

LEGISLATIVE ASSEMBLY

Thursday 16 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.

BUSINESS OF THE HOUSE

Routine of Business

Mr BRAD HAZZARD (Wakehurst—Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW) [10.00 a.m.]: For the information of members I advise that certain legislation must be proceeded with today to facilitate its being sent to the upper House. This morning the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 will be debated until approximately 12 o'clock at which time, if the debate has not concluded, the Local Government Amendment (Elections) Bill will be called on and will hopefully be dealt with through all stages before 1.00 p.m. I will then deliver the agreement in principle speech on the Environmental Planning and Assessment (Part 3A Repeal) Bill. A decision will be made at approximately midday about whether it is necessary for the House to sit tonight.

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

Agreement in Principle

Debate resumed from 15 June 2011.

Ms CLOVER MOORE (Sydney) [10.03 a.m.]: I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 because it will remove the independence of the Industrial Relations Commission in resolving public sector disputes. The commission will be forced to impose the Government's policies on wages and conditions set out by regulation regardless of whether they are unjust, one-sided or against the public interest. At present the Industrial Relations Commission acts as an independent referee to help resolve disputes over wages and conditions between employers and employees to ensure a fair outcome when making or varying an award. The bill will force it to take the Government's side in these disputes, predetermining its decision in favour of the employer regardless of the circumstances and arguments presented.

Under this bill the process is rigged towards the Government. The Industrial Relations Commission will be reduced to an agent of the Government, with its independence and discretion diminished. The Police Association has legal advice indicating that this is unconstitutional. While the Government has promised that it will not introduce regulations with employee conditions that will affect the current pay negotiations of police, this provides no assurances for the other public sector employees involved in future disputes. Like other members I have received correspondence from a large number of public sector employees who will be impacted by the bill. They are concerned about what policies the Government intends to introduce and what concessions they will be forced to take, including on leave and allowances.

Our public servants work hard for our State, whether they are front-line or office workers. I share widespread concern that they deserve an independent umpire to resolve disputes that arise with their employer over wages and conditions. I feel very strongly about this. We are talking about front-line workers who provide the services that run our State. We live in a society in which some people receive obscene salaries yet many of our front-line workers—nurses, fire men and women, emergency service workers, teachers—find it difficult to obtain housing in Sydney and other cities in New South Wales. The duties of front-line workers can be stressful enough without their having to experience further stress in their home life as they struggle to pay the mortgage or rent.

The independent umpire should be able to assess appropriate wage levels on a needs basis. I repeat that this is in the context of a society in which many people who do not contribute to our community at the same level as our front-line workers are on obscene salaries. This bill is a retrograde step and I strongly support the people who work on our front line. The Government should put considerable effort into providing affordable housing for front-line workers. I am not talking about social housing; I am referring to affordable housing for people who provide these services and who cannot afford housing in a city like Sydney. I know that the police have been removed from the bill, and I welcome that action.

I know that police work 12-hour stints in places like Kings Cross and Surry Hills and many of them, after working those long shifts, travel to the Blue Mountains or Gosford, where they can afford housing. However, our nurses, emergency service workers and teachers remain affected by this bill. Their salaries in comparison to others in our country are small. I am really concerned that the independent arbiter, the Industrial Relations Commission, will not be involved in the process of deciding on a needs basis what our front-line workers should be paid. I urge the Government to rethink the situation.

Mr NICK LALICH (Cabramatta) [10.07 a.m.]: Less than 100 days have elapsed since the State election and we have before us what I will refer to as the New South Wales Coalition's WorkChoices bill. I commence by saying that I am not even remotely pleased to contribute to debate on this bill. I find it quite disturbing having to stand in this place, like my colleagues before me, to put our case for why this diabolical Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 should not be passed by the Parliament.

Until now it has been the democratic right of all workers to go to the Industrial Relations Commission and to ask for their cases to be heard. The legislation, if passed, will effectively give the Liberal-Nationals Government power to cut the wages of any public sector worker, including local government employees, without workers having access to an independent umpire. Under this bill the Industrial Relations Commission will be bound to enforce the Government's policy. This is totally wrong. Of course, with control of both Houses this irresponsible Government can now pass any legislation regardless of how harsh or unfair it may be. The Labor Party opposes this bill absolutely. It makes amendments so far reaching that they will give the Government the power to immediately cut the wages and employment conditions of any public sector worker, with no guarantee that they will receive a wage increase in return.

All of this can happen without workers having access to an independent umpire, because the Industrial Relations Commission will be bound to enforce the Government's policy. The bill seeks to restrict the independence of the Industrial Relations Commission of New South Wales. The commission will no longer be able to effectively facilitate the making of awards and agreements for public sector workers. The bill states that the Industrial Relations Commission "must when making or varying any award or order, give effect to any policy on conditions of employment of public sector employees ... that is declared by the regulation". The proposal, if enacted, will undermine the separation of power between government and the judiciary. Instead of public sector workers having a fair and independent umpire, the proposed changes will seek to make the O'Farrell Government the prosecutor, judge and jury.

This bill is worse than John Howard's WorkChoices. At the very least it is a continuation of John Howard's WorkChoices. I remind Government members that John Howard failed with that legislation and the people threw him out of office. I can see that happening in four years time to the O'Farrell Government if it continues to run such policies. It will be a one-term government; it will be out in four years, mark my words. At the next election the number of Coalition members in this Parliament will be reduced at least by half. The New South Wales Industrial Relations Commission is the practical and legal successor to the original Court of Arbitration, founded in 1902, and the Industrial Commission established in 1926. As such, it is the longest, continuously operating industrial court or tribunal in Australia. Indeed, it is the longest serving industrial court or tribunal in the world. The only body anywhere in the world with a comparable history of long service is the United States's National Labour Relations Board, which was established in the mid-1930s.

The predecessor organisations to the Industrial Relations Commission were established because all parties involved in industrial relations affairs in New South Wales—the workers, their representatives, employers and the Government—came to realise one essential point: Industrial relations need an independent umpire to stand between employers and employees to make proper, reasoned and fair decisions on pay and working conditions. All stakeholders came to that realisation more than 100 years ago. But not the O'Farrell Government of today. The Industrial Relations Act 1996, which this bill seeks to amend, has been described as a

masterpiece of simplicity compared to the debacle that was the Industrial Relations Act of 1991, which was introduced by the Greiner Government. Yes, that Greiner it is the same Nick Greiner who is now the chairperson of Infrastructure NSW.

[*Interruption*]

Yes, he is a great person. The objects of the Industrial Relations Act 1996 read as follows:

- (a) to provide a framework for the conduct of industrial relations that is fair and just,
- (b) to promote efficiency and productivity in the economy of the State,
- (c) to promote participation in industrial relations by employees and employers at an enterprise or workplace level,
- (d) to encourage participation in industrial relations by representative bodies of employees and employers and to encourage the responsible management and democratic control of those bodies,
- (e) to facilitate appropriate regulation of employment through awards, enterprise agreements and other industrial instruments,
- (f) to prevent and eliminate discrimination in the workplace and in particular to ensure equal remuneration for men and women doing work of equal or comparable value,
- (g) to provide for the resolution of industrial disputes by conciliation and, if necessary, by arbitration in a prompt and fair manner and with a minimum of legal technicality,
- (h) to encourage and facilitate co-operative workplace reform and equitable, innovative and productive workplace relations.

How visionary and important were those objects? Yet the O'Farrell Government is trashing the current model, which works. This is serious, because the lives of 400,000 people and their families are uncertain and unstable today. Since the election the Government has displayed a pattern of behaviour in which it attacks workers at any opportunity. We saw this with the community service workers equal pay case, and the Government's attack on the rights of women to have equal pay. We saw it with the Occupational Health and Safety Amendment Bill and the Work Health and Safety Bill. And we see it clearly now with this bill.

All these things were not brought forward at the election. The Government does not have a mandate for any of the actions it has taken. It is all in the control of the employer—the Premier. There will be no consultation or an independent umpire for workers. There will be no procedural fairness in relation to public sector wage claims. The bill represents an historic and awful turning point for the hardworking families of New South Wales. It is appalling and it must be stopped. The President of the Police Association is quoted as saying:

Overriding the workplace rights of police officers, nurses and teachers is not only grossly unfair, our legal advice suggests it may also be a breach of the Australian Constitution.

The Government is leading us to an industrial relations environment full of uncertainty and court cases. It gives us this awful legislation, which may be unconstitutional and which could open up award decisions of the Industrial Relations Commission to judicial challenge. That makes a complete shambles of our industrial relations system and continues the uncertainty for the hardworking, decent men and women of the New South Wales public sector. That is a place to which none of us in this Parliament should want our industrial system to go. We need to ensure that these workers feel certainty and security. At this stage public sector workers do not feel that; they are feeling very uncertain about their future. I am sure this will be one of the most historic parliamentary debates over the next 100 years. Unfortunately it is not a joke—this is serious. The goalposts have been moved substantially.

Like many members, I have had telephone calls and representations from distressed partners and spouses of the good, hardworking employees of New South Wales. They are distressed. People are worried. If this bill passes, it will affect certain cases currently before the Industrial Relations Commission brought by prison officers, social workers, zookeepers, teachers' aides, council workers, parole officers and forestry workers. These are the best government employees in the world, and all they want is their cases to be heard. However, that may not happen if this legislation is passed.

We have a duty and an obligation to stand up for each and every one of the 400,000 professional government employees of this State. We should be proud of these workers and we should encourage them. In the middle of their cases, when they want an independent umpire to hear their work value submissions, their rights will be trashed. Why? It is because of the notion of an illusory mandate. The Liberal-Nationals do not

have a mandate. A mandate is gained after taking a policy platform to the people, to the electorate. I am passionate about this, as are many of my colleagues, because the O'Farrell Government did not take this matter to the people. The people are angry.

Yesterday I heard it said that only a few workers are upset about this legislation. Anyone who was outside Parliament House in Macquarie Street yesterday would have seen 12,000 public sector workers protesting in the rain. They would not have protested in the rain if they had not been angry. So I say to those who suggest that only a few workers are angry about this legislation that they must have been somewhere else yesterday. Some 400,000 people are concerned, as they should be. What is being done to these people? What is the O'Farrell Government doing to these people? I repeat: We have an obligation to protect and a duty to represent those affected by this legislation.

I refer to the award of permanent firefighters, of whom there 3,500. They have two cases currently before the commission. The first relates to public holidays. In that regard their award was amended last year, as a result of which the firefighters received an all-up salary and no penalties. The application seeks to adjust their salaries to take into account changed public holiday entitlements for the rest of the workforce. The second case refers to the community first response officers. Six of the country-retained brigades are responsible for first response medical services in their communities—a relatively new role not recognised in the existing pay and allowance structure. Leave was reserved in the 2008 award to address this, and the Fire Brigade Employees Union has an application before the commission for an allowance to recognise this new role.

It is important that we debate this legislation and debate it for as long as necessary. What is important is that every one of the 400,000 government workers are listening to this debate and are talking to their families and communities about it—communities in Camden, Newcastle, Parramatta and Cabramatta. They are talking because they want to know why the Government is pushing hard to ram through this legislation. We will debate every word and every ramification, because this is too important and vital for the people of New South Wales. This Government tends to like commissioners, but it does not like the Industrial Relations Commission, which has been around for 100 years. [*Extension of time agreed to.*]

Until now the commission could consider other sensible factors in considering a claim, such as fair and reasonable conditions of work or the objects of the Industrial Relations Act, as well as the state of the New South Wales economy and the State's budgetary position. But this bill insists that government policy must apply and it removes the independent umpire. In short, the Industrial Relations Commission will lose its independence. Its independence will be gone. The commission will become the alter ego of the Government. The great tradition of supporting Australian values will be abandoned: Under this Liberal Government a "fair go" for people in New South Wales will be gone.

The proposed legislation is unconscionable and just plain wrong. We in the Labor Party will make it our mission—our passion—to have the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 thrown out of this Parliament. Make no mistake: Regardless of the outcome, the Government's actions in introducing this legislation have already had a polarising effect on 400,000 workers—and that number will grow. During the election campaign concern was expressed by several organisations, including the New South Wales Nurses Association, about the then New South Wales Opposition's failure to release a full industrial relations policy, and about the future independence and role of the New South Wales Industrial Relations Commission under a Coalition State Government. Madam Speaker, on Tuesday this week you ejected a group of nurses from the public gallery when the health Minister was asked a question about nurses—

The SPEAKER: Order! I interrupt the member for Cabramatta to correct him: I did not eject a group of nurses from the public gallery.

Mr NICK LALICH: —affected by the O'Farrell legislation during question time. These nurses have every right to be angry. Research shows that if the O'Farrell laws had been introduced 10 years ago nurses would be more than \$12,000 a year worse off today.

Mr Daryl Maguire: If we had will gotten rid of the Labor Government 12 years ago, we'd be better off.

Mr NICK LALICH: You have to remember that you say we were in government for 16 years. That is four elections. So people must have loved the Labor Government to keep us in for four elections.

The SPEAKER: Order! The member for Cabramatta will address his remarks through the Chair.

Mr NICK LALICH: I am sorry, Madam Speaker. Here we are today with the ink hardly dry on the 2011 election ballot papers and we are confronted with this issue. The people of New South Wales are being attacked by the O'Farrell Government. The 400,000 workers affected by this legislation have had no hesitation in stating that the New South Wales Coalition Government cannot claim any sort of a mandate for this legislation. Power corrupts—absolute power corrupts absolutely. And so the Barry O'Farrell sideshow rolls on.

The SPEAKER: Order! To clarify what happened yesterday, I did not direct that a group of nurses be removed from the public gallery. They were asked to put clothes over their T-shirts, which displayed slogans—and that is the practice. They then left voluntarily. I will not have members make false accusations about my rulings in their speeches in this place.

Mr GUY ZANGARI (Fairfield) [10.23 a.m.]: I express my firm objection to the O'Farrell Government's Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011, the objective of which is to amend the Industrial Relations Act 1996 to require the Industrial Relations Commission to give effect to aspects of government policy declared by the regulations relating to the New South Wales public sector conditions of employment.

Premier O'Farrell's legislation is so far-reaching it allows the Government to immediately cut the wages of any public sector worker and to immediately cut the employment conditions of any public sector worker—with no guarantee they will receive a wage increase in return. 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. Barry O'Farrell's legislation will remove the role of the independent Industrial Relations Commission between the Government and employees. This is a double-edged sword for the commission, because not only will its independent judicial role be stripped away, but it will also be compelled to enforce the Government's unilateral policy.

The effect of the bill is that a future government that has control of both the upper and lower Houses of Parliament could pass any legislation regardless of how harsh or unfair it is. In this term of government the legislation will leave the fate of our front-line men and women who run New South Wales in the hands of the Shooters and Fishers and the Christian Democrats in the Legislative Council. The public sector workers of New South Wales deserve an independent body to mediate in wage negotiations—not political parties. The Government claims it is committed to returning quality services in front-line areas such as health, transport, education and community safety. It has said that New South Wales citizens deserve a highly skilled and effective public sector. This seems ironic given that this same Government is implementing legislation that has the ability to undermine workers' pay and conditions.

While the Government claims that any amendment to the Act will rebuild New South Wales, it is evident, based on the public outcry—such as we saw yesterday, with 12,000 people protesting outside the Parliament—that this legislation will in effect strip the Industrial Relations Commission of its regulatory powers and hand them to politicians. This will allow the Premier to rob public sector workers of their wages and conditions. Let us be clear: These changes are not about the Coalition enacting legislation to enforce Labor's wages policy. These new laws will fundamentally change industrial relations in New South Wales by amending legislation put in place by the former Government. The bill gives unprecedented power to politicians to cut workers' conditions if it becomes part of government policy, with no guarantee there will be a wage increase or other benefits in return.

We live in a democratic society, and this legislation clearly removes workers' rights to a fair and independent umpire. Important reforms relating to pay and conditions will not be possible if governments start dictating outcomes to the New South Wales Industrial Relations Commission. The Industrial Relations Commission must have the flexibility to hear evidence on issues and act in the public interest based on the evidence, and not a predetermined condition. It is interesting to note that Tony Abbott remains silent as the wages and conditions of thousands of New South Wales workers are being put at risk by these extreme workplace laws. Mr Abbott has acknowledged the fact that Sydney families, in particular, are doing it tough and are under pressure due to the cost of living.

Evidence presented to Unions NSW by BIS Shrapnel is that the projected Australian inflation rate will be, on average, 3 per cent over the coming years. Due to a lack of flexibility in the proposed legislation presented by the O'Farrell Government, all new agreements will largely be restricted to 2.5 per cent within the

first few years. This means that a 2.5 per cent pay rise will, in reality, be a pay cut—that is right, a pay cut. New South Wales public sector workers will then find themselves in a situation where they will have no right to go to an independent judiciary or to take industrial action.

In spite of Mr Abbott's recognition that New South Wales families are struggling in today's economic climate, he has not acknowledged the repercussions of the proposed legislation for the very families he has publicly shown empathy for. According to the Workplace Research Centre at the University of Sydney, the bill goes even further than WorkChoices. The Australian Council of Trade Unions has also revealed that the changes to workplace laws could be in breach of international law and the obligation to respect human rights, including labour rights.

The O'Farrell Government's workplace laws will result in New South Wales public sector workers having the weakest workplace rights in Australia. Under the proposed legislation, from 1 July 2011 the Premier will be able to decide whether the Government's policy will be to reduce annual leave entitlements for nurses, teachers, firefighters, bus drivers and other public sector workers, and the independent workplace umpire will be bound to enforce that policy. I am strongly opposed to attempts by the New South Wales Government to remove the independence of the Industrial Relations Commission. Such legislation is not in the public interest.

This bill will cripple the Industrial Relations Commission and take away its power to determine and arbitrate on wage and condition disputes for the State's public sector workers, which is simply unacceptable. Public sector workers deliver front-line services on which our communities rely. Few families in Fairfield and across New South Wales will be left untouched by the O'Farrell Government's new workplace laws. In my electorate of Fairfield I have been approached by hundreds of public sector workers who will be grossly disadvantaged by the O'Farrell Government's changes to their wages and conditions. A local teacher from Guildford Public School sent me a letter which, no doubt, reflects the concerns of many other teachers across New South Wales. That teacher wrote:

Teachers at Guildford Public School have asked me to write to you saying that we condemn the decision of the O'Farrell State Government to legislate for changes to the NSW Industrial Relations Act which will result in cuts to the real incomes of teachers and other public sector employees in NSW, allow a State Minister to unilaterally change working conditions of public sector employees and disallow the right of appeal on these matters to the independent industrial umpire, the New South Wales Industrial Relations Commission.

We call on you to oppose these changes which will leave NSW public sector employees with fewer industrial rights than any other employees in Australia.

I understand that the legislation will allow the New South Wales Government to determine pay rises and remove conditions we fought hard for and that it removes the power of the Industrial Relations Commission to bring down a decision about public sector wages unless it is consistent with the Government's state wages policy.

I work under often difficult circumstances to educate the young people of the community I work in. Our students deserve the very best.

In addition to the serious effect the Government's action 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 understand this legislation has been produced hastily and is being rushed through parliament. I ask you to discuss this with your parliamentary colleagues and vote against the legislation.

Teachers across New South Wales and especially in my electorate of Fairfield, who are dedicated to good quality teaching and learning, deserve to be rewarded for their efforts and not be undervalued and disregarded by this Government. Do I have to spell it out for the Premier and, in particular, the Minister for Education? Teaching is not a 9.00 a.m. to 3.00 p.m. job: Teachers work above and beyond the call of duty. New South Wales and Fairfield teachers are committed to educating the whole person. In order to do this, they volunteer their time for the overall growth and development of students under their care. They provide academic support for students from non-English speaking backgrounds, migrant students and refugee students—and the list goes on. Apart from their regular teaching load, teachers provide extra morning, afternoon and holiday classes.

Members would be aware that teachers carry home box loads of work to mark every day. After work many teachers stay up late to provide students with feedback, thus enabling them to continue in their programs. Teachers do so because they care, unlike the Government which believes it is okay to strip away their wages and conditions. Teachers provide sporting opportunities for students and, once again, most of their instruction is given outside regular teaching hours. Coaching for metropolitan competitions, preparation and coaching of teams for regional competitions, participation in State competitions and, ultimately, national competitions all

takes place after hours. I have not even scratched the surface or mentioned students' cultural activities which are facilitated by teachers. Musicals and drama productions, an important and integral part of the wider school curriculum, require teachers to spend time at rehearsals, once again outside their regular teaching time. [*Extension of time agreed to.*]

Parents, staff, students and community members enjoy high standard and professional productions prepared by teachers after normal working hours. Students benefit greatly from the dedication of their teachers and through those productions, they develop confidence and self-esteem. Under this legislation the Premier will have the right to remove the teachers' independent umpire, which highlights the arrogance of this Government. Fairfield students enjoy the great outdoors and the activities in which they engage require their teachers to accompany them on overnight camps. The benefit of outdoor education is widely known to all but that would not occur if teachers did not give of their time, to the detriment of their families, to facilitate such camps and activities. In addition, teachers accompany students on sporting trips to regional carnivals.

Teachers give guidance to students in major subjects such as industrial technology, design and technology and visual arts. Does the Premier or the Minister for Education realise that in order for those major projects to be completed teachers, as required by the New South Wales Board of Studies, have to supervise the majority of the work undertaken by students? Is the Government getting my message? Those subjects require extra supervision and teachers give of their time to enable students to complete major projects. Special education teachers who teach special needs students with mild to moderate intellectual disabilities and those with autism spectrum disorder will come under attack, especially as those students require regular professional development. Under this Government's proposed wages policy, many teachers who undertake extra studies and who fund their professional development will not be able to keep up with course payments.

Health Minister Jillian Skinner was recently embroiled in controversy when local journalists were not invited to accompany her on a visit to Fairfield Hospital. No doubt that was an attempt by the Minister to avoid being quizzed by journalists as Fairfield nurses were protesting wages cuts. Those same nurses were protesting on that day outside the office of the member for Smithfield. I understand Mr Rohan's office made a formal complaint to the Minister's office for banning local media from visiting Fairfield Hospital, which is extraordinary. A Liberal member of Parliament was forced to make a complaint to the Minister's office about her refusal to answer questions relating to a contentious issue. The Minister did not want to answer questions about what this Government's legislation will mean—questions asked by the very people who will be affected by it.

Obviously the Minister is trying to avoid scrutiny over this unprecedented legislation, just as the Premier attempted to do when he gagged debate on the bill in the upper House. The Government used a parliamentary procedure that had not been used in more than 100 years to gag debate on this controversial legislation in the upper House. Premier O'Farrell conceded that his workplace changes are so extreme that police officers and nurses should be exempt. However, he ignored the other 300,000 front-line workers. What about firefighters, teachers, child protection workers and ambulance officers? If these laws should not apply to police officers and nurses, equally they should not apply to anyone. During question time yesterday I asked the Minister for Education this question:

How can the Minister justify exempting police but not teachers from the Government's public sector wages policy?

In his initial response he said he had prepared for the question. But, clearly, the Minister did not do his homework because he did not answer it. The Minister for Education clearly was not acknowledging the efforts and work of New South Wales teachers. Negotiated outcomes overseen by the New South Wales Industrial Relations Commission will be in grave jeopardy if the O'Farrell Government's industrial relations proposals are put in place and wages outcomes are determined by the Parliament rather than by genuine negotiation.

For more than 100 years the commission has worked independently 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 the role of the Industrial Relations Commission the O'Farrell Government is walking away from a century of effective industrial relations practice. Instead of public sector workers having a fair and independent umpire, the proposed changes seek to make the O'Farrell Government prosecutor, judge and jury. I call on the Premier to withdraw this unfair legislation and to continue the workplace protections New South Wales public sector workers deserve.

Mr RICHARD TORBAY (Northern Tablelands) [10.41 a.m.]: I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. In doing so, I clearly indicate to the House

that I do not oppose reform. I do not oppose a government or employer seeking productivity improvements because that is done in both the public and private sectors as a matter of good business, good governance and good practice. Normally it is done to ensure that people clearly understand their obligations and so that the policies of an institution or organisation are appropriately undertaken and fairly assessed to enable properly measured productivity improvement. That is the system around which Australians coin the phrase "a fair go", which I support.

Since the commencement of this Fifty-fifth Parliament a number of good legislative reforms have been introduced. From memory, in that time I have spoken in debate on and supported seven or eight pieces of legislation, but in two instances I opposed the Government. The first instance related to a breach of trust in the Solar Bonus Scheme and the second instance relates to this legislation. The Government has done a number of good things through the introduction of other legislation, for example, it established Infrastructure NSW. I supported that legislation because the Government pursued as its theme taking the politics out of these issues and focusing firmly on the merits of each case in its agenda items.

A classic case is the establishment of Infrastructure NSW and the introduction of health boards by the Minister for Health in an effort to give more power to the experts within those sectors, which is good reform. But the Government cannot say in all the other portfolio areas that taking the politics out of decisions will be supported, as is the establishment of independent bodies or boards such as Infrastructure NSW, to achieve merit-based outcomes on the worthiness of the application or potential project. When it comes to industrial relations the Government has done a complete about-face. It is hypocritical of the Government to say independent, autonomous organisations require expertise to be established and verified in order to achieve a constructive outcome.

There can be no more independent body than the Industrial Relations Commission of New South Wales. There is a process to be followed for both employers and employees. I have been involved in small business, family businesses and university sector businesses and—as the member for Liverpool would be well aware—I am no stranger to the Industrial Relations Commission. Even in my previous role as the Speaker of this place I was a happy participant in an industrial commission process. At the time I took action against an employee and the employee, through the union, took action against me. I gave evidence in that process and in that case I won.

On the four or five occasions that I, as an employer, have gone before the Industrial Relations Commission, the outcome has been satisfactory. In all those cases I believed I had acted fairly. I believed that fairness could be put to the test of an independent and impartial umpire such as the Industrial Relations Commission. My objection to this legislation is not in respect of reform; my objection is that it is a retrograde step to take away the independent powers of the Industrial Relations Commission, particularly in light of the Government's policy agenda in most other portfolio areas. The Government is doing a good thing in those other portfolio areas but the hypocrisy of this move should be underlined.

I am not the only one who is saying this. When the Government put this matter out for public comment I received correspondence from the New South Wales Police Association, as well as from a range of other advocacy bodies, unions and individuals. I understand that the New South Wales Police Association has been excluded in this legislation but I believe this matter is still relevant. The legal advice supplied to me by that association—and I am sure members from both sides of the House also received it—states in part:

... in paragraph 6.1 Counsel conclude that in "our opinion, if enacted, the Proposed Amending Act and any Awards made pursuant to s146C, would be the subject of reasonable challenge as to their validity. We consider that such challenges have a reasonable foundation."

All I am talking about is a fair go. If the Government wants to make productivity improvement changes it should do as every other institution or private sector organisation has done. Management is relied upon to implement change: that is done by way of performance appraisals and reviews and the sought outcomes are delivered in that process. If it is unfair employers or employees can refer it to an independent body—I have done so on a number of occasions—to achieve a fair and just outcome. To move away from that is to move away from the spirit of a fair go.

I do not oppose things lightly, and I have a high regard for former Auditors-General of this State. As a former member of the Public Accounts Committee of this Parliament for more than eight years and as a former

Speaker of this place, I have had a close association with them. But last night I heard what was said by former New South Wales Auditor-General Bob Sendt, who of course was employed by the Government to cost the Coalition's election promises. He said:

My concern with a cap is that if it does last for some period of time, or indefinitely, the remuneration for that position might become less attractive for people and reduce the field of candidates.

I am sure members on both sides of this place would acknowledge that Mr Sendt is a trusted person and a person of high calibre. Former Auditors-General are distinguished persons. I know Mr Sendt well and I have a very high regard for him. I object to the spin and cute phrases used in support of this legislation, such as, "It is not intended to reduce conditions for people." The words "not intended" directly contradict what this legislation will do. As Mr Sendt has pointed out, in real terms, it will over time reduce the conditions of employment of front-line positions in key service areas and make them less attractive. How long is this legislation to be in place?

To suggest that this legislation will not over time have a negative impact, in real terms, on pay and conditions is a misrepresentation, or it is spin, if we like to call it that. If we argue in favour of these proposals, we need to be honest about what will be their material outcomes for front-line workers in this State. As someone who has very proudly represented an inland regional seat, Northern Tablelands, for almost 13 years, I want more incentives to attract nurses and other public sector workers, so that we can provide the basic front-line services on which we in country communities rely day in and day out. Of course residents of cities rely on those services as well, but statistics show that it is harder to attract those workers to regional, rural and remote parts of New South Wales. Why on earth would anyone want to provide a disincentive in that regard?

In conclusion, I am not arguing against reform. But I must argue against legislation that is a disincentive to the public sector. I put this to those who would argue that productivity improvements alone will enable public sector workers to keep pace with inflation. How does one assess the productivity improvements of a nurse? Nurses are working flat out. There are not enough of them. I say to those who suggest that nurses must achieve more productivity improvements that they should show members of this place the criteria to establish how they will do that. This morning I caught a bus from Randwick to the city. Two or three buses passed that were full before I caught a bus on which there was standing room only.

Mr John Williams: Did you pay?

Mr RICHARD TORBAY: I did pay.

Mr Nathan Rees: We all pay these days.

Mr RICHARD TORBAY: The member for Toongabbie is well aware that we all pay for that service every day.

Mr John Williams: Don't mention the war.

Mr RICHARD TORBAY: No, do not mention the war. On my journey, while trying to hide my Speaker's pin lest someone should see it, I got thinking about the bus driver. The driver was doing about four jobs at once; the bus was full and it was in traffic that was difficult, to be politically polite. What productivity improvement can that bus driver make? How would one measure any productivity improvement made by that bus driver, who cannot physically do anything else in the circumstances that I watched as a passenger? This legislation should properly provide for independent assessment of whether productivity improvements alone will enable public sector workers to keep pace with inflation, from both an employer's and an employee's perspective.

