." Well, we do not trust it and the people in Macquarie Street today and the other 400,000 public servants across New South Wales no longer trust it either.

The Labor Party's opposition to this legislation has the support of not only public sector workers and the unions that represent them but also substantial independent, academic and legal opinion. The opinion of the Workplace Research Centre has been well canvassed in the other place. However, if we assume the Government intends to implement its proposed wages policy of a 2.5 per cent increase with no judicial oversight and that it will resist the temptation to use the overwhelming powers granted to it under this bill, we should note that had the proposed changes been in place since 2000, and all things being equal, New South Wales teachers, police officers and nurses would be the worst paid in the country by a significant margin. That is the opinion of John Buchanan from the University of Sydney Workplace Research Centre. Even more concerning are the potential constitutional ramifications of this bill. Arthur Moses, SC states:

It is arguable that the Proposed Amending Act would impair the institutional integrity of the Industrial Relations Commission ... so as to make it a body ... whose exercise of judicial power is incompatible with Chapter III of the Australian Constitution

The Government will have to address these issues over the coming months. I stress again that such issues could have been avoided if the Government had taken more time to deal with this bill. I condemn the Government for its unprecedented attack on public sector workers. As I said, these are the people who implement the Government's decisions and upon whom it must rely to keep hospitals, schools and ambulance stations operating and the streets safe. These are the people whom you have betrayed and double-crossed because you did not tell them before the election that this would be one of your first dastardly acts.

Mr David Elliott: Stop it. You are killing me.

Ms LINDA BURNEY: The member can interject all he likes, because he will not affect me. I have been in this place too long for you, mate.

ACTING-SPEAKER (Mr Gareth Ward): Order! The member for Canterbury will direct her remarks through the Chair. The member for Baulkham Hills will come to order.

Ms LINDA BURNEY: I have been here much too long for the member's remarks to have any effect. However, members opposite will be affected by the 400,000 people they are about to betray. Every member opposite has public sector workers in his or her electorate. If they think this will go away over the next four years they are very much mistaken. This legislation will be an albatross around their necks.

Mr Jai Rowell: What would you do? How much would you give them?

Ms LINDA BURNEY: In response to you, mister latecomer—

Mr Stephen Bromhead: Point of order: The member for Canterbury should make her comments through the Chair and not direct them to members on this side of the Chamber.

Ms LINDA BURNEY: Thank you—

ACTING-SPEAKER (Mr Gareth Ward): Order! I have not ruled on the point of order. I remind the member for Canterbury that she must direct all her remarks through the Chair, and I ask her to do so in her concluding remarks.

Ms LINDA BURNEY: I will, but the latecomer is completely wrong.

Mr Jai Rowell: Point of order: That is showing direct contempt for your previous ruling, Mr Acting-Speaker.

ACTING-SPEAKER (Mr Gareth Ward): Order! Members will refrain from encouraging members of the opposing party to interject.

Ms LINDA BURNEY: That is a wonderful ruling.

ACTING-SPEAKER (Mr Gareth Ward): Order! It is ambitious, perhaps.

Ms LINDA BURNEY: You are very wise. I will not repeat myself because many members will speak tonight and point out time and again that this legislation is not the same as the Labor Government's policy. The difference is that this legislation removes the independent umpire from the equation. Members opposite have spent weeks ignoring that fact, but they cannot ignore it any longer. They have clearly not read their own legislation. I condemn the Government for its unprecedented attack on public sector workers' rights; I condemn it for tearing away the power of the Industrial Relations Commission; and I condemn it for its deviousness and the underhanded tactics it has used in introducing this bill and in its passage. I reiterate the words of the Leader of the Opposition: We will fight this as long as necessary after this debate, on and on, along with the unions and public sector workers. I assure members opposite that this issue will not go away in the next couple of weeks.

ACTING-SPEAKER (Mr Gareth Ward): Order! A number of members have used the words "lies" or "telling lies" in speeches and during exchanges. I refer members to the ruling of Speaker Aquilina at page 14929 of *Decisions by the Chair* that telling lies is offensive and unparliamentary. I ask all members to refrain from using such language.

Mr STEPHEN BROMHEAD (Myall Lakes) [5.19 p.m.]: I speak in favour of the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I come to this House having worked in the public sector, firstly, as a registered nurse and then later as a police officer. I am the third-generation nurse in my family. Why are we bringing in this legislation? We are bringing it in because of 16 years of Labor incompetence, 16 years of mismanagement, 16 years of scandal and 16 years of corruption. Because of that this State is in dire circumstances and we need to bring the budget under control. The Deputy Leader of the Opposition, unbelievably, spoke about betrayal and spin.

Let us look at the Labor Party's record on betrayal, misrepresentation and spin. The Labor Party had no mandate to sell off electricity. Labor had no mandate to privatise jails. Both were done by the present Leader of the Opposition. Prior to the election in 2007 it was specifically stated it would not sell off electricity assets and would not privatise anything. When Labor got in what did it do? It did it. This mob opposite betrayed unionists and all the people of this State by selling off the electricity industry. And they sold it for nothing. The policy we are introducing is their policy. It is also the policy in Victoria, Queensland and South Australia.

The DEPUTY-SPEAKER (Mr Thomas George): Order! I remind the member for Keira he was called to order three times during question time. I will not tolerate that sort of behaviour.

Mr STEPHEN BROMHEAD: In the years I was working in the public sector there were times when there were no wage rises, even though the consumer price index and inflation were going up. We had to live with that. We are not saying there will be no wage rise; we are saying there will be a minimum wage rise of 2.5 per cent, and it can go up another 1.5 per cent, to 4 per cent, which is above the inflation rate.

Talking about the lies and misrepresentations of the unions at the behest of Labor, I was talking to a fire brigade officer earlier in the week. He said the union had been to see the fire officers in Coffs Harbour and they were told that the maximum wage rise they could receive under this legislation was 2.5 per cent. I said no, that is the minimum, and it took quite a while to convince him that the minimum is 2.5 per cent. Does the bill change employee access to arbitration? This bill does not change the process of conciliation and arbitration in this State. Employer and employee representatives have better access to conciliation and arbitration in the New South Wales system than under the Fair Work Australia system, the Federal system.

Let us compare the two systems. Under the Fair Work Australia system modern awards are intended to be enduring sets of minimum conditions of employment which can be reviewed only every four years. There is no general access to arbitration to vary modern awards. This contrasts with State awards, which are not confined to setting minimum conditions and which are able to be varied or amended on application by one or other of the parties. Indeed, under the Fair Work Australia system there is very limited access to arbitration of any kind. If employees want improved pay and conditions under the national system they have to attempt to negotiate an enterprise agreement. Both parties have to consent to arbitration in the national system. If bargaining is not going well consent is unlikely to be readily available.

If the parties are at a deadlock and do not consent to arbitration there are only two sets of circumstances in which Fair Work Australia can intervene. One is after industrial action that is so serious that it endangers the lives or health and safety of the population or could cause significant damage to the Australian economy. These are high hurdles. The only other time arbitration is available is if Fair Work Australia has determined that one or more of the bargaining representatives have seriously breached bargaining orders made by the tribunal and there

is no chance of agreement. This contrasts with the State system under which either party can approach the Industrial Relations Commission for assistance at any time. For example, if there were negotiations between the Government and one of the unions in the public sector and one says the productivity gains are 1.5 per cent and the other says no, it is only half a percent, it goes to the Industrial Relations Commission to decide.

Mr John Robertson: Point of order: The member is misleading the House in suggesting this bill somehow creates a right to access the Industrial Relations Commission. This bill makes no reference whatever to accessing the Industrial Relations Commission.

The DEPUTY-SPEAKER (Mr Thomas George): Order! That is not a point of order. Both sides have made questionable statements during debate. The member for Myall Lakes has the call.

Mr STEPHEN BROMHEAD: What the Leader of the Opposition neglects to mention and probably does not understand is that the amendment in the bill has to be read in the context of the entirety of the Act. It is not by itself. It is not there as some lone beacon and that is the only thing you look at or read; it has to be read in the context of the entire Act.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Myall Lakes will be heard in silence.

Mr STEPHEN BROMHEAD: What are examples of employee-related savings? Employee-related cost savings are measures that would generally involve direct changes to award or agreement provisions or working conditions. They could relate to changes to staffing levels, human resource policies, rostering arrangements, workforce composition, work intensity or job redesign, provided they lead to savings. Examples of employee-related cost savings include changes to conditions of employment which will be realised as a cost saving; savings arising from the implementation of technology, which results in the more productive use of employees, including through changes in work practices; the expansion of the scope of work employees perform in ways that will enhance their productivity and realise savings; and the lowering of staffing levels through organisational restructuring which maintains service levels or better aligns services with government priorities.

Another question is: Why is it necessary to change the wages policy regarding employee-related savings? The majority of recent public sector wage negotiations have provided full increases above 2.5 per cent per annum with a range of identified and unidentified areas of employee-related savings to be achieved in the forward years of the wages agreement. Many of the savings have not been realised, calling into question the approach of allowing wage increases on the basis of prospective savings. Since the inception of the 2007 wages policy, only 54 per cent of the cost/wage increases above 2.5 per cent have been offset by employee-related savings, clearly demonstrating the inadequacy of the approach taken by the former Government. The difficulties agencies face in achieving the required employee-related offsets have arisen due to union opposition and some decisions of the Industrial Relations Commission.

For example, despite having settled a wages agreement the Public Service Association disputed the Government's implementation of the 2008 memorandum of understanding applying to public servants, which provided full wage increases of 4 per cent per annum for three years. The memorandum contained central employee-related savings reforms that were of varying financial value to agencies but also required agencies to pursue further employee-related savings reform measures to fully fund the above 2.5 per cent component of the wage increases. The subsequent decision by the Industrial Relations Commission in 2010 over the interpretation of the memorandum constrained the areas of employee-related cost savings that the Government was able to pursue, severely limiting the opportunity for public sector agencies to pursue additional savings through industrial reforms.

The Department of Education and Training intended to pursue potentially valuable industrial reform initiatives but was unable to do so following a decision of the Industrial Relations Commission during the term of the memorandum of understanding. Its inability to achieve the savings required to fund the above 2.5 per cent component of the wage increases left a shortfall of approximately \$120 million. The department had no option but to use future anticipated savings from its learning management and business reform program to fund the wage increases. Consistent with the need for fiscal responsibility, the approach of paying wage increases in excess of 2.5 per cent on the basis of prospective savings is being replaced by one that requires that the wage increases are not paid until the employee-related reforms and savings are achieved.

Pursuant to sessional orders business interrupted and set down as an order of the day for a later hour.

BUSINESS OF THE HOUSE**Notices of Motions**

General Business Notices of Motions (General Notices) given.

GENE TECHNOLOGY (GM CROP MORATORIUM) AMENDMENT (POSTPONEMENT OF EXPIRY) BILL 2011

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

INDUSTRIAL RELATIONS LEGISLATION**Matter of Public Importance**

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [5.38 p.m.]: The Opposition is a proud supporter of the public sector workforce in New South Wales. We recognise the great contribution that our public sector workers make to our State—nurses, teachers, police officers, firefighters, ambulance officers, bus drivers, school assistants, hospital staff and other public sector workers. These workers deliver important services which our communities all rely upon. We all recognise how vital these services provided by the public sector are to our State. That is why the Labor Opposition supported some 12,000 public sector workers who rallied outside the Parliament today against the Government's industrial relations legislation.

Those 12,000 public sector workers stood in the rain on Macquarie Street outside Parliament House today to fight for their right to receive fair wages and conditions for the services they deliver to our State. I heard from a bus driver, Narelle, who spoke of her love for her job, transporting people all over Sydney each day. I heard from a nurse, a teacher, a police officer, a firefighter and a teacher's assistant, who are all concerned about the Government's laws that will strip the powers of the Industrial Relations Commission and give the Premier the power to cut wages and conditions for New South Wales public sector workers.

The 12,000 voices at the rally were all saying the one thing: Public sector workers make a great contribution to our State. In fact our State could not run without them. These workers deliver the important services our community relies on day in and day out. That is why it is vital that we continue to give these workers fair wages and conditions. I note that, according to the Reserve Bank of Australia, the rate of inflation is currently at 3.3 per cent. The O'Farrell legislation states that no public sector workers can receive wage increases without achieving productivity savings first—however, nurses, teachers, police officers, emergency services and other public sector workers will tell you there is no fat to cut from their budgets. So how are our hardworking public sector workers supposed to meet the cost of living with wage increases well below the rate of inflation?

Unsurprisingly, the Premier did not have the guts to front up to the workers of New South Wales, attend the rally and tell them. He did not have the decency to speak to workers affected by his own laws who are rightly concerned about how this unprecedented legislation will affect their jobs, livelihoods and rights at work. The Premier's legislation will strip the powers of the Industrial Relations Commission—leaving New South Wales public sector workers with the weakest workplace rights in the nation. Is this any way to treat the workers who support our State on their shoulders? In recent weeks the laws have been repeatedly criticised by experts, academics, lawyers and workers for being unfair, unconstitutional, extreme, and worse than WorkChoices.

The Workplace Research Centre at the University of Sydney has said that the O'Farrell legislation goes further than WorkChoices. In fact, its research shows that, if the laws had been introduced 10 years ago, nurses would be more than \$12,000 a year worse off right now. Premier O'Farrell's legislation is so far-reaching it allows the Government to immediately cut the wages of any public sector worker and immediately cut the employment conditions of any public sector worker—with no guarantee they will receive a wage increase in return. And all of this can happen without workers having access to an independent umpire, because the Industrial Relations Commission would be bound to enforce the Government's policy under the legislation.

The Industrial Relations Commission will no longer be able to effectively facilitate the making of awards and agreements for public sector workers. For more than 100 years the commission has worked independently, listening to the parties, hearing evidence, and conciliating and arbitrating disputes between

public sector workers and their employer—the New South Wales Government. By seeking to restrict the commission's role, the O'Farrell Government is walking away from 100 years of effective industrial relations practice.

I would like to hear exactly how the Government thinks its policy will help these hardworking public sector workers. Will it be giving them a pay rise below the rate of inflation? Will it be putting their wages and conditions in the hands of the Premier and the Government instead of the Industrial Relations Commission? Will it be by giving the Shooters and Fishers and the Christian Democrats—or, as I like to refer to them, Guns N' Moses—in the upper House veto power to overrule any unfair wage deals, instead of the Industrial Relations Commission?

The public sector workers of New South Wales know better. That is why we had 12,000 of them rallying outside Parliament House today. That is why a 15,000-signature petition was tabled in this place expressing the public sector's outrage over this attack on their rights. Quite frankly, New South Wales public sector workers deserve better. These are the nurses who help families when they rush a sick child to the emergency department in the middle of the night. These are the firefighters who rush in to situations so dangerous most of us cannot even fathom what it must be like. As the saying goes in the Fire Brigade, they are rushing in when the rest of us are running out.

These are the ambulance officers who rush to the homes of the elderly if they suffer a heart attack, who are often first to the scene of a car accident, and who provide the emergency care and help when people need it most. These are the teachers who shape our children's lives, preparing them for the world, teaching them to read and write, and encouraging a lifelong love of learning. These are the bus drivers who get us to work each day and who transport our children to school. These are the teaching assistants who provide the much-needed behind-the-scenes support at our local schools. These are the hospital staff who keep our hospitals running 24 hours a day. These are the Department of Community Services caseworkers who work to protect the most vulnerable children and families in our society.

The Government must listen to the more than 12,000 angry public sector workers who protested outside this place today and withdraw this legislation. The New South Wales Labor Opposition thanks the public sector workers of this State for their great contribution to New South Wales. We will always support these important public sector workers. I urge members on the other side of the House to do the same. That means protecting the fundamental rights of public sector workers, making sure that they get their wages and conditions, and making sure that the Government introduces legislation that guarantees public sector workers' rights rather than legislation that takes away their rights and allows the Premier to rip away their conditions with the stroke of a pen.

[Business interrupted.]

DISTINGUISHED VISITORS

The DEPUTY-SPEAKER (Mr Thomas George): I welcome to the gallery this afternoon the former member for Hornsby, Judy Hopwood. It is great to see you here, Judy.