To argue anything less than that, in my view, from the perspective of an Independent, is to argue against commonsense and against a fair go. The outcome that the Government is seeking will affect other portfolio areas. This is a hypocritical act and one that will put downward pressure on opportunities, support and resources for front-line services across New South Wales, in particular in regional, rural and remote New South Wales. I urge members and the Government to reconsider the stripping of powers from the Industrial Relations Commission, because that is wrong.

Mr PAUL LYNCH (Liverpool) [10.54 a.m.]: I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. This is a bad bill and it will be bad law. It is a broken promise by

the Government. It attacks the living standards and income of many of the State's more than 300,000 public servants. It overturns the role of the independent umpire in industrial relations, the Industrial Relations Commission, a role established over 100 years ago. It devalues the State's public servants, teachers, nurses, ambulance officers and other front-line workers, and it has been the subject of questioning over its validity. It is an eloquent statement of the hubris of Premier Farrell and his Government.

Perversely, the one positive thing that emerges from this bill is the vaguely satisfying confirmation of ancient verities. Regardless of the size of the margin of election results, the Liberal Party cannot resist kicking workers, and it falls to the Labor Party to defend them. That is in the DNA of those on both sides of this House, and it remains the case regardless of the size of a parliamentary majority. The only regret felt by the Government, I suspect, is that all it can do is attack State government employees; other workers are now covered by the Federal jurisdiction and therefore are safe from Premier O'Farrell and the zealots in his party room.

The legislation purports to insert a new section 146C into the Industrial Relations Act. This section requires the Industrial Relations Commission when making or varying any order or award to "give effect" to any government policy on conditions of employment of public sector employees that is declared by regulation. The first point to be made about this is what it is not. It is very precisely not putting into law the wages policy of the previous Government. Whatever else it is, it is not that. The policy set by regulation may be what the current Government claims was the previous Government's policy, it may even be what other commentators argue was the previous Government's policy, but there is neither certainty nor guarantee about that, which means that the major rhetorical basis of the Government's case is just false.

I should also note the quite curious manner in which this bill has been drafted. It seems at least theoretically possible that the regulations might specify a policy and document which might then be subsequently altered, well after the time allowed for regulations to be overturned has expired. This is inevitably the problem when one is endorsing legislation that is to set up regulations when those regulations are not before the Chamber. We do not know what it is that will be part of this policy. We have heard quite a lot of rhetoric about it, but there is in fact no document setting that out for us. All we have is a broad-brush power to make regulations, which may or may not be what we are told they are. The Government defence of course is that policies might be overturned by the Houses of Parliament.

That is hardly an improvement. That means that the Industrial Relations Commission is being replaced by the Houses of Parliament in the setting of wages and conditions. That is literally a nineteenth century way of determining workers entitlements. Above everything else, frankly, it is just silly. Whilst there are many bad aspects to this legislation, one of the most concerning is what it does to the Industrial Relations Commission. As a former Minister for Industrial Relations and current shadow Attorney General, it is an issue in which I am particularly interested. The implications of this legislation and the debate surrounding it are very serious for both the Government and the State as well as for our institutional and constitutional structures.

They were explored by the President of the Industrial Relations Commission, Justice Roger Boland, in the Jeff Shaw memorial lecture, delivered on 26 May 2011. I had the pleasure of being at that lecture representing the Leader of the Opposition. His Honour, who I might I add was, I think, originally an employer advocate, noted that the Industrial Relations Act, which established the Industrial Relations Commission, set up "an unparalleled framework for the conduct of industrial relations that is fair and just." It flowed from extensive consultation with the industrial parties and was well received by those parties. To quote His Honour:

It delivered fair and reasonable wages and employment conditions through the award system, it provided an efficient and very effective system of conciliation and arbitration for resolving industrial disputes—something not available federally, it gave individuals access to remedies for unfair dismissal and appeal rights to public servants in respect of promotion and discipline, access to remedies for unfair contracts, protection for outworkers, it enabled test cases on such matters as pay equity, job security and reasonable hours, it encouraged representative bodies of employers and employees by giving them a principal role in the industrial relations system.

This sensible and reasonable structure is to be obliterated by this legislation. Amongst other things, the Industrial Relations Commission created the equal remuneration principle. This was extraordinarily important for pay equity. It was the basis of the previous Government's submission to the Federal body on the Australian Services Union fair pay case. The present Government is trashing the Industrial Relations Commission and it, not surprisingly, trashed the previous Government's submissions on pay equity. The President of the Industrial Relations Commission makes a number of direct comments on the legislation before the House. He noted that it was introduced without any consultation with the commission as to its terms. That is not only contemptuous of

the Industrial Relations Commission; it is also a fundamentally bad and inefficient way to proceed with legislation about the Industrial Relations Commission. This legislation means that wages and conditions are no longer set by the independent umpire. As His Honour said:

That Parliament would directly fix wages and salaries for government employees rather than an independent tribunal is a novel proposition in Australia. No other State or Territory does so; neither does the Commonwealth.

That is also an interesting point to note in relation to recent rantings and ravings that what the current Government is doing is precisely the same as Labor governments are doing in other States. That is untrue. It is a lie, as the President's comments made very clear. The legislation also has catastrophic consequences for the independence of the Industrial Relations Commission and its members. I once again refer to His Honour, who said:

Nevertheless, subject to questions of validity, it is undoubtedly the case that the Parliament may enact the changes proposed by the Government and I am not suggesting otherwise. However, the effect on the commission's independence is obvious.

It is of particular concern to me given the commission's proud tradition of independence that tribunal members, which include judges (sitting as the commission as opposed to the court) will now be directed as to how they may exercise their discretion. They will, in effect, be placed in a straitjacket and the test of "fair and reasonable" that the statute requires to be applied is no longer permitted to be applied. The capacity for judges and non-judicial members to mould outcomes to suit the particular circumstances of the case will no longer be available.

The President is even more scathing when he deals with what are clearly inaccurate and dishonest claims by the Government, which it uses to support this legislation. The Government, Minister Pearce in particular, has claimed that the Industrial Relations Commission has rejected an existing wages policy. His Honour said:

It is the laying of the blame on the commission that I object to. I think it was grossly wrong and unfair to have done so.

The President is correct. It is interesting how the Government's position wobbles around on this issue. The Government's position is a bit like jelly. In this Chamber the Government consistently attacks the Opposition for failing to implement what the Government claims was the previous Government's policy. That is very different from blaming the Industrial Relations Commission for not implementing the policy. The Government is trying to pursue both positions, which are inconsistent with each other. The Government cannot honestly make both claims. Of course, the truth is that neither is the explanation for this legislation. This legislation comes from a deep-seated ideological commitment by the Government to attack workers and their wages and conditions whenever they can. The members on the other side cannot help it; it is in their DNA. This legislation represents the most radical change in industrial relations for State employees in 100 years.

In essence, public sector workers are banned from negotiating for their wages and conditions, for their rights at work. Amongst other things, this raises squarely the transparency of the O'Farrell Government. Before the election the then Opposition gave not the slightest hint that this type of change would occur. Indeed, as Minister for Industrial Relations from time to time in the run-up to the election I would suggest that a Coalition government would be bad for workers. This suggestion was constantly responded to by the then O'Farrell Opposition with the claim that we were scaremongering. This legislation establishes not only that we were not scaremongering but, if anything, we underestimated how draconian and anti-worker an O'Farrell government would be. The moral turpitude of the Government goes beyond merely failing to warn the electorate that they were going to introduce these measures. They positively tried to allay the fears of unions and their members. In a letter to the New South Wales Police Association the current Minister for Police wrote, among other things:

The New South Wales Liberals and Nationals are committed to retaining all public sector employees under the New South Wales industrial relations system.

This legislation fundamentally destroys the New South Wales industrial relations system. That promise by the New South Wales Liberals and Nationals has been broken. The Hon. Michael Gallacher was even more explicit when expanding on that subsequently broken promise. He wrote:

Police would keep their rights to collective bargaining, awards and an independent umpire.

That is another promise that has been broken. One of the clear things about this legislation is that it aims to reduce wage increases. Much of the Government's rhetoric surrounding the bill is specious but it is clear that it wants a reduced increase in total wages. The wages of an individual public servant will be able to rise by more than 2.5 per cent only if there are fewer public servants or if remaining conditions are thrown away. Given that inflation is running at over 3 per cent presently, this will in real terms depress the value of wages unless there

are fewer workers. The trade-off is not in productivity; it is in employee-related savings. This has a number of consequences. Fewer workers—nurses, teachers, ambulance officers, firefighters and other front-line workers—will eventually mean less adequate public services. This cannot be good for the State and it flies in the face of promises made by the Liberals and Nationals before the election. If the total number of public servants is not reduced then their wages will reduce in comparative value. This will be very serious for workers and could have very serious consequences more broadly. An independent report recently released by the University of Sydney Workplace Research Centre shows that our nurses, police and teachers are not overpaid in relation to interstate and private sector comparable employees. Research note No. 1 from that body in part states:

The newly elected NSW Government has made some proposals for dramatic changes for wage determination for NSW public sector workers. In its arguments for why these changes are needed it has implied New South Wales public sector workers have had disproportionate wages growth over the last decade. The data released by NSW Treasury in particular implies there has been a wages explosion for this group of workers. This note assesses this assertion by reporting on how well typical NSW public sector workers at the top of their pay scales are paid relative to their counterparts in other States.

Later it goes on:

On the basis of comparing rates of iconic job classifications across States and Territories NSW public sector workers are paid pretty close to the Australian going rate of pay. Had the proposed changes been in place since the year 2000, all things being equal, NSW teachers, police and nurses would be the worst paid in the country by a significant margin.

Teachers would have received \$14,580 a year less and nurses \$12,232 less. This has obvious consequences for these workers and is unfair to them. Further, it will become harder to attract public sector staff. It is already difficult in some professions and areas. This will only become worse if conditions are made less attractive. [*Extension of time agreed to.*]

This approach will provide a State public sector workforce perfectly tailored to the desires of Treasury but dramatically opposed to the needs of the community in this State. It is immediately serious for the workers whose unions have claims currently before the Industrial Relations Commission—the Public Service Association, the Health Services Union and the Fire Brigade Employees Union. These issues are serious for every electorate in the State. However, they are particularly important for the electorate of Liverpool because Liverpool CBD has a higher proportion of State public sector employees than any other part of Sydney, and I suspect the State.

The State public sector employees in the Liverpool electorate are employed at Liverpool hospital, Liverpool TAFE, the courthouse, the police station, the Fair Trading Office, Liverpool boys and girls high schools and public school, Housing NSW, including its call centre of 170 employees who deal with statewide services, and BusinessLink, with 700 workers who undertake back-of-office services for Housing NSW, Ageing, Disability and Home Care the Department of Community Services and Aboriginal Affairs. A number of other employment sites in the Liverpool CBD employ public sector workers. In addition to the other problems with this legislation, it will have a particularly adverse impact on my electorate of Liverpool.

Not surprisingly for legislation so diametrically opposite to the traditions in this country of the independent umpire, questions have been raised about its validity. The New South Wales Police Association obtained written advice from learned counsel, including well-respected Senior Counsel Arthur Moses—a member of the Liberal Party, I understand. I stood with him at least once at a polling booth handing out how-to-vote brochures. He was handing out Liberal Party how-to-vote brochures; I obviously was not. Regardless of his politics, Mr Moses is generally regarded as a good lawyer. His written advice makes for interesting reading.

Amongst other things he concludes that the legislation would impair the institutional integrity of the Industrial Relations Commission so as to make it a body when in court session whose exercise of judicial power is incompatible with chapter III of the Australian Constitution. He also concludes that awards made by the Industrial Relations Commission pursuant to section 146 (1) are susceptible to being set aside and quashed upon application for prerogative relief upon the basis they have been made in denial of procedural fairness. Additionally, he is of the view that if any regulation is made seeking to require the commission to enforce a government policy then the regulation itself may be susceptible to judicial review and declared invalid on the grounds that it is inconsistent with the objects of the Industrial Relations Act and that it denies procedural fairness to employees.

As Mr Moses notes, this legislation will make the commission the alter ego of the executive. There seems little utility or common sense or, frankly, good government in pursuing a legislative scheme so

potentially susceptible to challenge. Of course, if the Government's motivation is not connected with common sense or good government but is determined by ideological obsession then the position becomes pretty obvious. I refer to some commentary on this legislation. Mark Lennon, Secretary of Unions NSW—previously known as the Labor Council—has said:

The proposal represents the most radical change to workplace laws in more than a century. If passed, NSW public sector workers would be banned from negotiating their rights at work. The Industrial Relations Commission would be sidelined, and the conditions of public sector workers would potentially be determined at the whim of the government. This is an unprecedented assault on the rights of public sector workers to have their day in court to determine their wages and conditions.

I also refer to comments by Bob Lipscombe, the President of the Teachers Federation, who said, in part:

Changes to the state wages policy announced by the O'Farrell Government could result in cuts to the real income of teachers, police, firefighters and other public servants in NSW.

This is a serious attack not only on wages and conditions in the public sector but also on the ability of unions to negotiate and to seek the assistance of an independent IRC.

This means that, regardless of arguments about already improved productivity, work value, increased workload, or inflation rates, the IRC will not be able to grant any increase above 2.5 per cent unless employees are prepared to sacrifice conditions to fund it.

With teachers in a position where no reasonable "employee-related savings" are available—

and I note the comments of the member for Fairfield in relation to that—

and economic analysts such as BIS Shrapnel predicting that inflation will be above 3 per cent in the coming years, the Government is really trying to impose annual pay cuts upon teachers for the three-year life of our next salaries award. Of course, during that time, electricity charges, council rates, grocery prices and the myriad of other costs that impact on teachers will continue to rise.

Apart from elimination of rights that non-government employees will continue to enjoy, the independence of the judiciary in what until now has been one of the most senior courts in the state will be destroyed, and the fundamental concept of separation of powers will have been abandoned. An IRC that was supposed to be an independent umpire will now have the combined roles of government, prosecutor, judge and jury.

The last of the three references I wish to quote from is from the General Secretary of the New South Wales Nurses Association, Brett Holmes, who stated:

There are various reasons why any such legislation is not in the public interest and it is also clear that the NSW Government does not have a mandate for such legislation and policies.

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 State Government departments such as NSW Health and the Department of Family and Community Services, Ageing Disability and Home Care.

The Government's legislation, currently before the parliament, cripples the NSW Industrial Relations Commission and its powers to determine and arbitrate disputes on wages and conditions for the State's nurses, midwives and all other State public sector workers.

I commenced my contribution by saying something that I think will undoubtedly be borne out through the test of time, that this is a bad bill and will become bad law. The bill stems from an ideological obsession by those opposite. As I said before, it is in their DNA; they cannot help doing this—just as Labor cannot but defend workers. There has been a bit of rhetoric from the other side from time to time about how they support public servants and the public sector. The only thing I would say about that is that the other side supports public servants and public sector employees the way a rope supports a hanging man.

Mr NATHAN REES (Toongabbie) [11.13 a.m.]: I speak against the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I note that there are not many Government members present in the Chamber. Other Government members are not prepared to debate this bill or be present during debate. I note the courageous presence of the member for Port Stephens, the member for Albury, the member for Penrith, the member for Murray-Darling and the member for Lane Cove. Their courage is noted in the face of this most offensive bill. It is telling that there are not many Government members present in the Chamber today. It is the fewest Government members I have seen present in the Chamber since this Parliament resumed—

Mr Anthony Roberts: Except in your party room.

Mr NATHAN REES: We have got 20 at least. A few Government members are here to engage in a pretty tawdry exercise of diminishing the credibility of this discussion. I note that the member for Albury has

sought to table a petition from certain citizens opposing the bill and requesting its withdrawal. Labor is proudly the oldest party in the world representing the interests of workers. If Government members thought that Opposition members would not speak on this bill last night simply because there was a game of sport on television then they underestimate our interest in this matter and they do not understand the history of the Labor movement and the Labor Party in Australia. I welcome a couple more men of courage into the Chamber to observe the debate on this offensive bill.

I have had private discussions with a number of members opposite and it is clear to me that, with respect, many of them simply do not know what they are doing with this bill. Members opposite do not understand the historical significance of the bill and they do not understand the political damage that will ensue. Politics is a numbers game, whether it is a budget or whether it is the formation of a government. There are some numbers that Government members need to familiarise themselves with. I will go through, in no particular order, the top 10 most marginal seats that the Government holds. Strathfield has a margin of 4.3 per cent, or 2,150 votes, and 8,000 public sector workers; Rockdale has a margin of 3.6 per cent, or 1,800 votes, and 5,600 public sector workers—including the member for Rockdale; Campbelltown has a margin of 3.4 per cent, or 1,700 votes, and 5,300 public sector workers; Granville has a margin of 2.6 per cent, or 1,300 votes, and 5,000 public sector workers; Wyong has a margin of 2.5 per cent, or 1,250 votes, and 5,500 public sector workers.

Mr John Williams: That does not mean they will all support Labor.

Mr NATHAN REES: It is worrying to hear this—I understand that—but we burn a hot fire here, member for Murray-Darling: it melts down all concealment. Newcastle has a margin of 2.4 per cent, or 1,200 votes, and 9,500 public sector workers; Monaro has a 2.00 per cent margin, or around 1,000 votes, and some 12,000 public sector workers.

Mr John Williams: In Canberra.

Mr NATHAN REES: Not all of them. I know that because we engineered the retention of key industries down there. Swansea has a margin of 1.1 per cent, or roughly 550 votes, and 6,000 public sector workers; East Hills has a margin of 0.6 per cent, or about 600 votes, and 5,500 public sector workers; Oatley has a margin of 0.5 per cent, or roughly 500 votes, and 6,800 public sector workers. I could go through all the figures but I am sure the Government gets the drift. Despite the best efforts of Government members and some of the tabloid press to pretend that yesterday's protest did not happen, the protest did happen—the people were real. I know that for a fact because a family member of mine, who has never been to a rally in their life before, was out there yesterday marching in the streets less than three months into the new Government's tenure.

I will go to the basics of this bill and I will start with the rationale. The rationale is, frankly, nonsense. We have a triple-A rated economy, we have an unemployment rate of less than 5 per cent and we have a low debt level that is literally the envy of the Western world. I know the metrics of the New South Wales budget intimately: I chaired the budget committee of Cabinet as we navigated the global financial crisis. Better than anyone in this place, or indeed in this Parliament, I understand what constitutes a real threat to a budget, as distinct from a confected political tool. I do not need a lecture from the new Government about tough decisions. In my first days as Premier Treasury briefed me on an alarming drop in State revenues, and 10 days later Lehman Brothers collapsed, which precipitated the global financial crisis.

Along with my colleagues, I decided to draft a mini-budget in recognition of the serious nature of the emerging crisis. There was no textbook telling us how to deal with a global financial crisis. There was no book we could pull off the shelf telling us to read chapter 13 if things get grim and then follow the rules. However, as chair of the budget committee I convened a meeting roughly every second day and painstakingly went through every item of recurrent and capital expenditure in the New South Wales budget. Hundreds of decisions were made during many hours of intense discussions and we made hundreds of difficult decisions. To be frank, they cost me and the Government political capital. Would we do it again? Unequivocally, yes. We would because good government is about doing what is right, not what is popular. In making those decisions we preserved the structural integrity of the budget and we maintained the fiscal strategy that saw us pay off \$10 billion worth of Greiner Government debt.

Mr John Williams: You are supporting our argument.

Mr NATHAN REES: The debt has been paid off. This Government inherited a triple-A rated economy.

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

Mr NATHAN REES: In navigating the global financial crisis the Labor Government improved the credit rating of New South Wales. Ours was the only jurisdiction anywhere in the world that did so. As I said, I know when a threat is real and when it is a political tool. Members opposite can say that two plus two equals three for their own political purposes, but the reality remains that two plus two equals four. I know the old trick of pretending that there is a black hole. It is an utter nonsense here in New South Wales. The Lambert report, the Budget Office and other credible sources have demonstrated that that is a nonsense and a fraudulent claim. If the Government wants to limit expenditure growth to 2.5 per cent there are any number of ways to do so. With a skerrick of imagination, rather than resorting to accountancy 101, which predominates on the Government benches, those options can be discovered. Members opposite do not have the experience to question Treasury advice or to engage in anything other than a kneejerk response to what they are told is a problem.

If members opposite were serious about real reform they would be talking about how to address the unsustainable nature of Commonwealth-State financial relations. However, that is another debate for another decade. There are two elements to this offensive bill and the policy underpinning it: the wage policy component as it relates to percentage increases in wages and the removal of discretion from the Industrial Relations Commission. There will always be arguments about whether a wage increase is sufficient. I believe that a wage increase lower than the CPI is an affront to the workers who keep our streets safer than any others in Australia, who educate our children to a higher standard than almost anywhere else in the world and who provide health care of a standard that most countries only dream about.

Members should be clear that this bill is not an attack on pencil pushers; it is an attack on front-line workers. It is an attack on nurses, teachers, firefighters, child protection workers, bus drivers, train drivers, community nurses, hydrologists, agricultural scientists and soil scientists who deliver services across the State. I have worked at the local government level, the State Government level and the Federal Government level. I have a trade and a university degree and I have done dozens of different jobs since leaving school. I would like to think that I have some real world experience, which, if we are honest, is probably at a premium in too many parliaments around Australia. I have seen the power imbalance that can occur in the workplace. I have worked with people who could not read well and with recently arrived migrants who worked hard to master the language.

Given my experience, I know that the removal of the discretion of the Industrial Relations Commission is a social disaster in the making. Why? It is because at its core industrial relations legislation is about redressing an imbalance of power. In recent years we have enjoyed happy days with regard to unemployment in Australia. However, as members know, it is not always like that and it is likely that unemployment will increase at some stage. What happens when the employer unequivocally has the whip hand? We know that ordinary workers trying to do their bit will be done over. It is as straightforward as that. Without a properly operating independent Industrial Relations Commission workers will be forced to take the only action available to them. Over time this legislation will lead to an increase in industrial disputation and the inevitable disruption of services. That will lead to difficulty in attracting and retaining people in the key roles of nursing, teaching, policing and so on.

A cricket team has an umpire and a football team has an umpire, and businesses dealing with a contractual obligation under dispute have recourse to an independent umpire. Even politicians in this place can appeal to an independent umpire. An umpire will assess the evidence and provide an informed judgement that others will abide by. However, under this bill public sector workers will no longer have recourse to appeal for such a properly informed judgement. Instead, the Treasury, Treasurer and the Premier of the day will determine their worth.

The Government should understand the history of the principle underpinning the independence of the industrial umpire. Australia is the only country in the world that has access to conciliation and arbitration embedded in its constitution. Why is that the case? Without providing a lengthy history lesson, it came about simply because Australia would not have become a federation unless that had been agreed to. It is part of our national psyche that when the boss and the worker cannot agree the umpire makes the call. That is why this legislation is un-Australian. There is no fair go if the boss disagrees with the employee; the option is simply to take it or leave it.

No-one pretends that cases before an independent umpire are always a bed of roses. However, the system is fair, it is transparent and it has served the country well for more than a century. The bill before us

makes the Government judge and jury. It turns the member for Manly and Treasurer into an industrial relations Judge Dredd. That may well be an intended by-product of the Premier's keenness to prosecute this legislation. It will mean that the member for Manly is the one saying no to his frontbench colleagues. No doubt that will endear him to them—not. [*Extension of time agreed to.*]

I was the Premier, and I would have liked a longer term in that office. Therefore, I recognise the signs when a government is under pressure. I know the changes in nuance, I know the changes in body language and I know the bluster that goes with a position of defence built on sand. I see all the signs in this Government. I see the pretence that this debate is about the percentage increase. That is rubbish, and members opposite know it. We would be having this debate if the percentage increase were 5 per cent. This is like watching the snake man of La Perouse, who distracts the snake. For the benefit of Hansard I note that members are gesturing hypnotically in the manner of a dangerous and agitated reptile. I note the pathetic attempt to compare New South Wales with other Labor jurisdictions around Australia. They are utterly incomparable situations and members opposite know it. Yesterday we heard the most insipid of all arguments—resorting to the claim that my-dad, my mum, my daughter, my son, my neighbour is a public servant and I am on their side.

Mr Kevin Conolly: Members on your side said that.

Mr NATHAN REES: Except that we mean it. The Government is not fooling anyone: It is not fooling public sector workers in marginal seats, it is not fooling the Opposition and it is not fooling the people of New South Wales. It is the same outfit that worked hand-in-hand with Chris Corrigan to train wharf workers before they sent in the dogs. It is the same outfit that came up with WorkChoices, which would have forced 15-year-old and 16-year-old kids to bargain directly with their employer. It is also the same outfit that has assaults on workers' entitlements in its DNA. Members opposite need to get real and to understand that Australia is a First World country and that command-and-control structures in the workplace are a thing of the past and typify subsistence economies or developing nations.

We have the healthiest economy in the world, historically low unemployment and strong prospects. There is simply no call for removing the cornerstone of fairness in New South Wales workplace relations. Two and a half months ago the Labor Party, chastened and defeated, returned to this Parliament. We all heeded the Premier's call for a return to the traditions of Australia's oldest Parliament. We all wandered across to the other place to hear the Governor's address as part of that return. Personally, I was happy to observe traditions that befit our nation's greatest Parliament. I am a firm believer in the conventions that underpin our system of government. However, that was where this Government's commitment to convention and tradition ceased.

Just like Joh Bjelke-Petersen, when the time came to trash convention for base political advantage, members opposite have done so. They gagged debate in the other place using a provision that has not been used for 106 years. Just like Malcolm Fraser in 1975 when he trashed the notion that the majority in the lower House forms the government, members opposite are now prepared to jettison with no mandate whatsoever what has generally been recognised as a bastion of fairness. I draw the attention of the House to the Liberals-Nationals contract with New South Wales released just prior to the election. The front cover states "A copy of our commitments for you to read". Chapter four is entitled "Restoration of Accountability" and it states:

- We will **give people a real say** on issues affecting their local community.
- We will be **honest and accountable**.
- We will **raise ministerial standards** of behaviour.

Nowhere in this document does it say, "We will remove access to an independent umpire." This is shameful and the hypocrisy is extraordinary. This is one of those occasions when Government members should be genuinely deeply ashamed. Why? Because they will retain an independent umpire to determine their wages and conditions; but they will not retain an independent umpire to determine the wages and conditions of New South Wales public sector workers.

Ms TANIA MIHAILUK (Bankstown) [11.29 a.m.]: I speak against the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. The proposed changes will fundamentally impact real wages of close to half a million employees in New South Wales. They will result in thousands of nurses, teachers, police, ambulance workers, firefighters and other public sector employees leaving our great State to find work interstate. Sadly, many will leave their careers and industries as their work becomes less valued and it becomes financially unviable to stay in their chosen professions.

There is no doubt, as the member for Northern Tablelands said earlier, that the legislation is a disincentive to enter the public service. To back my comments, I refer to the director of the Workplace Research Centre at the University of Sydney, Dr John Buchanan, who has researched widely the impact of industrial relations laws on labour supply. He argues that the proposed laws will result in public sector labour supply in this State being seriously affected. He said:

Lower wages in New South Wales will mean more turmoil and higher labour turnover as there is little incentive to work in a State with low pay rates and a high cost of living.

The bill will also undermine the separation of power between government and the judiciary. Instead of public sector workers having a fair and independent umpire, the proposed changes seek to make the O'Farrell Government prosecutor, judge and jury. The changes proposed by the O'Farrell Government to manage public sector wages through regulation are entirely inappropriate. The New South Wales Industrial Relations Commission is set up, resourced and skilled to deal with many complex matters associated with wage debate and policy. Dr John Buchanan also argues that the proposed laws go further than WorkChoices in that they remove the opportunity to bargain in front of the Industrial Relations Commission. Instead, the commission will be compelled to abide by whatever wages and conditions are set by the Finance Minister and the Treasurer of the day. Dr Buchanan says the shift is part of a trend towards Executive Government seizing control of wages policy. He went on further to say:

In a nutshell it means you're putting more faith in the Treasury [to determine] what it takes to deliver quality public services than you're putting in an independent tribunal that [considers] the interests of all players.

The Coalition Government is arguing that this legislation is just keeping a lid on expenses, but we know it is a direct attack on the judiciary's independence. The New South Wales Government's proposed industrial relations laws hand the Government total control over the conditions of public sector employees. Sadly, from July, it will give the Government the opportunity to reduce annual leave entitlements for nurses, teachers and police, and the independent umpire would be bound by those decisions. Speaking at the inaugural Jeff Shaw Memorial Lecture in May, Justice Roger Boland also attacked the Government's approach to new workplace safety and wages laws. Justice Boland said it was clear that the Government blamed the commission for a public sector wages blowout. He went on to say:

What I strenuously object to is the Government laying blame for the failure of its wages policy on the commission and using that as the excuse to shackle the commission's independence.

That Parliament would directly fix wages and salaries for government employees rather than an independent tribunal is a novel proposition in Australia. No other state or territory does so; neither does the Commonwealth.

For the benefit of Government members I refer to one of their own. In 2009 the member for Terrigal was speaking on the Industrial Relations Amendment (Jurisdiction of Industrial Relations Commission) Bill 2009. He stated:

It is the policy of the New South Wales Coalition that we support the ongoing role of the Industrial Relations Commission as the appropriate jurisdiction in this State, particularly in relation to the public service.

The court has gone through many changes, and these are set out in the history of the commission. It has sometimes been a whipping boy of the various sides of politics.

He went on to say:

... the Industrial Relations Commission has independently assessed claims put to it by unions on behalf of members, it has heard the opposing arguments put to it by the Government and, as a body of competent people acting under the jurisdiction conferred upon it by this Parliament, it has made decisions. It was those decisions that then resulted in union members getting a wage rise.

... it is an indication that we have an industrial relations system in New South Wales that works and continues to work well. It is pleasing to see that this legislation preserves the jurisdiction of the commission.

Perhaps the member for Terrigal does not support this legislation.