INDUSTRIAL RELATIONS LEGISLATION

Matter of Public Importance

[Business resumed.]

Ms GABRIELLE UPTON (Vaucluse—Parliamentary Secretary) [5.46 p.m.]: I speak on the contribution to the State of public sector workers. The Leader of the Opposition seeks to create division where there is no division on this matter. Indeed, he is a professional at doing that. On behalf of the Government I strongly celebrate the strong, valuable and enduring contribution of public sector workers to this great State. Our State would be a greater one, a stronger one and a more prosperous one if the former Government had taken the necessary tough decisions, balanced the budget, engendered business confidence, reduced red tape, and encouraged the enterprise and innovation that we see coming from our public sector workers.

But let us not dwell on those lost opportunities. Our Government is working to create new opportunities, balance the budget and restore confidence. New South Wales contributes nearly one-quarter of

Australia's gross domestic product, or more than \$400 billion. It could be more—and the Government is working on that. That economy includes substantial trade with the emerging markets of Asia, and our State's public sector workers support that international contribution. As the Leader of the Opposition said, the public sector provides the backbone to the entire State. The public sector supports the limbs of our economy, the very framework of our everyday lives. Indeed, public sector workers inspire many of us who do not work in the public sector.

I understand the public sector well. It plays a valuable role. I have seen the commitment and passion of public sector workers. My father was a long-term public sector worker with the Department of Public Works. On behalf of the Government my father researched the valuable items of heritage in this State. My father brought his passion for that heritage research into our home. My father worked at home, out of hours, because he valued the contribution he was making to the State by understanding our State's heritage.

That commitment that my father showed not only in his work but also in our home around the dining room table led to my love of knowledge and my understanding of heritage, and that in turn led me to set up my local residents group more than 10 years ago when I returned from overseas to rebuild my life with my family here in Australia. My youngest brother is a nurse in a public hospital; he works in the emergency department. Each week when I visit my family I see my brother's commitment to the patients who are in that hospital. He contributes above his call of duty, giving dignity to the people in the emergency department in their time of need.

Last week I accompanied the Minister for Health, Jillian Skinner, on a visitation to Prince of Wales Hospital. We met with a number of the staff, the public sector workers there, and saw first-hand by observation their work with the patients in a number of the departments of that hospital. My mother was a teacher in the public sector. My mother inspired my love of education, through which I have been able to contribute in my work as the Parliamentary Secretary to the Minister of Education. Teachers educate our children and our children will be responsible for the future of this State. Although I have been a member of Parliament for only 11 weeks I have already witnessed the help received by members of both Houses from the public sector workers in Parliamentary Services. I have realised in my short time here that we could not do our jobs without their support.

But let me make this real. Let us think about a typical day in the life of a person in New South Wales and how public sector workers serve our communities. We switch on our lights and heaters in the morning knowing that our power plant workers will ensure a secure power supply to enable us to do that. We get ready for the day ahead. We leave our homes and walk on our footpaths or drive on our roads, which have been planned, built and maintained by public sector workers. We drop our kids at schools, which are run by educated men and women from the public sector. They are educating our children and developing their potential because those children will one day be responsible for the future of this State. Lots of us travel to our place of employment by public transport. The transport workers referred to by the Leader of the Opposition, the bus drivers, the train drivers and the ferry workers, play an important part in getting us to work so we can do our jobs.

I am not trying to lecture the House on the importance of public sector workers. Rather, I am helping members to reflect on how fundamental public sector workers are to our everyday lives. They are the skeleton of New South Wales and they make a vast and immeasurable contribution to our communities. We do all of this secure in the knowledge that if we are injured or become ill, we will receive medical treatment in our extensive network of hospitals—and pretty quickly by international standards. If our personal safety is jeopardised, our local police are there to help us. But I turn now to the bigger picture.

Public sector workers help us to think big, to discover new ideas and to understand our world better. They inspire our kids. We all had that special teacher who indelibly informed the way in which we view the world; they planted a seed in our minds as to where we might end up. Think of the research our academics do in our universities. They start the ideas that build future jobs in our economy. Today I visited Randwick TAFE and saw firsthand how teachers help students learn the valuable skills needed to build businesses. I saw students learning dental technology. I saw plumbers in their final year of training. I saw trainees learning fire sprinkler installations. [*Time expired.*]

Ms LINDA BURNEY (Canterbury) [5.53 p.m.]: I am proud to speak about New South Wales Labor Opposition's strong support for public sector workers in our State, who should be congratulated on the work they do day in and day out supporting our families and keeping the State moving. Public sector workers include

police officers, nurses, teachers, ambulance officers, firefighters, bus drivers and even the staff here at Parliament House. They deliver the important services our communities rely on. That is why the people of New South Wales should be concerned about this industrial relations legislation, which seeks to strip the Industrial Relations Commission of its powers to act as an independent umpire in public sector wage disputes. It gives the Government the power to cut public sector wages and conditions and limit wage increases to 2.5 per cent—well behind inflation.

Public sector workers are rightly concerned. This is an outright attack by the Government on their rights at work and their wages and conditions. Is that any way to treat our valuable nurses who care for the sick? Is that any way to treat the emergency services workers who protect us? Is that any way to treat the teachers who educate our children? I do not think so. The 12,000 public sector workers who protested against these unprecedented laws outside Parliament House today also agree. They are extremely concerned about what these laws will mean for their employment and their ability to support their families at a reasonable standard of living. But we know the Government is trying to spin a number of mistruths about this legislation. It is trying to downplay the effect this legislation will have on public sector workers.

The Premier seems to think this is the same policy as that of the former Government. I remind the Government that this bill is different. This bill amends legislation put in place by the former Government. An amendment is called an amendment for a reason: it changes existing legislation. The bill gives unprecedented power to politicians to cut workers' conditions if it becomes part of government policy, with no guarantee of a wage increase or other benefits in return. The bill also strips the Industrial Relations Commission of its independence and ability to act as an independent workplace umpire between the Government and workers. Without the Industrial Relations Commission acting as an independent umpire between the Government, the employer and the workers, New South Wales public sector workers will be left with the weakest workplace laws in New South Wales.

A number of public sector employee cases are currently before the New South Wales Industrial Relations Commission. The Crown Employees (Public Sector—Salaries 2008) Award, which affects 80,000 employees, expires on 30 June. Occupations covered by this award include prison officer, social worker, zookeeper, teacher's aide, parole officer, forestry worker, caseworker of the Department of Family and Community Services, agricultural research worker, scientist, librarian, police assistance line worker, and Juvenile Justice officer. The Health Employees' Conditions of Employment (State) Award, which covers 30,000 employees, is also before the commission. The Public Health System Nurses' and Midwives' (State) Award, which covers 30,000 nurses, is seeking to increase the night duty allowance for nurses and midwives to bring them in line with other States. When one adds 80,000 plus 30,000 plus 30,000, one gets an awful lot of public sector workers in New South Wales. Some 3,500 permanent firefighters and community first-response officers currently have two cases before the Industrial Relations Commission relating to public holidays. Our bus drivers are up next.

Barry O'Farrell is being completely unfair and unjust. He did not inform the people of New South Wales that this would be the policy of the O'Farrell Government. The Australian Council of Trade Unions has revealed that the proposed O'Farrell Government's changes to workplace laws could be in breach of international law and the obligation to respect human rights, including labour rights. It has also been suggested that it breaches the Australian Constitution. We have a long way to go in this discussion and the 400,000 public sector workers in New South Wales have a long memory. It will be interesting to see where this legislation leads us. I reiterate that I am proud to be part of the New South Wales Labor Opposition and I support the public sector workers of New South Wales.

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [5.58 p.m.], in reply: This is a matter about respect for public sector workers. As has been said, the New South Wales Labor Opposition is proud to show its support for public sector workers. These are the people who get up every day and keep our State running. Many of them do a job that is not often thought about by most, but the jobs they perform help our services continue to operate and our State to function. Whether those people are the cleaners of our trains or our cleaners here in Parliament House, we owe them a great deal of regard and respect.

To show respect means that we treat people in a particular fashion. It demands that we have regard for the way people live and are treated. In this State today the respect that is being demonstrated to our front-line public sector workers is questionable. Our front-line workers, who deliver services in our health and transport systems and a whole range of areas, are confronted with the stripping of their wages and conditions, the cutting

of their jobs and the withdrawal of their right to access the independent umpire. The Opposition believes in fairness and decency. We believe that public sector workers deserve to have the same rights as everyone else in the State in determining their wages and conditions and accessing an independent umpire.

If the Government were genuine in its respect for public sector workers, it would allow them to have access to and exercise the same rights that everyone else has in the State. In recent months we have seen an attempt by the Government to wind back those rights. If the Government were genuine in its regard for firefighters, ambulance officers, teachers, child protection officers and others who do the jobs that we all rely on, sometimes with little thought, it would be prepared to ensure that those people had access to an independent body, and it would not introduce to this Parliament a bill that would allow an individual politician to dictate the terms and conditions of employees.

The respect we have for our public sector requires better than we are seeing from the Government at the moment. The Government has attempted to shut down debate on legislation that will overturn 100 years of practice with regard to the conditions of employment of public sector workers. This 100 years of practice has delivered good, stable outcomes for public sector workers. It has ensured that an independent umpire, the Industrial Relations Commission, has been able to determine wages and conditions that are fair and reasonable. Wages and conditions should not be based on a government policy.

The proposed industrial relations legislation is not a demonstration of respect. It is not an acknowledgement of the great work performed by public sector workers. I have heard Government members say that they are third generation public sector workers, that they have worked as volunteers or that their family members are public sector workers. But all that does not mitigate what we are seeing with this bill, which is an attack on the rights of public sector workers. It is unprecedented and should not be allowed through this Parliament without scrutiny. The Government has not shown the public sector due respect and regard.

The New South Wales Labor Opposition genuinely respects the jobs and functions performed by public sector workers. We believe in fair wages and conditions. We believe that public sector workers should have access to an independent umpire. The Government dresses up the legislation as a policy on wages. In fact, it is an attempt to reduce wages and conditions by introducing regulations that will be developed by one politician. It shows total disregard for the public sector and the work they do. We all rely on public sector workers to make our streets safe, to get our transport running on time and to deliver the services that make this State the great State it is.

Discussion concluded.

INAUGURAL SPEECHES

Mr MATT KEAN (Hornsby) [6.03 p.m.] (Inaugural Speech): I am conscious of the advice given to me by one old hand who said that the only value of an inaugural speech was to give future members of Parliament something to quote from during a condolence motion after you had died. As a new member of this place, I am pleased to say that I am yet to develop such cynicism. I am in this Parliament, of course, as the member for Hornsby. Whatever opportunities public service may bring, it will always remain my first priority to do all that I can to serve the community that has provided the enormous honour of electing me as their member of Parliament. To the people of Hornsby I say thank you for your trust, I will not let you down. My task is all the more special as I have been elected to serve the community I have lived in for my entire life. It is a community and a part of Sydney that is very special to me.

Members of Parliament often boast of the famous people who come from their electorates. Hornsby's most famous son is Ginger Meggs. The creator of the *Ginger Meggs* cartoon series, Jimmy Bancks, was the son of Hornsby's first Railway Station Master. Jimmy Bancks's life with his mates growing up in Hornsby was the inspiration for the adventures. The backdrops to the stories are the real fishponds, shops and railway lines of Hornsby. The Ginger Meggs character was based on Jimmy Bancks's best friend, Charlie Sommerville. Charlie Sommerville grew up to be a prominent local businessman and later the mayor of Hornsby. Ginger Meggs's experiences are shared by many of us who grew up in the area. My own childhood had much of the fun and friendships celebrated in those stories.

Hornsby is renowned for its pristine bushland, vast national parks and, of course, magnificent waterways. It is one of the most picturesque areas of Sydney and is the northern gateway to our State's capital. But Hornsby is far more than just a place of natural beauty. What makes Hornsby special is its sense of

community and the generous, hardworking and caring people who have made it their home. It is not surprising that people from all over the world have chosen to live in Hornsby. The diversity that is found today in our suburbs has greatly enriched our community. We very much reflect modern Australia's diverse and aspirational society. One of the great opportunities I have as the local member is to work with and for all sections of our community.

In the few short months since my election I have been inspired by the work of so many volunteers. Thousands of residents across our electorate volunteer in our Rotary clubs, Lions clubs, churches, chambers of commerce, Neighbourhood Watch groups, sporting clubs, emergency services, Rural Fire Service and charitable organisations. We owe the countless volunteers who contribute to our local way of life a tremendous debt of gratitude. They are the backbone of our community and I pledge to support them in their good work. The proudest thing that I have done since I have been elected to Parliament has been to attend local Anzac Day services. I remain humbled by the proud veterans that I met. They saw me as their local member. I saw them as the men and women who gave me the opportunities I have and gave us all the freedoms we enjoy.

My greatest commitment to Hornsby is to fight for the services and infrastructure that our community needs—the widening of New Line Road, sewerage services for our communities of Galston and Cowan, better public transport and commuter car parking and the construction of the missing link between the F3 and M2. This is not the occasion for political rancour but I would be unfaithful to those who elected me if I did not say something about the state of one of the most important services in Hornsby, our hospital. There is little that is more important to the wellbeing of the people of our State than access to quality health care when they need it. Yet in Hornsby the previous Government failed to meet that obligation.

The skilled and dedicated doctors, nurses and staff of Hornsby hospital have been let down by the appalling state of the physical infrastructure in which they are expected to work. It is no longer acceptable that they are forced to put out buckets and towels to collect water every time it rains. It is no longer acceptable that doctors and nurses trip over power cords on the floor of operating theatres because of the faulty electrical system. And it is certainly no longer acceptable that critically ill patients have to share the intensive care unit with possums. The wards are so old one almost expects to find Florence Nightingale on duty. I am proud to have secured a commitment from the Premier, Barry O'Farrell, and my great friend the Minister for Health, Jillian Skinner, of \$50 million for the phased redevelopment of Hornsby hospital. This funding represents the single biggest cash injection that the hospital has ever seen. It is a great start but I am going to fight for much more.

I acknowledge in particular the role of my predecessor, Judy Hopwood, in leading the fight for a better Hornsby hospital. Her campaign for the hospital is emblematic of the service that she gave to the people of Hornsby. If not for Judy Hopwood, the Labor Government would have shut down Hornsby hospital for good. I am conscious of the big shoes—albeit not literally—that I have to fill in following Judy Hopwood into this Parliament. She has the genuine admiration, regard and affection of the Hornsby community because of her extraordinary devotion to the residents of our area. Judy loved our community and they love her.

I also acknowledge her predecessor Stephen O'Doherty, who continues to make an important contribution to our community. Hornsby has been represented by many fine people including Neil Pickard and John Maddison. They have set a high benchmark of distinguished service which I am determined to follow. And federally, the residents of Hornsby have been represented by the lion of the Liberal Party and liberalism, Philip Ruddock. His contribution as a local member, a Minister and father of the House has rightly earned him an enduring place in the hearts of Liberal supporters all across the country. He has been a great mentor and supporter to me and I am indebted to him.

In July 2000 the goods and services tax was introduced as the long-term solution to Commonwealth-State funding arrangements. The GST hailed the end of the failed and flawed Premiers conferences. However, after barely 10 years, the Council of Australian Governments funding arrangements have been undermined by the continuation of the historical bias against New South Wales in favour of Western Australia and Queensland. These once small, poor States were justified in the past in receiving a share of Federal funding higher than their share of population. However, in what is the second decade of the twenty-first century, this argument is an absurdity. New South Wales continues to receive far less than its fair share of GST revenue. The less fair our allocation from the Commonwealth is, the greater our dependence is on inefficient stamp duties and property taxes. At the same time Western Australia and Queensland provide low tax environments courtesy of the families and businesses of New South Wales. The services economy is to New South Wales what mining is to Queensland and Western Australia. The services sector needs low taxes and sophisticated public services and infrastructure.