Mr Nick Lalich: That is when they were in Opposition.

Ms TANIA MIHAILUK: Yes, it was. Instead of supporting the Industrial Relations Commission, as they did in 2009, the member for Terrigal and the Coalition are intent on restricting the whole system of industrial relations as it applies to public sector workers in New South Wales, on restricting the jurisdiction of

the Industrial Relations Commission and, as such, on destroying the viability of the commission as a judicial tribunal. Under the new legislation the Industrial Relations Commission will be required to abide by government regulations, not only on wage rises but also on other employment conditions such as leave entitlements.

For 100 years the Industrial Relations Commission has been an independent and reasonably fair arbiter of industrial disputes, but this legislation will place it under the direct regulatory control of the Executive Government of the day. In 2004, during debate on the independence of the Industrial Relations Commission in the other House, the Hon. Catherine Cusack drew to the attention of the House a letter written by the then shadow Minister for Education and Training, Jillian Skinner, the member for North Shore. The letter to Barry Johnson, the General Secretary of the New South Wales Teachers Federation, outlined the Coalition's approach at that time to teachers' salaries and stated:

Dear Mr Johnson,

I write in response to letters received from members of the Teachers Federation regarding their concern about the ... attempt to reopen the teachers' salaries case.

The Coalition has always said that teachers should be recognised for the work that they do, and part of that recognition should come in the form of increased pay. We have always regarded the IRC as the independent umpire and have said that any decision it brings down must be adopted.

Why the change of heart now from the member for North Shore? The member is not espousing the same sentiment now. The member is no longer the shadow Minister for Education and Training but as Minister for Health she is, sadly, the caretaker and employer of thousands of nurses, ambulance officers, hospital medical staff and an administrative staff that support our State's health system. Many professions within the public sector are predominantly undertaken by women, such as nursing and teaching. The public sector offers many employment opportunities that support women, although women still experience inequality and discrimination in most aspects of working life.

Women are often paid less than men, are confined to a relatively small number of occupations, have reduced access to superannuation and are disadvantaged in the workplace by family responsibilities. This Government is telling women in this State in particular that the industries they often enter—nursing and teaching—are not valued and are not deserving of recognition. That brings great shame on all members who will eventually support this disgraceful legislation. The Opposition stands behind our public sector workers—nurses, teachers, front-line workers, ambulance officers, police and public service administrators. I say to Government members—and this has been said a number of times by members on this side of the House—that this is only the beginning of this fight.

There is no doubt that all members have public sector workers and front-line workers in their electorates. In four years Government members will have to justify why they should be re-elected if this disgraceful legislation is passed. The manner in which the legislation has been rushed through the Parliament is appalling. Debate was gagged in the Legislative Council. Members preferred to go home rather than debate the legislation. Last night half the Government members were probably watching the State of Origin rather than listening to debate on the bill.

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

Ms TANIA MIHAILUK: Where was the Premier? Enjoying a beer down at the State of Origin game while thousands of public sector workers were instead worried about their livelihood, worried about their living costs, worried about how they can afford to pay their mortgages and sustain their families.

Mr Anthony Roberts: Point of order: I ask that you direct the member for Bankstown to stop yelling. I cannot hear the sledging from Government members.

ACTING-SPEAKER (Mr Gareth Ward): Order! There is no point of order. The member for Bankstown has the call.

Ms TANIA MIHAILUK: I reiterate our utter opposition to this disgraceful legislation. I look forward to more rallies like the one we saw yesterday. I am sure there will be many more rallies outside Parliament House in the years to come.

Mrs BARBARA PERRY (Auburn) [11.41 a.m.]: Earlier this month I addressed the House on a matter of great concern to me and, indeed, all Opposition members, that is, the Infrastructure NSW Bill 2011. I urged

Government members of good conscience—and the member for Myall Lakes was present at the time—to join me in seriously examining the implications of the bill, in particular, its intentions to concentrate power in the hands of the Premier. At that time I appealed to the fundamental tenets upon which our society and political system are built and which political representatives of every persuasion should pledge to vigorously defend and promote. Principles such as government transparency, accountability by way of a robust system of checks and balances, the integrity of independent bodies and, most important, the right of all citizens to have their voice heard and interests taken into account are priorities of the very highest order.

I hope that every member of this House would stand firmly and irrevocably united on these issues. Should we fail in this undertaking we will have betrayed the trust placed in us by our constituents. Today I speak on a matter of great importance, in particular to the hundreds of thousands of public sector employees whose very livelihoods and work conditions are on the line as I speak. The Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 is a stab in the heart of the Industrial Relations Commission and a crude attempt once again by the Premier to undermine the independence of a body that is vital to the interests of the people of our State. It is also a betrayal of the worst kind by a Premier who has the audacity to appoint himself Minister for Western Sydney and claim to be the Premier of the people.

As a society we share common beliefs and values; we have long placed the highest priority on education, health, public safety, and the security and wellbeing of our communities, amongst other things. It is indeed a sobering occasion when the Government of the day needs to be reminded of the invaluable work of our teachers, firefighters, police officers, nurses, community service workers and others who toil through every day and every night to tend to our sick, educate and protect our children, and watch over us as we go about our daily lives and return to our homes at night. It is commonly agreed that these front-line workers are our silent heroes and that they work tremendously hard, often in very challenging and on occasion in hazardous and life-threatening conditions.

Politicians are universally fond of flipping the occasional hamburger or serving the occasional doughnut in an attempt to experience the life of the common worker and capture a photo opportunity, but let us not think for a moment that we could ever fully appreciate the sacrifice made by these workers whose interests I support today. In the past few weeks I have received urgent correspondence, as did my Opposition colleagues, from a number of parties. One such example is Scott Weber, President of the Police Association of New South Wales. In his letter to me dated 31 May 2011 Mr Weber not only raises his great concern for the interests of New South Wales police officers but also goes further in providing legal advice that challenges the validity of the bill from both a legislative and constitutional perspective. As we know, in the other House deals have been done in relation to police.

As a former lawyer I turn to the advice that was provided, particularly in light of the fact that it is authored by highly respected and prominent legal practitioners, Senior Counsel Arthur Moses and barrister Yaseen Shariff. Paragraph 2.1 provides a succinct summary of their concerns; namely, that the bill "would impair the institutional integrity of the Industrial Relations Commission" and render it "incompatible with Chapter III of the Australian Constitution". They are further of the view that awards made by the Industrial Relations Commission as a result of the amendment are "susceptible to be set aside and quashed on the basis that they will have been made in denial of procedural fairness". The advice goes on to argue:

... the regulation may itself be susceptible to judicial review on the grounds that it is inconsistent with the objects of the IR Act and denies procedural fairness to employees.

The conclusion outlined in paragraph 6.1 is clear:

Our opinion, if enacted, the Proposed Amending Act and any Awards made pursuant to s146c, would be the subject of reasonable challenges as to their validity. We consider that such challenges have a reasonable foundation.

This advice appears to be well reflected in events unfolding around us. An article in the *Australian* dated 14 June 2011 reports on the intention of the nation's peak union body, the Australian Council of Trade Unions, to consider High Court action to overturn the new workplace legislation. The legal options being considered include a challenge on constitutional grounds. The President of the Police Association of New South Wales holds as his main point of contention the simple and undeniable implication of this bill as follows:

The Bill also effectively vests in the Parliament the role currently played by the IRC in adjudicating on employment conditions.

Senior Counsel Moses and barrister Shariff echo his grave concerns and I add my voice to theirs in urging this House to consider the dangers inherent in directing this Parliament to act as a de facto tribunal on matters that

are properly assigned to specialist and fully independent bodies. President Weber was right to hold grave fears for his officers at that time should the bill have taken effect in relation to police officers as they find themselves every day operating in a highly dubious industrial relations environment devoid of any solid assurances and safeguards to protect their salaries and conditions. That stands true for other workers not exempt from the bill. We should reflect upon the precious legacy that this bill will destroy—the long-cherished right that workers have been granted and rightfully deserve to access fair and unbiased arbitration of wage disputes. We face the eradication of a 110-year-old tradition that underpins the very fabric of the lives of our most esteemed and valued front-line workers and the wellbeing of their families and dependants.

The New South Wales Nurses Association justifiably holds these very same fears and I take this opportunity to place in *Hansard* concerns expressed in a letter dated 20 May 2011 from General Secretary Brett Holmes to my Labor colleagues in the upper House. Members may be aware that the Nurses Association has a distinguished history of employing the Industrial Relations Commission in its efforts to ensure just wages and conditions for its workers. Accordingly, its experience and reliance on the independent and highly specialised adjudication powers of the Industrial Relations Commission is of significant import to this debate. Speaking on behalf of the more than 40,000 nurses and midwives of this State General Secretary Holmes stated:

[This bill] cripples the NSW Industrial Relations Commission and its powers to determine and arbitrate disputes on wages and conditions for the State's nurses, midwives and all other State public sector workers.

Furthermore, he highlights the critical issue of nurse shortage and emphatically argues that the flexibility inbuilt in the Industrial Relations Commission as a result of its independence is critical to closing gaps in staff numbers. By way of example, General Secretary Holmes outlined a ruling made by the Industrial Relations Commission in 2002 that enhanced nursing and midwifery as financially rewarding career options and consequently boosted recruitment numbers throughout the public hospital and community health service system. I quote a paragraph from his letter that will encapsulate the dire implications of the bill:

Disability nurses are also an ageing group and it is already very difficult to recruit registered and enrolled nurses into this area of nursing. A wages policy that takes no account of severe workforce shortages and the need to remain competitive, and lacks the flexibility to argue a different outcome to the employers original offer, is destined to hurt some of the most vulnerable people in society. It is no secret that without their expert care their clients are destined to suffer more complications and die earlier.

I dare not accuse the General Secretary of the New South Wales Nurses Association of melodrama, and nor should any members of this House. What he speaks of is an inescapable reality that we cannot avoid. It is a fact that nurses work tremendously hard at the coalface, nurturing and tending to the most sick and vulnerable members of our society and that they deserve, above members of this House, fair conditions and wages, and generous access to an independent body that can adjudicate without prejudice on matters critical to their interests and wellbeing. Should we deny them these essential rights, and one day face critical shortages of nursing staff resulting in a serious degeneration in patient care and service delivery standards, we will have no-one to blame but ourselves. I challenge members of this House to take exception to this statement or to argue in good conscience that there exists any logical or fair ground on which to strip the Industrial Relations Commission of its independence and operational powers. [*Extension of time agreed to.*]

Staff shortages in sectors of great significance to our community go further than our local hospitals and police stations; they go to the heart of our educational system. The front page article by President Bob Lipscombe in the 30 May edition of the journal of the New South Wales Teachers Federation, *Education*, entitled "Wages policy threatens teachers with pay cuts" raises several key points that echo loud and clear the voices raised by the other peak associations I have discussed thus far. President Lipscombe concludes his article on the same note of warning sounded in the pages of the letter by Nurses Association General Secretary Brett Holmes. President Lipscombe wrote:

... this short-sighted policy will do nothing to support the professional salaries needed to attract and retain the new teachers required over the next few years to replace the accelerating number reaching retirement age'

It should come as no revelation to members of this House that to face critical staff shortages on a second key front would be tantamount to severely undermining the interests of the people of this State—not once but twice. The implications are broad and far-reaching not only for our teachers, firefighters, nurses and others but also for all those who are subject to their mentoring, care and protection, and who provide essential and humanitarian services. It would serve us, as members of this House, to remember that the future of this State is dependent upon a well-educated and inspired young workforce, and solid communities that are adequately nurtured by properly compensated and well cared for health, and other professionals, including community services workers.

In his article President Lipscombe further comments on the threat to the independence of the Industrial Relations Commission posed by the bill. It is a point I hope all members would have well understood by now. President Lipscombe wrote:

... the independence of the judiciary in what until now has been one of the most senior courts in the state will be destroyed, and the fundamental concept of the separation of powers will have been abandoned. An IRC that was supposed to be an independent umpire will now have the combined roles of government prosecutor, judge and jury.

I draw the attention of the House to the fact that the New South Wales Public Service Association, the Health Services Union and other representative bodies currently have cases before the Industrial Relations Commission and agreements that are close to expiring.

The successful passage of the proposed legislation will undoubtedly critically undermine each and every one of these cases, with severe ramifications. It is of great concern to me that the proposed wages policy will dictate that payments above 2.5 per cent are to be based upon "employee-related savings" being realised immediately, with the emphasis on "immediately". The Reserve Bank of Australia has indicated that inflation is presently at 3.3 per cent and research by BIS Shrapnel suggests that it will settle at 3 per cent over the forthcoming years. In real terms, the 2.5 per cent increase will in effect be a pay cut. If the Premier has his way, any and all available channels of independent adjudication for our workers will be eliminated. In an Associated Press article of 14 June New South Wales Opposition Leader John Robertson quoted research indicating that if these laws were introduced 10 years ago nurses would be more than \$12,000 a year worse off.

Employing regulation to manage the wages and conditions of public sector workers is an outrageous breach of good sense at best and a deeply personal betrayal of our front-line workers and their families at worst. Should the Premier and members opposite refuse to address the grave concerns raised by the Opposition on behalf of the front-line workers of this State, I would be minded to believe it is both. It is time to hold the Premier to account for the various claims he made in this House over the preceding month. On 26 May the Premier said that "the wages policy being pursued by this Government is exactly the same as the policy that members opposite pursued when they were in government". This is a blatantly untrue statement, as the Premier's bill clearly amends legislation framed by the former Government.

As it stands, the bill unequivocally grants broad, sweeping and unprecedented powers to politicians to savage workers' conditions in line with government policy, and without any guarantee whatsoever of a wage increase or other benefits in return. Also on 26 May the Premier made a further claim that his legislation will "guarantee to public servants fair wages increases". However, these are hollow words upon which we would be exceedingly foolish and reckless to pin our trust and hopes. The fact is that the legislation makes no mention of "wages" or "wages policy" and there exists no requirement or obligation for the Government to pass on a wage increase above 2.5 per cent even if conditions are lost as part of employee-related savings. A few weeks prior, on 12 May, in this House the Premier said:

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

Let us be clear on the real implications of such a statement—namely that by compelling the Industrial Relations Commission as designated umpire to enforce the Government's employment conditions, any independence will be completely and unalterably erased from the negotiation process. By way of example, come 1 July, should the Premier dictate that the Government's new policy is to diminish annual leave entitlements for nurses, teachers, other front-line workers and any other workers, the Industrial Relations Commission would be forcibly compelled to carry out his explicit wishes without any regard for its own views—I might add, views that are considerably more qualified and weighty than any this Premier, or for that matter any member of this House, could arrive at.

As the former Minister for Local Government I note with interest the claim made by upper House member and Minister for Finance and Services, the Hon. Greg Pearce, that local government employees will not be affected by the wages legislation. However, I indicate that the Government had to be brought to heel quickly on that because of mounting pressure. As a former lawyer I am alarmed by the tremendous reach of this bill. I repeat for the record that the definition of a public sector employee is a person who is employed in any capacity in the service of any body that is constituted by an Act. In introducing this bill the Government clearly has absolute power in mind and is decidedly determined to dictate the wages and conditions of every last one of the more than 400,000 front-line public sector employees in our State.

As the shadow Minister for disability and family and community services it would be remiss of me not to mention these workers whom we would all agree perform some of the most important humanitarian work in

our community—that is, caring for the disabled, the elderly and the most vulnerable, especially children. I thank my parliamentary colleague in the other place the Hon. Sophie Cotsis for her outstanding advocacy of their rights and those of all other public sector employees in her address to the upper House. She made a critical point that similarly must be heard loud and clear in the Chamber of this House, namely that we have an ageing population and as a result we face increasing demand for workers suitably trained to take care of our aged and disabled citizens.

Should the Government's wages policy not specifically include annual leave loading, long service leave, shift allowances and a suitable wage buffered by decent work conditions, the shortage of workers in this area will become acute. I emphasise an additional point well raised by the Hon. Sophie Cotsis, and that relates to the rights of workers aged under 18 employed by constitutional corporations. In December 2006 the Industrial Relations (Child Employment) Act 2006 was activated as a key instrument designed to protect these workers. This serves as yet another example of the invaluable role of the Industrial Relations Commission and how critically important it is that we allow it to continue to operate as a fully independent and self-creating body.

I urge every member of this House to consider the grave ramifications of, and precedent set by, this bill. We owe it to the hundreds of thousands of public sector employees to protect their interests and to take the strongest exception to this Government's outrageous attempts to cut the ground upon which they stand, and to threaten their wages and their ability to provide a decent quality of life for their families. I call upon the Government to put an end to the fear mongering and deceit and to come clean. Let us stop once and for all the talk of a mythical budget black hole, which has been thoroughly debunked by a long line of economic commentators, as well as by the independent Parliamentary Budget Office, New South Wales Treasury and Standard and Poor's.

Let us honour and respect the 110-year-old tradition and integrity of the Industrial Relations Commission, which has been faithfully upheld and esteemed by generations of political representatives that have come before us. It is an institution of the greatest importance to the welfare of the people of this State, and all members of this House should feel compelled to defend its independence with every last drop of their blood and every last ounce of their political capital. I call on Government members of good conscience to join me in this fight.

Dr ANDREW McDONALD (Macquarie Fields) [12.01 p.m.]: I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I commence my contribution with a quote from the speech given by the Hon. Adam Searle in the other place on this proposed legislation. He said:

I oppose the legislation because in my view it is defective in its reasoning and in policy terms, potentially in legal terms, and certainly in terms of fairness. Also, it comes out of the blue, with no adequate warning to the community, to the affected industrial parties—the relevant trade unions—all the people of New South Wales.

... the Government has a plan before this Chamber to severely attack, curtail and neuter the Industrial Relations Commission's arbitral functions as they affect those working in public sector employment as defined in the bill.

As many members have already commented, our objection is not about the percentage: our objection is to the desire to take the Industrial Relations Commission permanently out of the workplace. The Hon. Adam Searle continued:

Although governments of various stripes have passed different forms of legislation requiring this court or tribunal to take into account certain matters in determining issues and controversies, disputes and applications that come before them, never has any government demanded, required or strait-jacketed the commission or forced its predecessors into a position where they must absolutely comply with a policy mandated not only by the government of the day but through various legal entities that are emanations of the State of New South Wales.

This legislation goes to the heart of what we believe. Politicians are elected to put a human face to the wheels of government. The passage of this bill is a failure by the Parliament of New South Wales to protect the rights of the public servants of this State, by failing to provide them with an independent umpire to judge their rights to a living wage without fear or favour. Some appear to see public servants as a drain on the public purse. But I believe the welfare of public servants is vital to the services we all use.

A unifying theme of many of the complaints received by members of Parliament is about public services, be they in health, education, policing or other portfolios; that those they were dealing with did not give the complainant enough time to meet their needs. Under this legislation those most at risk, be they nurses, hospital workers, police, Department of Family and Community Services workers or teachers, are those for whom individual job descriptions make it impossible to achieve savings to the employee-related costs those

opposite quote to us on an individual basis. Quite simply those public servants are already fully committed and for those services there is only one solution: staff cuts, service cuts or both. From a perusal of this very brief piece of legislation it is clear that it is designed to be a Trojan Horse—a Trojan Horse that will change the role of the public service forever.

This enabling legislation means that everything is on the table. This is not about wages policy. This is a blatant attempt to take out the independent umpire: the New South Wales Industrial Relations Commission. This legislation would make John Howard blush. This is Barry O'Howard's version of WorkChoices, and just as unfair. For example, annual leave and sick leave are on the table. The Government has no mandate to do this. In fact, the Government gave written commitments prior to the election that this independent umpire would stay. The Government knew it was going to do this but it did not have the honesty to take it to the voters. Why? Because when a previous budgetary plan to reduce the cost of the public service—the infamous Debnam 20,000 job cuts—was put to the voters it ensured those opposite did not win office. This Government, captive to the Treasury in 50 days, would not lie straight in bed.

Governments on both sides have had to deal with public sector wages and conditions for 100 years. Government is difficult and at times those in government feel they are between a rock and a hard place. However, for the past 100 years the independent umpire has always helped to sort it out and the government of the day has had to accept the result. That is why our public servants, our nurses, teachers and police, now have wages and conditions that are among the best in Australia. But under this legislation every member of Parliament will now be an industrial relations commissioner.

In my role as the shadow Minister for Health I will focus primarily on the effect that this legislation will have on our public health system. I will start with the nurses. As can be seen by the actions of last Tuesday, nurses are deeply concerned for their future and for the future of their patients. For example, the ratios and entitlements they fought so hard for are no longer guaranteed. Nurses know that they did not vote for this bill. They currently have a case before the Industrial Relations Commission regarding penalty rates for night duty. As one who has done a lot of night duty in my time, I understand that penalty rates are vital for the welfare of the families of those nurses but also for the patients they care for. Productivity savings are hard to identify in nursing. Anything removed will have an impact on patient care. Also in country areas many nurses earn off-farm income.

I am on the record as fighting alongside nurses in their industrial case last year. My photograph was used in support of that claim in an article in *The Lamp*—a publication of the New South Wales Nurses Association. This award, which was arbitrated by the Industrial Relations Commission, was for above award wage increases of 3.9 per cent to 2010, 3 per cent to 2011 and 2.5 per cent after that. It also included increased staffing using a nursing hours per patient day and significant staffing in emergency departments. The New South Wales health system has an enviable reputation as being amongst the best in the world. The nurses in New South Wales often have heavier workloads than those of nurses in other States and their remuneration reflects that. The New South Wales Nurses Association wrote to me on 14 June 2011 in the following terms:

Dear Dr McDonald,

The NSW Nurses' Association is strongly opposed to the attempts by the NSW Government to remove the independence of the NSW Industrial Relations Commission (IRC) and seeks your support to stop any legislation that undermines or removes the independence of the NSW IRC.

...

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 State Government departments such as NSW Health and the Department of Family and Community Services, Ageing Disability and Home Care.

The Government's legislation, currently before the parliament, cripples the NSW Industrial Relations Commission and its powers to determine and arbitrate disputes on wages and conditions for the State's nurses, midwives and all other State public-sector workers.

The NSW Nurses' Association (NSWNA) brings considerable experience to this debate and has campaigned strongly and successfully on the issue in recent years.

Firstly, the NSWNA has a long history of using the NSW IRC in efforts to get wage justice for nurses and midwives—[including] using the work value and special case principles. Without these important cases being run, even under the previous Labor Government, the nurse shortage we continue to face would be far worse and the capacity to provide quality care in our public health system would be seriously compromised.

... The independence of the NSW IRC is vital to providing the flexibility needed to deal with issues of such social consequence as the nurse and midwife shortage.

Back in 2002, the NSW IRC was able to address the growing nurse and midwife shortage, which was seriously inhibiting service delivery in many of our public hospitals and community health services, through a special case that delivered pay rates that restored nursing and midwifery as financially attractive career options.

The important pay rises delivered through that NSW special case then flowed around the country and have played a big role in attracting and retaining nurses and midwives ever since ...

Such important reforms of nursing and midwifery pay and conditions will not be possible if governments start dictating outcomes to the NSW IRC.

The NSW IRC must have the flexibility to hear evidence on issues such as this and act in the public interest, based on the evidence and not a predetermined position ...

NSWNA members in Ageing and Disability services will be the first to face the impact of these changes.

The Minister has said many times that the nurses award has been dealt with by the previous Government. That is not the case. The letter continues:

These nurses provide professional care to developmental disability clients in large residential facilities and community services. They work in the most difficult circumstances with clients who have severe and complicated disabilities, often accompanied by mental health and physical co-morbidities.

These nurses deserve to be paid at least the same rates as their public health system colleagues, who have recently achieved Award increases ... However they work for a Department that is chronically under-funded and for which an employee-related cost savings or further productivity is almost impossible.

Disability notices are also an ageing group and it is already very difficult to recruit registered and enrolled nurses into this area of nursing. A wages policy that takes no account of severe workforce shortages and the need to remain competitive, and lacks the flexibility to argue a different outcome to the employer's original offer, is destined to hurt some of the most vulnerable people in our society ...

Then in 2013 it will be the public health system's turn to bargain again. As I have said above, the final pay increase in the current round was 2.5 per cent, because no further acceptable employee-related costs could be found to fund further increases above the government-funded policy. That is the reality for nurses and midwives who are already going that extra mile in a busy health system ...

There is no doubt our health system needs to further improve staffing levels if we are to continue delivering safe patient care in NSW. However, all of this is in grave jeopardy if the O'Farrell Government's industrial relations proposals are put in place and wages outcomes are determined by the Parliament rather than genuine negotiation and, if that fails, an independent umpire.

Finally, let me say a few words about the politics of this. During the 2007 State election campaign, at the height of the furore over the Federal Coalition's tax on people's rights at work, the NSW Nurses' Association ran a major campaign, including television advertising, on this issue. We pointed out the implications for NSW nurses and midwives if such or similar federal policies, including the disempowerment of the Industrial Relations Commission and the removal of genuine arbitration processes, were imposed on NSW public sector nurses and midwives.

[Extension of time agreed to.]

The letter continues:

At the time various top-level NSW Liberal and National Party members, and a few of their supporters in the media, savagely attacked that campaign ...

During that campaign we expressed our concern about the then NSW Opposition's failure to release a full industrial relations policy and our concerns about the future independence and role of the NSW IRC under a Coalition State government. However, accusations that we were misleading the public continued from Liberal and National Party members and a few media commentators.

Now, here we are today, with the ink hardly dry on the 2011 State election ballot papers, confronted with this issue ... the NSW Nurses' Association has no hesitation in stating that the State Government cannot claim any sort of a mandate for this policy.

That letter is signed by Judith Kiejda, Acting General Secretary, New South Wales Nurses Association. I also refer to the two other unions who represent employees in the health system. The Health Services Union East general secretary, Michael Williamson, wrote to me stating:

Dear Dr McDonald,

I write to express the outrage and the hurt felt by health workers over the O'Farrell Government's new wages policy.

The HSUeast represents the majority of health workers across NSW, Victoria and Queensland with 40,000 members in NSW alone ...

The new wages policy, announced by the O'Farrell Government, seeks to limit wage rises for these public health workers to 2.5%, thereby cutting the real wages of workers when compared to inflation ...

In the case of the Health Services Union east, the policy is particularly unfair, in so far as it seeks to deny health workers the benefit of any recent cost savings and productivity gains. These productivity gains have amounted to over \$70m as a result of hospital restructures, job losses and various other health reforms, which the HSU east and its members have participated in, in a co-operative and constructive manner.

The new O'Farrell wages policy only recognises future productivity gains and thereby denies health workers the savings that they have helped achieve ...

Today, thousands of public sector workers, including around 3,500 HSUeast members, have just attended a rally in the pouring rain in Macquarie St to protest the wages policy ...

I therefore call upon all members of the NSW Parliament to oppose any vote in Parliament to institute this policy. The contributions of health workers to their health care of NSW residents are worthy of recognition. Surely they are entitled to some support from their elected representatives!

I have referred to the Nurses Association and the Health Services Union. The other employees in our hospitals, who are a smaller group in number, are the medical officers. They are represented by the Australian Salaried Medical Officers Federation, which has also written to me stating:

On behalf of our members, ASMOF believes that this will lead to greater problems and costs to the NSW health system ... the changes being introduced will only add to the difficulty in attracting and retaining senior medical officers to the public health system.

A number of other states already provide more attractive packages for Staff Specialists, which is creating active competition for these scarce and highly trained clinicians ...

Staff Specialists already devote considerable amounts of their own time in providing services not directly related to patient care but critical to the long term health of the system. Student teaching, staff training, clinical research, and administrative duties are just a few of these essential activities. These activities are generally not funded and are done out of hours.

Senior medical officers have no reasonable staff related savings that could be made ...

ASMOF and its members genuinely believe that the proposed wages policy will have unintended consequences across the board and particularly on their profession and therefore patients.

The letter is signed by Dr Tom Karplus, Secretary of the Australian Salaried Medical Officers Federation. I have referred to the entire health workforce. The Health Services Union, the Nurses Association and the Australian Salaried Medical Officers Federation all oppose this legislation, but there has been no response from the Minister. This legislation is not just about the health workforce. Emily Howard Smith, a constituent in my electorate, is in her final year of study in Community Welfare at the University of Western Sydney and one day hopes to work for the Department of Community Services. People like Emily are our future public servants if they are paid a living wage. This legislation means we risk losing this generation of public servants forever. The Government already knows that, because it will do what it was designed to do: cause a steady drift of skilled workers out of the public service into the non-government sector.

By stealth this Government will achieve what the former Leader of the Opposition Peter Debnam promised to do in 2007. It will cause a reduction in the size and cost of the public service and a consequent reduction in service delivery to all of us. Last night Barry O'Farrell went to the State of Origin game while debate on this legislation took place in this House. He did not realise at the time that he was writing his own epitaph. It reminds me of Shakespeare's Macbeth—a leader who is promised power believes and acts as if he is forever invulnerable to public opinion. Barry O'Farrell will find to his cost that this has never been the case, even since Shakespeare's time. In New South Wales we have Macbarry, not Macbeth. Even though we are only in act one, we already know the end of the story. Macbarry has written his own epitaph. Many of the members on the other side do not realise it, but time will tell. Their beliefs are wishful thinking on their part. This is just the first act, there is a lot more to come.

Mr RICHARD AMERY (Mount Druitt) [12.19 p.m.]: Along with all members of the Opposition and most thinking Independent members, I oppose the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. As many Labor members have mentioned, it is obvious that the Government has no mandate for this proposed legislation. As well as the 15,000 people who demonstrated outside the House yesterday and New South Wales unions, many private industry people have expressed their concern about and

opposition to the bill. Those were the exact words I spoke on 18 September 1991 when I contributed to debate on the Industrial Relations Bill 1991. After the 1991 election and Nick Greiner was elected to office his government did what all Coalition governments do—he brought in anti-workforce, anti-union legislation.