Yet after 16 years of the worst government in the history of this State—a Labor Government—we are left with high taxes, a gaping infrastructure hole and bloated public spending. No government has ever had so much opportunity as the Carr Government, and no government or Premier has failed to do so little good—and so much harm. Our Government has the opportunity to deliver New South Wales the policy and settings our economy needs. Nevertheless, we cannot do it without the recognition that New South Wales can no longer afford to underwrite the boom economies of Queensland and Western Australia with our taxes. Therefore, we must go back to the table on Commonwealth–State relations and tax reform. We need to recreate the spirit of federalism of the Hawke-Greiner era and, in its early years, the Kennett-Howard era. We must not allow fear and timidity to be the reaction to the genuine public anger at the increasing cost of living. We must not let anxiety be confused with reform fatigue. The O'Farrell Government can and must lead Australia in reform.

I was not going to address the issue of mental illness tonight. In planning what I wanted to say in the brief time I have available to me, I made a conscious decision to leave it out. But 22 days ago Mike Powell committed suicide. He was just 18. He left Shore school last year. He was studying accounting at the University of Technology, Sydney and was about to commence work at PricewaterhouseCoopers as a trainee. Mike had joined the Northcott Young Liberals in December last year. This is exactly the same path I trod when I left school. He was bright, charismatic and generous. Most importantly he was loved—by his mother and father, his five siblings and his friends. With immeasurable enthusiasm, he threw himself into his new passion—politics. He joined my campaign and letterboxed, handed out at street stalls and worked for 12 hours on election day. He shone with all the brightness of a future star: compassionate, generous, smart, and disciplined. He loved his family and friends and they—we—loved him. So I feel compelled to speak about mental health and suicide prevention in this speech tonight.

This year more Australians will die from suicide than will be killed on our roads. So many of them will be young Australians with so much they should be able to look forward to. Suicide is the single largest killer of women under 34 and men under 44. I want our Government to lead Australia in suicide prevention. I am proud that we will establish a standalone mental health commission and I am proud that we will deliver \$2 million of recurrent funding to Lifeline. But more has to be done. High-profile, high-impact public advertising campaigns have reduced the once devastatingly high number of road deaths in New South Wales. Last year the New South Wales Government spent \$8.1 million on road safety campaigns. Research shows that most suicides are preventable. We cannot shy away from the need to confront the crisis of suicide in Australia. Six Australians die from suicide every day and scores more attempt suicide. If six Australians drowned every day there would be a national outcry. I want New South Wales to spend as much money on suicide prevention campaigns as it does on road safety campaigns. [*Extension of time agreed to.*]

I want the New South Wales Government to fund a \$10 million annual advertising campaign on suicide prevention. We must send a clear message that no matter how dark, how ashamed, how helpless and how hopeless you may feel there is a way through. While there is much debate about how we talk about suicide—particularly in the media—there is no debate that we are better talking about it than ignoring it. I want a simple message that lets people know they are never alone and there is always someone there to listen and to help. It is great we have a 100 Day Action Plan; it is great we are going to build the North West Rail Link; and it is great that we will cut hospital waiting times. But it will not mean a great deal if we still live in a society where we are unable to stop a friend, a brother, a sister, a son or a daughter from feeling as though they have no option available to them other than to take their own lives. I proudly come to this Parliament as a progressive Liberal. For me that means recognising that the fundamental unit of society is the individual. It means recognising that the role of government must be to enhance and not to limit individuals from reaching their full potential according to their own ambitions, goals and beliefs.

As a Liberal, I believe the essential elements of our civil society must be freedom, equality and opportunity: freedom to live our lives unfettered by the State; equality before the law and the institutions of government and society, no matter what our gender, creed, colour or sexuality; and the opportunity to achieve the goals that we set for ourselves using our own talents and attributes, not those outcomes that government would preordain. That is why I see our free enterprise system as the cornerstone of our individual prosperity and happiness. It always amazes me that many people on the Left will vigorously defend civil and human rights but not recognise that economic freedoms are just as important to the advancement of the individual.

It is why I recognise also the role of government in promoting competition and preventing monopolies destroying small businesses and their enterprising spirit. Those who start small work so hard and aim so high in their businesses. It is why I see multiculturalism as a natural extension of liberalism, for surely it is nothing more than allowing individuals to live their own lives according to their own customs within the framework of

respect for our democratic institutions and the rights of others to do the same. But tolerance must be reciprocal. Those who come to Australia and refuse to accept the right of others to live their lives as they wish should not be welcome. It is why I find religious intolerance so repugnant and why I strongly support the separation of church and State. It is why I support policies that strengthen families because a strong and stable family life is the best foundation for every individual to enter this world. And it is why I marvel and applaud what we have achieved as a society so relatively quickly to break down age-old discrimination.

But I recognise that there is more to do. It is these beliefs that I bring to this Parliament that will guide my assessment of the policies that our Government develops and the administration of our State. I would not be here if it were not for the support of some very special people. I would like to acknowledge my Liberal Party family and the people who have believed, supported and invested in me. I particularly single out my great friends Michael Photios and Trent Zimmerman. Both those men have had a profound impact on me as a politician and as a person. I thank them for their leadership, their unwavering loyalty and their friendship. To Gladys Berejiklian, Greg Pearce, Don Harwin, Justin Taunton, David Begg, Paul Fletcher, Marise Payne, Ben Franklin, Tony Chappel and John Brogden, the best Premier New South Wales never had: thank you all. To my local conference in Hornsby: It would be hard to find a harder-working, committed or caring group of Liberals across the division. You worked tirelessly to achieve this victory and it is as much yours as it is mine.

To Euan and Eleanor Gilmour, Vic Batten, Lyn Drabsch, Colin and Mary Wood, David and Joanne Baynie, Uncle Joe Saliba, Eric Cooper, Bev and Brian Carney, Lachlan Mansell, Warren Hendy and Gordon Fensom: thank you for your leadership of the conference and for continuing to believe, even during the tough times. Your support during the campaign was extraordinary and will not be forgotten. Thank you to my campaign team for your extraordinary efforts in what was a tough battle. Thank you to my campaign manager Peter Bardos and my volunteer coordinator Julian Leaser. Both of you were exceptional and provided the foundation on which victory was won. To our amazing team of volunteers who worked day in, day out to achieve the result—Trevor Stacey, Ken Anthonisz, Ross Reid, Peter Srour, Matt Cross, Courtney Williams, Sabah Hussain and my young protégés Ed Martin, James Wallace and Al Cameron: thank you.

I would like to thank the organisation that has provided me with the skills and opportunities to succeed in politics—the Young Liberal Movement. It is an organisation I love and will always support. It has been a great honour to serve as the vice president of the Young Liberals, and I have been very lucky to work alongside a great leader and friend, Scott Farlow. The Young Liberal Movement has been a great nursery for developing the future political talent in our party and I am pleased to be joined in this place by four of my Young Liberal contemporaries. I joined the Young Liberal Movement nine years ago with my best mate Tom Callachor. I have been so blessed to have had him by my side every step of the way and I will never be able to express how grateful I am for all his friendship and support. We decided to join the Young Liberals nine years ago because we wanted to change the world. Tom, I think we had better get to work on New South Wales first.

I would like to thank my previous employers and close personal friends Sam Witheridge, John Brogden and Catherine Cusack. I will never forget the wonderful opportunities they gave me to learn politics and how to effect change. To my friends and professional colleagues at PricewaterhouseCoopers: thank you for the investment you made in me and for teaching me the lessons of intellectual discipline, professionalism and hard work. A special thank you to Kristin Stubbins for her loyalty and friendship. I am grateful to my personal staff who have made the transition to this place as smooth as possible. To Vanessa Crago, Linda Smith and Christine Chalker: thank you for using your remarkable talents to help in the way you have. To Gabrielle Salter: none of this would have been possible without your love and support over the years. I thank you for coming on the journey with me.

My parents, Noel and Cecilia, are very special people. Words cannot describe my feelings for them. They have given me every opportunity to succeed and have been a constant source of support, guidance and love. My father is a public servant and my mother is a teacher. They made great and frequent sacrifices to give me more than they had. My mother teaches scripture at local schools and my father was an acolyte at our local church. He always coached my football and cricket teams—we never went a Saturday when dad was not on the sidelines. Dad, if I could be even half the man you are I would be very proud. My brother and sister, Damien and Emma, and my cousin, Brad, have always supported me in my ambitions and endeavours. I thank them.

My own journey to this place reflects the values of my parents and those who educated me. I am greatly honoured to have had a Jesuit education at St Ignatius College, Riverview. It is not surprising that so many politicians and community leaders—I would suggest a disproportionate number—were educated by the Society of Jesus. I was taught to be and to live my life as a "man for others". My grandfather, Jack Kean, was a

soldier in World War II. When he returned from war he joined the Commonwealth Public Service in the Department of Employment where he worked until his retirement. My father, Noel Kean, has been a New South Wales public servant all his working life. Public service runs deep in my family, and tonight I start my career as the servant of the people of Hornsby and the people of New South Wales. That, to me, is what politics is all about.

[The Speaker left the chair at 6.26 p.m. The House resumed at 7.30 p.m.]

**INDUSTRIAL RELATIONS AMENDMENT (PUBLIC SECTOR CONDITIONS OF EMPLOYMENT)
BILL 2011**

Agreement in Principle

Debate resumed from an earlier hour.

Mr STEPHEN BROMHEAD (Myall Lakes) [7.30 p.m.]: Consistent with the need for fiscal responsibility, the approach of paying wage increases in excess of 2.5 per cent on the basis of prospective savings will be replaced by wage increases based on achievement of employee-related reforms and savings. That approach is consistent with traditional approaches to wage fixing and may include staggered wage increases during the term of an agreement, depending on the achievement of reforms and savings. The Government supports public sector workers. Labor's scaremongering is causing some concern in the community, but really how can the community believe Labor or anything that Labor members say? Labor had no mandate to sell electricity assets and proceeded to an election on that basis, but ultimately sold electricity assets.

Ms Noreen Hay: What's your position on that?

Mr STEPHEN BROMHEAD: On 26 March we went to an election with a promise to fix New South Wales, and that is what we are doing. We have a mandate.

Ms Anna Watson: You have no mandate. You don't have a mandate.

Ms Noreen Hay: They certainly do not have a mandate.

Mr STEPHEN BROMHEAD: Labor had no mandate. Labor members cannot speak about what is right and what is wrong. They are the ones who prorogued Parliament and denied democracy to the people of New South Wales. New South Wales had five months when Parliament did not sit and when the people did not have a voice in this House. That is what Labor members did.

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

Mr STEPHEN BROMHEAD: The Government is implementing New South Wales Labor policy. It is also Queensland Labor, Victorian Labor policy and South Australian Labor policy. I commend the legislation to the House.

Ms NOREEN HAY (Wollongong) [7.34 p.m.]: Madam Speaker, I congratulate you on your election to the high office of Speaker and on being the first woman to be elected Speaker. I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. Throughout the debate I have listened to some members of the House continue to attempt to mislead the community and Parliament. Some members have suggested that the Government has a mandate to effect changes in industrial relations law. That is an extreme case of misleading the public. It was also misleading of the Coalition during the lead-up to the March 2011 election to assure workers, union representatives and public sector employees that they had nothing to fear from the election of a Coalition Government.

During the lead-up to the election, Labor members were accused of scare tactics—funnily enough, the accusations have not changed—and of engendering fear among public servants. At a number of various functions prior to the 2011 election, others and I stated that the Coalition intended to reduce the public sector workforce by approximately 29,000. During the March 2011 election campaign, I reminded people that the Coalition had stated its position in relation to the public sector on the record during the 2007 election. The Coalition retaliated by accusing me of scare tactics and attempting to frighten public sector workers. However,

within a matter of weeks of becoming the New South Wales Government, what has the Coalition done? Just so that new Government members know, it is not part of Labor policy to remove an independent industrial umpire and never has been. In fact, Labor policy is quite the reverse.

The argument continually advanced by the Government is whether Labor is in favour of a 2.5 per cent increase and whether the Coalition is justified in adopting the same policy. The Government conveniently ignores Coalition policy of removing the independent industrial umpire from the process of wage determination. The Opposition asked the Minister for Women in this House whether nursing mothers will be required to give up their breaks as a trade-off for a pay increase, and her response was that that was quite an appropriate trade-off. The Minister completely disregarded the battle fought for young women and nursing mothers to achieve conditions in the workplace that would enable them to continue to work and have children.

Labor fought long and hard for industrial rights to enable women who want to work and have children to do both, and against the choice for women coming down to either having children or having a career. Yet within weeks of the Coalition becoming the New South Wales Government, the Minister for Women deemed that breaks for nursing mothers would be an appropriate trade-off in exchange for a wage increase. Early in the term of this Government, the more vulnerable and disadvantaged members of the workforce—and whether people like it or not, that means women—may well be asked to give up hard-won conditions.

The protest rally outside Parliament House today attracted 12,000 public sector employees. Members opposite have made scurrilous statements about the trade union movement, but prior to the election they told us that they were not anti-unions, not anti-workers and not anti anything else. In fact, I am hard pressed to remember any policy announcement made by members opposite. They have said that unions are behind this, that and the other, and that only 6,000 protesters were outside today. Shame on them. It would be a great show of strength if only 6,000 people were outside in the pouring rain. Those public sector employees can ill afford to take time off, particularly the women, but that probably does not disturb members opposite.

Instead of ignoring that huge crowd, they should listen because those workers are sending the message that the Government does not have a mandate to introduce this legislation. It did not tell the people prior to the election that public sector workers should be nervous about the Coalition winning government and that it would remove the independent umpire from their employment negotiations. Firefighters place their lives at risk, as do police officers and others, to protect the community. Despite that, they had to stand in the rain today to send a message to this Government about its attack on their rights that it did not mention prior to the election. Health workers also spoke at the rally about the attack on their conditions and the insecurity they are feeling after only a few weeks of the Coalition's term in government. Nurses and ambulance officers were also misled about the Government's intentions.

One of the most moving speeches we heard today at the rally was made by a teachers' aide who spoke about how members opposite while in opposition misled workers about what they intended to do when they won government. We heard nothing from members opposite about how they intended to give themselves enormous power over the State's public sector workers and to remove the independent umpire from wage negotiations. The woman should be commended for the way she spoke. She is horrified at the speed with which the new Government has introduced this legislation. The common thread in the speeches made outside today was that this Government is guilty of deceiving public sector employees. Many of them have admitted to voting for the Coalition, but they are now regretting it.

The Government did not reveal prior to the election that it would seek to remove the independent umpire from any negotiations on wages and conditions or that it would try to shirk responsibility by having members make speech after speech and avoid addressing the issue. Members kept repeating the 2.5 per cent mantra and kept asking what other State in Australia has a similar policy and so on. This Government has done something that has not been done in New South Wales in more than 100 years: It gagged debate in the upper House to avoid scrutiny. Member after member spoke in this place but completely ignored the role of the independent umpire. They tried to suggest that the Government's policy is exactly the same as the Labor Party's policy.

Members opposite promised the electorate all sorts of things in an attempt to win government and in the process misled the people of New South Wales, but they have done a backflip within a matter of weeks. They told the public sector workers of this State that they would have nothing to worry about if the Coalition won government. They lied. Public sector employees are now facing the reality that they will have no right to

appeal to an independent umpire. I agree with their belief that as public sector employees they should have access to an independent umpire should they not be able to reach an agreement with the Government. They should have the same rights as other workers; that avenue of appeal should not be removed by this Government.

I do not want to be rude to new members, but they clearly do not understand the courtesies that are extended in this place. That does not disturb me unduly, but their lack of understanding about what they should tell the community does. They should explain why, without any mandate, they have so quickly introduced legislation that will remove the independent umpire from negotiations with public sector employees. Department of Community Services workers outside today said that they feel extremely aggrieved because their caseloads are very heavy. They do a vital job in protecting and caring for children and families in this State. Those who voted for the Coalition because of its promises now find they are being given no respect and that their dedication is worth nothing.

Those of us who have been around for a while understand the politics and the processes. We know that we should not raise people's expectations or mislead them about our intentions in government. I have lost track of the number of times Government members have patted themselves on the back for winning a seat and winning government, not to mention the margins. I remind them that this Coalition also holds a record it might not want to acknowledge: It has lost more elections than any other Opposition in this country. Patting themselves on the back and supporting their Government's attack on public sector employees in this State is nothing short of a disgrace.