Interestingly, as I was researching the history of industrial relations I found that my comments in 1991 are just as relevant to what is happening in 2011, nearly 20 years later. I speak in opposition to the Industrial Relations Amendment Bill 2011 just as I spoke in opposition to the Industrial Relations Bill of 1991. The present bill, however, has the words "Public Sector Conditions of Employment" tacked on to complete its farcical title. I am not surprised that we are debating a bill that reduces the working conditions of public sector employees so soon after the election of a Coalition Government. This is not the first time such a thing has happened. The overview of the bill states:

The object of this bill is to amend the Industrial Relations Act 1996 to require the Industrial Relations Commission to give effect to aspects of government policy declared by regulation relating to New South Wales public sector conditions of employment.

That strengthens the argument of the Leader of the Opposition that this legislation is not just about pay rates or the amount of money that people will take home; it is about how many working conditions will be affected in order for people to get a decent pay rise. I wish to refer members to some of the opening comments of the real Treasurer, the Hon. Greg Pearce, in his second reading speech on this bill in the other place. He said:

The New South Wales Government has made a commitment to its citizens to rebuild the economy, return quality services, renovate infrastructure, restore accountability, and protect the local environment and communities.

Those words were taken from various pre-election statements of Mr O'Farrell and his mob. The Hon. Greg Pearce seems to be suggesting that the Government has some kind of mandate to introduce this bill. Many Government members and Ministers have said that the Government has a mandate to introduce this legislation; the Premier said as much also in a recent question time. But I ask: Is there any statement, press release, promise or speech note made by any member of the Coalition before 26 March that indicates that the Parliament will debate a bill that requires the Industrial Relations Commission to give effect to government policy? I can answer my own question. No such press release, promise or policy document before the election flagged that this bill would be introduced.

In other words, the Government cannot claim any mandate to attack the wages and conditions of public sector employees as it is doing now. I said earlier that I am not surprised that we are debating this bill and I certainly will not feign any surprise or suggest that we have been ambushed. Before the election the Labor Party warned the electorate about the O'Farrell-Greiner trick of top-drawer, bottom-drawer policies, whereby a party issues its top-drawer policies in the lead-up to an election and then pulls out the bottom-drawer ones after it has taken office. Those are not Labor Party statements and they were not my statements; that was the advice given to the current Government by a former Liberal Premier, Nick Greiner. The electorate and most public sector employees did not listen to that warning; they did not believe us.

The Labor Party warned New South Wales not to give Barry O'Farrell a blank cheque. No-one could have missed that message: we put it on posters and placards and in television and radio advertisements all around the State. History and the election result show that no-one believed us. Mr Barry O'Farrell said that it was all Labor lies and spin. Add that to the oft-mentioned solar bonus scheme fiasco and I ask: Who was telling the truth? I am also not surprised about the brand of politics that is introducing this legislation. The actions of all Conservative governments—Liberal Party, National Party, Country Party, United Australia Party or whatever—Federal and State, are recorded in history for everyone to read.

There was the Stanley Bruce Federal Government of the 1920s, the actions of which cost it the government and its Prime Minister his seat. There was also the Greiner Government of the 1980s and 1990s. The speech I made on the Industrial Relations Bill 1991 was only four years before the fall of that Coalition Government. There was the Howard Government of only a few years ago, which introduced that very familiar legislation known as WorkChoices. And of course there is now the O'Farrell Government. Their genetics are the same. If I may put a twist on an old saying, I would say that public sector employees forgot the past and now they are destined to relive it.

The general non-government workforce watches this issue with some passing interest, perhaps as spectators. They think they are protected, because after all this legislation relates to government pay rates, government services and government employees' working conditions. But I warn them not to be too complacent. Currently the industry leaders at the big end of town are lobbying for their share of anti-workforce powers,

which are now in the process of being given to the State Government. Private sector workers should be concerned that their turn will come, especially if a Federal Coalition Government ever gets elected, because we all know the Federal Opposition's record on industrial relations.

My office has been swamped with calls, emails and letters about this legislation—just as I suggest have the offices of all members. In the end they all get the standard Opposition response—copies of press statements, et cetera. But in the meantime I have sent all the material that I have received along to the Premier. I have not added any particular arguments to them; I have just written to the Premier advising that I have enclosed concerns that I have received and that I would like him to investigate them and give me his response. To his credit, the Premier has promptly replied, setting out the Government's position. But in those replies the Premier continues with the spin and the lie that this legislation is a continuation of Labor policy that was set in 2007. That nonsense was repeated by the Hon. Greg Pearce in the other place when he said:

Underpinning the need for fiscal restraint is the Government's wages policy. A policy first introduced by the previous Labor Government in 2007 ...

Those are the comments and the theme that have been promoted by way of heckling and interjection by the Premier, the Treasurer, Ministers and all Government members all through this debate. I pose this question for the Treasurer: If the policy is the same as Labor's policy in 2007, why are we debating this bill? If we were continuing on with existing policy, we would not need new legislation. There is an obvious aspect to the lie. If the Government's policy is the same as that set by Labor in 2007—and the Premier read out just a very small part of Labor policy to catch those who were interjecting during question time the other day—can any member tell me where Labor's policy directs the Industrial Relations Commission to "give effect" to government wages policy? I can answer that question also: It is not there.

If the present Government's policy is the same as Labor's, why do savings have to be made before an increase is granted? Where does that little beauty appear in Labor's policy of 2007, which has been suggested by many Government members? Now that the Government has done deals in the upper House with the crossbenches, can anyone tell me where Labor's policy allows police to take a claim to the Industrial Relations Commission but does not allow any other public sector employee to take a claim to the Industrial Relations Commission?

The Government's argument about its policy being the same as the Labor Party's is as dishonest as the fact that we are debating a bill that was not part of its election platform only a few months ago. I will detail how this amended bill got to this House to highlight again how dishonest and arrogant this Coalition Government has become in only three short months. Just a few weeks ago the Premier said that he will not do deals with minor parties in the upper House. Of course, that was an attack on the Prime Minister and the Federal Government's arrangements with The Greens. He said, "We will not be like Labor and get into bed with this particular political party or that." How does the Government explain one absurd aspect of this bill? When it was introduced in the other place it contained the following definition:

public sector employee means a person who is employed in any capacity in:

- (a) the Government Service, the Teaching Service, the NSW Police Force, the NSW Health Service, the service of Parliament or any other service of the Crown, or
- (b) the service of any body that is constituted by an Act and that is prescribed by the regulations for the purposes of this section.

Interestingly, the bill now before this House, which is supposed to exempt the police from the provisions of the legislation, still contains that definition. Where is the promise made to the police being given legislative effect in this bill? I will move on from the dishonesty, the election trickery, the lying and the spin to deal with that absurdity. The Industrial Relations Commission will now not be able to set a wage condition of more than 2.5 per cent or anything outside the Government's wages policy except in relation to police officers. The Premier said recently that the role of the police officer has changed since the debate in the other place. How much could it have changed over the past couple of weeks? Just a couple of weeks ago the Government intended that police officers would be prevented from having their wages determined by the Industrial Relations Commission. [*Extension of time agreed to.*]

Their job then changed virtually overnight. Police officers will now be able to have their case determined by the Industrial Relations Commission. Of course, their job has not changed that much over the past few weeks. The legislation is being amended because the Government did deals with upper House

crossbenchers, which the Premier said he would not do. Every time he speaks on industrial relations he shows himself to be even more dishonest. Importantly, what does this exemption of the police say to other government employees who save lives and property every day? The events of this week are a good example of what they do. Like some other members in this House, I served as a police officer.

I have been to the scenes of accidents where the role of the firefighters and ambulance officers was undoubtedly more highly regarded than that of the police officers in attendance. Of course, in an emergency situation, with people trapped in burning cars and houses, motorists impaled on safety rails or pedestrians run over on the street, the role of all emergency service personnel, including police officers, ambulance officers and firefighters, is equally important. When one of those services, obviously in most cases the ambulance service, transports a victim to hospital to be treated by nurses and doctors, are those health workers any less important than the police? I would argue that many victims would answer that question with an emphatic no.

The exemption of the police alone is not only absurd; it is also insulting. That is how nurses, firefighters, ambulance officers and other emergency services personnel feel about being treated differently from police officers with regard to determination of their pay and conditions. This is not about the amount paid to each public sector employee. Obviously, there are different pay scales, uniform allowances, shift allowances and so on. This debate is about why one sector should be exempted from the Government's policy. So much for the oft-repeated statement made by the Premier and his Ministers about their being a sensible and professional outfit. Members in this place and the other place have referred to Justice Boland's speech to the Industrial Relations Society in which he stated:

I do not for a moment question the government's right to legislate in the manner it proposes and the Commission will apply the legislation. But 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. This is reflected in the media release yesterday announcing the government's intention: "our system works on the principle that Parliament sets the rules and the umpire—the Industrial Relations Commission—enforces them." As any lawyer knows, that is not the way it works.

Justice Boland is a very learned gentleman and his words should be heeded. As I said, I am not surprised that we are debating this legislation. Coalition governments always do this to the workforce—they always change wages and conditions and they always introduce anti-union legislation. Members should not simply believe me; they can consult the Parliamentary Library or read the many pages of *Hansard* that prove my point. It is in the genetic profile of Coalition governments to attack the workforce and to make achieving wage increases more difficult. This Coalition Government is wiping out the umpire that has settled many disputes between governments and their employees in years gone by. Just as I said in 1991, I say again in 2011: I oppose this industrial relations bill.

Mr GREG PIPER (Lake Macquarie) [12.38 p.m.]: I will make a brief contribution to this important debate on the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I cannot support the bill because it introduces a fundamental change that I am convinced is against the interests of the State's public sector workers. While the bill changes the rules of industrial relations in New South Wales, it also limits wage catch-ups to 2.5 per cent, even though that is less than the current rate of inflation of 3.3 per cent. It seems unreasonable to consign the State's public sector workers to a continually declining real wage with no prospect of keeping up unless they can become more productive. That is not to say that there is no place for negotiating improved productivity as an offset for wage increases. However, that should occur only as a supplement to normal cost-of-living adjustments.

It is a longstanding practice for productivity improvements to be made to justify wage increases. However, the Government is now demanding productivity improvements simply to maintain wages. While some parts of the State's public service may be fertile ground for productivity improvements, there may well be situations where there is no such opportunity. For example, I cannot imagine the additional stress that would be placed on nurses in our public health system. Does the Government truly believe that there is capacity to squeeze more blood from the stone in this area when it is already recognised that the demands and conditions on nursing staff are already a deterrent to recruitment, particularly of those thousands of nurses who have left the system because of workplace pressures?

Workers in situations where there is no capacity to make productivity improvements would effectively be sentenced to a spiral of declining wages in real terms. I also disagree with the proposed change in process,

which would effectively sideline the Industrial Relations Commission from its role as an independent arbiter. The independence of the commission is a key element in the State's relatively peaceful industrial relations climate and it is a vital feature that should be maintained. By the Government's own description, the bill is based on an intention of improving financial performance, yet it does not confine itself to matters of wages. If the issue of concern is the impact of wage growth on the State's finances the solution ought not to involve the potential for broad impacts on working conditions.

There is a long history of wage justice based on agreements between parties and judgements of the Industrial Relations Commission. If this system needs some fine tuning then this is what should be done, but the solution should not remove the concept of justice from the practicality of determining wages. The Industrial Relations Commission has delivered judgements that have reflected the prosperity of the State and it has done this in a way that has not sent wages spiralling out of control. The independence of the commission is the heart and soul of the State's industrial relations system—it should not be disenfranchised, dismissed or diminished in this way.

The incoming Government has identified the previous Government's failure to pursue the various agreed productivity improvements. However, this presents a case for a more rigorous pursuit of agreements, not for the abandonment of a system that was designed with the intention of delivering fair wages and conditions. While I cannot accept the basic principles of this bill, I do accept that there are efficiencies that can and should be achieved. I just do not accept that the benefit should be achieved at the unilateral expense of some or all public sector employees and I am alarmed at the thought of placing these decisions within the hands of the body politic.

Mr MICHAEL DALEY (Maroubra) [12.41 p.m.]: I speak on the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011. I was minded to think yesterday when I was amidst the throng of protesters in Macquarie Street that it is extraordinary in this day and age that we should have recourse to such a gathering of workers in the State at all. It is extraordinary that I find myself in this place having to argue against a piece of legislation that is draconian and backward looking and ignores all of the things that decent men and women in this State have worked for over a century, have fought for and, without being melodramatic, in some cases have died for. This is extraordinary legislation, unprecedented, pre-emptive, unjustified and unjustifiable.

Ostensibly it deals with industrial relations but it deals in truth with much more. All of the discussion that surrounds it, all the activity in Macquarie Street, all of the discussions in tea rooms across workplaces in New South Wales and discussions around the tables deal with much more. It is about the truth, about trust, about history and tradition, about respect, about security and wellbeing, about looking after your own. This bill is about concealment and deception. It speaks of arrogance and it tells us about a government in its infancy, already drunk with power, about an arrogant and overconfident Premier and his colleagues who will in time pay the price. The member for Myall Lakes smirks at me when I make that claim. He might not be smirking in a few years time or, at least, some of his colleagues may not be.

In brutal summary, this bill allows the Government to order the Industrial Relations Commission to do anything the Government wishes with respect to employment policy of the people the Government ought to be looking after, its very own employees. The preamble to the bill says this is, "An Act to amend the *Industrial Relations Act 1996* to require the Industrial Relations Commission to give effect to certain government policies on public sector conditions of employment; and for related purposes." That is an extraordinary and unprecedented power that this Government seeks a mandate for, and has no mandate for, and it will pay the price. This new Government has marked its birth with the extraordinary propensity to misinform and lie. The first lie was the so-called budget black hole—predictable and amateurish. Some governments in the past have tried it; many of them have got away with it, but not this one. The claim has been debunked by the Lambert report, debunked by the Parliamentary Budget Office, and comprehensively debunked by truthful and informed journalists nationwide.

The second lie was that the Industrial Relations Commission and the Industrial Relations Court would be left alone, unmolested and independent. That was an express pre-election promise by the senior Treasurer—not the junior Treasurer, No. 11 in the pecking order that resides in this House—the Hon. Greg Pearce, who resides in the other place. It was an express promise by him before the election that the Industrial Relations Commission would be left alone. The attack on the Industrial Relations Commission and the Industrial Relations Court was swift, done without warning, carried out in the dark of night with no negotiation and without even

informing the president of the Industrial Relations Court, His Honour Justice Boland, the Government showing no respect. It is showing that lack of respect now that it demonstrated to judicial officers in the Industrial Relations Court, to its own family, to its own workers.

The third lie, bald faced, is the very justification for this bill, that the budget is in trouble—wrong. The extraordinary justification that has been repeated by several Ministers in question time—and I summarise—is that we should think of all the things that could have been done if we had reduced wages. It is extraordinary. Think of all the concrete you could lay if you sack 150,000 workers and outsource a few more thousand. It is amazing that a government should offer the proposition that the requirement to pay its own workers a decent wage is an impediment to progress. That speaks volumes about the DNA of Government members: How dare those employees be appropriately remunerated; there are train tracks to lay.

I remind the Government that it inherited an economy and a State budget that has a triple-A credit rating, with 15 out of 16 budgets in surplus, and all the Greiner debt paid off. The budget today is in surplus. That is what this Government inherited, yet the Treasurer wants to justify a wages cap of 2.5 per cent by saying that the average consumer price index rise over the past 15 years has been 2.5 percent. It is 3.3 per cent today. It matters little to workers in the State who are struggling to raise families and struggling to cope with rising costs of living, particularly in Sydney, that the consumer price index in 1998 was 2.7 per cent. But for the king of weasel words, the junior Treasurer, No.11, that is his justification.

The fourth lie is that this bill is Australian Labor Party policy. Rubbish! That is an unabashed lie. Repeating a lie does not make it true. Wage parameters were our policy, with recourse to the Industrial Relations Commission. There were two inseparable limbs. The concept provided an inseparable framework. Remove one of them and it falls over; it ceases to be ours. It is the Government's abomination, not ours. We will have none of it. Nor will the 12,000 holograms who were shouting at the Government in Macquarie Street yesterday have any of it, and the 300,000-odd holograms who are working today in workplaces across New South Wales—attacked, blamed, scapegoated and left without a right afforded to them for more than a century, the right to independent recourse.

Any business today in New South Wales enjoying an excellent State economy and budget slighted in its business dealings has recourse to an independent umpire for breach of contract in the Local Court and District Court or, if it is a serious matter, the Supreme Court. People accused of a crime or those who confess to a criminal abomination have the right to have their day, to be heard and judged by an independent umpire. That right has now been taken away from those who have chosen a life of public service in this State; those who are unfortunate now under this Government to be working within the borders of New South Wales. They have no right to be heard with respect to their working conditions.

Yesterday I went to the other place to listen to Magistrate Jennifer Betts plead her case before the body that will decide her fate on conscience, independent, unfettered, without compulsion or direction. Can one imagine what would happen if a power resided in the Premier to direct the Legislative Council to act one way or another with respect to the workplace fate of Her Worship Jennifer Betts? The condemnation in this State would be from border to border: it would be comprehensive and it would be justifiable. However, it is okay to do that very thing to nurses, teachers, police, forestry workers and other people who slave day in, day out to provide services to the people of New South Wales. Government is about principle and the principle of this bill is wrong, yet the Government continues, amazingly, to thrash about like a blind man in a storm perpetuating the lie. Yesterday the Treasurer in his agreement in principle speech said:

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.

That is a lie, it is a joke and the king of weasel words the junior Treasurer himself has just walked—

Mr Jai Rowell: Point of order: Less than 24 hours ago you gave a ruling that the word "lie" is unparliamentary. I ask the member to withdraw that phrase.

ACTING-SPEAKER (Mr Geoff Provest): Order! I ask the member for Maroubra to consider that request.

Mr MICHAEL DALEY: The member is misguided. To call someone a liar is unparliamentary. To say they have perpetuated a lie is not, and I am not withdrawing. The lie is laid bare on the very reading of the Act, unequivocal and clear in its own terms. Proposed section 146C states:

(1) The Commission must—

not "may"—

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

(a) that is declared by the regulations—

that is imposed upon it by the Minister to be an act of government policy—

that is required to be given effect to by the Commission.

For the sake of clarity proposed subsection (3) fetters it further and states:

(3) An award or order of the Commission does not have effect to the extent that it is inconsistent with the obligation of the Commission under this section.

That is if the commission purports to exercise a skerrick of the independence it has held for over a century that exercise and any declarations made pursuant to that exercise or instruments created will be completely null and void—independence gone. For the sake of further clarity in case there is any ambiguity, proposed subsection (4) states:

(4) This section extends to appeals or references to the Full Bench of the Commission.

The utterings of the Treasurer in this place yesterday when he said that the independence of the judiciary will be maintained are wrong. The provisions dealing with conditions of employment are not dealt with by the Industrial Court. [*Extension of time agreed to.*]

These provisions with respect to conditions of employment are not dealt with by the Industrial Court but unfair contracts are and these provisions are being taken away from the Industrial Court at the whim of the Government. Item [1] of schedule 1 proposes to insert after section 105:

(2) A contract is not an unfair contract for the purposes of this Part merely because of any provision in the contract that gives effect to a policy that is declared under section 146C.

One cannot argue that the independence of the judiciary is maintained with a provision such as that leaping out of the pages. The Industrial Relations Commission and the Industrial Court, like the workers they have guided and assisted for over a century, are under systematic attack. One class of employees reportedly not under attack is a group that the Government is too scared to take on, the police. The Government will pick off the nurses, take on the teachers, do over the forestry workers but it will not do over the police. The very admission that its own government workers are going to be unfairly discriminated against is rammed home in its entirety by the fact that the Government is going to carve out the police.

Other classes of employees are not exempt from the bill. There is even confusion about what class of police will be exempt—front-line police, uniformed police. Yesterday the Minister for Police and Emergency Services said uniformed police, sworn officers. There are about 16,000 police in the New South Wales Police Force and they are well and truly supported by 5,000 administrative officers. I visited them when I was Minister for Police. Predominantly they are female, ladies in the local area commands who deal with the rosters upon which police rely so heavily for a deft hand. They are predominantly women who deal with the finances and budgets of stations and local area commands upon which police rely. They are forsaken. They are not front-line police or sworn officers; they can go to hell with the other 300,000-odd workers who do not happen to be so fortunate as to wear the uniform of the New South Wales Police Force.

But the police do not trust the Government. They were out there in force yesterday. The Police Association was out in force yesterday. They were some of what the Treasurer refers to as the hysterical union bosses. The nurse who spoke so eloquently yesterday was not a hysterical union boss. The teacher who spoke was not a hysterical union boss. Yesterday I spoke to a firey who lives in my electorate. He said to me, "This is the first time I've ever been to one of these things. It was fantastic. It was unbelievable." He feels empowered, notwithstanding that he is about to get hit by an industrial sledgehammer. He will go back and talk to his colleagues. This struggle will not end. It will not end today, it will not end next week, it will not end when the first regulation is made by the Minister. It will still be going in four years time.

The member for Oatley will feel it with a victory of 440 votes in his electorate and a conservative estimate of 6,800 public sector employees. The member for East Hills, who won by 500 votes and who has

5,500 public sector employees in his electorate, will feel it. The member for Swansea, who won by 870 votes and has 6,000 public sector employees and the member for Monaro with 720 votes and 12,000 public sector employees will feel it. We might as well rename this bill the "bye bye big mouth Barilaro bill" because he will be gone in four years time at the hand of his own Premier. Ten seats will be all flotsam and jetsam.

Mr John Williams: What's your margin?

Mr MICHAEL DALEY: I am on this side of the House and I am out the front in the street, backing them up. Members opposite will be political collateral and the Premier is saying he is willing to jettison them to embark upon the ideology handed to him by Greiner and Howard that is replete in their veins. They will all go. The public servants of New South Wales will pick off 10 seats with ease at the next election as a consequence of this bill. Its application at the next election will be Darwinian. I foreshadow that I will move an amendment to the bill, to assist the junior Treasurer opposite. Yesterday in his agreement in principle speech the Treasurer said:

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.

We will ensure the Treasurer keeps his word. The 300,000 public sector employees—who will get a copy of the Treasurer's speech—will ensure he keeps his word. I will move an amendment to the bill that is entirely consistent with the Treasurer's words. I note the presence of the Treasurer in the Chamber. I call on him to be a man of honour and to vote for the Opposition's foreshadowed amendment, which is entirely consistent with his words. In conclusion, I commend the bill to the House as one of the most draconian, ill-thought-out and ideologically driven bills ever to have been presented in this august House.

[Business interrupted.]

PAYROLL TAX REBATE SCHEME (JOBS ACTION PLAN) BILL 2011

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

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

Agreement in Principle

[Business resumed.]

Mr MIKE BAIRD (Manly—Treasurer) [1.01 p.m.], in reply: We have heard a lot of words spoken during debate on this bill. I thank every member who contributed to the debate. I will not list all members who spoke. Last night I had the opportunity to sit in this Chamber and listen to many members' contributions to the debate. This morning I have listened to further members' contributions to the debate, some from my office and some when I was in the Chamber. Rather than reply to each individual assertion and each individual political attack raised by members opposite, I will make a couple of broad points. During members' contributions some themes were raised consistently, and two of those themes must be addressed.

Many members said time and again that this legislation is about reducing services and reducing the conditions of our public sector employees. Nothing could be further from the truth. That is an absolute myth that has been spread at every turn by members opposite, by those engaged in the scare campaigns. The truth is that this legislation has nothing to do with reducing services or employees' conditions. We are offering every single public sector employee in this State a 2.5 per cent pay rise. I am not sure how that can be viewed as a reduction in services or a reduction in conditions. But they are the facts as set out in the bill, and that must be put clearly on the table. Loss of real wages has been talked about a lot in this debate. It is interesting that in all the speeches of members opposite we heard almost nothing about economics. We heard nothing about how Labor was going to fund its deficit. On the basis of the Opposition opposing the bill, it seems the existing deficit has suddenly become much larger.

The Opposition has not told us how it was going to find the \$2 billion in savings—the \$2 billion in savings that Labor, under its policy, would have been trying to find. Given that the Opposition thinks it does not now need the \$2 billion in savings, we did not hear about that. With regard to real wages, over the past 15 years

the Sydney consumer price index has averaged 2.5 per cent, adjusting with the introduction of the GST. They are the facts. It is the responsibility of no-one in this country other than the Reserve Bank of Australia to manage what the real wage is. The Reserve Bank's target band is 2 per cent to 3 per cent. So why is 2.5 per cent chosen by every other jurisdiction? It is because 2.5 per cent is within the Reserve Bank of Australia's target band. It is no coincidence that every single State in Australia has chosen a target of 2.5 per cent, as we have outlined in this debate.

I acknowledge in particular the contribution of the member for Lakemba. The member started his speech by saying that he understands and acknowledges that we must bring discipline to the budget process. I commend him for that approach. He said that his experience is that when decisions need to be made often they involve trade-offs, and that it is not easy. It certainly is not easy when a government is allocating a finite resource, as it is in a State budget. The member for Lakemba also gave the House some good insight into mental health nurses. He shared with us the story of front-line nurses who deal with mental health issues. All members of this House endorse the work of our mental health nurses, together with the work of all the front-line workers members have raised in this debate. I strongly argue that not only do we support them in the work they are doing, and not only do we want to do everything to help them, but this bill is all about helping them. Why is it helping them? Because we are providing affordable pay rises, and we are able to do that by getting the budget back under control.

We are in a position where we can support front-line services. We can put more into the front line to support those mental health nurses. We can build the hospitals they need. We can build the new maternity wards they need, the emergency departments they need, the roads they need to get to work and the train lines they need to get to work. All these services go together as a package. You cannot get a more passionate and supportive body of people than the O'Farrell Government for the incredible work our public sector workers do day in and day out across every single part of the public sector. We are determined to support every single part of the front-line service, and through fiscal responsibility we can do that. That is what this bill does. I am sure I speak on behalf of all members in passing on our tribute and thanks to our public sector workforce. We have nothing but praise for the work they do, and this bill is about bringing back some fiscal discipline so we can help them do their day-to-day jobs going forward.

The bill ensures that the Government's policy will strike the appropriate balance between public sector wage increases and the availability of funds for the delivery of Government commitments, and that the New South Wales taxpayers will get value for money. The primary amendment to be made to the Industrial Relations Act—which we heard a little about from the shadow Treasurer—is the insertion of new section 146C. The new section contains 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 of public sector employees as declared under regulations. The Government is mindful of concerns about the independence of the judiciary. Subsection (5) of new section 146C 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 amendments are intended to have immediate effect upon commencement in relation to all matters not yet concluded before the commission. These amendments will ensure that the Industrial Relations Commission of New South Wales has a central role in providing New South Wales public sector workers 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. During members' contributions we have heard a lot of emotion, which is totally understandable. All of us want to support our public sector workers. It is worth putting on the record what the independent commentators articulating on this issue have said—that is, the *Sydney Morning Herald*, the *Australian* and the *Daily Telegraph*. It is even worth noting what a former Labor Premier has said. The *Sydney Morning Herald* yesterday said:

... the central argument, which boils down to this: governments, state and federal, should have control of their budgets. If an elected government decides it cannot afford wage rises above 2.5 per cent, nothing should be able to overturn that.

The *Australian* said:

NSW Premier Barry O'Farrell is pursuing a fiscally responsible strategy in seeking to cap public service pay rises at 2.5 per cent, unless offset by savings.

That is simply lost by members opposite. We are very happy to look at increases above 2.5 per cent. We are just asking for the opportunity for those savings to be shown, and then we are very happy to pay the increases. An opinion piece in the *Daily Telegraph* last week said, "The ... decision—which prevents public sector wages continuing to rise at twice the rate of the private sector ... is the right one." It is also worth noting what former

Labor Premier Bob Carr said on the issue. I know the member for Maroubra would remember Bob Carr; he waited many years for Bob to move on. He was a very patient man then, and he is being a patient man now—he has put John Robertson up first. Former Labor Premier Bob Carr said, "Judges of the IRC put out pay increases that almost defiantly refuse to take any account of the State's capacity to pay."

That is the crux of this debate. We are saying we want the ability to pay 2.5 per cent to all our public sector workers. If there are increases above the 2.5 per cent, we simply want to see the savings—which is Labor's policy. We have heard a lot of filibustering to the contrary, but that is Labor's policy. The Government wants to see the savings and then it will be very happy to pay, which is a very sensible policy. It is also about looking after the interests of the people of this State and, I strongly argue, every public sector worker in this State. Michael Costa is probably best to have the last word in this debate—he had the last word in many debates.

Mr Nathan Rees: He stitched us right up.

Mr MIKE BAIRD: I note the interjection of the member for Toongabbie. The former Labor Treasurer in announcing the 2.5 per cent wage cap in the budget in 2008 said, "This is not only fiscally responsible; it is essential." The Government is taking this action in the context of taking the State forward. The Government is very proud of the bill. We are proud of taking the decision to get the budget back to a sustainable basis so we can help our communities, we can build what is needed to be built and, as a result, front-line services will be improved. Until that is done the State will continue to run out of control. State Labor knows this is its policy. State Labor knows it has no solutions to close the fiscal gap, and the Government will continue to hold State Labor to account for that. I commend the bill to the House.

Question—That this bill be now agreed to in principle—put.

The House divided.