As I said, the Government has shied away from the fact that its legislation removes the right of public sector workers to appeal to an independent umpire. Members opposite have indulged in rampant tirades and harped on about the 2.5 per cent cap being the Labor Party's policy. We have told them repeatedly that that was not our policy and they have not been able to produce evidence to suggest that it was. They cannot prove that the Labor Government intended to remove the independent umpire. That is yet another lie. They might have won government once with a lie, but the community will not cop it twice. They have lied once and surprisingly found themselves on the Treasury benches, but if they want to be re-elected they should examine what they have done. [*Extension of time agreed to.*]

This debate should be about fairness and justice. The Government should not totally disregard the work undertaken by public sector employees for the wider community. Industrial relations legislation should not be about hiding things. If this legislation is fair, we must ask questions such as: Why gag debate in the upper House? If there is nothing to hide, why was the debate in the House of review gagged after only four or five Opposition members spoke to the bill? For the first time in more than 100 years debate was gagged in the upper House. New Government members sit in this place who do not understand the processes or traditions of Parliament. But the tradition for more than 100 years was not to gag the House of review. I do not always agree with the decisions of that House, but its role is to review legislation. New Government members who justify gagging debate in the upper House show their lack of experience.

Some of the 12,000 public sector workers who were gathered in front of this place today in protest voted for the lot opposite. Yet Government members quickly turned on those workers. There is community outcry at how quickly Government members changed from how they presented themselves during the election campaign. Government members told people they had nothing to fear, but already the occupational health and safety law about which I spoke recently has been changed. Then debate on industrial relations legislation in the upper House was gagged after only four or five Opposition members spoke to the bill, which was then brought to this House so that the Government can use its numbers to crunch it through. I am sure all Government members will congratulate themselves when that happens. But the 12,000 people standing outside in the pouring rain today were not congratulating the Government. If any of you had gone outside to face them, rather than sitting in here or in the corridors, you would have noticed their discontent.

The SPEAKER: Order! The member for Wollongong will address her comments through the Chair.

Ms NOREEN HAY: Government members cannot hide from those public sector workers by remaining inside this place. They should have gone outside, as you did, Madam Speaker. You can continue to deny what you did, but lying and misleading the public is not appropriate.

The SPEAKER: Order! I remind the member for Wollongong that the use of the word "lying" is unparliamentary. The member will address her remarks through the Chair.

Ms NOREEN HAY: Telling lies and misleading the public is not the right way to go. Is "telling lies" unparliamentary?

The SPEAKER: Order! Accusing members of lying and telling lies is unparliamentary.

Ms NOREEN HAY: I am saying that telling lies is not the way to go. I am not accusing anyone in particular.

The SPEAKER: Order! The member for Wollongong is making a generalisation rather than accusing a member.

Ms NOREEN HAY: Yes. Government members should not be telling lies; it is not appropriate. They should at least have the courage of their convictions and face the people.

Mr Jai Rowell: There was an election.

Ms NOREEN HAY: Yes, but you did not tell them what you were going to do. Getting elected by sneaking in the back door and misleading the public about your intentions is hardly worth a pat on the back. Half the people outside this place today said that they would never have voted for Coalition members if they had known that the Government intended to introduce this legislation. I will not be cruel and unkind and use the term "oncens" because that is not nice.

The SPEAKER: Order! It is quite acceptable for the member for Wollongong to use that term. It is not unparliamentary.

Ms NOREEN HAY: But that is definitely what some new Government members will be. I condemn every Government member for attacking public sector employees within weeks of being elected. Each and every Government member should be ashamed, and they should hang their heads in shame.

Mr JAMIE PARKER (Balmain) [7.53 p.m.]: The Greens oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. The object of the bill is to amend the Industrial Relations Act 1996 to require the Industrial Relations Commission to give effect to the Government's wages policy. The bill outlines clearly that without significant trade-offs the Government's public sector wages policy is to reduce the real wages of teachers, nurses, public hospital doctors, firefighters, ambulance officers, bus drivers, train drivers, nursing assistants, teaching assistants and other public sector workers by delivering wage rises capped at 2.5 per cent, which is significantly below the current inflation rate of approximately 3.3 per cent.

The important effect of this bill is to rob the Industrial Relations Commission of its independence by ensuring that the commission must give the Government the result it wants in any case involving the wages and conditions of public sector employees. There may well be similarities between the former Government's policy of a 2.5 per cent wage increase, as other members have said. But the stark difference, which the current Government has not highlighted, is that there will be no independent umpire if this legislation is passed. It is not good policy to resolve wages issues by regulation. As the Police Association representative said at a press conference earlier this week, judges make judgements and politicians do deals. The Greens believe it is not adequate public policy to say that regulations can be disallowed in the upper House and deals can be made to determine the wages and conditions of public sector workers. That is the fundamental reason that the independent Industrial Relations Commission umpire has existed for more than 100 years.

One thing I fear as a result of this legislation is the ongoing politicisation of the wages and conditions of public sector workers. However, the former Government is not let off the hook. The current Government states that it is implementing the wages policy of the previous Government, but that Government deserves separate criticism for its unworkable demands and cost offsets in public sector wage bargaining. The Labor Party could not successfully impose the "pay for your own raise" system, which is what we are debating in this bill. I echo the comments of other members about the tradition of the upper House. Many members on the conservative side of politics talk about defending and recognising tradition while others involved in the political process want to destroy or undermine it.

The Greens were outraged that the Government gagged the upper House debate on this legislation. What did the Government have to fear from a few days' debate? Some members spoke for a long time on this industrial relations legislation, but the tradition—which has been supported for more than 100 years—is to allow

upper House members to speak in debates. Conservative members of Parliament have also spoken at length in the upper House. Roughly 10 years ago Fred Nile and some of his colleagues and supporters spoke during debate in the House for a very long time. I am disappointed that the Government would seek to destroy the tradition of allowing members of the upper House to speak. Many traditions are valuable and deserve to be defended.

The reason this legislation is significant, and why the previous Government failed with its "pay for your own wage rise" campaign is that public sector workers have limited ability to deliver cost savings without slashing jobs or gutting services to the community. What are teachers likely to be asked to deliver? My electorate of Balmain has one of the highest proportions of teachers of any electorate in New South Wales, with several thousand teachers residing within its confines. Teachers are not being told that the Government will spend money putting new smart boards in every classroom and will reward them for increased productivity when they use this new technology. Instead, teachers are being told, "Find your own cost cuts to pay for your wage rise so that your wages can keep up with inflation and don't fall."

What sorts of cost cuts are we talking about? A recent study by the University of Sydney—which I shall refer to in more detail later—revealed that if this policy had been implemented over the past decade, top-scale classroom teachers would now be paid some \$15,000 per annum less than they receive currently. So over 10 years a teacher would be required to find \$15,000 in recurrent savings. Let us consider the teacher and the teachers union and then address this policy. What potential do teachers have to achieve those kinds of cost savings? Teachers could agree to do more professional development, but professional development does not deliver any cost savings. Teachers could agree to improve the way they write student reports and provide information to parents, but that does not deliver any cost savings. Teachers could agree to do more extracurricular activities with students, but that does not deliver cost savings.

All those things are worthless for cutting costs. Even though they improve productivity and improve quality, they do not deliver cost savings. They do not deliver the cost savings that are demanded by this policy. The only way to deliver those sorts of cost savings is to reduce the number of teachers—that is, reduce services to the community and disadvantage students, either by increasing class sizes or increasing teaching loads. Both these options will result in reduced services to the community and reduced quality of education for our students. Each and every year they will need to be enacted just to ensure that real wages are maintained. I invite the Treasurer to rebut these arguments and provide the detail that demonstrates what kinds of cost cuts teachers will have to implement to get over and above the 2.5 per cent increase. If they receive only 2.5 per cent they will have a real wage reduction because the consumer price index is presently 3.3 per cent.

Mr Mike Baird: That is a forecast.

Mr JAMIE PARKER: We know the forecast is the subject of some debate. We know that 2 per cent to 3 per cent is a problem for the Reserve Bank of Australia, which is why its governor talked today about an August rate rise to tighten monetary policy and manage inflation. It is clear that inflation is a significant problem that must be grappled with. If anything, inflationary pressures are increasing not reducing. The only way for teachers to make cost savings is as I have mentioned. The question we have to ask ourselves is: How big will class sizes have to be? How many decades of improvements to educational outcomes, brought about by reductions in class sizes and teaching loads, is this Government willing to sacrifice, and how many teachers will leave their profession in disgust as they face the distressing choice of attacking their students' education or accepting a downward spiral in the standard of living for them and their families?

Similar problems face nurses, firefighters, police, prison warders, ambulance service workers, bus and train drivers, public hospital doctors and nursing assistants. These people serve the community. The nature of their work does not lend itself to the sorts of cost-cutting exercises that the Government is demanding merely for them to maintain their real wages. In all those cases the only way to make the sorts of cost cuts the Government is proposing is to reduce jobs, reduce services or to close facilities. Alternatively, these workers can accept that the standard of living for them and for their families should decline. I do not believe the Government wants to slash services because it would bear the brunt of a serious political backlash if it did so. I fear that the Government's real agenda is to cap public sector wage rises at 2.5 per cent, regardless of the level of inflation—which, as we know, exceeds 2.5 per cent.

So all our public sector nurses, doctors, teachers, ambulance officers and firefighters are under threat of having their standards of living reduced. And they are all facing this threat when the country is enjoying record prosperity. That prosperity may not be shared with them. If they are not to benefit from Australia's prosperity,

why are they to be punished? It is because they have chosen to work for the community in the public sector—they would not be subject to such wage restraint if they worked in the private sector. In The Greens' view what makes this policy so short-sighted and ultimately self-defeating is that New South Wales is competing with other States to attract quality teachers, nurses, firefighters and other public sector workers.

Mr Gareth Ward: What's wrong with that? What's wrong with competition?

Mr JAMIE PARKER: There is nothing wrong with competition. There is only a problem with competition when what we are offering in New South Wales is less than in other States. New South Wales and Sydney are the most expensive State and city in this country in which to live. Despite this, public sector workers in New South Wales are not the highest paid in the country. A recent research paper from the Workplace Research Centre at the University of Sydney entitled "Are New South Wales Public Sector Workers Overpaid?" gathered data for New South Wales workers and compared their wages with those in other States as well as with what they would be paid if this Government's policy had been in place over the past decade.

The report demonstrates clearly that the best-paid teachers in the country are found not in New South Wales, but in Western Australia. What would New South Wales teachers be paid currently if this Government's policy had been in place for the past 10 years? They would be getting \$14,000 less than they receive now—that is \$14,000 less than comparable teachers are paid in Western Australia, South Australia and Queensland. Registered nurses in New South Wales currently receive just over \$72,000 per annum if they are at the top of their range. If the Government's policy had been in place, nurses would be getting only \$59,796 and would be the worst paid in the country.

The same applies to assistants in nursing in New South Wales. They are paid \$40,445 per annum at the top of the scale—a disgracefully modest wage for a very hard job. What are they being paid in other States? In Queensland they get paid \$49,153 per annum. Queensland nursing assistants are being paid about \$8,500 more than New South Wales nursing assistants for exactly the same work, and under this policy the New South Wales nursing assistants could well see their real wages cut. The inevitable result of the Government's wages policy will be a flight of our best public sector teachers, nurses, doctors, firefighters, ambulance officers and other public servants to other States. Australia has labour shortages emerging in key areas where the States are competing to attract and retain quality workers. What is the New South Wales Government's response? It is the real prospect of a reduction in real wages in New South Wales for these workers. So the legislation is not only an unfair burden on public sector workers and their families, but counterproductive for the State as we may well see the emergence of shortages of key workers to serve the people of New South Wales.

We know that is a significant issue for the Government in the context of workforce planning, and it has been a concern for many years. The Government claims that it needs the money that it is ripping out by attacking the living standards of public sector workers to pay for new schools, hospitals and rail lines. There is not much point building new schools if you cannot find the teachers to teach in them. There is not much point building new hospitals if you cannot find the doctors and nurses to work in them. And there is not much point building new rail lines if you cannot find the train drivers. Telling the State's teachers, doctors and nurses that it is their responsibility to pay for new schools, hospitals and rail lines makes New South Wales the employer of last choice for those workers.

It is clear that this bill is not about good economic planning. It undermines workforce planning and community services. But its negative impact may well spread beyond the public sector. Another question the Government must address is: What will be the effect on spending and employment of reducing the disposable incomes of more than 400,000 public servants? That is a very large portion of the State's workforce who will see their disposable income potentially decline over the next few years. What modelling has the Government done to look at the effect on economic activity, on spending, on employment and on taxation revenues of this widespread reduction in disposable income over the years? What modelling has the Government done on the effects on regional and rural communities of reducing the disposable income of public sector workers in those areas, as they are limited to a 2.5 per cent increase with the consumer price index at 3.3 per cent? What flow-on effects will that reduction have on shop owners and service providers in regional and rural areas? What effect will it have on the retail stores, restaurants, cafes, grocery stores and other businesses in my electorate of Balmain?

It is no wonder the Government did not highlight this policy before the election. In my view the potentially detrimental effects of this bill on the State's economy require further consideration. I invite the Treasurer to enlighten the House about the modelling that his office and Treasury have done on the potential

impact of the policy on Government revenue and the effects on the disposable income of public sector workers, because the 2.5 per cent increase the Government is proposing does not match inflation. We look forward to seeing whether the 2.5 per cent does match inflation and provides any real growth in wages. We know that a 2.5 per cent wage increase with 3.3 per cent inflation means a reduction in real wages. The Government did not take this policy to the election.

It should not have been rushed through Parliament. It is not in the best interests of the State. This policy was never a Labor policy because Labor always included the Industrial Relations Commission as the independent umpire. There is now no more independent umpire like the Industrial Relations Commission. The bill will threaten the livelihoods of thousands of workers. It will rob the century-old Industrial Relations Commission of its independence and make it a tool of the Government, with changes subject to regulation. Regulation should not be used to set public policy for public sector workers. We believe it is poor policy and poor law, and we do not support it.

Ms SONIA HORNER (Wallsend) [8.08 p.m.]: The Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 is, in its intent, a direct and unprovoked attack on the hardworking public service employees of this State. Our workers are incredulous that the Government moves first to attack them through the occupational health and safety bill and now with this industrial relations bill. I note that before the election Premier O'Farrell outlined a Five Point Plan for New South Wales. One of the points stressed returning quality services. He said:

We will return quality services in areas such as health, transport, education and community safety.

Nowhere does it say that there would be a personal attack on the livelihood of the very workers providing these valuable services to the people of New South Wales—workers who are, in the main, low-paid: social and community service workers, child-care workers and librarians. They have relied on pursuing equal pay cases to achieve a relevant working wage, dignity and decent working conditions. How on earth does the Liberal-Nationals Government propose to deliver on this promise while at the same time it is stealing through the back door ripping out the very wages and conditions on which those workers rely? It was and is a sham.

The Liberal-Nationals Government must recognise that it has a major responsibility to the people of New South Wales, and not only to the big end of town. It must ensure a fair, cooperative and productive industrial relations framework for the workers of our State. The importance of such a framework is to deliver fairness and equity for families and to promote and stimulate our State economy. It is crucial to the ability and capacity of the government of the day to deliver its services to the public, which in turn becomes essential in meeting its obligations and duties for efficient and effective public services. Does the public service believe that this bill will achieve this outcome?

Again in the short life of this Government we have yet another shoot-from-the-hip approach to legislation. Why on earth would the Government, without warning or consultation, want to take on 400,000 public service workers and their families by attacking their pay and threatening their conditions? It must be acknowledged that under Labor the Hon. Jeff Shaw set up a fine industrial relations system through the 1996 Industrial Relations Act. It has been described as a masterpiece of simplicity compared with the debacle that was the 1991 New South Wales Act and its Federal counterpart legislation in WorkChoices. The 1996 New South Wales Act provides an unparalleled framework for the conduct of industrial relations that is manifestly fair and just. It was drafted with extensive consultation with employers and unions.

The New South Wales industrial relations jurisdiction operates on the principles of a fair and just framework for the conduct of industrial relations, evidenced by cooperative and fair bargaining processes that are linked to real productivity and efficiency gains. The Industrial Relations Act has established an accessible industrial tribunal with broad discretion to exercise conciliatory and arbitral powers to resolve disputes. The framework encourages employers and unions to work together in a consultative, open and accountable environment. From the time of its enactment in 1996 the Industrial Relations Act was well received by all industrial parties. As Justice Boland said, it has:

... delivered fair and reasonable wages and employment conditions through the award system, it provided an efficient and effective system of conciliation and arbitration for resolving industrial disputes.