Ayes, 60

Mr Anderson	Mr Flowers	Mr Roberts
Mr Annesley	Mr Fraser	Mr Rohan
Mr Aplin	Mr Gee	Mr Rowell
Mr Ayres	Mr George	Mrs Sage
Mr Baird	Ms Gibbons	Mrs Skinner
Mr Barilaro	Ms Goward	Mr Smith
Mr Bassett	Mr Grant	Mr Souris
Mr Baumann	Mr Hartcher	Mr Speakman
Ms Berejiklian	Mr Hazzard	Mr Spence
Mr Bromhead	Ms Hodgkinson	Mr Stokes
Mr Cansdell	Mr Holstein	Mr Stoner
Mr Casuscelli	Mr Humphries	Mr Toole
Mr Conolly	Mr Issa	Mr Ward
Mr Constance	Mr Kean	Mr Webber
Mr Cornwell	Dr Lee	Mr R. C. Williams
Mr Coure	Mr Notley-Smith	Mrs Williams
Mrs Davies	Mr O'Farrell	
Mr Dominello	Mr Owen	
Mr Edwards	Mr Page	<i>Tellers,</i>
Mr Elliott	Mr Perrottet	Mr Maguire
Mr Evans	Mr Provest	Mr J. D. Williams

Noes, 21

Mr Barr	Mr Lynch	Mr Torbay
Ms Burney	Dr McDonald	Ms Watson
Ms Burton	Ms Mihailuk	Mr Zangari
Mr Daley	Ms Moore	
Mr Furolo	Mrs Perry	
Ms Hay	Mr Piper	<i>Tellers,</i>
Ms Keneally	Mr Rees	Mr Amery
Mr Lalich	Mr Robertson	Mr Park

Question resolved in the affirmative.

Motion agreed to.

Bill agreed to in principle.

Consideration in detail requested by Mr Michael Daley.

Consideration in Detail

The SPEAKER: By leave, I propose to deal with the bill in groups of clauses and schedules.

Clauses 1 and 2 agreed to.

Mr MICHAEL DALEY (Maroubra) [1.22 p.m.]: I move Opposition amendment No. 1 on sheet C2011-046:

No.1 Page 3, schedule 1 [2], proposed section 146C. Insert after line 22:

- (3) A regulation must not declare a policy under this section unless:
 - (a) the declared policy applies only to specified proceedings for an award or order, and
 - (b) the parties to the proceedings have agreed to the making of the regulation.

Forensic examination will take place of the names recorded on the division list on the agreement in principle of the bill. I note that nine Government members were not present. I move this amendment to save the Government from itself. Yesterday, under cross-examination and in response to an interjection, the Treasurer said something that is rare for this Government in its infancy, that is, he told the truth. His words are of some moment. He said:

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.

We take no exception to that. We praise his next utterances:

Both parties will need to agree to such changes.

He refers to "any changes to conditions of employment", that is, any changes to any conditions of employment, and then he says, "Both parties will need to agree to such changes." Therefore, if nurses, teachers, police or any other government workers are negotiating with the Government in respect of any changes to their conditions of employment both parties will need to agree to such changes. The Treasurer pronounces:

That is the Government's policy.

It is the Government's policy to exempt police. Yet nowhere, after many hours of debate in the other place, do we see in this legislation an embodiment of the Government's policy that police are exempted. Local government workers were exempted. It is the Government's policy to now exempt police. That is not in the bill. We call on the Government today to enact this Government's policy in respect to the agreement of both parties. As the Treasurer said, both parties will need to agree to such changes. The Treasurer's words are embodied in the simple amendment that I have moved, which is:

Page 3, schedule 1 [2], proposed section 146C. Insert after line 22:

- (3) A regulation must not declare a policy under this section unless:
 - (a) the declared policy applies only to specified proceedings for an award or order, and
 - (b) the parties to the proceedings have agreed to the making of the regulation.

In other words, both parties have agreed. That is the Government's policy. We ask that this amendment be included in the legislation as pronounced government policy.

Mr MIKE BAIRD (Manly—Treasurer) [1.26 p.m.]: The Government does not support the amendment. I will explain the policy to Opposition members. Our wages policy is no different from Labor's wages policy. This bill merely puts the wages policy into effect. I remind the House that the Labor policy was not subject to the agreement of the parties, nor was it subject to consultation.

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

Mr MIKE BAIRD: I will reassure members by confirming that in wages agreements, conditions cannot be changed without the agreement of all the parties and they cannot be reduced below the minimum set, and it will be in the regulations.

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

Mr MIKE BAIRD: The Opposition can run its scare campaign, but it is complete and utter nonsense.

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

Mr MIKE BAIRD: It will be in the regulation. I will provide the Opposition with a copy of the regulation for their enjoyment.

Question—That the amendment be agreed to put.

The House divided.

Ayes, 23

Mr Barr	Mr Lalich	Mr Rees
Ms Burney	Mr Lynch	Mr Robertson
Ms Burton	Dr McDonald	Mr Torbay
Mr Daley	Ms Mihailuk	Ms Watson
Mr Furolo	Ms Moore	Mr Zangari
Ms Hay	Mr Parker	<i>Tellers,</i>
Ms Hornery	Mrs Perry	Mr Amery
Ms Keneally	Mr Piper	Mr Park

Noes, 63

Mr Anderson	Mr Flowers	Mr Roberts
Mr Annesley	Mr Fraser	Mr Rohan
Mr Aplin	Mr Gee	Mr Rowell
Mr Ayres	Mr George	Mrs Sage
Mr Baird	Ms Gibbons	Mr Sidoti
Mr Barilaro	Ms Goward	Mrs Skinner
Mr Bassett	Mr Grant	Mr Smith
Mr Baumann	Mr Hartcher	Mr Souris
Ms Berejiklian	Mr Hazzard	Mr Speakman
Mr Bromhead	Ms Hodgkinson	Mr Spence
Mr Brookes	Mr Holstein	Mr Stokes
Mr Cansdell	Mr Humphries	Mr Stoner
Mr Casuscelli	Mr Issa	Mr Toole
Mr Conolly	Mr Kean	Mr Ward
Mr Constance	Dr Lee	Mr Webber
Mr Cornwell	Mr Notley-Smith	Mr R. C. Williams
Mr Coure	Mr O'Farrell	Mrs Williams
Mrs Davies	Mr Owen	
Mr Dominello	Mr Page	
Mr Edwards	Ms Parker	<i>Tellers,</i>
Mr Elliott	Mr Perrottet	Mr Maguire
Mr Evans	Mr Provost	Mr J. D. Williams

Question resolved in the negative.

Amendment negatived.

Question—That schedule 1 be agreed to—put.

Division called for and Standing Order 185 applied.

The House divided.

Ayes, 64

Mr Anderson	Mr Flowers	Mr Provest
Mr Annesley	Mr Fraser	Mr Roberts
Mr Aplin	Mr Gee	Mr Rohan
Mr Ayres	Mr George	Mr Rowell
Mr Baird	Ms Gibbons	Mrs Sage
Mr Barilaro	Ms Goward	Mr Sidoti
Mr Bassett	Mr Grant	Mrs Skinner
Mr Baumann	Mr Hartcher	Mr Smith
Ms Berejiklian	Mr Hazzard	Mr Souris
Mr Bromhead	Ms Hodgkinson	Mr Speakman
Mr Brookes	Mr Holstein	Mr Spence
Mr Cansdell	Mr Humphries	Mr Stokes
Mr Casuscelli	Mr Issa	Mr Stoner
Mr Conolly	Mr Kean	Mr Toole
Mr Constance	Dr Lee	Mr Ward
Mr Cornwell	Mr Notley-Smith	Mr Webber
Mr Coure	Mr O'Farrell	Mr R. C. Williams
Mrs Davies	Mr Owen	Mrs Williams
Mr Dominello	Mr Page	
Mr Edwards	Ms Parker	<i>Tellers,</i>
Mr Elliott	Mr Patterson	Mr Maguire
Mr Evans	Mr Perrottet	Mr J. D. Williams

Noes, 23

Mr Barr	Mr Lalich	Mr Rees
Ms Burney	Mr Lynch	Mr Robertson
Ms Burton	Dr McDonald	Mr Torbay
Mr Daley	Ms Mihailuk	Ms Watson
Mr Furolo	Ms Moore	Mr Zangari
Ms Hay	Mr Parker	<i>Tellers,</i>
Ms Hornery	Mrs Perry	Mr Amery
Ms Keneally	Mr Piper	Mr Park

Question resolved in the affirmative.

Schedule 1 agreed to.

Title agreed to.

Consideration in detail concluded.

Passing of the Bill

Mr MIKE BAIRD (Manly—Treasurer) [1.46 p.m.]: I move:

That this bill be now passed.

Question put.

Division called for and Standing Order 185 applied.

The House divided.

Ayes, 64

Mr Anderson	Mr Flowers	Mr Provest
Mr Annesley	Mr Fraser	Mr Roberts
Mr Aplin	Mr Gee	Mr Rohan
Mr Ayres	Mr George	Mr Rowell
Mr Baird	Ms Gibbons	Mrs Sage
Mr Barilaro	Ms Goward	Mr Sidoti
Mr Bassett	Mr Grant	Mrs Skinner
Mr Baumann	Mr Hartcher	Mr Smith
Ms Berejiklian	Mr Hazzard	Mr Souris
Mr Bromhead	Ms Hodgkinson	Mr Speakman
Mr Brookes	Mr Holstein	Mr Spence
Mr Cansdell	Mr Humphries	Mr Stokes
Mr Casuscelli	Mr Issa	Mr Stoner
Mr Conolly	Mr Kean	Mr Toole
Mr Constance	Dr Lee	Mr Ward
Mr Cornwell	Mr Notley-Smith	Mr Webber
Mr Coure	Mr O'Farrell	Mr R. C. Williams
Mrs Davies	Mr Owen	Mrs Williams
Mr Dominello	Mr Page	
Mr Edwards	Ms Parker	<i>Tellers,</i>
Mr Elliott	Mr Patterson	Mr Maguire
Mr Evans	Mr Perrottet	Mr J. D. Williams

Noes, 23

Mr Barr	Mr Lalich	Mr Rees
Ms Burney	Mr Lynch	Mr Robertson
Ms Burton	Dr McDonald	Mr Torbay
Mr Daley	Ms Mihailuk	Ms Watson
Mr Furolo	Ms Moore	Mr Zangari
Ms Hay	Mr Parker	<i>Tellers,</i>
Ms Hornery	Mrs Perry	Mr Amery
Ms Keneally	Mr Piper	Mr Park

Question resolved in the affirmative.

Motion agreed to.

Bill passed and returned to the Legislative Council without amendment.

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) [1.52 p.m.]: I move:

That standing and sessional orders be suspended at this sitting to provide for the following routine of business after the conclusion of the motion accorded priority:

- (1) Government Business;
- (2) at 5.30 p.m. Notices of Motions (General Notices);
- (3) Order of the Day (Petitions);
- (4) at 6.00 p.m. inaugural speeches;
- (5) Government Business;
- (6) the House to adjourn without motion moved at the conclusion of Government Business.

For the information of members I advise that the House will sit through dinner this evening. My hope is that business will conclude by about 10.00 p.m., if not earlier, depending on the exuberance of members. After the House has dealt with the motion accorded priority it will deal with the Local Government Amendment (Elections) Bill. Following that the House will conclude debate on the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill, and then deal with the Infrastructure NSW Bill.

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

Motion agreed to.

BUSINESS OF THE HOUSE

Inaugural Speeches

Motion by Mr Brad Hazzard agreed to:

That the business before the House be interrupted:

- (1) at 6.00 p.m. to permit the presentation of inaugural speeches by the members for Londonderry and Mulgoa; and
- (2) at 11.30 a.m. on Friday 17 June 2011 to permit the presentation of an inaugural speech by the member for Rockdale.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Bills

Motion by Mr Brad Hazzard agreed to:

That standing and sessional orders be suspended to permit:

- (1) the resumption of the adjourned debate and passage through all remaining stages at this or any subsequent sitting of the Local Government Amendment (Elections) Bill; and
- (2) the passage through all stages at this or any subsequent sitting of the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill.

[The Speaker left the chair at 1.53 p.m. The House resumed at 2.15 p.m.]

MEMBER FOR LONDONDERRY

Personal Explanation

Mr BART BASSETT, by leave: I wish to make a personal explanation. I wish to apologise to the House and advise that last night I was charged with a low-range drink-driving offence. I was breath-tested on the Cahill Expressway after dinner and recorded a reading of 0.053. I reported this offence to the Premier first thing this morning and he expressed his disappointment. There are no excuses when it comes to drink-driving and I apologise for the breach. I fully cooperated with police and will go through the legal process like any other motorist.

QUESTION TIME

[Question time commenced at 2.20 p.m.]

MEMBER FOR LONDONDERRY

Mr JOHN ROBERTSON: My question is directed to the Premier. Given the Premier's statement in relation to the conduct of members of Parliament that "if there are misdemeanours there will be consequences", what action will the Premier now take against the member for Londonderry?

Mr BARRY O'FARRELL: As the member for Londonderry has told the House, this morning he came to advise me that he had been charged by police with a low-range drink-driving offence last night.

Ms Cherie Burton: The law's the law, Barry.

Mr BARRY O'FARRELL: Was that the member for Kogarah who said that?

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

Ms Cherie Burton: Point of order: Drink-driving is a very serious offence, as we all know in this House.

The SPEAKER: Order! What is the member's point of order?

Ms Cherie Burton: The Premier should not take this lightly and he should answer the question.

The SPEAKER: Order! That is not a point of order, as the member well knows. The member for Kogarah will resume her seat.

Mr BARRY O'FARRELL: I do not take drink-driving lightly. If the member for Londonderry had done what the member for Kogarah did—that is, avoid a blood test—he would have been out of this place on his ear.

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

Mr BARRY O'FARRELL: I have been advised that the member, having been charged with a low range drink-driving offence last night, fully co-operated with police and accompanied them to North Sydney police station. He will face the full force of the law for a low range drink-driving offence.

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

Mr BARRY O'FARRELL: Before I state my position on this I will remind the House of the position of the member for Kogarah. On two occasions she has refused to do what the police have told her to do. On one occasion she went to extraordinary lengths to avoid a blood test.

Mr Michael Daley: Point of order: Much as the hypocritical Premier wants to—

The SPEAKER: Order! What is the member's point of order?

Mr Michael Daley: Standing Order 73 prevents him from weaselling his way out and attacking the member for Kogarah instead of applying his mind to the member for Londonderry.

The SPEAKER: Order! That is not what the standing order says. That is not a point of order. If members continue to raise spurious points of order I will place them on a call to order.

Mr BARRY O'FARRELL: Of course, I would not respond at all if the member for Kogarah did not keep interrupting me. As the member for Londonderry just told the House, he clearly regrets his actions. I made it clear at my first party meeting as Premier—

Ms Linda Burney: Point of order: I also refer to Standing Order 73, which states:

Imputations of improper motives and personal reflections on Members of either House are disorderly other than by substantive motion.

The SPEAKER: Order! I am well aware of the standing order. There have been no imputations of improper motives at this stage. The member for Maroubra will come to order.

Mr BARRY O'FARRELL: I am simply restating the facts. When I assembled my party room for the first time after the election I told members in no uncertain terms that the public expects higher standards of them because of what I and other members lived through during 16 years of Labor administration.

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

Mr BARRY O'FARRELL: The member for Londonderry has done everything asked of him by the police. The public expect members of this place to obey the laws that Parliament passes. I have expressed in private my frustration to the member for Londonderry about his actions. However, I am reminded of a piece of advice I received from a former member for Cronulla that, once elected to this place, the only people who can sack a member from the backbench are his or her constituents.

GARDEN ISLAND CRUISE SHIP ACCESS

Mr TIMOTHY OWEN: I direct my question to the Premier. What is the Government's response to the Commonwealth Government's proposal to allow cruise ships to dock at Garden Island?

Mr BARRY O'FARRELL: I thank the member for Newcastle for that question and not only his longstanding interest in defence matters, which includes Garden Island—

Mr JOHN ROBERTSON: Thank him for not drink-driving as well while you are at it.

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

Mr BARRY O'FARRELL: The Leader of the Opposition has the member for Kogarah on his front bench, so obviously he adheres to different standards. As I said, I thank the member for Newcastle not only for his interest in defence matters but also his sterling service outside this place in the Australian Defence Force. There is a realisation after 16 years of State Labor Government that New South Wales is now open for business. After 16 years of a government that allowed jobs to be lost to other States people now realise that New South Wales has a government that wants to increase employment and get the economy going again. I am delighted to say that that realisation has now extended to the Federal Government, which today announced a review of the use of the naval docks at Garden Island by visiting cruise ships. The review will examine whether there is scope to increase cruise ship access to Garden Island without affecting the Navy's operations. It will be undertaken by Dr Allan Hawke, a former Secretary of Defence, who of course has wide knowledge of naval operations.

Ms Linda Burney: Yet another review.

Mr BARRY O'FARRELL: The member for Canterbury would realise that this is a Federal review if she would ever shut up and listen. The Minister for Defence phoned me about the review at 10.00 a.m. today. Members on this side of politics have been urging that such a review be undertaken for some time. The Deputy Premier and others involved in the tourism and trade sector have also been promoting such a move.

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

Mr BARRY O'FARRELL: We understand—

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

Mr BARRY O'FARRELL: —the value of the tourism industry. We also recognise that we have a golden opportunity to create more jobs if we can increase the number of cruise ships coming into Sydney Harbour.

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

Mr BARRY O'FARRELL: The cruise industry is already contributing about \$3 billion a year to the Australian economy and we want a bigger slice of that for New South Wales. However, we are currently being constrained by the lack of decent berthing facilities east of the Harbour Bridge.

Ms Kristina Keneally: Is that Barangaroo?

Mr BARRY O'FARRELL: Barangaroo is west of the Harbour Bridge. No wonder she lost the election.

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

Mr BARRY O'FARRELL: Growth in the cruise industry is constrained by the lack of berthing facilities east of the Harbour Bridge because of 16 years of neglect by members opposite. They totally ignored

the chance to take advantage of the 20 per cent annual increase in the number of cruise ships visiting this city. When cruise ships visit Sydney they bring passengers who eat in our restaurants, stay in our hotels and buy from our shops, all of which pumps money into the economy, which in turn creates jobs.

The industry estimates that by 2020 almost two out of three ships coming to Sydney will not be able to safely navigate under the Sydney Harbour Bridge. In addition there is insufficient capacity at the overseas passenger terminal. Therefore, we urgently need to address the cruise facilities bottleneck in Sydney. If you are cruising the South Pacific, if you are doing an Australian cruise, Sydney is the place you want to come to. We will cooperate with the Hawke review. We will ensure that Allan Hawke has access to any and every government agency and official that he needs, because I am certain that we can find berths west of the Harbour Bridge for naval vessels on the nights—which I understand are fewer than 20—when we need cruise ship berthing east of the Harbour Bridge.

I have made it clear that we will fully cooperate with the Federal Government and with Dr Hawke as part of this review. This is a positive first step towards dealing with the cruise ship issue and naturally I am hoping that that sort of goodwill between the Federal Government and the State Government can continue with projects such as the North West Rail Link. The House can be assured the Government will continue to work with industry and the Commonwealth to pursue every opportunity to boost the State's economy and to boost employment.

INDUSTRIAL RELATIONS LEGISLATION

Ms LINDA BURNEY: My question is to the Premier. Why will he not table the Crown Solicitor's advice on the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011?

Mr BARRY O'FARRELL: I will take advice on that, but I am confused by those opposite. I am sure one of the puppet masters of the Leader of the Opposition on Friday sent me a letter saying that the legislation was unconstitutional. I received the letter on Sunday but it was dated Friday and came from Jeff Lawrence, Secretary of the Australian Council of Trade Unions. If that is its advice, I say that it should take the action; but what I say to the public, an hour or so after this legislation has passed this Parliament, is that the public can now judge whether the things included in Labor's scare campaign are true or not.

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

Mr BARRY O'FARRELL: The Government has the legislation. The regulation will be produced and it will be applied in a way that reflects the statements we have made in this House.

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

Mr BARRY O'FARRELL: That is, simply to reprise the argument, public servants will be entitled to fair wage increases of 2.5 per cent. Wage increases beyond that amount will be on offer if, as in the past, unions on behalf of public sector workers enter into voluntary agreements to find productivity savings. The only difference between our policy and the policy of those opposite is the fact that instead of entering—

Mr John Robertson: You don't have a policy; you have a bill.

Mr BARRY O'FARRELL: Instead of entering into agreements—

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

Mr BARRY O'FARRELL: The only difference between our policy and the policy signed up to by the Leader of the Opposition when he was at Unions NSW is that we will expect those voluntary agreements entered into—

Mr John Robertson: Point of order: The Premier continues to allege that I have signed some document. I challenge him to table it.

The SPEAKER: Order! That is not a point of order, and the Leader of the Opposition well knows it. He will resume his seat.

Mr BARRY O'FARRELL: By that point of order is the Leader of the Opposition suggesting that he opposed the Labor Government's wages policy? Did we see protests outside this place over the past four years led by the Leader of the Opposition against that policy? Hypocrisy thy name is now John Robertson.

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

Mr BARRY O'FARRELL: The difference between our policy and the policy Labor has is that we will expect those voluntary agreements entered into that involve productivity savings, that saw increases in wages above the 2.5 per cent, to be delivered. That is how we think agreements should be honoured. We do have that Crown Solicitor's advice and from respected senior counsel Peter Kite. He has previously worked for and offered advice to a range of unions including the Public Service Association, the New South Wales Professional Officers Association and the Federated Clerks Union. Both sets of advice, from the Crown Solicitor—

Ms Linda Burney: Point of order: The convention of this House is not to mislead the House.

The SPEAKER: Order! That is a spurious point of order. The member for Canterbury will resume her seat. I call the member for Canterbury to order.

Mr BARRY O'FARRELL: If the member for Canterbury ever listens she might get the answer she wants.

Mr Michael Daley: Not in this House she won't.

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

Mr BARRY O'FARRELL: I will take that under advisement, but I say in relation to the legislation that the Government has received advice not only from the Crown Solicitor but from the respected senior counsel Peter Kite. That advice is clear and confirms that the bill is valid. The Act is no less constitutionally valid than it was in 2004 when those opposite first proposed it.

MID NORTH COAST FLOODS

Mr STEPHEN BROMHEAD: My question is directed to the Deputy Premier. What is the Government doing to assist the people of the mid North Coast and the Hunter affected by heavy rain, winds and flooding?

Mr ANDREW STONER: The member for Myall Lakes is concerned about flood-affected communities in his electorate, including Taree and Wingham, which have experienced major flooding in the last 24 hours. We are aware that a man was tragically killed by a falling tree yesterday. Yesterday I travelled with the State Emergency Service commissioner, Murray Kear, and the regional controller, Gary Jones, to Kempsey to inspect flooding in and around the Kempsey area. I observed a vast inland sea around Kempsey. I observed isolated communities in places such as Frederickton, South West Rocks, Crescent Head and many other communities in the Macleay Valley.

We also saw from the State Emergency Service helicopter a flood level that stopped approximately 10 centimetres below the top of the levy wall around Kempsey. Indeed, while the flood has had a major impact in that area, Kempsey township has dodged a bullet. The flood stopped just short of being disastrous. Despite that, evacuations happened at places such as Jerseyville, the Kempsey central business district, Kinchela, Gladstone and Smithtown.

I met in Kempsey with the local State Emergency Service, headed by a local legend in May Gill, who has seen many floods in the Macleay Valley over decades and who still continues to help the community in these times of trouble. Also with May Gill and her team were other local emergency services, including the Rural Fire Service, the fire brigades and the police. We observed a crew racing to a vehicle, pulling on wet suits as they were going, to rescue some people trapped in a car that had been caught in floodwaters. The State Emergency Service has done an amazing job, responding to more than 1,400 calls for assistance over this time. At least 52 separate flood rescues have been undertaken by the State Emergency Service.

Turning to the electorate of the member for Myall Lakes, the Manning River has been the most recent concern to the State Emergency Service. It peaked overnight. Evacuations were ordered for Wingham, Taree

and other communities, including Manning Point. In the electorate of the member for Port Macquarie, Harrington, Crowdy Head and Rawdon Island also had evacuation orders. In the Hastings Valley, in between those two areas of the Manning and the Macleay, evacuations were ordered at places such as Rawdon Island and Settlement Point. Indeed, my own children could not get home from school yesterday afternoon—

Mr Barry O'Farrell: It was the wrong way.

Mr ANDREW STONER: It was the wrong way. They probably did not want to go but they could not get home because our property was isolated as well. As I said to the State Emergency Service volunteers, their blood is worth bottling. This was a major disaster spread over a huge area—14 flood warnings from the Clarence River in the north all the way down to the Hunter River. Disaster declarations have been issued by the Minister for Police and Emergency Services. Yesterday the Minister declared the local government areas of the Clarence Valley, the Upper Hunter, Bellingen and Kempsey natural disaster areas. Today he has added another five to that list: the Greater Taree Shire, the Port Stephens Shire, Nambucca, Dungog Shire and Port Macquarie-Hastings.

The importance of the declarations is that financial support becomes available to people directly affected by flooding and severe weather, which is an important safety net for families, local businesses and primary producers. A range of assistance schemes have been triggered, ranging from personal hardship and distress assistance through community services, small business and primary producer loans from the New South Wales Rural Assistance Authority and grants for councils to meet the additional costs of emergency work. The situation is being closely monitored as to whether other areas will receive that natural disaster declaration. On behalf of the Government and the Parliament I place on record our sincere thanks to our hardworking volunteers in the emergency services, particularly the State Emergency Service.

INDUSTRIAL RELATIONS LEGISLATION

Dr ANDREW McDONALD: My question is directed to the Minister for Health. Did she deliberately mislead the House on 25 May this year when she said her Government's Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 made no changes to the provisions that the previous Government implemented?

Mrs JILLIAN SKINNER: One would think that the Opposition would give up. It is the same question day after day. The answer is exactly the same. The O'Farrell Government has adopted the former Labor Government's policy. Members opposite say that is not so, but we have adopted former Labor Government policy. I assure them that nurses and others working in New South Wales health facilities will be better off than they ever were under the former Labor Government. That is the message I am getting from hospitals that I visit.

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

Mrs JILLIAN SKINNER: I have visited 11 hospitals in 11 weeks; it was not a media visit like members opposite. Each time I visit a hospital I am there for three and four hours. I talk to those on the front line—nurses, ambulance officers and everybody who delivers that important front-line care.

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

Mrs JILLIAN SKINNER: The difference between the Opposition and the Government is that we care about our workers in public hospitals throughout the State.

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

Mrs JILLIAN SKINNER: Yesterday I read on to the record some of the comments from the website of the New South Wales Nurses Association. I have found some more and I am sure Government members would be interested to know what the General Secretary of the Nurses Association had to say on 20 October 2009 on his blog. He said:

The signals coming from the NSW [Labor] Government have not been promising with staff freezes and public sector wage cuts floated as solutions to budgetary problems.

This is the very union that the Government is trying to manipulate to have a different point of view.

Dr Andrew McDonald: Point of order: My point of order relates to Standing Order 129. The question was specifically about the award in 2011. The member is reading from material prior to the award. I ask you to bring her back to the leave of the question, which is whether she misled the House on 25 May.

The SPEAKER: Order! I am sure the Minister will return to the leave of the question. The question was fairly provocative—a direct question as to whether the Minister misled the House.

Mrs JILLIAN SKINNER: I am referring to nurses who have told me that they have never been more pleased to have a health Minister who shows genuine concern.

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

Mrs JILLIAN SKINNER: Nurses have thanked me for taking the time to go to hospitals, and not rush out the door quickly to talk to the media, which is what the Opposition did.

The SPEAKER: Order! Opposition members will come to order. I call the Leader of the Opposition to order for the third time.

Mrs JILLIAN SKINNER: Those opposite try to shout me down because they do not like what I am saying, but the reality is that nurses in their thousands are very happy with the way things are progressing.

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

Mrs JILLIAN SKINNER: Let us look at the first hospital visit by one of Labor's former health Ministers. He had to leave early to go outside to talk to the media. That is not me: I am in hospitals talking to doctors, nurses and everyone else. They assure me that they are pleased with the line and attitude of the new O'Farrell Government.

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

Mrs JILLIAN SKINNER: The Opposition has been trying to stir up nurses, demanding that union representatives join in the protests.

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

Mrs JILLIAN SKINNER: Those opposite know that we are genuine in our concern for nurses and others who work in our hospital system. On 8 October 2010 the General Secretary of the New South Wales Nurses Association stated in the *Lamp*:

The NSW health system has been plagued by nurse shortages and poor skill mix for a long time. Research conducted by the NSWNA reveals a climate of unrelenting pressure on the nurses and their deep concerns for patient safety.

This is when Labor was in government and when the member for Macquarie Fields was Parliamentary Secretary for Health. The Opposition is disingenuous and running a scare campaign. The reality is that nurses know the Opposition does not care.

The SPEAKER: Order! In view of the disorderly conduct of Opposition members, all members who are on one or two calls to order are now deemed to be on three calls to order. The behaviour of some members has been extremely disorderly. I understand they are passionate about this issue, but their behaviour today is unacceptable.

FISCAL POLICY

Mr CHRIS SPENCE: My question is addressed to the Treasurer. Given the previous Labor Government introduced the Fiscal Responsibility Act in 2005 to set targets and principles of the conduct of fiscal policy, what does the recent review of the Act indicate about Labor's economic performance?

Mr MIKE BAIRD: I congratulate the member on being in this Chamber. As we all know, members opposite said he would not make it, yet here he is representing his community. Yesterday on her way out of the

Chamber at the end of question time the member for Bankstown said very clearly, "Have you read this Act?" I thank her for that because it made me think: for the benefit of the House, why don't we tell everyone about the Act? The Fiscal Responsibility Act was introduced by the former Labor Government in May 2005. The member for Bankstown is not even listening; I thought she was interested.

Ms Kristina Keneally: She's the member for Canterbury.

Mr MIKE BAIRD: She is the member for Canterbury—Canterbury-Bankstown. I welcome back the member for Heffron. It is good to have her back. We do not know where she has been, but it is good to have her back. The purpose of the Act was to set targets and principles for the conduct of fiscal policy to ensure governments maintained financial results that are fiscally sustainable in the medium and long term. The Act was supposed to limit the level of debt and other financial liabilities, and impose a range of financial management principles covering key areas such as the budget balance, expenses, employee costs, asset management and risk management.