At the time that was not available federally, thanks to WorkChoices. In developing the Industrial Relations Act, the New South Wales Labor Government consulted widely on a range of issues, including the most appropriate means of setting employment conditions. It was built on the back of a tripartite consensus that fostered

flexibility, investing trust in the Industrial Relations Commission to ensure fair and economically sound outcomes such as those I have outlined today. As a result of this consultative process, in the context of the details outlined above, project awards and agreements were utilised as a practical tool that met the needs of workers, employers and thus their industrial parties.

That is unlike the bill before us now, which seems to have emerged from the bowels of Liberal Party head office. Under this bill it will be impossible to achieve these collaborative outcomes because the legislation is inherently unfair. Its reliance on tough legal sanctions and its encouragement of litigious remedies combine to promote more adversarial relationships between employers and unions. Consequently, it hinders rather than fosters constructive relationships and good faith in the sector. The union movement too has rightly condemned it as a retrograde step. A special meeting of the Public Service Association executive unanimously resolved the following in relation to the State Government's attack on public sector wages and conditions:

The Public Service Association condemns the O'Farrell Government's announcement that it will legislate to restrict public sector wage increases to 2.5 per cent. The Public Service Association further condemns the O'Farrell Government's announcement that it will introduce legislation to give effect to this policy by restricting the powers of the New South Wales Industrial Relations Commission.

This bill will have an immediate impact on workers, and it will have a retrospective application to the cases currently before the commission. There are a number of cases before the commission. We have heard about the police case, but what about the prison officers? They are in the same situation as the police with regard to their wages. I was standing on the front line to ensure that Cessnock jail was kept alive and that the wages and conditions of police and prison officers were protected. We have heard rumblings that the police may be allowed their case, and rightly so. But who is to say that prison officers do not deserve to have their case heard as well? Why would anyone say that the job of prison officers is any less valuable than that of the police?

The bill bestows the ability to arbitrarily cut back entitlements whenever the Government feels like it, with no reference to an independent tribunal or a review of any kind. We have not been presented with the regulations proposed in the bill. How are we to give due diligence and consideration to this bill without the associated regulations? The regulations are necessary as the bill has caused such concern in the community that we must give the bill and its associated regulations our full consideration. This review is of State importance. I will demonstrate why it is important to preserve the Industrial Relations Commission. In May 2002 librarians at the Environmental Protection Authority won equal pay in the wake of the Public Service Association's historic test case of May 2002.

That landmark decision by the Industrial Relations Commission was the result of the first test case under the new pay equity principle and provided significant pay increases for librarians, library technicians and archivists on the basis that their work had historically been undervalued. However, the commission's decision applied only to those employed under the Crown employees award. Librarians employed under other public sector awards had to make a case for a flow-on of the pay rises. The Public Service Association has a long history of fighting for workers. These contributions have been positive for public sector workers, especially women, thereby increasing the standard of living and rights at work that have been won in the traditional, uniquely Australian industrial relations system, where there is an independent umpire and an obligation to negotiate.

The New South Wales system is revered for its fairness. The Howard Government set about stripping workers' rights through its WorkChoices legislation. Union Secretary Mark Lennon officially launched the campaign at the Public Service Association annual conference and spoke at the rallies. His press release stated:

We're launching a grassroots campaign with a simple message—public sector workers deserve the same rights as any other worker in the country.

We wouldn't allow any other employer to unilaterally cut annual holidays or increase the working week, yet the NSW Government will have that power over police, nurses and hundreds of thousands of public sector workers.

Again I say that this haste is to silence the voice of workers. I can state that while ever the Labor Party has a seat in this House the workers of this State will always have a voice and they will always have a champion. I will always stand up for the workers, as I have for the last four years. Our fine police officers put their lives on the line for us all each and every day. I have received a letter from Scott Weber, President of the Police Association of New South Wales and I will précis what he has written to me. [*Extension of time agreed to.*]

Mr Weber stated:

I write in respect to the above matters and with reference to the letter of 20 March 2011 from the then Shadow Minister for Police, Mike Gallacher on behalf of the Coalition in response to the Police Association of NSW Pre Election submission. I specifically refer to his responses in regard to the Industrial Relations System.

As you would be aware Police industrial and disciplinary matters are an important part of the Commission's jurisdiction. Indeed in the pre-election commitment the Police Association and its members were specifically assured that:

"The NSW Liberals & Nationals are committed to retaining all NSW public sector employees under the NSW industrial relations system. We have previously indicated we would not refer industrial powers in respect to Police to the Commonwealth Government and that Police would keep their rights to collective bargaining, awards and an independent umpire."

And further, in reference to the rights of members to enjoy appeal rights against a decision of the Commissioner to remove them from employment the Coalition made the following commitment:

"The NSW Liberals & Nationals acknowledge the ongoing right of aggrieved Officers to appeal to the Industrial Relations Commission and do not plan to change existing legislation in respect to appeal rights."

He certainly has a good argument. The Liberal and Nationals members would have us believe that police are grossly overpaid. Our senior constables are paid around \$75,000—certainly far from a fortune. Mr Weber further stated:

I must raise serious concerns regarding the Government's announcement on Thursday regarding the proposed changes to the Industrial Relations Commission's wage fixing role and the Government's Public Sector wages policy. It is understood from the announcement that the IRC's role in determining fair and reasonable salaries will be limited to enforcing the Government's public sector wages policy. If our understanding is correct then this represents an egregious attack on the independence of the judiciary and will effectively neuter the Commission as an independent umpire. In the absence of any draft Bill we assume that Hansard reflects the Government's intentions.

At a recent speech given to the Industrial Relations Society of New South Wales the President of the Industrial Relations Commission observed:

For over 100 years there has been a bipartisan approach to empowering the Industrial Relations Commission to set fair and reasonable wages. On the government's approach that will no longer be open to the Commission and it appears it will simply be required to rubber stamp the government's wages policy regardless of what that policy dictates. A claim that the Commission is the independent umpire can no longer be sustained.

We have heard here and in the other place that the Police Association of New South Wales in December 2010 notified the Industrial Relations Commission of its intention to lodge a major industrial case. Mr Weber explained:

The decision to make this notification was based on two considerations; the failure of the previous government to negotiate with the Police Association of NSW in the lead up to the last election and secondly the fact that the then Government's wages policy made it virtually impossible to enter into serious negotiations.

Where is the justification then that the previous Labor Government allowed a wages blowout? The Police Association attended a series of conferences and directions hearings. The claim was lodged in April and evidence is due to be lodged this month. Hearing dates have been set for later this year. Mr Weber concluded:

It is a matter of fact that employee related cost savings do not mean productivity or efficiency, but rather only those costs directly related to employment. In the context of the police this could mean tradeoffs such as:

- reducing police numbers;
- cutting annual leave from six to four weeks;
- reducing shift allowances;
- eliminating maternity leave and carers leave;
- taking away transfer entitlements; and
- removing salary top-up for workers compensation

The New South Wales Teachers Federation also slams the Liberal-Nationals Government. Teachers are not in a position where reasonable employee-related savings are possible. This leaves the Industrial Relations Commission unable to grant any more than a 2.5 per cent increase unless conditions are sacrificed. As inflation is predicted to be above 3 per cent in coming years the Government is really imposing annual pay cuts on teachers. The New South Wales Teachers Federation totally opposes this legislation. Bob Lipscombe, President of the Teachers Federation, stated:

In an unprecedented move, the Coalition has taken upon itself the right to determine whether public sector workers will receive a pay increase or maintain their conditions. No other employer in Australia has that power.

This legislation attacks the rights of workers to negotiate a fair outcome on pay and conditions.

It attacks the independence of the NSW Industrial Relations Commission by removing its ability to act as an independent umpire when the negotiating parties cannot reach agreement.

I would argue that there are various reasons why such legislation is not in the public interest. It is also clear that the Liberal-Nationals Government does not have a mandate for such legislation and policies. This bill cripples the New South Wales Industrial Relations Commission and its powers to determine and arbitrate disputes on wages and conditions for the State's 400,000 workers. Let us be very clear about who these workers are: they include nurses, midwives, police, firefighters, paramedics and all other State public sector workers, including all the good folk who work here at Parliament House and support us in all we do. We should be celebrating all these fine people instead of attacking their livelihood and effectively delivering them a pay cut.

Last Thursday in the other place Reverend the Hon. Fred Nile argued that the Government has the right to introduce legislation in line with its philosophy and its policies. However, I argue that is only in so far as the issue has been canvassed with the voters and that the workers of this State know beforehand of its intention. In fact, the Government is on the public record denying it would do what is before us this very day, in effect, misleading the public. Woe betide any government that tries. Again I draw the Government's attention to the forerunner to this bill, WorkChoices, and the way the electorate dealt with the Federal Government that introduced it, not to mention the unseating of a Prime Minister for only the second time in our history. We warned the people of New South Wales before the election, "Don't give Barry a blank cheque". What we did not know at the time was that he would cash it in using the wages and conditions of 400,000 public sector workers.

Mr ROBERT FUROLO (Lakemba) [8.28 p.m.]: I am pleased to speak on the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. There are many challenges that governments face at all levels. Amongst them is the challenge of balancing finite resources with the community's expectation for more and better services. Whether it be in health, transport, education, policing or any other service of government, rarely does the community think we are spending too much. This requires governments to be responsible and careful with the allocation of its resources. It requires governments to clearly determine its and the community's priorities and take steps to deliver them in the most efficient and sustainable manner.

When approximately half of a Government's annual expenditure is on the wages of those who deliver the services, it is reasonable and appropriate that wages policy is carefully managed. So I understand why the O'Farrell Coalition Government has made the public conditions of employment bill one of its first significant bills brought before the House in its first term. It is true to form for a Liberal Government to seek to attack the rights of working families and this bill does exactly that. While I understand the reasons why this bill was introduced, I do not support it.

As Mayor of the City of Canterbury, I speak with some experience in the challenges faced by governments across Australia of balancing finite resources with the expectations of a community. Our city is home to 140,000 residents. We have a budget of \$110 million and approximately 570 full-time equivalent staff. The people of the City of Canterbury are not what one would call wealthy. In fact, approximately one-third of all households in that city live on a combined income of \$500 a week or less. To put that in perspective, that is what some people in this House might spend on a good lunch. That is the income of some of my residents for a week and is what they spend on housing, food, transport and their children's education. There are many people in my city who understand what it is to struggle.

As members will appreciate, people require and depend on a council to meet the services they need in the areas of children's services, aquatic services, roads, parks, playgrounds and library services. The city has many disadvantaged people and a community that relies on the council's services. While the council might like to try to be efficient with its resources, it would never presume to turn around and determine the salaries of the staff of council. That is a process that needs to be determined independent of the council, as it should be in this instance. Not only do I not support this bill, but I suspect that many thousands of people who voted for the O'Farrell Government do not support it either.

Those who do not support this legislation in my community are police officers, teachers who shape the future of our children, the nurses who care for the sick and elderly, children's services staff who work to protect the most vulnerable, and council staff who maintain the libraries, aquatic centres, parks and playgrounds. The one very good reason that they do not support it is because it goes too far. Previous to this week I acted as the shadow spokesperson for Housing, Mental Health, and Small Business. In the course of my work as shadow Minister for Mental Health I met with a range of mental health nurses. I met some at Wollongong and heard about their experiences in the workforce both in the hospital environment and in the community sector with those most vulnerable people in our communities—that is, the mentally ill. I cannot explain how they might be able to find efficiencies in their workplace. Should we suggest that they find more mentally ill people to treat to make themselves more efficient?

Clearly, that is laughable, as is the requirement that they fund their savings over and above the 2.5 per cent from their own working conditions. I also talked to a female paramedic who has two teenage children. She is hardworking but cannot afford to buy her own place and has been renting for many years. She works approximately 45 to 50 hours per week on her normal roster. Over and above that, she works part-time at a doctor's surgery helping out at reception. Where possible, she makes herself available for any overtime as a paramedic. Like many paramedics, she depends on that overtime to help pay the bills, to put her kids through school and to meet her obligations and expenses of raising teenage children. When the Government says that it will determine her wages and conditions, and whether she will get overtime, I hardly think that is an appropriate or fair way to treat people who are at the coalface of providing services to our community.

Removing the power of the Industrial Relations Commission, the impartial independent arbiter of wages and conditions, denies procedural fairness for public servants. There are no winners in this bill. Every member in this place represents thousands of people in their electorates—families, the elderly, children, working men and women—all of whom depend upon and rely on the services of State and local government, the men and women whose wages and conditions are the subject of this bill. It does not make sense to me to remove the impartial independent umpire from the process of determining wages and conditions for these essential public servants. The bill targets employee-related savings—meaning those costs directly related to employment. I refer to a fact sheet circulated to police officers across New South Wales in which the President of the New South Wales Police Association, Mr Scott Weber, outlines the impacts on police. He states:

Once passed, the new laws mean the New South Wales Government will be able to implement as law, any policy that it creates on conditions of employment for police and other public sector employees. The first regulation they have announced will ensure that police will not get a pay rise of more than 2.5 per cent a year unless they trade off "employee related costs savings and reforms".

He goes on to clarify this:

Employee related cost savings do not mean productivity or efficiency, but rather only those costs directly related to employment. This could mean tradeoffs such as: reducing police numbers; cutting annual leave from six weeks to four; reducing shift allowances; eliminating maternity leave and carer's leave; taking away transfer entitlements; and removing salary top-up for workers compensation.

Under this bill the issues raised by Mr Weber will apply to the New South Wales Police in their current wages negotiation. This is despite the fact that the Police Association notified the Industrial Relations Commission in December of its wages negotiation, lodged an application in April and has prepared its submission based on the reasonable expectation that the Industrial Relations Commission would be able to independently assess its claim. This is another example of the O'Farrell Government bringing in laws that apply retrospectively.

First, it tried to tear up the contracts of 110,000 families across New South Wales who did the right thing and invested for a greener future. Now it is ripping out the heart of the independence of the Industrial Relations Commission—allowing wages and conditions to be set by regulation rather than negotiation. Many new members have come to this place on the back of the recent election result, some of whom may have worked hard to win the right to represent their communities in the oldest Parliament in Australia. Others would be considered to be quite lucky to be here having won seats that have never previously been held by the Liberals. I have some advice for the new members: History is a great teacher. The members who came to this place on the back of the Greiner election in 1988 probably thought they would be here for years and years.

Mr Gareth Ward: Point of order: I refer to Standing Order 76, relevance during debate. The comments of the member for Lakemba are not relevant to the bill. The member is talking about an election, not the bill.

Mr ROBERT FUROLO: I am within the leave of the bill. History shows that within four years many of those members were looking for a new job. The slashing of jobs and conditions of thousands of public servants—the closing of schools and police stations, the sacking of nurses—were acts of a government big on hubris and over-confidence, which came back to haunt it just four years later. Government members should think carefully about their actions with regard to this bill. It may well be the teachers, nurses, police and council staff, and the thousands of other public servants, who will remember how Government members voted on this bill. Members opposite can take it from me that the electorate has no qualms in showing their anger come election time. I encourage my colleagues opposite to learn from history, because this bill goes too far.

Mr RYAN PARK (Keira) [8.40 p.m.]: I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I do so because of far more than just the words on a page that spell the

death knell for the independent umpire in this State, or the way in which the conditions and entitlements that the more than 300,000 workers across our State and their unions have for decades fought so hard for have been destroyed. I do so because the bill goes to the heart of why I stand as a member in this place.

In 1989 my father worked as a fitter and turner foreman on the shop floor at the Tallawarra Power Station at Yallah, in the electorate of Shellharbour. He was a public servant. Every day he went to work with one thought in mind: to give it his best, to serve, to work hard and to be a role model for those around him and his family. Like many servants of the people, including those who assist us in this place today, my father often went above and beyond his so-called core duties. He taught his son that if you are getting a fair day's pay you should put your very best into your job and you should give it your all, regardless of whether your employer is a local business owner or a government agency.