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

Mr MIKE BAIRD: Before we get to the report card let us have a look at how it was set up. When he introduced this legislation, Dr Andrew Refshauge—members may remember him—stated:

Today I am introducing a ... Bill ... Fiscal targets have been set for 2010 and 2015 that will further reduce the level of net financial liabilities in the general government sector.

Expenditure growth will be managed so that it matches ... growth in revenue.

The ... strategy puts in place a framework within which expenditure decisions can be taken that are sustainable, not only today, but for future generations.

Let the good times roll. We have said we will review this Act, and we will. Indeed, Michael Lambert is looking at it and will present his report to the Parliament. Michael Costa actually started to tell the truth as the years went on. In 2007 he said:

Our Fiscal Responsibility Act has within it a number of targets. I concede ... that we will not meet one of those targets by about 12 months.

I ask Opposition members to put up their hands if they like the former Treasurer, Eric Roozendaal. I cannot see many hands going up. Eric Roozendaal stated:

... the Fiscal Responsibility Act contains 2 medium-term targets, 2 long-term targets and 10 principles.

[Interruption]

This is very important. Members opposite should listen to this, because this is the master chef, Eric Roozendaal, at work. He said:

All 10 principles are being adhered to and progress is being made towards the long-term targets.

We can rest easy. But the report card does not necessarily reflect what the master chef said. Some targets were met, but 10 targets were not met. It is worth highlighting for the House what those 10 targets were. Last night in this place the member for Cessnock took us back to kindergarten in his review—

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

Mr MIKE BAIRD: With regard to these targets you either pass or fail. On the target for net financial responsibilities, the former Labor Government failed. On the target for general government net debt, it failed. On the target for State-unfunded superannuation, it failed. This is one of my favourites: keeping the budget in surplus. On that target Labor failed. We know Labor tried. We know it tried to hide deficits in the oven.

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

Mr MIKE BAIRD: On the target of constraining costs and expenses, Labor failed. On managing public sector employee costs—a pertinent issue—Labor failed. On evaluation of capital expenditure proposals, it also failed. The CBD Metro comes to mind there. On managing finances with a view to long-term fiscal

pressures, Labor failed. On the principle of prudent risk management, it failed. The report spoke about the electricity transaction. We have a lot to say about that, but we will not do that this afternoon. On managing temporary departure from these principles, Labor failed. On all these 10 targets, Labor failed.

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

Mr MIKE BAIRD: It is not surprising that when you have that sort of fiscal approach you end up with deficit after deficit. That is what Labor has left this State.

The SPEAKER: Order! I remind Opposition members that many of them are on three calls to order.

Mr MIKE BAIRD: Members opposite did not do their homework; they did not do the basics on financial management. But I assure them we will fix up their mess.

PUBLIC SECTOR WAGES POLICY

Mr CLAYTON BARR: My question is directed to the Minister for Transport. Given that the State Transit Bus Drivers Award expired four days ago, how long will these hardworking employees be expected to wait for a wage rise above 2.5 per cent, given that under the Coalition's policy savings must be made in advance of pay rises?

The SPEAKER: Order! Members will come to order.

Ms GLADYS BEREJIKLIAN: I thank the member for Cessnock for his question. We must not let members opposite pretend they are the friends of front-line workers when it comes to public transport. When the Leader of the Opposition was the Minister for Transport, the former Labor Government oversaw hundreds of front-line workers leave railway stations across this State. It oversaw hundreds of front-line positions at our rail stations obliterated—that is how much it cared about front-line workers. That was the former Labor Government's attitude. The Leader of the Opposition says to us, "Judge me by my actions, not by my words." Yet, what he did in government was slash the jobs of front-line workers at railway stations. What else did the former Labor Government do? We all know that more front-line jobs will be delivered by this side of the House.

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

Ms GLADYS BEREJIKLIAN: The former Labor Government cut public transport services. We know that cutting services means fewer front-line jobs. And guess how many front-line rail services the former Labor Government cut? Back in 2005 the former Government cut more than 400 daily rail services. What did the Leader of the Opposition do about that when he was the Minister for Transport? He did nothing. The member for Keira was Deputy Director General of Transport NSW. The Leader of the Opposition was the Minister for Transport—

The SPEAKER: Order! The House will come to order.

Mr Clayton Barr: Point of order—

The SPEAKER: Order! Members will come to order. The Minister for Transport will come to order.

Mr Clayton Barr: My point of order relates to Standing Order 129. I would appreciate the Minister using the term "bus driver" at some stage.

The SPEAKER: Order! That is not a point of order. However, I ask the Minister to return to the leave of the question.

Ms GLADYS BEREJIKLIAN: I thank our hardworking bus drivers. How many bus services did Labor slash when it was in government? It slashed 1,500 weekly bus services. That is how much Labor members care about bus drivers. When they were in government they slashed 1,500 weekly bus services. What did the Leader of the Opposition do when he was Minister for Transport? He did not care about bus drivers. What did the member for Keira do when he was Deputy Director General of Transport NSW? He did not care about bus drivers.

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

Ms GLADYS BEREJIKLIAN: It is interesting that no-one on the frontbench opposite asked me that question. Clearly, they do not want to hear the answer. The irony is that if they cared about bus drivers they would not have slashed all those services. It is interesting that I was in week two of my job when a lot of Labor members started writing to me about bus services in their electorates. Their Government slashed bus services, and then they write to me saying, "Can you give us our buses back?" Members opposite should not ask me about bus drivers. They slashed bus services when they were in government.

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

Mr Michael Daley: Point of order: Madam Speaker, when the member for Cessnock took a point of order a minute ago you asked the Minister to return to the leave of the question. The Minister has seconds left to complete her answer. The bus drivers want to know how long the Minister is going to make them wait for their money.

The SPEAKER: Order! The member for Maroubra will resume his seat. The Minister will return to the leave of the question.

Ms GLADYS BEREJIKLIAN: I was speaking about bus drivers and bus services when I was rudely interrupted. It is interesting that Labor, when in government slashed, 1,500 weekly bus services, now in opposition its members are writing to me to ask me to reinstate those bus services. How can Labor members say they care about bus drivers when they have slashed bus services, which means fewer front-line jobs? With regard to public transport, we on this side of the House are all about more front-line jobs. That is why we have made a commitment to reinstate so many of the services the other side of the House slashed. While I am speaking about train services and bus services I also want to talk about the more than 300 train services—*[Time expired.]*

MATCH FIXING

Mr STUART AYRES: My question is directed to the Minister for Sport and Recreation. What progress is being made in combating match fixing and illegal betting in sport?

Mr GRAHAM ANNESLEY: I thank the member for Penrith for his question. I appreciate his interest in this issue, given his sporting background and the importance of sport to his Western Sydney constituents. Before I answer the question I echo the Premier's remarks in the House yesterday, and congratulate the New South Wales Blues on their fantastic performance last night in keeping the State Of origin series alive for a third deciding game in Brisbane in three weeks—a feat not accomplished since 2008.

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

Mr GRAHAM ANNESLEY: I have a feeling that Ricky Stuart and Paul Gallen are on the verge of a very successful era for the Blues. As I stated in my inaugural speech to the New South Wales Parliament, some aspects of gambling on sport seriously concern me, particularly in relation to the exponential growth in exotic types of bets on the major professional codes and other major sporting events. This type of gambling has already proven to have the potential to lead competitors and their associates down the path of match fixing and organised crime, as evidenced by recent high-profile cases both here and overseas.

Sport is an integral part of the Australian psyche, and fans need to have confidence that contests are being played out fairly and squarely without any hint of "a fix", to use a colloquial term, and without raising suspicions about the genuine nature of the final result. Earlier this year the Sport and Recreation Ministers Council met, with all sport Ministers agreeing that protecting sport from match fixing is a priority for all Australian governments.

I am delighted to report that on Friday 10 June the National Policy on Match Fixing in Sport was signed by New South Wales and other State and Territory sport Ministers and the Federal Government. The policy aims to preserve the integrity of one of Australia's great cultural assets and is underpinned by the following agreed principles: first, a nationally consistent approach to deterring and dealing with match fixing in Australia; secondly, information sharing and highly efficient networks between governments, major sports, betting

operators and law enforcers; thirdly, a consistent national code of conduct principles for sport; and, fourthly, active participation in international efforts to combat corruption in sport, including an international code of conduct and an international body.

More specifically, all Australian governments have agreed to pursue, through Attorneys-General, a consistent approach to criminal offences, including legislation by relevant jurisdictions as to match fixing, which will provide an effective deterrent and sufficient penalties to reflect the seriousness of offences. Betting agencies will be required to obtain agreement from each sporting organisation on the bet types offered on that sport, with sports having the ability to veto bet types if they believe it could be detrimental to the integrity of their sport. In recognition of the need for national coordination, monitoring and reporting, the Commonwealth Government will establish a National Integrity of Sport Unit. The policy will also provide the basis for Australia to actively participate in international forms to achieve similar international outcomes.

Ministers acknowledge the strong support of the major sporting organisations, including the Australian Olympic Committee and those represented by the Confederation of Major Professional and Participation Sports, as well as the sports betting industry. A cross jurisdictional working group will provide an implementation work plan within the next three months, which will include an assessment of readiness of the sporting organisations and the betting industry to pursue the requirements under this policy. All partners will now work together in imitation of this policy, which will deter match fixing and, in so doing, safeguard Australian sport. The agreement is an important first step in the process. The New South Wales Government is very supportive of a national approach to address the issue of inappropriate and fraudulent betting on sporting contests and any attempt at match fixing.

I will work closely with Mr George Souris, Minister for Tourism, Major Events, Hospitality and Racing, Mr Greg Smith, the Attorney General, and Minister for Justice, the Commonwealth Government authorities and sporting bodies to ensure appropriate safeguards are in place to protect the integrity of sport from illegal betting and match fixing. As I have mentioned, Australians expect the sport they watch or participate in to be played honestly and to the ideals of fair play and good sportsmanship. The New South Wales Government and my department will work very closely with national and State sporting bodies in implementing this policy. We are all committed to doing everything possible to see sport free of the threat of match fixing and corruption.

WHITE BAY REDEVELOPMENT

Mr JAMIE PARKER: I direct my question to the Minister for Planning and Infrastructure. I refer to yesterday's report on Barangaroo by the Auditor-General. Has the 35 per cent blowout in the cost of moving the cruise ship terminal to White Bay from an initial \$45 million to the current estimate of \$62 million, with the potential to further blowouts, now convinced the Government that the cruise ship terminal should remain at Barangaroo?

Mr Andrew Stoner: Who is responsible for that, Kristina?

Mr BRAD HAZZARD: There is a pretty simple answer to the Deputy Premier's question: Joe Tripodi.

[Interruption]

The SPEAKER: Order! The Minister for Planning and Infrastructure will answer the question. The House will come to order.

Mr BRAD HAZZARD: I thank the member for Balmain for his question. I am pleased that most members of the House are staying to hear the answer. White Bay has quite an interesting history. The former Government—in fact former Premier Keneally, who just left the Chamber—wasted nearly \$400 million on a metro to try to preserve the seat of the member for Balmain, which was in the hands of the Labor Party. The member for Balmain did well. It cost him next to nothing, but it cost taxpayers and the Labor Party \$400 million dollars. The White Bay is very important as a ferry terminal and it is clearly interconnected with Barangaroo.

In the last day or so, through the report of the Auditor-General, there has been considerable focus on transport to and from Barangaroo. I acknowledge that it is concerning that the cost has increased from \$46 million to \$62 million. It is concerning also that the report of the Auditor-General highlighted a lack of adequate focus on transport issues for the connection to and from Barangaroo. I intend to work with all parties to ensure that those transport issues are addressed. The Minister for Transport has already indicated that she will work with me as the Minister for Planning and Infrastructure to deal with this issue.

Mr Barry O'Farrell: And the Lord Mayor.

Mr BRAD HAZZARD: And I will work with the Lord Mayor. I indicated earlier this morning on radio that this Government will take a different approach to that which occurred in the past. The Government believes in working together with the City of Sydney. As I said this morning, a model that has worked well in Australia is the model of the city of Brisbane and the Queensland Government where there has been collaboration, despite political differences. I say to the member for Balmain that the Government does not yet fully understand—

Ms Cherie Burton: Anything.

Mr BRAD HAZZARD: Coming from those opposite, that is really rich. The Government does not yet fully understand why the terminal was moved to White Bay without any public consultation. But the Government is looking at that. Another concern is how to best provide transport connections to Barangaroo. In the estimates of the numbers of people expected to use Barangaroo it is thought that less than 1 per cent will come ferry and 63 per cent will come by rail—and Wynyard has rail problems. The Government has a lot to work on with the City of Sydney and others to ensure that our public transport connects. This is on the back of 16 years of a Labor Government that had no hesitation in throwing \$400 million to the wind on a metro rail system that was never going to work.

I can assure the member for Balmain that before the Government makes any decisions on how we will deal with the connection of public transport, it will deal with all the players, the community groups, the necessary government departments and agencies, and those in private infrastructure to achieve the best outcome. Barangaroo is a great project, but it is clearly a project that requires some close examination, and in that regard the Government has announced a review. We have the report of the Auditor-General and a current review, but at the end of the day Lend Lease is an Australian company that is doing a first-class job in ensuring that Sydney is on the map for the twenty-first century. We want to make sure the project is done properly. We want to get the processes right, but the Government is absolutely supportive of getting the Barangaroo project done as quickly as possible, and the Government will make sure that happens with the right transport connections.

COMMUNITY SERVICES

Mr GARETH WARD: My question is addressed to the Minister for Family and Community Services. Will the Minister inform the House on how the Government is working to improve services for families and individuals in need?

Ms PRU GOWARD: I thank the member for Kiama for his question. Improving services for the people of Kiama is what Gareth Ward is all about and that is what this Government was elected to do. I have now had the opportunity to travel to many areas in New South Wales with members like the member for Kiama to hear firsthand from our front-line staff about their ideas for improving services for our most vulnerable children and their families. The member for Kiama and I were able to see firsthand the good work of our front-line staff in housing and we were able to discuss with them what they felt needed to be done after 16 years of Labor failings. The relationship between homelessness and unstable housing and child protection is well recognised. To do better with housing is to do better for those children.

In my first few weeks as Minister I have visited one of the State's busiest Community Service Centres at Campbelltown, together with the member for Campbelltown, Mr Bryan Doyle, and the member for Wollondilly, Mr Jai Rowell, and I have been talking with front-line caseworkers with the member for Oatley, Mr Mark Coure, and the member for Parramatta, Dr Geoff Lee. Every member I have mentioned—like every Liberal and Nationals member—are strong advocates for better services for children. More recently I spent a night with our front-line Crisis Response Team, the member of which deal with the most urgent situations where a child is in danger. I talked with them about their thoughts on improving the service.

Improving services and increasing accountability and transparency drives reform. It means working better and smarter and unleashing the potential of our wonderful front-line workers. They want to do more and they are asking for our assistance to allow them to do more. Reform will be challenging and it will take time. Thanks to Labor's mismanagement, that will be a difficult task, given that we have had 16 years of waste and mismanagement.

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

Ms PRU GOWARD: We have to address a huge amount of bureaucratic red tape so that front-line workers can get on with the job and help these children.

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

Ms PRU GOWARD: That has not been happening.

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

Ms PRU GOWARD: I have been working with Minister Constance and our trusted agencies to supercharge our action plans to deliver the core priorities of this Government. Those core priorities include working better with our complex families.

The SPEAKER: Order! I remind the member for Canterbury that she is already on three calls to order.

Ms PRU GOWARD: The core priorities also include putting together an action plan to work with our non-government partners to improve out-of-home care, as well as implementing organisational improvements.

The SPEAKER: Order! I previously placed the member for Canterbury on three calls to order. I direct the Deputy Serjeant-at-Arms to remove the member from the Chamber.

[The member for Canterbury left the Chamber, accompanied by the Deputy Serjeant-at-Arms.]

Ms PRU GOWARD: We are getting on with the job of real reform, not letterhead reform. All Labor did was line up the silos, put a head office on top and called it an integrated agency. It had no ticker for integrating services. It failed to transfer services to the non-government sector because it had no courage to implement the hard reforms recommended in Justice Wood's report, which Labor commissioned. Labor failed to integrate services for needy families. It failed to be accountable and transparent in its performance. It failed to work better and smarter and this State has ended up with the highest rate of child removals of any State in the country.

Following the election Labor is rewriting history, which it does well, pretending that the last 16 years did not exist, that when in government it did not have the same wages policy as ours, that it did not leave a \$5.2 billion black, that the paradigms of a century ago still exist and that it is not responsible for the mess it left in Community and Family Services for us to clean up. Labor promoted the chief architect of those failures to the position of Deputy Leader of the Opposition. So long as Labor keeps up those pretences about the last 16 years, its members will remain on that side of the House.

Question time concluded at 3.12 p.m.

PETITIONS

The Speaker announced that the following petition signed by more than 10,000 persons was lodged for presentation:

Palliative Care Community Services

Petition requesting increased funding for Northern Sydney Palliative Care Community Services and for palliative care community services in all areas of New South Wales, received from **Mr Barry O'Farrell**.

Discussion on petition set down as an order of the day for a future day.

PETITIONS

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

Lismore Base Hospital

Petition requesting the immediate implementation of stage 3 of the redevelopment of Lismore Base Hospital, received from **Mr Donald Page**.

Crown Land Development

Petition requesting that the draft local environmental plan template be amended to enable Crown reserves that are not national parks or nature reserves to be protected from development, received from **Mr Donald Page**.

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**.

Pet Shops

Petition opposing the sale of animals in pet shops, 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**.

Gardens of Stone Reservation

Petition requesting the reservation of the Gardens of Stone stage 2 park proposal under the National Parks and Wildlife Act 1974, received from **Ms Clover Moore**.

PETITIONS

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

Greater Bylong Valley Area Extractive Industries

Petition requesting the suspension of any Government decisions regarding extractive industries in the Greater Bylong Valley Area, pending the outcome of proposed water and/or land use studies, received from **Mr George Souris**.

BUSINESS OF THE HOUSE

Discharge of Order of the Day

General Business Order of the Day (General Orders) No. 1 discharged on motion by Mr Jamie Parker.

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY

100 Day Action Plan

Mr MATT KEAN (Hornsby) [3.14 p.m.]: My motion deserves priority because it details the positive and practical plans being implemented by the Coalition Government in New South Wales. For too long our community has been waiting for positive plans in this State. In fact, for too long our community has just been waiting for a plan. After 16 years of Labor's failure and mismanagement it is long overdue. That is why my motion should be accorded priority in the House today. This motion deserves priority to show the public of New South Wales that we are getting down to business and getting on with the job. We are putting in place the policies that will return New South Wales to its rightful place as the premier State and the place to do business.

This motion deserves priority because it demonstrates that the Liberal-Nationals Government has already started implementing our Five Point Action Plan that we took to the electorate. The five points are: one, rebuilding the economy; two, returning quality services; three, renovating infrastructure; four, restoring accountability; and, five, protecting our local environment and communities. Point four, restoring accountability

and transparency, is a fundamental part of our Five Point Action Plan. The reason this motion deserves priority is that we want to be accountable and transparent to the public. We want the public to understand where we are at with our Five Point Action Plan. We want the public to know that what it elected us to do is being done.

The SPEAKER: Order! I remind members that many remain on three calls to order from question time.

Mr MATT KEAN: This Government has a proud record. In 74 days since we have been elected we have done more than the mob opposite did in 16 years. It was an absolute disgrace. We are getting on with the job and implementing the Five Point Action Plan. Accountability and transparency go to the heart of why our Government was elected with an overwhelming majority. They go to the heart of why Barry O'Farrell is the Premier of New South Wales. I am proud to be part of a government that is getting on with the job. After 16 years of the worst government in this State's history the public has grown tired of empty promises and spin. It is important that they understand that we are going to end the culture of spin that Labor created. We will show the people of New South Wales that politics does not have to be the way that Labor made it. I believe, unlike the members on the other side of the House, that it is the priority of any government to keep its election promises. This Government is already keeping its promise to start construction of the North West Rail Link.

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

Mr MATT KEAN: We are already delivering on our promises to end the culture of decisions for donations over which the mob opposite presided. We already have sought to regulate lobbyists and ban success fees. We are getting down to the hard work of reducing cost-of-living pressures on the families of New South Wales. We have already started by reducing train fares. Members of my community in Berowra are saving \$204 a year on train fares. It is an exciting initiative. Unlike members on the other side, we are delivering on our election promises. It is a priority that the community understands that we are doing the job that it elected us to do. This motion deserves priority because it outlines the commitment of the New South Wales Liberal-Nationals Government to make New South Wales number one again.

We will restore New South Wales to its rightful place as the premier State and the place to do business. That will take sustained and courageous resolve, hard work and tough decisions. We have already started taking those decisions. It is important that we let the community know where we are at in that process. That is why this important motion should be accorded priority. Accountability and transparency are two of the main reasons that we were elected. The Opposition should pay due respect to those principles and support this motion as a priority. The people of Hornsby—the people of New South Wales—deserve a government that will deliver on its commitments, and that is why this motion deserves priority.

Industrial Relations Legislation

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [3.19 p.m.]: This motion deserves priority because as the Government's legislation on industrial relations has made its way through this Parliament it has become more and more clear how much the Premier has misled the public. What Mr O'Farrell says and what is actually included in his legislation are two very different things. Making sure that what a Premier says matches reality should be a matter of priority.

The Premier repeatedly tells this House and the public that he is not interested in taking away the entitlements of workers, yet his legislation is designed to do exactly that. The Premier repeatedly tells this House and the public that he only wants to enforce a Labor policy, yet his legislation not only fails to have any reference to that policy but it also makes Labor's policy impossible to enforce, because Labor's policy, for more than a century, always incorporated the powers of the Industrial Relations Commission. To say, as the Premier does, that any law that scraps the Industrial Relations Commission is Labor's policy and therefore is still fair to workers is like stripping the brakes off a car and saying that it is still good to drive.

As was pointed out to the Premier on *Radio National* this morning, he can talk about policies and good intentions forever but what this Parliament does is make law, and the law now includes the power to cut the wages and conditions of all public sector workers with no guarantee they will receive a wage increase in return. In addition, it prevents workers from having access to an independent umpire, because the Industrial Relations Commission is now bound to enforce the Government's policy. On 12 May the Premier told the House:

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

By the inclusion of the term "umpire", a reasonable person would think that the Premier means an independent body. Surely a reasonable person would think that the Premier means that the umpire can rule for one side or another. Surely a reasonable person would think that an "umpire" follows rules that apply equally to both sides. But that is not what this law says. The law is that the umpire can only rule for one side—the Government. The law is that one team, the Government, can rewrite the rules of the game as it goes along.

To even mention the word "umpire" in that context is an insult to umpires. The Minister for Sport and Recreation should have taken objection at every point. Imagine cricket games under the Premier's rules. You bowl a ball and it hits the stumps—howzat! Not out. You bowl another bowl and it hits the stumps—howzat! Not out. You have a third go: you hit the stumps—howzat! Still not out. Then there is an appeal for leg before wicket.

The SPEAKER: Order! Members will cease interjecting.

Mr JOHN ROBERTSON: What is the response? No, that rule does not exist anymore. "But don't worry", says Captain O'Farrell, "It is all still fair; there is a safety net. The umpire on the field may be gagged but there are a few blokes up there in the members lounge who can overrule me on all of it. You can go and talk to them. All you need to do is find a way to get into the members lounge." To call this an independent safety net is shameful and a new low in spin from a Premier who promised to bring spin to an end.

Then there are the outright deceptions that deserve to be addressed by the House as a priority, such as telling the public that this bill is about enforcing Labor's wage policy. It is straightforward: If a bill is about enforcing a policy, the bill references that policy. This bill does not do that. That is another misleading statement by the Premier. But there are more deceptive statements. The Premier told this House that his legislation will "guarantee to public servants fair wage increases". I highlight the Premier's use of the word "fair". In reality, the bill removes the power of the Industrial Relations Commission to consider fairness in enforcing government policy.

It pits the commission against its own duties under the Industrial Relations Act by removing its ability to even assess the fairness and reasonableness of any direction the Government sets. The Premier says "Fair wage increases", but fair in whose eyes? It is in one person's eyes and one person only—the Premier. There are police, nurses and teachers in the electorates of all members in this House who are outraged at the deception of this Premier, and if members opposite do not start showing some spine, they will rue the day they supported this bill.

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

100 DAY ACTION PLAN

Motion Accorded Priority

Mr MATT KEAN (Hornsby) [3.26 p.m.]: I move:

That this House notes the Government's progress on its 100 Day Action Plan.

I am very pleased that this motion has been accorded priority because it is important that we detail to the community that we are acting on the plans that they asked us to implement during the election campaign. We went to the election with a 100 Day Action Plan, and part of that plan was based on a five-point plan, which involved rebuilding the economy, returning quality services to our communities, renovating infrastructure, restoring accountability and protecting our local environment and communities. Upon the swearing-in of the Cabinet on Sunday 3 April 2011 the Premier announced the 100 Day Action Plan, and that will be completed by 12 July 2011.

The 100 Day Action Plan is the blueprint to start the change needed to make New South Wales number one again. For too long New South Wales has not been the premier State and it has lagged behind the other States and Territories. We have had the highest rates of tax of any State in the Commonwealth and we have had the slowest rate of economic growth over the past 16 years. We need to ensure that we implement the policies and settings to restore New South Wales as a place to do business again. The New South Wales Liberal-Nationals Government is the busiest government in Australia, delivering dozens of commitments and initiatives to make people's lives better. If we are not making people's lives better, why are we in politics at all?

The Government is left with the enormous task of turning around the damage done to New South Wales in 16 years of a Labor Government, particularly with the neglect and lack of action in relation to infrastructure. In my own community of Hornsby Labor promised to fix Hornsby Hospital, to build the North West Rail Link and to widen New Line Road. There are many examples of Labor's failure to deliver for the communities of New South Wales. My community in Hornsby is a microcosm of what is happening all across this State. That is why the O'Farrell Government was elected with a strong mandate at this election.

As I have stated, the 100 Day Action Plan delivers on commitments made during the election campaign based on our five-point plan. One of the 100 Day Action Plan commitments that has been delivered that benefits New South Wales, and which particularly benefits my community in Hornsby, is the passing of legislation to repeal the home buyer's tax to take effect from July 2011. That means that New South Wales families will save an average of \$1,250 in costs when they buy a home. We all know that cost-of-living pressures are significant in New South Wales and across the country. This legislation will make a material difference to the working families of this State. I am a first home buyer and it will make a huge difference to me and many of my constituents.

The Government has also instructed Landcom to target the release of 10,000 housing blocks within four years. Members on this side of the House are determined to turn the dream of home ownership into a reality. A couple of years ago the then Federal Minister for Housing, the Hon. Tanya Plibersek, said that dealing with the housing affordability crisis was not rocket science or brain surgery. Why then has the Federal Government not done something about it? The O'Farrell Government is hard at work making things easier for first home buyers in New South Wales.

The Government has also introduced wonderful legislation designed to empower communities by giving them a say in the running of their local hospitals. It has established local health boards because it believes in restoring local decision-making to our State's health services. Community involvement will go a long way towards making my local hospital the hospital it should be. Last night in my inaugural speech I spoke about the challenges facing those dealing with mental health issues, and in particular suicide. I am very proud of the fact that the O'Farrell Government has moved quickly to establish a standalone mental health commission and that it will provide \$2 million in recurrent funding for Lifeline over the term of this Parliament. Mental health is a very important issue and I am glad that the Premier and the Coalition team are doing something constructive to address it.

While speaking in the debate to establish the priority of my motion I pointed out that the O'Farrell Government is addressing the impact of cost-of-living pressures on New South Wales families by reducing the cost of transport, particularly train fares. Commuters from Berowra will each save \$204 a year as a result of the changes made by the Minister for Transport, Gladys Berejiklian. That is very exciting. That is real money being placed in commuters' pockets that they can use for other priorities and to alleviate other cost-of-living pressures. The Government has also moved to incorporate existing light rail services from Central to Lilyfield in the MyZone ticketing system from 27 June. That is a win for pensioners and families who will benefit because for the first time light rail services will be covered by pensioner excursion tickets and Family Funday Sunday tickets. The Government has also introduced tough legislation to address graffiti vandalism. I recently attended a graffiti action day and I am aware of its impact on our communities.

I am very proud to be a part of this Government's efforts to address that issue. The Government has also introduced legislation providing for the creation of Infrastructure NSW and it has appointed the board. Infrastructure has been a major problem in this State. We are choking on our own gridlock in Sydney such that it takes my constituents in Cherrybrook and Galston 90 minutes to get to the city each day. They need a viable public transport solution, and Infrastructure NSW will play a big part in delivering it. The Government is also starting work on planning and budgeting for the North West Rail Link and has established project teams to get it up and running. My constituents in Cherrybrook, Dural and Galston will be major beneficiaries of this initiative. This is about viable public transport solutions that are sorely needed not only in my community but also in Castle Hills, Baulkham Hills and many other areas of north-western Sydney.

Mr MICHAEL DALEY (Maroubra) [3.33 p.m.]: What a heap of hubris-driven, self-congratulatory, backslapping tripe that was. That was the longest seven minutes I have ever endured in this Chamber. The content was rubbish and the delivery was worse, notwithstanding that the member is new to this place. It was the embodiment of an arrogant, drunk-with-power government in its first three months in office. This Government has been shooting itself in the foot day after day. I will take members through some of its outstanding

achievements in its first three months in office. I remind members of that longstanding promise delivered day after day to workers in New South Wales that a Coalition Government would smash their occupational health and safety protections and repeal workplace safety provisions—

Ms Robyn Parker: Tick, tick.

Mr MICHAEL DALEY: "Tick, tick", says the Minister. She is suggesting that repealing provisions dealing with union prosecutions and workplace safety has been on the Coalition's agenda for a long time. The fact that members opposite wear that as a badge of honour says everything that needs to be said about them. In attempting to prevent unions initiating prosecutions the Government has attacked a provision that has improved the safety of workers and other citizens of New South Wales. Thankfully, that right was preserved by members of the upper House. The right of unions to initiate prosecutions has been on the statute book in New South Wales since 1943. While the number of union-led prosecutions has been relatively low, that right has provided workers with an important avenue of redress.