After more than 15 years working for the Electricity Commission of New South Wales, as it was known at the time, my father and his colleagues received a visit from the then Minister for Energy in the Greiner Government, Neil Pickard. This was unusual—not just because it is unusual to see a Liberal Minister visit a town like Dapto. The then Minister visited because he wanted to say that despite the rumours to the contrary the power station would stay open. On the shop floor the then Minister said the rumours was merely the result of scaremongering on the part of the Bob Carr-led Opposition. Does scaremongering sound familiar to members opposite? That is the message they have been peddling over the last few weeks.

Six months later, on 14 June 1989—nearly 22 years ago to the day—Nick Greiner announced that Tallawarra Power Station would be shut, along with Huntley Colliery, resulting in hundreds of Illawarra public servants being out of a job in a community with one of the lowest socioeconomic indicators in the State at the time. When a person lives in a family with only one income, seeing a government do this in an act of sheer deception simply galvanises the person's beliefs concerning the rights of working men and women who provide the vital front-line services our communities rely on to function.

My father may have trusted Pickard in 1989 when he first told him and his colleagues that everything would be okay. But more than 22 years on, his son will not make the same mistake. Members opposite speak about this bill as being a vital part of the economic reform needed to get this State supposedly back on track. I say to members opposite: Without good public servants you do not have some of the best literacy levels in the OECD. Without good public servants you do not have crime rates at record low levels. Without good public servants you do not have a health system that people would choose above any in their time of greatest need. And without good public servants you do not have a civilised society that provides those with disabilities the support, dignity and respect they deserve.

This bill drives a knife through the Industrial Relations Commission and makes it nothing more than an extension of the Premier's Office. I draw members' attention to the Industrial Relations Act 1996, the Act under which the commission was established. That Act spells out the purpose of the commission, and I emphasise four elements of that purpose. They are to provide a framework for the conduct of industrial relations that is fair and just—two words members opposite would struggle to understand at the moment; to promote efficiency and productivity in the economy of the State; to prevent and eliminate discrimination in the workplace; and to encourage and facilitate cooperative workplace reform.

I challenge any member of this place, on either side, to take a few steps out of this Chamber and say to their electorates and the front-line staff who work to keep their communities safe, productive and rewarding that these are not principles worth fighting to keep and maintain. Members on this side of the House will fight to keep and maintain those principles. The scrapping of the Industrial Relations Commission was not Labor policy.

Mr Jai Rowell: It's in your document.

Mr RYAN PARK: If you can find one document, I want to see it. It is not New South Wales Labor policy to scrap the Industrial Relations Commission.

ACTING-SPEAKER (Ms Melanie Gibbons): Order! The member for Kiama will come to order.

Mr RYAN PARK: Governments of all persuasions have spoken at press conferences, or in this place or out in their communities, spruiking the latest statistics about a particular policy area or reform agenda. We have all done that. As parliamentarians, both members opposite and members on this side of the House have gone into the community and advanced the policies of the government of the day. We have made it clear when

we have thought things have been done well. We have all been very quick to make sure the media and our communities know when our side, either Government or Opposition, has done something well. Whether it is a triple-A credit rating—yes, that is what members opposite inherited—or the latest Higher School Certificate or National Assessment Program-Literacy and Numeracy results, a fall in crime, or a major rescue effort, or perhaps simply providing great service to those families and children most in need through workers in the Department of Community Services crisis centre, politicians have shouted it from the rooftops. Good on them for doing so.

But let us get fair dinkum. We in this place drive policy reform and change through the implementation of ideas and the allocation of resources to those ideas. But if we are truly honest with ourselves, it is the more than 300,000 workers—12,000 of whom were protesting outside Parliament House in the rain this afternoon—many of whom live and work in the Illawarra region, who do the work that allow members and Ministers of this place to deliver the good news stories for the nightly news, or the morning papers or talkback radio. It is those workers—not us—who implement the Government's policy reform agenda and who do their very best to make sure Government members can stand in this place and deliver their sound bites.

Mr Andrew Constance: Shush.

Mr RYAN PARK: I will not be shushed by you, mate. Let us get fair dinkum. We need to listen. When we have got it wrong, we have got it wrong. Many Saturdays ago the Coalition won government, and it won convincingly. Members on our side of the Chamber do not deny that. The Government has a mandate for a lot of things, including the implementation of a policy reform agenda, and public servants have to go about implementing that agenda. That is fair game. But the Government does not have a mandate for this bill. Less than one week before the election the Coalition's shadow police Minister had the hide to write to the Police Association and say:

We support the Industrial Relations Commission.

Well, less than 12 weeks into the Coalition's term in office that proves not to be the fact. Members opposite are saying the commission is still in place. The President of the Industrial Relations Commission has a slightly different view, saying in a speech given recently that the commission will become nothing more than a rubber stamp for the Premier and the Government. It is not the Opposition but the President of the Industrial Relations Commission saying that. Let us hear from people from the electorate of Keira who have raised concerns. One is a gentleman called Justin, who wrote to me saying:

Mr Park, promise me you won't vote for an attack on services.

Justin went on to say:

Barry O'Farrell did not go to the last election saying he was going to introduce WorkChoices style legislation and cut the pay and conditions of NSW public sector workers and undermine the IRC.

The Government has a mandate on a lot of things, but not a mandate on this bill. I have no doubt that many of the people who were outside these premises today voted for a Coalition member. Given the small number on the Opposition side, I have no doubt that many teachers, police, nurses, school assistants, firefighters, ambulance workers and other public sector workers would have put the number one next to a Coalition candidate. *[Extension of time agreed to.]*

I have no doubt that many public sector workers voted for members opposite, but within 12 weeks of their going to the community and saying they will be the friends of the workers, those opposite have thrown that trust back in those voters' faces. The Coalition has a mandate on a lot of things, but the protesters outside Parliament today made it clear that they did not vote for a Coalition candidate because the Coalition would put up this proposal. They did not vote for the Government because of what it is doing to ambulance workers, firefighters, police, teachers, school assistants, Department of Community Services workers and others. They did not know this was coming.

Mr John Barilaro: They still voted for us.

Mr RYAN PARK: The member is right; many of them voted for a Government member. Though members opposite may be arrogant now, their time is coming.

Mr Andrew Constance: Point of order: I ask that the new member, who is getting used to the forms of the House, be asked to direct his comments through the Chair. Whilst he is doing so, he might explain what 2.5 per cent of 300,000 is.

ACTING-SPEAKER (Ms Melanie Gibbons): Order! I remind the member for Keira that he should direct his comments through the Chair.

Mr RYAN PARK: Whilst the Government has a mandate for a lot of things, it does not have a mandate for this legislation. Time and again that is being communicated to members of the Opposition. I spoke to one of the protesters who were outside this Parliament today. This person, a secondary schoolteacher, had obviously been in the teaching profession for a long time. She was, without a doubt, one of those who voted for a Coalition candidate. She said to me:

Had I known this was coming, I would have thought long and hard about where I voted.

The case is very simple. This is bad legislation. It is bad not only because it diminishes the value of front-line workers but also because it has been developed and championed by individuals who believe that union is a four-letter word and that workers are there to serve and obey, and are not to participate in the fixing of their awards. Just have a look at the Premier's media release of 31 May this year in which he says:

Our system works on the principle that Parliament sets the rules and the umpire, the Industrial Relations Commission, enforces them.

New South Wales has record low levels of industrial dispute. This State's workforce is well paid, and deserves to be well paid. It is well rewarded, and it deserves to be well rewarded. Public sector workers serve the government of the day with integrity, decency and honour. If this Government will not treat its workers with the respect and dignity that they deserve, I give an assurance that those on this side of the House will. We will bring the fight on.

Mr CLAYTON BARR (Cessnock) [8.56 p.m.]: Madam Acting-Speaker—

Mr Jai Rowell: Country Labor.

Mr CLAYTON BARR: Country Labor indeed. Government members need to remind the Deputy Premier of that fact. It is with tremendous pride and passion that I speak in debate on the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I feel the embarrassment, or should I say the sympathies for the embarrassing members who sit opposite. After spending 2½ days talking about the Library Amendment Bill 2011 and two days talking about the bill to give police move-on powers, today we find that Government members are unwilling to speak on such an important matter as this industrial relations bill. Undoubtedly, that is because they do not want their names associated with this ridiculous legislation.

When I arrived here as a member of the Fifty-fifth Parliament I hoped that after serving in this House over a period I would see significant improvements in this great State. Unfortunately, I stand here today trying to protect basic core rights of workers. This bill is not about improvement; it is about the destruction of the working rights of many public servants—nurses, teachers, firemen, train and bus drivers, community and family workers. I must admit to being somewhat confused about the debate. I always considered I had a reasonable grasp of the English language, even though I was a physical education teacher. Yet the language of this debate has left me somewhat confused.

There is a small, simple and seemingly innocuous word being used in this debate that I felt sure I had learnt as a six-year-old child. Yet its use in this Chamber by the Premier and those opposite has left me thinking that they need to go back to their kindergarten teachers and ask for a revision. The word of which I speak is the simple word "same". I refer to comments made in this House by the Premier during this session of Parliament. The comments include those he used on 12 May when he said:

My Government intends to implement the same wages policy as the previous Government.

On 25 May he referred to the "same wages policy" and "exactly the same" policy. In a later response he mentioned "the same policy". On 26 May he said that his Government's policy is "exactly the same policy that the members opposite pursued" and that it was "exactly the same policy". On 2 June he used the term "the same wages policy". Members can imagine my concern about the word "same". It is my understanding that if legislation, a bill or a policy, is the same there should be no need to reintroduce it and have it ratified through Parliament.

It would be a monumental waste of time to introduce and reintroduce a bill every time a new government wins office if it is the same. So I consulted the *Oxford English Dictionary*—none of those opposite

are four letters; the package but not the speller—which defines the word "same" as "identical, not different, not having changed, unchanged". Hence my understanding of the word "same" is true and accurate. It is probable that the Premier needs to do a kindergarten refresher course.

[Interruption]

Do not defend him. My daughter is currently in a kindergarten class with a maximum class size of 20—thanks to New South Wales Labor—with a hardworking and well respected teacher whose working conditions will be rewarded less and less thanks to this legislation. I can inform members that the word "same" is on kindergarten list No. 5, which some students have already passed and others have not yet achieved. I do not think that the Premier is a dummy so I suggest if he did a kindergarten refresher course he might well move through those lists quickly and perhaps in five months time he might be up to list No. 5. Is this legislation the same? Clearly the answer is no.

This legislation is not the same because if it were the same it would not have to be reintroduced. Surely members opposite can understand that we would not be debating it now if it was the same. Let us cut the lies, the smoke and mirrors, the arrogance and deceit. This bill is not the same as the one put forward and used by the former Labor Government; it is different. Importantly, it is changed; it is not identical. This bill will remove a key factor: the right of workers to have an independent commission provide them with protection and exception to the political party of the day. When challenged on the absence of the independent body, the Minister for Health made it very clear who she thought was the right person when she said:

The independent umpire is the Parliament.

Let us stick with what is and what is not true. Let us stick with what is real or not real—another four-letter word. The bill is determined to limit the wage increases of public sector workers to 2.5 per cent unless they can make productivity savings. Members have already spoken, and others will speak, of the possibility of savings but I want to stick with the numbers. Numbers are another important part of our education process. Children learn the importance of numbers, and here is another opportunity for the Premier to resort to his early childhood learning. To all intents and purposes, wages will be capped at 2.5 per cent. The Treasurer included the figure of 3 per cent in costs and expenses in the Appropriation Bill that was dealt with yesterday in this House—he appears to know that 2.5 per cent is not enough.

Meanwhile, the consumer price index for the previous 12 months—the Treasurer should brace himself because more is coming—has been widely acknowledged as 3.3 per cent. The kindergarten knowledge of my five-year-old daughter may be a little highbrow for those opposite, so I will share with them something about my three-year-old son. He already understands bigger and smaller numbers—even fractions. Over the long weekend I was keen to test the differences myself so I engaged the help of my three-year-old son. He is most likely to be affected by this industrial relations bill when he goes to a school that has trouble accessing teachers—because there will not be any teachers.

My son was a good boy on Saturday. He helped me collect sticks for our fire and as a reward I broke out some chocolate. I cut off one pile of 2.5 pieces of chocolate and another pile of 3.3 pieces of chocolate. I then asked him which pile he wanted. Guess which one he picked? He took the 3.3 pieces of chocolate because he knew he would be worse off with the smaller pile. Where does that leave the Premier? He continues to inform us that a wage rise of 2.5 per cent will leave public sector workers no worse off. Perhaps when he is finished with his kindergarten review he could do some preschool studies with my little boy.

Before leaving these numbers let us go a little further with the consumer price index. The last four years have seen the consumer price index at 3.3 per cent, 2.9 per cent, 2.5 per cent and 4.2 per cent. In only one of the past four years would our public sector workers have been no worse off. Let us look more specifically at some of the key indicators of the consumer price index. Increasingly it is becoming less affordable for public sector workers because over the past four years the average growth in the cost of food has been at 4.1 per cent. Mr Acting-Speaker I draw your attention to the noise in the Chamber.

ACTING-SPEAKER (Mr Geoff Provest): Order! Government members will come to order.

Mr CLAYTON BARR: The average growth in the cost of food has been at 4.1 per cent, housing at 4.4 per cent, health at 4.8 per cent and education at 5.2 per cent. Which of those four consumer price index figures would the member for Wollondilly want public sector workers to stop?

ACTING-SPEAKER (Mr Geoff Provest): Order! The member for Cessnock will address his remarks through the Chair.

Mr CLAYTON BARR: The member for Wollondilly would suggest that public sector workers can afford to give away one of those things.

ACTING-SPEAKER (Mr Geoff Provest): Order! I remind the member for Cessnock that he should address his remarks through the Chair.

Mr CLAYTON BARR: Food, housing, health and education—which one of those? Let us return to my three-year-old son. If I were to offer him more chocolate—perhaps four or five pieces rather than 2.5 pieces—I am extremely confident of his choice; a choice no longer with public sector workers or the independent commissioner. But in life there are far more important lessons than reading and writing. I speak now of honesty and integrity, and those on the other side should be trembling. I turn to *Hansard* and to comments made in this House to determine where the Government stood on the issues of honesty, integrity and transparency. On the second day of this Fifty-fifth Parliament, the day after being sworn in by the Governor, the Premier began his campaign to con the people of New South Wales on the issues of honesty, integrity and accountability. I commence with the opening remarks of the Premier on 4 May 2011 when he said:

One of the things that the people of New South Wales voted for on 26 March was to have honest, accountable government in New South Wales again.

[*Interruption*]

Members will excuse me but I need to look at Andrew Cornwell when I speak. The Premier then made the following statement:

We need to restore integrity and honesty to the way in which politics operates in this State.

How disappointed the people of New South Wales must be in this Government. How do we define these qualities and, more importantly, how do we demonstrate them? One way we can do that is to be clear, open and honest with the people on what we intend to do and then do it. [*Extension of time agreed to.*]

Did the Government take this bill to the public? No. When constituents in our electorates were voting for the Coalition did they know they would be sounding the death knell for the Industrial Relations Commission? No. Did public sector workers know that they were voting for such a wage cap? No. Where is the honesty and integrity? Where is the Government or a leader willing to be open with the public and to be clear and transparent about their intentions? These attributes cannot be found in the current Leader of the Government, which bodes well for the member for Manly.

Is this intent for integrity and honesty widespread among members opposite or just the mantra of the leader? On the same day, the member for Murrumbidgee used the phrase "restore integrity to the political process", followed by "restore some integrity and honesty to the way in which politics operates in this State". The member for Murrumbidgee must have been furious at the absence of these core values and behaviours in the secrecy about this bill prior to the election and the arrogant unveiling of it afterwards.

Also on the same day we heard the member for Hawkesbury say, "We need to improve accountability and transparency". The member for Barwon said, "We will not be ... arrogant." The member for Tweed said, "We went to the 2011 election promising the people of New South Wales openness and transparency." The member for Coffs Harbour said, "The people of New South Wales voted for integrity." The member for Wakehurst said, "Integrity and transparency will be hallmarks of this Government. He [the Premier] has shown that integrity and transparency will be pivotal to the New South Wales Liberal-Nationals approach to government."

On the very same day in this House we heard from others. The Premier noted that prorogation was "a fancy word for shutting down" and went on to say that "prorogation in future cannot be abused by a government seeking to avoid proper scrutiny". Let us follow that thought and insert the term "shutting down" into the Premier's comment, which would then read: "Shutting down ... cannot be abused by a government seeking to avoid proper scrutiny." What did the Premier do when this issue was being considered in the other place? He shut it down to avoid proper scrutiny.

Let us see what else was said on that momentous day that began the Fifty-fifth Parliament. The member for Oxley was exactly right when he said, "Nothing matters more than the proper exercise of democracy through

the Parliament." I wonder what the member for Oxley thought of the shutting down of debate in the other place. I wonder how much he would now like to take back these words: "... this Government, which campaigned on accountability, transparency and the restoration of integrity. A pillar of the O'Farrell-Stoner Government will be the pursuit of government accountability and integrity." The Deputy Premier had better start running. The pursuit of integrity and accountability is eluding his Government and he will need all the fitness and stamina he has to even go close to catching it prior to the next election. Enjoy the four years.

During this same day we also heard similar comments from the member for Davidson, the member for Manly and, again, the member for Coffs Harbour. The member for Coffs Harbour is worth quoting directly. He said, "We gave our word prior to the election that honesty and integrity would be placed above everything else in this Parliament." What must the member for Coffs Harbour think of his own Government shutting down debate in the other place? Is he disappointed, ashamed, deflated, let down and embarrassed? I would be embarrassed if my "word" had been ripped away from me. I feel for the member for Coffs Harbour. He is a victim of the express train of arrogance and deceit that is quickly becoming the hallmark of this Government.

Clearly, values such as integrity, honesty, openness and transparency elude this Government. Members opposite cannot stand on that side of the House and honestly say the following: "We took this industrial relations bill to the election", or "The shutting down of the other place on this debate was a success for openness." Nor can they say that this is "the same". Do they realise how ridiculous it is to say it is "the same" when we are talking about legislation being introduced? Do they realise how ridiculous they look? Clearly they do not, because they keep on saying it.

Let us look at other examples of integrity and honesty by this Government. Its members went to the election with a commitment that they would fulfil the solar rebate contracts, but when I arrived in this House things had changed. For the sake of the people of New South Wales I am happy that the Government has been dragged kicking and screaming back to meeting its commitment, but its integrity and honesty is clearly damaged. While we are talking about the solar rebate let us also identify the figures being used and their lack of accuracy. In a response from the Solar Institute of Australia the institute identified that the solar panels would need to generate power at night to realise the energy production being calculated. Quite a feat for solar energy.

While we are dealing with figures let us also acknowledge the "black hole", which today is believed by only two people on this planet, the Leader and Deputy Leader of the Government. Although the Treasurer also trots out the figure his delivery is anything but committed, convincing or confirming. They have certainly stopped using the term "black hole" or the figures in the other place where the Minister for Finance, sometimes referred to as the Treasurer, sits. Very much damage has been done to the terms "honesty" and "integrity". The terms "openness" and "accountability" have been completely shattered. Where was the Premier when thousands of people rallied in front of Parliament House today? Was he present? Was he accountable? Did he show any integrity and face the crowd?

It will be complete hypocrisy when in future he refers to this Government as one that listens to the people, that gives power back to the people and that takes seriously the accountability of this House. Never again can the people of New South Wales be asked to believe the words of Premier O'Farrell. In all my time in teaching and working with young people I have had a very simple message: trust takes a lifetime to build and just a second to destroy. The Premier has destroyed it all. My final words will be those of the member for Manly, who on the first full day of sitting of this House noted that, "Where a government can decide to shut down Parliament because it does not like the scrutiny that Parliament is placing on a particular transaction or action of that Government, democracy itself is being attacked."

Mr RAY WILLIAMS (Hawkesbury—Parliamentary Secretary) [9.16 p.m.]: It gives me great pleasure to speak to the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I say at the outset that this is not about nurses, it is not about ambulance workers and it is not about police or just the people in the public sector. This is about everyone in New South Wales. This is about the people of New South Wales. It is about the future of our children. It is about restoring the economy after a previous incompetent government left us with one of the biggest deficits—one of the biggest black holes—in the history of governments in this country.

I said this was not about jobs, but we have been accused of perhaps attacking jobs. There is an element of truth to that. Before the election there were some jobs that we were quite prepared to chop. They were the incompetent, inept members of the Australian Labor Party that we wanted to remove from their seats and whose jobs we wanted to take away. Why did we want to take their jobs away? It was because we wanted to put good

hardworking members of Parliament in their place who would earn their wages and were happy to meet some key performance indicators, unlike members opposite, whose key performance indicators seemed to be getting as much money as they could for Sussex Street and for their own pockets. Right up until the dying days of the Keneally Government members were introducing self-adulating motions and patting themselves on the back.

Will we ever forget the motions commending the Keneally Government for doing whatever? The Labor Government could not be commended for doing much at all. At one stage we sought priority for a motion stating that the Premier was in fantasy land if she believed that the people of this State needed and wanted her and her government. We could walk the length of breadth of New South Wales and not find anyone who thought it was a good government. We were vindicated on 26 March when we cut the wages of incompetent members of the Australian Labor Party and we replaced them with good hardworking members, such as the member for East Hills and the member for Heathcote. We replaced them with the package in Drummoyne and the good hardworking members for Smithfield, Gosford, Riverstone, Wollondilly and Port Macquarie.

How could I forget the member for Port Macquarie and the member for Kiama? Who was the previous member for Kiama? It was Captain Underpants. The good hardworking member for Kiama has replaced Captain Underpants. He was a sight to behold. Budget nights will never be the same again without the former member for Kiama. If the Government does not take this responsible action of capping public sector wages we will have a compounding deficit over the next four years of just under \$2 billion. If we are going to restore the economy of New South Wales and ensure that we create a prosperous State for everyone across New South Wales, we will be required to take decisive action. Sometimes that means taking hard decisions and that is what we will do.

We must always remember that this policy was supported by the Labor Party. Today in this House I asked the Treasurer, who is sitting at the table, what the Queensland Labor Government had done. I was told that the Queensland Government adopted this same package yesterday. Labor governments all over this country are willing to support this policy for public sector employees. This afternoon I received an email from a constituent saying, "I wish all politicians would accept this cap on their wages." That is exactly what we are doing. We are accepting this policy and taking it on board. We are happy to cap our wages, like everyone else, at 2.5 per cent.

I received a telephone call this afternoon from a constituent who works in the private sector. The constituent said that his wages were not capped at 2.5 per cent because he could not expect to receive a 2.5 per cent pay rise. He thought public sector employees were lucky to get a 2.5 per cent wage rise. People in the private sector make up 50 per cent of the workforce. They are happy that we are taking this responsible action because it will help to restore our economy and provide the money to implement the North West Rail Link, to upgrade our roads and to provide for our hospitals and others services across New South Wales.

Why do we have to take this decisive action and implement this legislation to ensure that we do not have a blowout of almost \$2 billion and a compounding deficit of \$1.96 billion over the next four years? The reason is the previous Government took it upon themselves to waste so much of New South Wales taxpayers' money and we have been left with a massive deficit. When we look at projects that the former Labor Government undertook and wasted money on, indeed billions of dollars of taxpayers' money, we need look no further than the inner-city metro. Half a billion dollars was wasted on the inner-city metro without so much as a shovelful of dirt being turned.

[Interruption]

I thank the member for Kogarah for supporting me on that. She knows full well that the money was wasted. The former Government would be very embarrassed about wasting half a billion dollars. If we spend half a billion dollars or 50¢ we like to think that we are going to getting something for our money. But, alas, we did not get anything for that half a billion dollars. We did not get so much as a train ticket, let alone one sleeper on a rail line. That is half a billion dollars of taxpayers' money, half a billion dollars out of the economy. Do we sit back and say that half a billion dollars does not matter? A responsible Government says that the money has to be replaced and replenished. The budget has to be balanced and kept in check.

[Interruption]

The member for Fairfield interjects.

Ms Cherie Burton: Cabramatta.

Mr RAY WILLIAMS: The member for Cabramatta interjects.

Mr Nick Lalich: It is getting late, Ray.

Mr RAY WILLIAMS: It is getting late and I am missing the second half of the State of Origin. Has anyone got an update on the score? It is 10 to 8 in favour of New South Wales. I will carry on and fill the next 7½ minutes. That information has given me the energy to push on. The double dipper from Cabramatta, a mayor and a member, is receiving a couple of wages. He is supposed to be working here on behalf of his electorate but he is happy to double dip. He is happy to take his mayor's wage and double dip on behalf of the people of his electorate. Then he says that the Government should look after the poor nurses and doctors. Who was the one person I did not see out at the rally, the one person who was missing? It was the Leader of the Opposition.

Ms Cherie Burton: He was there.

Mr RAY WILLIAMS: He was on the steps doing a couple of press grabs but he did not address the rally.

Mr Nick Lalich: Point of order: The member for Hawkesbury has just stated a mistruth. The Leader of the Opposition was on the stage in the middle of Macquarie Street.

ACTING-SPEAKER (Mr Geoff Provest): Order! I draw the member for Hawkesbury back to the leave of the bill.

Mr RAY WILLIAMS: I am more than happy to talk about jobs. I can remember distinctly back in the days before privatisation the leader of Unions NSW, John Robertson, now the Leader of the Opposition, was out the front fighting against privatisation and knifing in the back a bloke whom I now call a friend, Morris Iemma. He is a very decent man. The then leader of Unions NSW was happy to work against the Premier because he wanted to get a job in Parliament. When he was elevated to the upper House he was given a portfolio. If I remember correctly, he became the Minister for Corrective Services and one of his first initiatives was to privatise Parklea prison.

A host of people who worked in that prison came to see me to vent their spleen. They said they were going to protest out the front of Parliament House and tell the then Government they were not happy about privatisation. When they protested, who was missing? Who was not out the front talking to all the union people, his mates, his friends, his colleagues? The Leader of the Opposition was nowhere to be seen. He did not want to walk out the front. I went to see if he was there, but he was nowhere to be seen. He was not out there then and he was not out there today. Yet he has the audacity to come into the House and talk up workers' rights.

The one legacy that the Leader of the Opposition has left New South Wales, the one legacy that he will always be known for, is the \$750 million blowout for his Solar Bonus Scheme. That is another three quarters of a billion dollars that my friend the Treasurer will have to sort through to balance his books. That is the type of waste that we inherited from the incompetent members on the other side. Will the Government slash jobs? Absolutely, we will slash as many Australian Labor Party members' jobs as we can before the election, during the election and after the election. We will continue to tell the people about their incompetence. We went through them like a dose of salts.

The people of New South Wales supported us in ridding Parliament of as many of those Australian Labor Party members as we could and replacing them with good hardworking members on this side of Parliament. The people of New South Wales got rid of them because they are incompetent, wasteful and inept. This is a policy that their party supports and it has been implemented by the Queensland Government. This Government will take the responsible measure of capping public sector wages. It is not about punishing good nurses and good teachers, like the ones who visited me in my office. It is about taking responsible measures on behalf of every worker and ensuring that we restore an economy in New South Wales that we can be proud of and making New South Wales number one again.

Ms CHERIE BURTON (Kogarah) [9.30 p.m.]: I speak against the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. The object of this bill is to amend the Industrial Relations Act 1996 to require that the Industrial Relations Commission give effect to aspects of Government policy declared by the regulations relating to New South Wales public sector conditions of employment. The changes that the Government seeks will mean that the Industrial Relations Commission will no longer be able to

effectively facilitate the making of awards and agreements for public sector workers. For more than 100 years the commission has worked independently by listening to the parties, hearing evidence, conciliating and arbitrating disputes between public sector workers and their employer—the New South Wales Government.

By seeking to restrict its role the O'Farrell Government is walking away from 100 years of effective industrial relations practice. We have had to endure the member for Hawkesbury standing here tonight and rabbiting on about whatever. The reality is that those opposite are now in government. They are now responsible. The spotlight is now on them to make effective legislation. It is not about keeping the Parliament in session when members should be out doing some work. The House debated the Library Amendment Bill 2011 for days on end. Coalition members used it as an opportunity to act as though they were still in Opposition. New members who have been here for five minutes claim that they are hard working, but there is not one real achievement on their list—not one.

I can name some of their achievements; let us go through them. The Government shut down Parliament—so much for accountability, which was in its contract with New South Wales. Those opposite shut down debate in the upper House when it got a bit too hairy. They changed the rules to allow someone who was ineligible to run for Parliament to stay in this place. The Premier has already been to the Chamber twice to apologise for misleading the House. Let us have a look at the Government's contract with New South Wales. The second item, "Returning quality services", states:

The New South Wales Liberals support a strong and independent public sector.

Were any members opposite at the rally today? What a joke that is. Who is going to want to work in New South Wales? Who is going to want to be a nurse, a teacher, a police officer or a public sector worker in New South Wales? They are going to head south, they are going to head north; they are going to go anywhere but here, thanks to the Government, because they will no longer be able to afford to live in New South Wales when they are a minimum of \$12,000 a year worse off. Government members heard the angry workers today; they heard what they had to say. The next item is a beauty. It states:

Our plans for New South Wales include hiring more front line staff, including additional teachers, nurses and police.

Hold back the applications. I bet people cannot wait to work for less money in New South Wales.

[Interruption]

No. You are going to listen to us now because we have to put up with you to the point where our ears bleed. Let me say this: If members opposite think there are any votes in this Parliament, they are kidding themselves. The votes are out there; they are not in here. The lot opposite think they are very funny, sitting there and laughing, but the people are not going to vote for them. There are a few Government members who should be really worried. I will list some of them. Every question time we have to listen to the Government congratulate itself on its election victory—this member won by this much, that member won by that much. What a disgrace. I have been in this place for 12 years and one thing I know is that you need to go back to your electorate with a track record, with some achievements. Let us have a look. Where is the member for Blue Mountains? Twenty per cent of her electors are public sector workers; she does not hold that seat by 20 per cent.

The member for Camden is in a lot of trouble. The member for Campbelltown should be very worried. Members representing the electorates of Charlestown, Drummoyne, Dubbo, East Hills, Granville, Heathcote, Kiama, Lake Macquarie, Londonderry, Maitland, Menai, Monaro, Mulgoa, Newcastle and Oatley should all be very worried. Where is mister four hundred votes? I can tell you right now that there are more than 400 public sector workers in Oatley. I say to members representing the electorates of Parramatta, Penrith, Port Macquarie, Riverstone, Rockdale, Strathfield, Swansea, Wollondilly and Wyong: Wait until the election comes. Let us continue with the so-called contract, because we can rip up the first bit. The Government has not stuck to that, has it? No, it has not. Let us turn to "Restoring accountability". This is a beauty. It says:

We will give people a real say on issues affecting their local community.

So where were Government members today? They came scurrying in here to hide in the Parliament. It is all swings and roundabouts. If they think the community is not awake up to them—the fraudsters that they are—then they are kidding themselves. They can smile now, but let us wait and see. Listen to the next promise. It is, "We will be honest and accountable." Tell that to the upper House. Tell that to the people of Rockdale. Let us tear up that bit of the contract—

Mr Tony Issa: Do yourself a favour and put a mask on.

Ms CHERIE BURTON: Nice interjection. Let us talk about the people who really matter in this debate, the New South Wales nurses. I have a letter sent to a member in another place from Brett Holmes, the General Secretary of the New South Wales Nurses' Association. It says:

The NSW Government is trying to camouflage its attack on the NSW IRC's independence behind the previous Government's so-called wages policy. However, its actions are nothing but an attack on the rights at work of more than 40,000 nurses and midwives, who work for the State Government departments such as NSW Health and the Department of Family and Community Services, Ageing Disability and Home Care.

The member for Hawkesbury can come in here and spin it any way he likes, but his words are in *Hansard*. When people start to feel it in their hip pocket—and they will—then those opposite can say what they like but the voters will vote with their feet at the next election. Let us talk about the police. The Government has tried to cobble together some sort of agreement so that we do not—

Mr Gareth Ward: You've talked to the police.