Union prosecutions have delivered justice to individuals who were the victims of some of the biggest organisations in Australia, including James Hardie and Patrick Stevedores and, most famously, led to major workplace safety reforms in the banking sector. This is not just about law, rights or corporations, like the abominable industrial relations law that was passed by this House today; it is about the sort of people who gathered outside in Macquarie Street yesterday in their droves. We saw 12,000 people protesting outside Parliament House yesterday, although members opposite would have us believe that they were holograms of hostile, hysterical union bosses.

Mr Matt Kean: There were 2,000 of them.

Mr MICHAEL DALEY: There were many more than 2,000. They were people like Dawn Chamberlain, whom the former Premier met last year. Mrs Chamberlain worked in the finance sector for 33 years and survived five armed robberies. She was there to help us with our banking but instead had guns pointed at her head. She stated:

You experience many anxious moments, sleeping patterns are interrupted and your sense of well being and security is shattered.

Many years later these feelings can resurface with a car back firing or similar loud noise, or a simple TV show or news report, you never truly recover.

The union supported her and achieved a good result for bank employees. That is one of the achievements that this Government tried to wind back. The M5 East is another cracker. Premier O'Farrell has broken his promise—

Mr Jai Rowell: Poor delivery.

Mr MICHAEL DALEY: It is the Coalition's road.

Mr Jai Rowell: No, I am referring to your delivery.

Mr MICHAEL DALEY: The M5 East project was signed off by Bruce Baird, and his chief of staff at the time was the current Premier. If members opposite are saying that the M5 is broken, they should take responsibility for that because it is their road. The Premier's 100 Day Action Plan promises that the Government will complete the M5 widening negotiations with the private operator Interlink by July 2011. That is a fail. I note the attempts of the Minister for Roads and Ports to rewrite the Coalition's election commitment by claiming that the promise was simply to start negotiations. He says:

You can take from that whatever you like; the promise was to start negotiations on the widening of the M5.

What has happened? Members opposite hope that they will be concluded by the end of 2011. The establishment of Infrastructure NSW is another cracking promise made by the Coalition. It promised that it would be an independent body at arm's length from government and that politics would be taken out of infrastructure planning and building. But what have we got? We have a body that reports exclusively to the Premier and, in another case of jobs for the Liberal boys, it will be chaired by that champion of independence, Nick Greiner.

The board will be appointed and directed by the Premier, it will be answerable only to him and it will produce plans that he and only he can approve. In addition, the Premier will not be required to report the draft

plans, the final plans, the outcomes or the deliberations to the public. So much for independence and taking the politics out of infrastructure planning and building. Members opposite are a joke. With Nick Greiner as chair and Max Moore-Wilton on the board—are you kidding? That is absolutely independent. That is another failure.

Mr Troy Grant: I will read it for you.

Mr MICHAEL DALEY: You do not have to read it for me; I am well acquainted with the bill. Let us look at the biggest broken promise so far—the repeated promise to restore our public services, promising to restore more in our public services, repeatedly promising there would be no bottom drawer plan for public servants, that there would be no threat to their conditions and no threat to their independent umpire. What do we have within months—the single greatest legislative attack on the working conditions of public servants in this State in its history, and arguably the greatest attack in the nation's history. As many commentators have observed, this Act is worse than WorkChoices with the sheer power to slash working conditions that is embodied in the Act.

The process of getting a nasty piece of legislation passed incorporated the fifth broken promise, the promise of the Premier to bring back better parliamentary standards, to observe history and introduce better standards of accountability in this Parliament. The first thing he did when he got his industrial relations bill into the other House was to break a convention of 106 years that members are not gagged. If, as the member for Hornsby said, the Government wants to increase accountability and transparency, where is the Parliamentary Budget Office? I would like to hear one of the members on the government side tell me when the Government will restore the Parliamentary Budget Office.

Mr PAUL TOOLE (Bathurst—Parliamentary Secretary) [3.40 p.m.]: I am proud to be able to speak on the matter of priority introduced by the member for Hornsby. It is quite hypocritical that the member for Maroubra criticises the member for Hornsby and then leaves the Chamber straightaway. He has been a Minister for Finance and left this State in a terrible position. He has been a Minister for Roads and has not delivered on roads across New South Wales, and he has also been a Minister for Police and, over the years, we have seen police morale being diminished because of the lack of activity from him. So for him to criticise another member is a disgrace.

I congratulate the O'Farrell-Stoner Government on its progress in meeting its commitments in the 100 Day Action Plan. The O'Farrell-Stoner Government is committed to keeping its election promises, something that Labor is not aware of because it has not kept a promise since it was elected nearly 16 years ago. Our 100 Day Action Plan will get the State moving again. It will make New South Wales the premier State for everyone to do business. Already we are governing for all of New South Wales. We have extended the parliamentary sittings to 60 days to show we are serious about working for the people of New South Wales and doing the job that they deserve. What did the previous Government do? It prorogued Parliament. It shut down Parliament and sent a message to all of New South Wales that we are not open for business. We are going to change that, because the O'Farrell-Stoner Government is committed to doing business with every State of this country. We delivered a stable government.

Had Labor got back in, we would be speaking to the second Premier by now. We would have had a different Minister for Planning. We would have had another Minister for Police, or we would have had another scandal. We also have the commission of inquiry that has been set up into the power sell-off. A number of years ago the power sell-off was estimated to raise about \$30 billion. A couple of years ago the figure was \$12 billion. What does Labor do? It sells it off for \$5 billion and in the wash-up we end up with about \$350 million for the people of the State. The people of this State have been undersold by the Labor Government with this deal. It is the dud deal of the century and it has cost the people of New South Wales. We are a responsible government, a government that is going to make sure that we claw back that \$5.2 billion black hole that has been left by the former Labor Government.

Previously the Federal Labor Government did not want to speak to the former Labor Government because it was seen as so poisonous, and we saw grants go to Queensland and Victoria because the Commonwealth did not want to deal with New South Wales. It is great that our Premier has opened up discussions with the Prime Minister to ensure that New South Wales sends a clear message that we are open for business. We have also introduced legislation to provide 100,000 new jobs to kick-start the economy. We are offering a payroll tax rebate scheme whereby \$4,000 will be given to new employees. This is a great way of starting the economy and ensuring there are employment opportunities for people across New South Wales.

Infrastructure NSW is a great shot in the arm to ensure that projects will be delivered. It will be a shot in the arm and will open up the State. Labor would not have known there were seats west of the Blue Mountains. It treated people in the west as second-class citizens. It is great to see a government now supporting all of New South Wales. Labor is getting a reputation as great for delays, hindrance and scaremongering. In my electorate it has a reputation for being a bunch of whingeing, whining people that have no vision for the State. We are committed to meeting the demands of the people of the State in the first 100 days— [*Time expired.*]

Mr GUY ZANGARI (Fairfield) [3.45 p.m.]: I am happy to speak about the O'Farrell Government's progress on its 100-day plan. I might be mistaken but I believe we are up to day 82 of the new Government and what a record it already has. The first 82 days have been characterised by spin, bad decisions and broken promises. It is laughable that this motion talks about progress. If Government members think that what they have achieved so far is progress they need to have a good look at themselves. There has been no progress; there have only been bad decisions at the expense of the people of New South Wales. We know this because it took only days for the new Government to manufacture a budget black hole. Of course, there was no budget black hole. The independent Parliamentary Budget Office discredited this analysis of the State's financial position. It stated on page 7 of its report:

Insofar as fiscal policy is concerned, the state's AAA status does not support this claim. A fear that "Labor had 'cooked the books' to distort the true state of NSW's finances" is not supported either by the report issued by Mr Lambert or by this Office's examination of available data.

There was no black hole—only a Premier and a Treasurer determined to mislead and deceive the people of New South Wales. The Premier used this budget spin to try to fool the people of New South Wales. Why? So the Government could pretend to be forced to make the so-called tough decisions. This is code for cutting jobs, slashing services, and breaking promises. Take the Premier's changes to the Industrial Relations Act that will allow the Government to immediately cut the wages of many public sector workers and immediately cut the employment conditions of many public sector workers, with no guarantee they will receive a wage increase in return. All of this can happen without workers having access to an independent umpire, because the Industrial Relations Commission is bound to enforce the Government's policy. This bill gives unprecedented power to politicians to cut workers' conditions if it becomes part of Government policy, with no guarantee there will be wage increases or other benefits in return.

This is not progress. This is a decision that attacks our public sector workers—the 12,000 people who were out in Macquarie Street yesterday—and the other 300,000. This terrible policy has been backed up by a string of bad decisions, including the decision to shut down debate on the bill in the other place, a decision that has not been made in over 100 years, and a decision to carve police out of the policy but leave in 300,000 nurses, teachers, firefighters, bus drivers and other public sector workers as part of a deal with the upper House crossbenchers. It included the decision by the Minister for Health, who uninvited journalists on her visit to Fairfield Hospital because she heard nurses were protesting outside the office of the member for Smithfield on the same day.

Mr Stuart Ayres: Point of order: I remind the member for Fairfield that it is common practice not to take journalists into a hospital.

The DEPUTY-SPEAKER (Mr Thomas George): Order! I understand that has been the practice in the past, but that is not up to me. That is not a point of order. The member for Fairfield will return to the leave of the motion.

Mr GUY ZANGARI: This is not progress and it is certainly nothing to be proud of, nor was the Premier's handling of the Solar Bonus Scheme. The decision was so bad that last week, on day 73 of the Government, the Premier was forced into an embarrassing backflip. Backflips are not progress. These were the actions of an arrogant and incompetent Government. The Premier went on radio and tried to argue that he had listened to the community whilst at the same time admitting that he wished he had been able to push through the changes anyway. The decision was set to cost 110,000 families thousands of dollars. The Premier admitted the only reason he will honour the contracts under the Solar Bonus Scheme is not because that is what he promised to do before the election— [*Time expired.*]

Mr MATT KEAN (Hornsby) [3.50 p.m.], in reply: Contributions from members opposite have been laughable. They have had 16 years to run this State and do great things but they have failed. No government has ever had so much opportunity to achieve but has done so much harm to this State. Members have spoken about what we have done in 74 days—

The DEPUTY-SPEAKER (Mr Thomas George): Order! Opposition members have made their contributions. The member for Hornsby will be heard in silence.

[Interruption]

The DEPUTY-SPEAKER (Mr Thomas George): Order! Is the member for Cabramatta disputing my ruling?

Mr Nick Lalich: No.

Mr MATT KEAN: The member for Cabramatta obviously agrees that after 16 years they had a wonderful opportunity to do so much good yet they have done nothing but harm. In 74 days we have done more than that mob did in 16 years. The North West Rail Link was promised in 1998, abandoned, promised again, repackaged, but it was not delivered. Hornsby hospital was promised but not delivered. The member for Penrith knows about the Penrith fast track rail link that has not been delivered. Labor had 16 years to deliver on these projects. It is a disgrace that over 16 years no progress was made with Bathurst Base Hospital, yet Opposition members have the hide to lecture Government members about delivering on plans. It is gross hypocrisy and will not be tolerated.

The member for Maroubra is not in the Chamber but he tried to coach us on how we should conduct ourselves in the Chamber. The member for Maroubra has not provided a 100-day plan; his only plan is rolling the Leader of the Opposition. It is disgraceful. He should put forward productive plans to the people of New South Wales so that they can be debated in an open and transparent manner. We regard it as a priority to deliver on our plans as promised. It goes to the heart of why we were elected to government. We plan on delivering the things we promised. That is a fundamental difference between the Coalition and the Labor Party and why there are only 20 members sitting on the Opposition benches. Labor had a wonderful opportunity to deliver yet it did absolutely nothing. Labor failed the taxpayers of this State. Labor members were so caught up in their own affairs. They were indulgent. They were not interested in good governance; they were more interested in scandals and spin.

The member for Fairfield spoke about spin. His predecessor, Mr Joe Tripodi, wrote the play book on this; indeed, he was the king of spin, yet his protégé talked to us about spin. We know nothing compared with the Opposition. It is important to deliver on the promises made to this House and we will: we are well underway. We have been in government for only 74 days and we have set a cracking pace. We have started moves towards constructing the North West Rail Link. We have implemented our promise of delivering local communities a say in their local hospital boards. We have delivered on reducing the onerous cost-of-living pressures on families through a reduction in train fares. My community of Berowra is thrilled at the \$204 annual reduction in train fares.

Mr Troy Grant: We are consulting the community.

Mr MATT KEAN: We are consulting the community with everything we have done and we are raising this as a matter of priority today so that communities can be kept informed about plans and progress on meeting our plans. That is why Barry O'Farrell is the Premier of New South Wales. That is why he will go down as one of the great Premiers of the State of New South Wales. He means what he says and he delivers on what he says.

Motion agreed to.

LOCAL GOVERNMENT AMENDMENT (ELECTIONS) BILL 2011

Agreement in Principle

Debate resumed from 15 June 2011.

Mr ROBERT FUROLO (Lakemba) [3.57 p.m.]: I am pleased to lead for the Opposition on the Local Government Amendment (Elections) Bill 2011. From the outset I indicate that the Opposition is currently undertaking a process of consultation with our members and stakeholders, a process that the Government has failed to undertake. It is important to note that this bill has been before this House for only 24 hours yet the

Government is attempting to ram this bill through the Parliament without proper time for consultation. This bill is complex, with far-reaching consequences, and it is our intention to take our time to form a considered position.

Once again this Government has introduced complex and far-reaching legislation without taking it to the people. The Government does not have a mandate to do this and, while we would not expect the Government's entire legislative agenda for its term to be outlined prior to the election, serious reforms such as this, proposed in the first months of its term, should have been flagged. If the Government has only come to the decision to implement these changes since taking office then we must ask: What is the reason for these reforms?

The object of this Bill is to amend the *Local Government Act 1993* (the **Principal Act**) as follows:

- (a) to provide that councils, in general, are to administer council elections, council polls and constitutional referendums rather than the New South Wales Electoral Commissioner (the **Electoral Commissioner**),
- (b) to enable a council in certain circumstances to make an application to the Minister for Local Government (the **Minister**) for approval to reduce the number of its councillors without the need for approval at a constitutional referendum,
- (c) to enable a council in certain circumstances to make an application to the Minister for approval to abolish all wards in the council's area without the need for approval at a constitutional referendum,
- (d) to provide that a by-election need not be held to fill a casual vacancy in the office of a councillor (but not a mayor elected by the electors) if a constitutional referendum has approved a reduction in the number of councillors for the council area but the reduction has not yet taken effect,
- (e) to increase the period before the next ordinary election of the councillors during which a council may apply to the Minister to dispense with the requirement to hold a by-election for a casual vacancy in the office of a councillor (including a mayor elected by the electors of an area) from the current effective 12 months to 18 months,
- (f) to make amendments of a consequential, savings and transitional nature.

The Minister's agreement in principle speech contains a number of matters that should be of concern to the entire House and the community of New South Wales. I speak with some experience in this matter as an elected councillor since 1999 and a popularly elected mayor since 2004 and, in addition to that, as the Chairman of the Joint Standing Committee on Electoral Matters, which considered the report into the 2008 local government elections. The Minister said in his agreement in principle speech:

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.

Those two sentences, side by side, seem quite innocuous. But the truth is that their impact is quite serious. The Minister said, "The bill reflects the Government's commitment to provide a transparent and effective legislative framework." I ask: What improvement to the system could there be by removing the role of the independent Electoral Commissioner to conduct elections? How does removing the independence of the Electoral Commissioner improve the system and provide an effective and transparent legislative framework for the administration of local government in New South Wales?

Mr Jai Rowell: It was done to save money.

Mr ROBERT FUROLO: I will get to that.

The DEPUTY-SPEAKER (Mr Thomas George): Order! This is a very important bill. Each speaker should be heard in silence. All members will have the opportunity to contribute to this debate. I am sure the Minister at the table would like to hear all the comments.

Mr ROBERT FUROLO: Comments from the peanut gallery opposite suggested that—

Mr Troy Grant: Point of order: My point of order is that the member for Lakemba is not directing his comments through the Chair but is levelling insults at us across the Chamber.

The DEPUTY-SPEAKER (Mr Thomas George): Order! That is not a point of order. I ask all speakers, including the member for Lakemba, to direct their comments through the Chair.

Mr ROBERT FUROLO: The suggestion from members opposite was that the basis for the committee's recommendation is to save money. My question then would be: What price do we put on

democracy? If the process of having an independent Electoral Commissioner conducting elections in New South Wales is good enough for the people of New South Wales, if the process of having an independent Electoral Commissioner conducting the elections of every State election in every jurisdiction in the country is good enough for them, and if it is good enough for the Australian Government to have an independent Electoral Commissioner conduct its elections, why is it not good enough to have an independent Electoral Commissioner conduct local government elections?

Why should councils have to suffer a second-rate system, with less transparency and less independence, simply because members opposite are trying to save money? What price do we put on integrity? What price do we put on transparency? The second sentence in the Minister's agreement in principle speech states that 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. As I indicated earlier, in addition to my duties as a member of Parliament I am also a popularly elected mayor of the City of Canterbury.

I do not recall receiving any correspondence from the Minister in my role as the mayor, either before or since the election, asking questions or canvassing ideas from mayors in Sydney about whether or not we wanted to cede our powers to conduct elections to the general manager instead of having them conducted by the Electoral Commissioner. The Minister spoke of giving councils back the powers they enjoyed in the past to conduct their own elections. Let us think about how far back the Minister is suggesting we should go. To the best of my knowledge, the last local government election conducted by a general manager would have been in 1991, or conceivably even as far back as 1987. This is prior to the introduction of the Local Government Act in 1993, an Act that gave the power of conducting local government elections—

Mr Jai Rowell: It was 1994.

Mr ROBERT FUROLO: Read the rules, mate. The Local Government Act 1993 gave the power of conducting local government elections to the Electoral Commissioner. In other words, the Minister has said that this far-reaching and contemporary legislation represents a step back more than 30 years. That demonstrates the mindset of members opposite. The Minister further said in the agreement in principle speech:

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.

There the Minister is referring to the report of this Parliament's Joint Standing Committee on Electoral Matters. I am familiar with that report because I was the chairman of the committee that conducted the inquiry. I remind the Minister and members opposite of the process the committee went through in order to complete its report. It is a very comprehensive report. It is comprehensive because as part of the report the committee went through a public consultation process. The committee wrote to all councils in New South Wales inviting them to make submissions on the conduct of the 2008 elections. The committee then held public hearings.

We invited every council that had an issue with the 2008 elections to make a submission to a properly constituted committee of this Parliament. That committee sat through all the deliberations of those submissions and those hearings, and it made a series of recommendations. Because I am quite proud of the committee's report I thought I would take the opportunity to remind the House of the chair's foreword. I will read to members part of the foreword because it is instructive on the issues the Minister has sought to raise in this bill. It reads:

As part of the 2008 Local Government Election in NSW, 4,620 people contested the election for the right to represent their community. This figure is more than 5 times the number of people who contested the 2007 NSW State Election.

These figures highlight important aspects of Local Government in NSW.

Firstly, it reflects the accessibility of Councils as a representative forum for their citizens. It also demonstrates the strong level of interest and the will of residents to be active participants in local democracy.

Secondly, it reminds the State's Legislators of the importance of ensuring the conduct of elections for Local Government is conducted impartially, professionally and transparently.

The Premier referred the conduct of the 2008 Local Government Elections to the Committee for inquiry following concerns raised by the Local Government and Shires Associations.

A committee of this Parliament is the appropriate forum in which to address significant reform regarding local government elections. It is through a committee of this Parliament that people have an opportunity to have input, rather than a Government simply making a unilateral decision less than three months into its term. The chair's foreword continues:

This followed considerable disquiet amongst a number of Councils about various aspects of the conduct of the elections, especially cost.

I acknowledge that. Much concern was expressed following the 2008 elections. The chair's foreword goes on:

The Committee invited all Councils, State registered political parties and parties registered to contest local government elections as well as a number of other stakeholders to make submissions to the inquiry on their issues of concern.

A committee of this Parliament is the appropriate forum in which to introduce legislation. A government should go through a process of consultation with the community and engagement with stakeholders.

Mr Jai Rowell: We took it to them and they made the decision.

Mr ROBERT FUROLO: Well, it is the first I have heard of it. The chair's foreword continues:

Submissions from Councils—both metropolitan and regional—identified a number of concerns about the elections. The most common issue identified through the inquiry was the issue of costs for running the elections. Many Councils felt the model used by the Electoral Commission for apportioning costs was an attempt to shift fixed costs of maintaining the electoral commission to local government.

Other Councils identified issues with the use of the Regional Returning Officer model—where a Returning Officer was shared amongst two or more Council areas.

Issues including insufficient ballot papers at polling booths, the time taken for results to be declared using the central vote counting centre, the selection of polling locations and returning officer accommodation were also raised by a number of Councils.

Again I highlight that the committee is the appropriate forum for issues and concerns of local government to be raised with the Parliament. It is a joint standing committee: it includes members of all political parties. The committee is constituted by the Parliament to undertake these inquiries. The committee makes recommendations and reports, and the Government then provides a response.

In addition to inviting submissions, 72 of which were received, the committee also conducted public hearings to give councils and registered political parties and other stakeholders the opportunity to express their views on the conduct of the elections. Some 23 councils participated in the hearings, as did disability advocacy groups and the Local Government and Shires Associations of New South Wales. The committee wanted to further explore the concerns of councils regarding the cost of the elections and resolved to engage a recognised accounting firm to conduct an independent review. The firm PKF conducted the review of costs and charges to councils for the election. It was an independent inquiry and review of the costs. While the report identified areas where cost calculations could be clarified, the report concluded:

".... that nothing has come to our attention that causes us to believe that the costs passed on to Local Councils in relation to the 2008 Local Government Elections are unreasonable.

It should be remembered that this committee included members from Labor, The Nationals, the Liberal Party and The Greens from both Houses of Parliament. This was the finding of the cross-party committee. The committee's report makes 16 key recommendations, which should assist in the conduct of future local government elections. For example, recommendation No. 7 suggests that the New South Wales Electoral Commission should consider formulating a "service charter" for local government modelled on the Commonwealth Government service charter for departments and agencies dealing with the public. Another recommendation was to amend the Local Government Act 1993 to enable councils to opt to use universal postal voting as the method of election.

While the committee identified a number of areas in which improvements could be made in the management of services by the Electoral Commission, the committee was not critical of the conduct of the elections overall. In fact, the committee acknowledged that the conduct of the Electoral Commission in the 2008 local government elections provided a comprehensive, transparent and impartial service to councils. Further—and this is the critical issue—the committee accepted that to ensure the integrity of council elections the Electoral Commission should continue to conduct all elections. I will repeat that because that is central to the issues considered in this bill: Members should also remember that this committee was comprised of the full gamut of members from Labor, The Nationals, the Liberal Party and The Greens.

The committee accepted that to ensure the integrity of council elections the Electoral Commission should continue to conduct all elections. The committee also found that the inquiry had been useful in giving councils the opportunity to highlight concerns about the conduct of local government elections. I then proceeded to thank those who had made submissions. I thanked the Electoral Commissioner and the staff of the committee for their fantastic work. I reiterate that the process of a public inquiry conducted by a committee constituted under the Parliament is the appropriate way in which bills on such important issues should be brought before this House. I return now to the agreement in principle speech of the Minister for Local Government when he said:

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.

I am concerned by those elements. Councils have not had those powers since the late 1980s and early 1990s. It is a step backwards in terms of the integrity and transparency the community expects of its parliamentarians. Currently the Local Government Act provides that the Electoral Commissioner is responsible for the conduct of all local government elections, ordinary elections, by-elections and elections of mayors elected by the public—constitutional referendums and polls. The Minister has identified that this power has been in place since 1987. I am unsure why those rules were not good enough when they have been in place for the past 25-odd years. I am also unsure why we should return to a system by which general managers can conduct their own elections. The Minister said further in his agreement in principle speech:

The associations [further] stated that councils are better placed to conduct their own elections with more efficient use of council staff and revenue.

The Minister was referring to the Local Government and Shires Associations of New South Wales. I return again to the Parliamentary inquiry into this matter.

Mr Gareth Ward: And you chaired.

Mr ROBERT FUROLO: Members from all political parties were on that committee and they did not disagree with the findings. The Electoral Commissioner held the view that the decentralisation of election services would lead to variations in service levels in the conduct of elections between councils across the State. The commissioner also gave evidence that accountability would be diminished under a decentralised system. This is what he said:

There would be no role for the Electoral Commissioner and the Commission other than to appoint the returning officer. There would be no accountability to this Committee—

being the electoral matters committee—

or to the Minister, other than by the 151 returning officers/general managers/mayors who were running the elections.

Further comments are included on the report on this issue. The Minister continued:

To date, the Committee has not received any evidence or submissions that would lead it to conclude that there is a need for fundamental policy and legislative change to the current scheme in any substantive way.

I will repeat that point for members who are belligerent and cannot listen:

To date, the Committee has not received any evidence or submissions that would lead it to conclude that there is a need for fundamental policy and legislative change to the current scheme in any substantive way. The recommendations contained in this report are intended to address issues that have been raised with the Committee by stakeholders in relation to the 2008 elections, with a view to ensuring that these problems do not recur and that the systems in place support the efficient conduct of elections.

The Minister said further in his agreement in principle speech:

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.

I am concerned about that well. If this bill is passed—I have no doubt the Minister will ensure that it has the numbers in the lower House and I suspect he has done a deal with his buddies in the upper House—it is important for councils to opt out of the system that has the Electoral Commission running it rather than having to ask the Electoral Commission to conduct their elections. But if a number of councils opt out of having the

Electoral Commission run their elections—those councils that choose to have integrity and transparency central to their election process—they will be forced to cover increased costs because of a lack of economy of scale due to the Electoral Commission running fewer and fewer elections. I see that as a great disenfranchisement to councils that value integrity and transparency. It will also be a shame that different councils will operate under different systems. There will be a lack of consistency, transparency and independence.

Where a council determines to conduct its own elections the responsibility of the general manager will include appointing a suitably qualified independent returning officer and substitute returning officer for the council's area, as well as appointing the polling places and determining the fees payable to the returning officer, substitute returning officer and electoral officials. This should be of concern for all members and for those concerned with the integrity of elections. I am sure that many members who have a close affinity with local government will know that mayors and general managers have a very important working relationship. If a general manager is responsible for appointing an individual to run an election, particularly in some of the smaller councils where there may be only 5,000 voters or 7,000 voters, what are the safeguards in this bill—I have not seen any—to ensure that the friend of a candidate, or a person who has a business relationship with a mayor or general manager is not appointed to run the election?

What protections are there in this bill? I have not seen any protections in this bill to ensure that when general managers are appointing a returning officer they do so in a way beyond reproach and in a way that assures the community there can be no question of favouritism or of deals, or that the person being appointed has an interest in nothing other than the fair and transparent operation of the council. Under the current arrangement this is the responsibility of the Electoral Commissioner of New South Wales, the officer we all rely on for election to this place. If we trust him to run our elections to become members of Parliament, why do we not trust him to run council elections? I do not understand the distinction drawn by Government members. Do they believe that councils in our State deserve a lower standard of integrity and transparency in the conduct of their elections?

Mr Gareth Ward: Only if they choose to.

Mr ROBERT FUROLO: That is an outrageous suggestion. The member for Kiama says that councils should have a choice to have a lower standard of integrity. The Minister would be disappointed that the member for Kiama says it is appropriate for councils to choose to have a lower standard of integrity in their elections. He should be ashamed of that statement. I hope he retracts it.

The DEPUTY-SPEAKER (Mr Thomas George): Order! If the member for Lakemba were to direct his comments through the Chair rather than across the Chamber he may not get so many interjections.

Mr ROBERT FUROLO: If members on the other side did not interject I would not have a reason to respond.

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

Mr ROBERT FUROLO: The suggestion by Government members that councils should be able to choose to have a lower standard of integrity in their elections is disgraceful. I am sure the Minister for Local Government would not support those comments.

Mr Jai Rowell: Point of order: The member for Lakemba is making ridiculous claims about a number of Government members. I ask that he withdraw those claims.

Mr ROBERT FUROLO: To the point of order: All I did was to reflect the comments they made to me. I can hardly be accused of criticising them.

The DEPUTY-SPEAKER (Mr Thomas George): Order! That is not a point of order. The member for Lakemba will return to the leave of the bill.

Mr ROBERT FUROLO: The general manager will be responsible for managing the relevant election costs and preparing a report on the conduct of every election for the Minister. The report will disclose, amongst other things, full and transparent costs of the election. I should hope so. A report by the Parliament's Joint Standing Committee on Electoral Matters considered this issue. Central to the argument of many councils that

were concerned about the cost of the last election was the claim that when they ran elections it was cheaper. Many councils were asked to provide documentary evidence to show that it cost less for them to run an election than it did for the Electoral Commission.

Mr Gareth Ward: Shoalhaven City Council did.

The DEPUTY-SPEAKER (Mr Thomas George): Order! Government members will refrain from interjecting.

Mr ROBERT FUROLO: Back in your box.

The DEPUTY-SPEAKER (Mr Thomas George): Order! I do not need the help of the member for Lakemba. Government members will have an opportunity to speak to the bill.

Mr ROBERT FUROLO: I will refer to those parts of the report of the Joint Standing Committee on Electoral Matters that deal specifically with costs. The report states:

While the Committee notes that there are significant increases in the cost of local government elections from 2004 to 2008, as provided by councils, it should be appreciated that the move to a full cost recovery system was intended to reveal the hidden costs of running the elections and to record the costs that the NSWEC [New South Wales Electoral Commission] and councils had previously absorbed. The extent to which costs had previously been absorbed by both councils and the NSWEC became apparent to the Committee as the inquiry progressed.