Ms CHERIE BURTON: While we are on the subject, I have had to endure comments such as that for some time now. So I will read something that I got from my local police when I was unfairly thrown out of the House the other week for defending workers' rights. Despite what the *Daily Telegraph*—the Coalition's campaign newsletter—has to say about me, the letter I received says:

Thanks, Cherie, for sticking up for the cops. We love you. St George Local Area Command.

There you go: Tell that to the *Daily Telegraph*. I went to all the better services barbecues and signed up immediately. Guess who was noticeably absent? It was any Coalition candidate, and now we know why. The real agenda has been revealed. Members opposite were not allowed to sign up. They toed the party line and did not show up. Now we know the real reason why. It is because the first thing Coalition members intended to do when they came to office was get their grubby hands on the wages and conditions of New South Wales workers. What a disgrace! We have that in writing. I have a letter from Scott Weber, the President of the Police Association, which states:

As you would be aware Police industrial and disciplinary matters are an important part of the Commission's jurisdiction. Indeed in the pre-election commitment the Police Association and its members were specifically assured that:

"The NSW Liberals & Nationals are committed to retaining all NSW public sector employees under the NSW industrial relations system.

That is in the contract. It goes on:

We have previously indicated we would not refer industrial powers in respect to Police to the Commonwealth Government and that Police would keep their rights to collective bargaining, awards and an independent umpire.

Government members do not like to hear this. That born-to-rule lot over there can dish it out but they cannot take it. Members opposite should be very careful about what they put in *Hansard* because we will be watching; the photocopiers will be going and there will be mail-outs to their electorates about everything they say. They should be very careful—particularly the new members who think they know it all. As the saying goes in politics: One day a rooster and the next a feather duster.

This legislation is an attack on the union movement. We have looked through the Coalition's history and we can see that this is an attack on the union movement. It is an attack on workers and their right to bargain collectively. The Government runs this absolutely ridiculous line that an employee has the same negotiating and bargaining powers as an employer. That is absolutely untrue. Historically, in industries where I come from blue-collar workers had to organise in order to improve our wages and conditions. I became a shopfloor delegate and we organised to improve our wages and conditions. No manager or employer came down and said to us, "Let's have a fair wages outcome. Here you go, here's a pay rise." If they had their way we would never have got a pay rise. The only way we got a pay rise was we got together and put forward, through our union, a fair and reasonable ask and then the employer was forced to negotiate with us.

Government members might think it is a very bad thing for an employer to be forced to negotiate a decent wage outcome. You sit here and bleat on about the cost of living and how you are for the battlers. What a

load of rubbish! The first minute you get into government you attack the most vulnerable, the people who cannot organise or defend themselves. They are the first ones you go for. You are a bunch of spivvy, silver-tailed, born-to-rules. The people who elected you—and the member for Parramatta should not smile because he is in the firing line—will unelect you, just like that!

Mr Gareth Ward: Point of order: The member for Kogarah knows full well that all her comments should be directed through the Chair. She is directing her comments across the table in a very inflammatory fashion.

ACTING-SPEAKER (Mr Geoff Provest): Order! I am sure the member for Kogarah will take that on board.

Ms CHERIE BURTON: As I said, Government members can dish it out but they cannot take it. They are all soft. I cop it off them every day. They should toughen up; they are in the big league now. Let us talk about the teachers. In my electorate of Kogarah I have had the honour to work with my local teachers and we have had an upgrade to every single primary school and high school over the past 12 years. [*Extension of time agreed to.*]

I have sat in this place for the past few weeks and listened to people who were elected to Parliament in the last five minutes talk about the legacy of the Labor Government. Over the past 16 years almost \$2 billion in infrastructure has been put into the Kogarah electorate—a brand-new police station, capital works in the hospital, every single school has had an upgrade and every single school has a school fence. The only impediment to that progress is I am still waiting for an answer about whether the Government will fund the completion of Hurstville Primary School. All members opposite have done since their election is talk the talk. They stand up in this place and bag us. Good luck to them, but they have not laid one ounce of track. The Minister for Transport stands up in this place and wiggles around—getting all excited, frothing at the mouth—and all she has done is set up a committee.

Mr John Robertson: A project team as well.

Ms CHERIE BURTON: And a project team. That has not been done before; that is a new one. I am astounded at the level of ability of the guys on the other side of the House. They have no runs on the board, they have not fired a shot in anger, and they are absolutely useless. They have to prove something: lay some track, build a school hall or carry through on their promises about hospitals—anything.

Mr Mike Baird: Point of order: We have granted an extension of time to the member for Kogarah and we ask that she return to the leave of the bill. She is casting aspersions on members of this House. This bill is important and we were happy to give her an extension of time, but we ask that she talk about the bill.

ACTING-SPEAKER (Mr Geoff Provest): Order! I direct the member for Kogarah to return to the leave of the bill.

Ms CHERIE BURTON: I will return to what I was saying about teachers. A letter from one teacher reads:

I am a teacher and am very concerned about the legislation that has been introduced into the NSW parliament that will remove the right of teachers and other public sector workers, such as police and nurses, to bargain in good faith with our employer over salaries and conditions

I work under often difficult circumstances to educate the young people of the community I work in ... In addition to the serious effect the government's actions will have on the lives of teachers and their families, it will do nothing to attract the future teachers that students in NSW public schools and colleges need.

I will send that teacher the *Hansard* record of the speech of the member for Hawkesbury in which he said that teachers should be grateful that they are getting 2.5 per cent and they should be very happy because it is a great wages outcome. I pity the teachers with the guys opposite in government. I know now why the Treasurer is number 11. I know why the Coalition has duded the Treasury portfolio. It is because all we have heard is rhetoric about a \$5.2 billion black hole.

Mr John Robertson: No-one is buying it.

Ms CHERIE BURTON: No-one is buying it. How embarrassing for the Treasurer. He even attracted comments from Standard and Poor's and credit agencies that know what they are talking about and that have some experience in this matter and from people who know how to read a budget. On 17 May 2011 the *Sydney Morning Herald* reported:

An international credit ratings agency has said NSW is in a strong budgetary position, challenging claims by the government that it inherited a financial mess.

This is nothing more than an excuse to go after front-line workers who provide services for our community every day. It is an unprecedented attack on the union movement. People are onto the Government. Members of the Government have done nothing. They come into this place, they make their little speeches and bag everybody out, but the only thing they have done is attack workers' wages and conditions. That is the only tick in the box for those guys. I want to hear Government members say what they have done in their electorates, because they have delivered nothing. I could stand here all night and list what I have achieved in my electorate. Government members have done nothing but sit in here, night after night, debating boring legislation. Then the first chance they get, they go for the throats of public sector workers across New South Wales—who will not forget it.

Coming to an electorate office near you are the protests. This campaign is not over by a long chalk. If Government members think they can stand in this place and continue to speak the rubbish they have got away with for the past few weeks, they are kidding themselves. The clock is ticking, and time will catch up with them. They will have to go back to their electorates and say, "Sorry, the only thing we have been able to achieve is destroying the public sector and front-line services in the State of New South Wales." The Government is an absolute disgrace and all the members I mentioned are one-term wonders who should enjoy it while they are here.

Ms ANNA WATSON (Shellharbour) [9.49 p.m.]: I join in debate on the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 as a member of Parliament who has hands-on experience in the industrial relations system. I worked as a union official with the United Services Union for 12 years prior to being elected to Parliament. During that time I requested the assistance of the Industrial Relations Commission to settle disputes for the working men and women of New South Wales. Workers did not always win, but at least they had an independent umpire to determine fair and reasonable outcomes. The commissioners of the Industrial Relations Commission are extremely well practised in the interpretation of awards and industrial agreements as well as common law.

I believe this legislation is an attack on democracy. It will impact upon rural and regional centres where public sector agencies are major employers. Country and regional residents value and support vibrant rural communities. Failure to maintain wages against cost-of-living increases, without cuts to services or staff numbers in a time of increasing labour market shortages, will lead to an exodus of quality staff to other States and to the private sector. I have not seen any evidence of the Government or any Government member consulting with workers. I suggest that the term "productivity savings" is a weasel words expression. It is offensive to manipulate language in such a shallow manner. If Government members are honest they will admit that it purely and simply means cuts to budgets and services.

The idea that there can be endless productivity savings is farcical. Being hell-bent on making savings actually makes the system unproductive. This legislation is so short-sighted and ideologically driven that it must be withdrawn. Those who support it also, in my view, should be removed. I oppose the legislation on many levels. In my view it is unreasonable, unfair and un-Australian. There was no consultation with the workers of New South Wales prior to its introduction. I suggest also that there was no consultation with unions that represent the workers. Barry O'Farrell did not make his plans clear prior to the election because he knew that the people of New South Wales would reject them. That says much about Barry O'Farrell and his Government. It sends a clear message to the people of New South Wales that Barry O'Farrell and his Government cannot be trusted to represent the best interests of workers. They are no friend of the worker—no friend at all.

Presently workers have enshrined in their conditions of employment certain protections and safety nets. This legislation effectively will remove all protections and safety nets but will go even further and reduce wages by enforcing productivity gains. With most awards and industrial agreements, wages can be increased by methods such as competency assessments whereby workers are paid for the skills and knowledge they bring to a position. The value of systems that promote ongoing training, which is beneficial to both the worker and the organisation, also can be assessed. This system has been recognised as fair for 60 years or more. Workers should be paid for the skills, qualifications and knowledge they bring to a job, not for productivity savings that will be

used to threaten future pay increases. Productivity savings are the role of management, which should plan for savings in budget estimates and management plans. Barry O'Farrell and his Government will have organisations competing on wages they pay workers, not on services they provide to the broader community.

The legislative changes in the bill seek to restrict the New South Wales Industrial Relations Commission. The bill will enable Barry O'Farrell to be judge and jury. It seeks to manage public sector wages through regulation. It will demoralise the very people who are the State's most committed and important workers. We saw their commitment today. They are highly skilled and valued members of all our communities, so Government members should be very worried about the effect of this legislation on their re-election prospects. As a result of this legislation the Industrial Relations Commission will become a toothless tiger. Without powers being vested in a body to independently conciliate or arbitrate disputes, workers will have no place where their grievances can be settled. The O'Farrell Government has made itself judge and jury, which is nothing but pure arrogance and flies in the face of pre-election promises made by Barry O'Farrell.

This legislation represents the worst attack on workers of New South Wales in more than 100 years. Not only are these proposals a huge backward step, but Barry O'Farrell was not honest and open with the people of New South Wales prior to the March election. We know that Barry O'Farrell had a hidden agenda. He was very silent on all policy issues. He never told the workers his plans. This bill is nothing more than treachery. It is treacherous to the people of New South Wales and to families who struggle to meet day-to-day living expenses. Their wages and conditions of employment will be stripped from them. The new laws are far worse than the Howard Government's WorkChoices because they will leave nurses, teachers, firefighters and other public sector workers with no choice, no independent umpire, no wage increases, no bargaining powers, no life-work balance and nowhere to go.

The O'Farrell Government wants workers to find productivity gains that must be measured before they qualify for a wage increase of up to 2.5 per cent. People should make no mistake: the new laws, which are espoused by Coalition members, will force workers into the private sector. This is a race to the bottom and in many cases this bill will create the working poor. Employers will compete on wages they pay, not on the services they provide. As a result of this un-Australian legislation the changes in the bill will adversely affect clients of public entities that public sector workers serve on a daily basis. I believe that the people of New South Wales now think that Barry O'Farrell has been underhand by not telling them his plans to strip wages and conditions from them. The O'Farrell Government should remember what occurred when its Liberal Coalition Federal counterparts tried the same draconian laws with WorkChoices. The people of Australia voted the Howard Government out of office. The 2007 Federal election was won largely on that issue.

We all remember the civil disobedience that we witnessed as a result of WorkChoices. We saw a similar reaction to this legislation today, and rightly so. This bill will be very widely and deeply felt. Australians were very clear in their message to the Howard Government, and we all witnessed the mass national rallies and demonstrations in which thousands of people collectively opposed WorkChoices and expressed their disgust. The people of New South Wales will not forget what Barry O'Farrell has attempted to do, nor will they forgive. This Government has been in office for a very short time but already we have seen numerous rallies in Macquarie Street in front of Parliament House when nurses, firefighters, police, council workers, community workers, maritime workers, teachers, transport workers, administrative workers and other public sector workers voiced their dissatisfaction, their disgust and their will to keep fighting against the O'Farrell Government.

The people of New South Wales did not give Barry O'Farrell a mandate or an entitlement to have his way on any particular bill or policy. The March election won by the current Government was not a ticket to institute radical and unprecedented legislation. This is not responsible government; nor is it governing in the interests of workers. I do not think any reasonable person could say that this legislation is socially responsible or acceptable. Prior to the election the Coalition gave a clear impression that it had no specific plans to change the role of the New South Wales Industrial Relations Commission. We have already seen the changes to the occupational health and safety laws that were passed a few weeks ago and which have left the New South Wales Industrial Relations Commission with barely any role to play in the health and safety of workers. Now here we are, a little more than two weeks later, with more plans to reduce the role of the Industrial Relations Commission and leave public sector workers with no safety nets or protections. They are being left to the mercy of Barry O'Farrell.

Barry O'Farrell stated before the election that his Government would listen to the people of New South Wales. That is just another broken promise. Clearly he is not listening. I did not notice Barry O'Farrell or any of his mates outside at the rally today. Instead he has been saying that Labor members, who have always been a

friend of the worker in any sector, are running a scare campaign. What an insult to the people of New South Wales, especially given that nearly 12,000 workers protested today. It is no exaggeration to say that this legislation will be devastating to the rights of public sector workers. New section 146C entitled "Commission to give effect to certain aspects of the Government policy" provides:

When making or varying any award or order, give effect to any policy on conditions of employment of the public sector employees:

- (a) that is declared by the regulations to an aspect of Government policy that is required to be given effect to by the commission, and
- (b) that applies to the matter to which the award or order relates

Instead of the Industrial Relations Commission—a body comprising judges, non-judicial deputy presidents and commissioners—we will now have the O'Farrell Government dictating all aspects of industrial matters that relate to public sector workers. This legislation provides that the commission must, not may, give effect to the policy if a policy is declared by regulation to be an aspect of government policy that the commission is required to give effect to. This also includes any future policy at any future point.

The Premier's lies do not end there; he also misled the community by insisting that his policy is the same as the previous Government's policy. That is simply a lie. At no time did a New South Wales Labor Government have the audacity to undermine the role of the Industrial Relations Commission or the people of New South Wales. It is not, nor will it ever be, the policy of a Labor Government. Barry O'Farrell asked the people of New South Wales to trust him and his Government, and this is how he rewards them. This Government has shown the people of New South Wales what sort of government they have installed. It deceives and lies and it cannot be trusted to look after the interests of the workers. People should brace themselves for further policies which happen to take the Government's fancy and to which the Industrial Relations Commission must give effect.

Public sector awards or agreements usually contain more than 50 different clauses. Each and every clause has been hard won and has a long history. Those struggles have been determined by an independent umpire. Those hard-won conditions include paid maternity leave, bereavement leave, allowances and additional expenses, jury duty leave, tool allowances, overtime, penalty rates, classification scales, status of employment, shift penalties, sick leave and work-life balance clauses and much more. They are now at risk because proposed section 146C provides that the commission must give effect to the Government's policy. [*Extension of time agreed to.*]

This legislation is a sell-out. The commission will not be able to make an award based on the evidence and submissions received pursuant to section 10 of the Industrial Relations Act. It will not be able to make an award reflective of what the commission, based on aforementioned evidence, finds fair and reasonable conditions of employment. It will now have its hands tied and will be required to give effect only to government policy. This legislation will see New South Wales workers denied the rights, standards and conditions that all other Australian workers enjoy. It is my view and the view of many others that public sector workers do not deserve this kick in the teeth from the O'Farrell Government. The New South Wales Liberal-Nationals have certainly returned to their extreme right wing ideological position and the workers who are being attacked will be their victims. This legislation is an absolute disgrace and those supporting it should hang their heads in shame.

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

**The House adjourned, pursuant to resolution, at 10.03 p.m. until
Thursday 16 June 2011 at 10.00 a.m.**