The LGSA [Local Government and Shires Association] argued that the strict accountability protocol governing the activities of councils, and each of their sections, provides surety that the costs cited for the 2004 elections are accurate.

However, it is relevant to note that there was some indication that there may have been some variation in the accuracy with which costs were recorded across councils.

That is an important point. Councils have indicated that they do not want the Electoral Commission to run their elections because it cost more for the Electoral Commission to run them than it did for councils to run them. This point in the report is critical because it identifies that the councils did not fully account for costs when they ran the elections. The committee report continued:

Certain councils recognised that the costings they had provided to the Committee would have excluded some costs, for example Blacktown City Council recognised that the costings they provided for the 2004 elections would have excluded costs absorbed by councils, such as staff time and diversion of resources.

Baulkham Hills Shire Council submitted that in previous elections, council staff had provided significant support and assistance to the NSWEC and the local returning officer. They submitted that these costs were not accurately captured as they involved reallocation of existing office space and resources. In evidence the General Manager, Mr Walker, argued that

It was also not just the cost, it was the diversion of resources. For example, at the last election we had a training room for our outdoor staff. That training room was then provided to the returning officer, so I lost that training room for a period of eight or 10 weeks. We processed staff that worked on the election. We processed that through our own payroll system.

These were all costs that were not accounted for when councils did their sums and made their submissions. The report continued:

Cr Ray Donald, Mayor of Bogan Shire Council, stated that he did not think that a detailed account of all costs for the 2004 local government elections would have been kept.

How can councils claim that the 2004 costs should be the basis for comparing the cost of the election in 2008 when they admit themselves that they did not keep proper records? The report continued:

However, he argued that while the Council may not have an accurate total figure, all costs, including hidden or absorbed costs such as staff wages, were met within council's budget.

After speaking with a number of councils regarding the recording of costs for previous elections, PKF [which conducted the independent inquiry] reported that

it was likely that not all costs had been accurately captured by Councils in the past. This was due to the misconception that "costs" only relate to expenditure items, rather than the full real costs of running the election, including those that may be absorbed by "normal" Council activities, e.g. the cost of office space where Council owned buildings were used.

Consequently, the Committee considers that figures for the 2004 local government elections may not account for the following costs, thereby preventing direct and accurate comparisons between the figures for 2004 and 2008.

The report then lists the costs that may not have been accounted for: accommodation; capital items for both exclusive local government election purposes and council business-as-usual activities; indirect costs such as utilities; staff costs for all council, temporary and casual employees; information technology costs and support; and material costs. The report continued:

These factors should be considered in any direct comparisons stakeholders may wish to make between costs recorded prior to the introduction of full cost recovery and those incurred in the 2008 local government elections.

The Minister says that relevant costs should be prepared by the general managers if this system is adopted. I urge the Minister to ensure that a detailed and comprehensive costing is done so that a proper comparison can be made—apples with apples, oranges with oranges. It is essential to have a clear and detailed framework that captures all the costs associated with the conduct of elections, such as staff costs and accommodation costs, so that councils can see the true cost of running an election. In his agreement in principle speech the Minister said:

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.

It is my view that the default position should be that all council elections are conducted by the independent Electoral Commission. If this bill is passed and councils have the option of opting out, then they should opt out of the arrangement, not the other way around. In his agreement in principle speech the Minister further said:

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

This relates to a dispute about the conduct of an election. If a council has to defend an action, it will have to pay the costs of defending the action. That may be appropriate. The Minister continued:

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.

All of us should be concerned about this point. I posit a scenario of a candidate who challenges the result of an election conducted by a general manager with an appointed returning officer where the council decides to defend that action. Will it be the case that the council—the general manager—needs to allocate ratepayers' resources and funds to defend one candidate against another candidate? Currently, if a candidate chooses to challenge a result, that candidate challenges the result to the Electoral Commission. The Electoral Commission is responsible for defending that challenge in the appropriate forum, as we have seen with the recent challenge by Pauline Hanson to the result in the other place. The appropriate defence of the findings of the commissioner were managed by the commissioner using the Electoral Commission's resources.

Who will defend the action in the event that an aggrieved candidate challenges the result? Will the council defend the action of one candidate against another candidate? Is it fair that ratepayers have to pay for the defence of a legal case in a court between two candidates? I suspect that it is not. The second and third proposals in this 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. I am concerned about elements of that proposal. The idea that a council can do away with a ward system at its whim should be considered in more detail. My concern is that a governing elite in a council can make a decision to arbitrarily gerrymander the wards in their council area.

Mr Stephen Bromhead: That is why you're on that side.

Mr ROBERT FUROLO: No, it is not. That is why it has to go to a constitutional referendum. The Government is denying the people in a city or council area the opportunity to say that they agree with that ward.

Mr Donald Page: That is exactly what you did in 2005.

Mr ROBERT FUROLO: No, we allowed councils to reduce the number of councillors. What we did not allow them to do was to change the ward boundaries without a referendum. That is the critical point. The abolition of wards should not be allowed without the agreement of the people living in that city or council area. A number of provisions in the bill need further consideration. I am concerned about the abolition of the wards in particular. I believe that is open to abuse by a governing elite and I believe that the people in a city or a council

area or a shire area should be given the opportunity to understand the implications of that before a council decides unilaterally to do away with a ward system and to force the new system onto its electors. This bill needs considerably more time and attention.

We have a process that is appropriate for this Parliament to go through when considering such a major reform, and that is an inquiry conducted by a properly constituted committee of this Parliament; an inquiry that has representatives of all political parties, including those from the other place; an inquiry that takes submissions from all stakeholders, holds public hearings and then goes through a process of deliberation before providing a detailed and comprehensive report. That is how we get good policy. That is how we get stakeholder involvement. That is how we ensure integrity and transparency in decision-making. To come in here and change the rules without going to the people and without asking them what their opinion is; to simply lay down the bill and say, "These are the new rules in this place because we got a big majority and we can do whatever we like", is an abuse of the Government's power.

The Government should be ashamed. People will not forget this abuse and they will not forget the Government's hubris. People want an opportunity to be involved in these discussions. That is the appropriate forum in which these sorts of bills are brought before the House—a proper process that includes consultation with the stakeholders, consultation with the councils and then a proper process for the deliberations of this bill, not ramming through the legislation as is proposed today.

Ms MELANIE GIBBONS (Menai) [4.34 p.m.]: I support the Local Government Amendment (Elections) Bill 2011. The bill reflects the Government's commitment to provide an effective legislative framework for the administration of local government in New South Wales, and to improve the local government electoral system and the effectiveness of local government generally. As a councillor on Sutherland Shire Council for the past seven years, which covers half the electorate of Menai, I am pleased that this bill will give councils a choice of conducting their own elections or contracting the Electoral Commission to do so.

Whilst this bill restores choice and gives autonomy back to councils—fulfilling yet another election promise—it also ensures councils make an informed choice and clearly understand the level of services and accountability required by new guidelines to be developed by the Division of Local Government with the New South Wales Electoral Commission. The bill will ensure that while returning officers will be responsible for the conduct of each election, the general managers will retain overall responsibility for the administration of each election.

Council general managers will not be permitted to be returning officers or electoral officials either for their own council or for other councils. There are two good reasons for that. First, a council's general manager will be charged with the responsibility for the administration of his or her own council's elections, polls and referendums. That is not an insignificant responsibility. Secondly, if a general manager were permitted to be a returning officer or electoral official, the general manager is likely to be placed in an invidious position of facing a clear conflict of duties. Those councils that choose to conduct their own elections will have the opportunity to engage the Electoral Commissioner to conduct their elections for them, should they wish to do so. They will be able to do this at any time within 12 months after each ordinary local government election.

If they choose to do this the Electoral Commissioner will be responsible for conducting all their elections, polls and referendums until the conclusion of the following ordinary elections, that is, for the next four-year term. They can then decide whether to re-engage the Electoral Commissioner for the following four years or revert to conducting their own elections. A four-year period is necessary to ensure that the Electoral Commissioner can plan the commission's corporate and operational programs and activities. The Electoral Commissioner will issue penalty notices to those electors who appear to have failed to vote.

Further, and in particular, I will address the proposals to offer councils and their communities the opportunity to reduce their councillor numbers and abolish their wards without the need for costly constitutional referendums. Members may recall that an opportunity to reduce councillor numbers was offered under amendments to the Act passed in 2005. The scheme was successful and took effect at the 2008 ordinary elections. Due to the overall reduction in the number of councillors by 47, an estimated saving to ratepayers of nearly \$600,000 was achieved.

Under the proposals in this bill, all councils, in consultation with their communities, will be able to apply for a councillor reduction and will be able to abolish their wards without the need for a constitutional referendum. This opportunity, which will take effect at the 2012 ordinary elections, will deliver efficiencies and

costs savings for councils and ratepayers. The bill builds on the success of the 2005 councillor reduction scheme and responds to the continuing interest expressed by councils and their communities to reduce councillor numbers and abolish their wards.

We know from past referendums that communities are generally in favour of fewer rather than more councillors. The findings of the Sproats inquiry of 2001 and the experiences of councils that have reduced their councillor numbers show that there is no detriment to the efficient operation of local government when councillor numbers are reduced. In relation to the proposal to allow councils a one-off opportunity to abolish all wards, the 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 is, a popularly elected mayor.

That means that if the 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 restricted in determining the number of councillors that would best represent their community. The proposals in this bill will greatly benefit councils and ratepayers by facilitating improvements to the effectiveness of local government generally by allowing councils to determine a councillor structure that best meets the needs of their communities. I commend the bill to the House.

Ms TANIA MIHAILUK (Bankstown) [4.40 p.m.]: The Opposition is still consulting stakeholders about the Local Government Amendment (Elections) Bill, which will have far-reaching ramifications. We want to present a thoroughly considered position. However, yet again this Government has demonstrated that it has no desire to take complex legislation to the people. It is sad that this policy was not discussed—

Mr Gareth Ward: It is an election commitment.

Ms TANIA MIHAILUK: It certainly is not. As the member for Lakemba said, councils have not been advised of the legislation. If members were to ask their constituents about it, they would be told that they had no idea that they would no longer have any say in the structure of their local council. This bill is being rammed through this place, and that is a poor reflection on the state of democracy in New South Wales. People will have no opportunity to consider the serious ramifications of this legislation. I am particularly concerned about how it will affect the Electoral Commission's involvement in local government elections. The Government has already made it clear that it will not hesitate to undermine the Industrial Relations Commission, and it is now taking on the Electoral Commission.

Removing the commission from the local government election process is ridiculous. Members have said that this is a question of cost. If the Government wanted to take a leadership role, it could have assisted those councils that were finding the election process too costly. I remind members opposite that local government is a State Government instrument. Rather than offering support, this Government has told councils that they will now be required to conduct their own elections. The Government has not provided any proof that this process will be less costly. It has made comparisons based on figures collected 15 or 20 years ago when councils last conducted their own elections. It has not undertaken a proper process to determine whether this move will be advantageous to councils.

The legislation provides that the council general manager will appoint the election returning officer and that that officer will then be able to appoint council employees to be electoral officers. I am sure that the member for Granville and the many other members in this House who are councillors would acknowledge that that would create a serious conflict of interest for those council officers. Having council officers involved in their own council election process is outrageous. I am surprised that members opposite have not given more thought to that issue.

The beauty of the Electoral Commission is that it allows the State Government to be at arm's length from State elections. If the model this legislation prescribes were to apply to the State level we would see the director general of the Department of Premier and Cabinet conducting State Government elections. It is absurd. The Fahey Government began the process of having the Electoral Commission conduct local government elections. It is a good policy and it delivers good governance. It is an open and transparent process and I am surprised that the Government is making this change. Councils will no longer be able to opt out of the process and will be required to approach the Electoral Commission to conduct elections.

I am also concerned about the abolition of wards and the fact that, sadly, the people of New South Wales will no longer be able to determine the structure of their council. Referendums are a feature of our

Constitution and it is outrageous that the right to make decisions about council structure is being transferred to the council of the day by way of a majority vote of councillors. The legislation does not at best even require a unanimous vote so a motion could be carried by only one vote. The Minister will also be placed in a difficult position when making a decision affecting a regional local government area and then making a different decision affecting a metropolitan local government area. Decisions about the structure of a council should be made by the people who live in the local government area, not by the councillors, who may have a vested interest in the outcome. The 21-day submission process is also an issue, particularly in areas like Bankstown and other parts of south-west Sydney.

Mr Donald Page: It is 42 days.

Ms TANIA MIHAILUK: I thank the Minister; it is indeed 42 days, but still that is not a long time. Areas like Smithfield, Granville and Bankstown with large multicultural populations must also be considered because it is difficult to ensure that everyone is aware of such a proposal. It would require a huge effort on the part of a council to ensure that everyone was well versed about the structural changes that were being proposed. The timeframe provided for in the legislation will not be sufficient to allow our constituents to be involved in such a significant decision. Abolishing wards can dramatically change a council. Many people identify strongly with their ward boundaries and are proud to live within them. Holding a referendum is the best way to ensure that everyone has an opportunity to put their point of view. My primary concerns about this legislation relate to the involvement of the Electoral Commission. I understand that the cost of conducting elections can be a burden. However, I would have appreciated the Minister providing cost comparisons between council-conducted elections and Electoral Commission-conducted elections.

I would also like to have seen leadership from the Government. It should have advised local government given it is an instrument of the State Government and it has the Government's support. If councils can demonstrate hardship or difficulty with regard to incurring the cost of an election, the Government could support them by establishing a fund for that purpose. There are many ways that councils can be supported to ensure that we have the best democratic process on offer. Of course, some councils will want the Electoral Commission to continue to administer council elections. My concern in that regard is that there may be councils that may have a vested interest instead to proceed down this path.

Mr JAI ROWELL (Wollondilly) [4.50 p.m.]: I support the Local Government Amendment (Elections) Bill 2011, which reflects, among other things, the Government's commitment to restoring autonomy to councils. The bill delivers on the Government's pre-election promise—I emphasise for those on the other side that this was a pre-election promise—to amend the Act to permit council general managers to be responsible for the administration of local government elections, while maintaining the option of contracting the administration to the New South Wales Electoral Commissioner. Whilst the bill restores autonomy to councils, it also ensures that councils make informed choices and clearly understand the level of services and accountability required by new guidelines to be developed by the Division of Local Government with the New South Wales Electoral Commission.

This promise was made in response to a call by the Local Government and Shires Associations of New South Wales for better local governance. I have heard debate and interjections from those on the other side that key stakeholders have not been consulted. For the information of members opposite the Local Government and Shires Associations is the peak body for local government in New South Wales. The promise was also made in response to concerns expressed by the association, individual councils and members of the public about the cost of local government elections.

In fulfilment of this promise, the bill proposes to return to councils the responsibility of conducting their own elections, polls and referendums. At the same time, it gives councils the option of engaging the Electoral Commissioner to undertake these responsibilities on their behalf. Under the proposal, any council may continue to use the services of the Electoral Commissioner—we are giving them a choice—until the conclusion of the 2012 ordinary elections provided that it passes a resolution to that effect by 31 October 2011, or a later date that may be specified by regulation.

After the 2012 elections these councils will be responsible for their own elections unless, within 12 months of those elections, they decide to engage the Electoral Commissioner to administer them on their behalf until after the following ordinary elections. All other councils will automatically be responsible for the conduct of their own elections, polls and referendums. Their general managers will be required to appoint a returning officer and a substitute returning officer for their respective areas. This proposal is about handing back to councils control over the way their elections are managed. In turn, councils will have a greater say over their election costs. This is all about increasing their autonomy.

Specific to the issue of costs, my electorate of Wollondilly is represented by two councils: Wollondilly Shire Council and Campbelltown City Council, of which I am a councillor. The cost of the 2008 local government elections for Campbelltown City Council was approximately \$494,000. I was informed by a representative of that council this morning that had the council administered the election, the cost would have been only \$351,000, realising a saving of \$141,000. Wollondilly council's costs for the 2008 election amounted to \$152,000, whereas had it conducted the election itself the cost would have been only \$112,000—a saving of \$40,000.

These savings, which could be achieved either by councils running the elections themselves or by the Electoral Commission running the elections at a cost considered to be reasonable by the councils, would be significant for the ratepayers of my electorate. The former State Government placed undue pressure on councils as regards cost shifting—and members would know of those pressures on their councils—and savings of the order of those I just referred to could be used to fund the construction of footpaths, the holding of local events, the construction of sports fields, parks and libraries, the provision of children's services and the upgrade of local roads, to name but a few. Councils have to operate with bare-bone budgets to deliver some of the most vital services in a community. The ability to make savings will enable councils to deliver better services at the front line.

I wish to address, in particular, the amendments designed to provide councils with further opportunities to dispense with holding by-elections that are considered to be unnecessary. In this regard, the bill demonstrates the Government's commitment to support the local government sector by enabling it to carry out its functions in a sustained manner based on the principles of good governance. I note that members from the other side have left the Chamber. This is something they might want to listen to at some point.

Mrs Barbara Perry: Point of order: I would like the member to withdraw that comment, because I was in the Chamber.

The DEPUTY-SPEAKER (Mr Thomas George): Order! When the member made that comment I presume that he was unaware that the member for Auburn had just returned to the Chamber.

Mr JAI ROWELL: Councillors may resign for a variety of reasons. It is not uncommon for a council to face more than one by-election during a four-year term of office. The cost to a council of filling a casual vacancy by way of by-election is a significant and recurring issue. For many councils the cost involved may be substantial. It can be as much as the cost of holding an ordinary election, as is the case in my council area. This is particularly so for the 90 councils that are not divided into wards. In a council area that is divided into wards only the electors in the ward in which the casual vacancy has arisen must vote.

Presently the Act allows for casual vacancies not to be filled that occur within 12 months before an ordinary election. The bill will extend this period to 18 months before an ordinary election. In addition, the bill will allow casual vacancies not to be filled at any time after a constitutional referendum has decided that the number of councillors be reduced. Of course, this will not happen if the vacancy results in the council having fewer councillors than that approved as a result of a referendum. It is commonly the practice of councils to hold constitutional referendums in conjunction with ordinary elections. This minimises the cost of holding referendums. Presently, the Act provides that a referendum-approved councillor reduction does not take effect until after the next ordinary election following the referendum.

At the 2008 local government elections five councils held referendums that approved a reduction in councillor numbers. Since then, two of those councils have had to hold a by-election to fill a casual vacancy despite approval from their electors for a reduction in councillor numbers. Providing councils with the opportunity to dispense with by-elections in these circumstances will enable them to redirect the money they would otherwise spend on by-elections to community infrastructure and services that are so desperately needed. These proposals will promote the more effective utilisation of council resources. They will also avoid inconveniencing electors with unnecessary by-elections. Most importantly, they will do this without compromising local democracy. I commend the bill to the House.

Mrs BARBARA PERRY (Auburn) [4.56 p.m.]: This bill has been well canvassed by the member for Lakemba and the member for Bankstown. My contribution will concentrate on matters about which I have particular concern. At the outset I advise members that the Opposition is still engaged in a process of consultation with this proposed legislation. It is of great concern to me that we are asked to pass a bill through all its stages within 24 hours of its being introduced in this House. The Government claims that this bill is a demonstration of its commitment to open and transparent government. I cannot see how ramming legislation through the House is an example of transparency.

The bill provides that if a council chooses to have the Electoral Commission administer its ordinary elections in 2012, it must pass a resolution to this effect before 31 October 2011 or—and here is the indication that the period could be longer—before a later date as specified in the regulation. Given that such a resolution is not required before 31 October or later, I cannot understand why we cannot have more time to more appropriately consider the bill. The many issues raised by Opposition members is proof positive that more time is needed to consider the proposed legislation. I will speak more about that later.

One of the Government's first claims on introducing this bill was that by doing so it was honouring an election commitment. No such commitment appeared in its Start the Change manifesto, in its Contract with New South Wales or in its 100 Day Action Plan. And to my knowledge, it was not referred to on the Liberal Party website. The Government might be honouring a response to the Local Government and Shires Associations, but that is different from honouring a contract made with the community—which is what the Government did not do in this case. That is of great concern to me and is a reason that further consideration should be given to this bill. The community must have more input, and that will improve the democratic process and provide for better governance. Communities have great insight about these issues.

The Government does not have a mandate for this legislation. It was not raised by the Coalition during the election campaign; it merely raised it with the Local Government and Shires Associations in response to its submission. It is not clear that every local government area wants to run its own council elections. If the Government is confident that this is the best process, it should establish a blanket provision. Instead, the Government is allowing councils to opt out because it realises that many councils are of the view that the Electoral Commission should conduct elections. I am concerned about giving general managers the power to conduct general elections. In the agreement in principle speech the Minister stated:

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.

This suggests that the Minister is concerned that that this is not the best way to go. The Minister stated further:

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 ... and electoral officials.

And this is where it becomes critical. The Minister said further:

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.

It is a concern that senior staff of neighbouring councils may be swapping and changing, and the bill does not contain safeguards to against that eventuality. The Minister will claim that guidelines and regulations will deal with such matters, but my point is that because this is such a significant change the community should be consulted about the guidelines. The Minister has stated that the guidelines will be made in consultation with the stakeholders. Well, the community is a very important stakeholder. As a former Minister for Local Government I know—as do the departmental advisers in the Chamber—that councils can and do abuse guidelines; they quite often find innovative ways to get around the guidelines. As section 23B of the Act does not make the guidelines mandatory I ask the Minister to give further consideration to these matters.

I do not understand the requirement for haste, given that the relevant date is 31 October 2011 or later as may be specified by the regulations under the principal Act. It is my strong belief that communities should be consulted about the abolition of wards. I understand that the Government's proposal is a one-off at this stage but the abolition of wards should be the subject of a referendum; it should not be incumbent on councillors to make such a decision without consulting the community. The bill has been before the House for just 24 hours. It is a complex bill and more time is needed to consider its far-reaching consequences. The Opposition requires more time to enable it to come to a considered position. In saying that, I acknowledge that the bill will be debated also in the other place.

I have concerns about the way in which disputes will be dealt with and the fact that section 430 will be invoked to authorise the chief executive to investigate a council. I envisage many complaints being made and the department will not have the necessary resources to deal with them all expeditiously. It is unclear whether the department will deal with all complaints; it has been suggested that some complaints would be addressed elsewhere. The bill is not clear about the criteria for a section 430 investigation. That should be spelt out. More

important, the necessary resources must be made available to the department to allow it to carry out investigations promptly and properly. The Government might also consider giving more power to the department to inspect documents and take further evidence under section 430. It might consider broadening the scope of section 430 inquiries. I believe my concerns are well founded and there is a need for further consultation on these matters. Accordingly, the bill should not be rammed through the Parliament in this manner.

Mr GREG PIPER (Lake Macquarie) [5.08 p.m.]: In speaking in debate on the Local Government Amendment (Elections) Bill 2011 I encourage all members of Parliament, both in this Chamber and the other place, to support it. The bill incorporates a number of matters relating to the conduct of council elections in New South Wales. It delivers, at least in part, on a previous Coalition commitment to allow for the council elections to be administered by local government, as they were in the past. Importantly, the bill does not require councils to administer local government elections but, rather, provides that they can and do, in the first instance, have that responsibility. If for whatever reason a council does not wish to administer its own local government elections, it may contract the task to the New South Wales Electoral Commission. In presenting the bill the Minister rightly referred to strong opposition to changes that, in 2008, brought about a substantial increase in the cost to councils for local government elections on the basis of cost recovery provisions applied by the New South Wales Electoral Commission.

Many councils, together with the Local Government and Shires Associations, disputed the way in which costs were apportioned. Many councils maintain that they had traditionally run elections cost-effectively, efficiently and with a high level of probity. I agree. I support locally run elections as general practice, although I note and support the bill's inclusion of councils' freedom to contract the process to the Electoral Commission. When the option for cost recovery was presented we were in a time when we were talking about competitive markets being applied to local government in so many ways. I think local government would like to have seen some demonstration of the Labor Government's commitment at that time—to put that to the test, to see if there was a competitive tender system for the operation of local government elections. It is all well and good to have a little bit of a poke at councils about whether or not they were bringing to book the real costs of elections, but I do not think that opportunity was provided to councils regarding the other side of the equation.

The bill makes provisions for councils to consider applying to the Minister for Local Government for approval to reduce the number of councillors without the need for a referendum. Taking up this option has a limited five-month window of opportunity. It is a provision that has been enacted previously, in 2005, and it would be interesting to see if any councils and communities would wish to do so this time. Likewise, the bill allows similar provision to abolish wards without the need for approval at a constitutional referendum. I generally support a ward system, but I recognise that not all local government areas are the same; they vary widely in population and geographic areas, and therefore in density and the way in which their governance system works. No doubt many councils operate appropriately without wards, and this option is not likely to bring sweeping changes to the status quo of the constitution of a council.

The bill provides that where a casual vacancy occurs on a council and that council has been approved to reduce numbers at the next election following a constitutional referendum that vacancy need not be filled. This is logical and appropriate. The provision within the bill which would vary the requirement for a by-election when a casual vacancy occurs is also supported. As the Act currently stands a casual vacancy occurring outside of the 12-month period prior to a general election triggers the need for a by-election. The bill proposes an extension of that period to 18 months, a period which I support as a rational extension that takes into account both the practicalities and the cost of a by-election. Importantly, this is not a mandated provision but, rather, it is an option to be voted on by councillors, who would notionally be the ones who may carry a higher workload if the councillor position is not replaced.

I declare an interest here. Lake Macquarie City Council has such a situation at this time, and I make no apology for seeking a sensible variation to the trigger for a by-election. In this example an expensive by-election would be required to fill one position for effectively only one year. As well as the cost to council's budget there is also a cost to residents, who, I have no doubt, while generally embracing democracy, tend to waver in their support for local government democracy when aware of the costs to ratepayers and the impact on their lives of another election effectively not much more than a year prior to a general election.

I have heard other members put their credentials forward in this debate. I came into local government on 14 September 1991. I am aware that some members of this place were probably in primary school at that time. I was elected as the Mayor of the City of Lake Macquarie in 2004 and was returned with an increased

majority in 2008. That is another debate we need to have, about members having two roles. I am well prepared to put my credentials and experience with regard to local government against those of many members of this House. Lake Macquarie City Council is a substantial council. More than 200,000 people live within the council area and it is the fourth most populous local government area in New South Wales. I believe it is a very well run council, and I think it is quite capable of making decisions and understanding governance with regard to local government elections.

The bill does not diminish local government and, in regard to opportunities for councils to explore reductions in councillor numbers or moving from a ward system, it requires that there be a level of community consultation and demonstrated support for the changes proposed. I note comments made about the bill that would imply that returning the administration of local government elections to councils would deliver a second-rate system with less transparency. I abhor comments by the member for Lakemba that imply that councils do not have the skills to carry out elections in an efficient and transparent way, and with the highest standards of governance. This appears to continue an attitude of paternalism to local government—indeed, a desire to inexorably diminish council responsibility—that has been in evidence from the New South Wales Labor Party over many years. The comments were demeaning to the extremely high standards of probity that are the norm in local government. The bill has the capacity to improve the range of options available to councils in their work on behalf of their communities, and I commend it to this House.

Mr JAMIE PARKER (Balmain) [5.16 p.m.]: The Local Government Amendment (Elections) Bill 2011 amends the Local Government Act ahead of the September 2012 local government elections. Councils will be able to run their own elections, reduce the number of councillors without a referendum, and abolish wards in their local government areas without a referendum. Councils wishing to do any of these things must apply to the Minister within five months of the passing of the bill. Councils can still have the Electoral Commission run their elections if they wish. In order to reduce the number of councillors or abolish wards councils need a council resolution. This triggers a consultation process whereby the Minister will consider submissions from the community before making a final decision.

The bill allows a council to lose a councillor without triggering a by-election if the council has determined to reduce its number of councillors to the resulting number. It also extends the period within which a council may lose a councillor without triggering a by-election before the next general election from 12 to 18 months. I listened with interest to the other speakers in this debate, members who have fine and honourable experience in local government. I congratulate all those who work in local government and those who are representatives in local government. I acknowledge the whole range of community services that are undertaken by local government organisations to a very high standard.

I echo the comments of the member for Lake Macquarie with regard to not only the high standards of local government but also the high level of probity that is undertaken within local government. There are some exceptions, but the vast majority of councils are incredibly committed and selfless. Any member of this place who has known or been associated with a person who is involved in local government will know that their commitment is not because of the financial reward—indeed, the remuneration of councillors and mayors is not large. It is important to acknowledge the contribution of all the council staff and councillors for the great work they do.

The Greens support a number of the provisions in the bill but we have serious concerns about others. With regard to the provision allowing councils to run their own elections, The Greens are seeking further advice on the issue, particularly from rural and regional councils. I suspect that for some rural and regional councils running their own elections will be significantly cheaper and that there may well be opportunities for that to occur, and we support that. In principle, The Greens would not oppose such a provision. It would be optimal, however, if we were able to be apprised of the measures and checks that are being developed by the department and the Minister's office to ensure that local government elections are run in the most appropriate way. Obviously, we do not have that information and the bill has been available for only a short period so we are taking the Government on trust.

I acknowledge that the Government is new, so I suspect we should trust it in the first instance. As I said, it would be optimal if we had all the information before us so we could make an informed decision. We hope that when the bill reaches the other place there will be more opportunity to have that matter dealt with. Councils are in favour of this approach because of the decades of significant financial pressure put on local government by State government in cost shifting and rate capping. Councils such as the Leichhardt council, of which I have been a member for the past 12 years, would be attracted to this because of the reduction in costs

they would hope to achieve. I am glad that the member for Wollondilly raised the issue of cost shifting. We are looking forward to this State Government taking action on cost shifting and reviewing the cost shifting activity under the past 16 years of Labor.

Today I call on the Government to address the issue of cost shifting to local government. Many local representatives of the past are currently government members. I hope in the party room and in Caucus those members will be looking to rewind some of the cost pressures that have been placed on councils. I am labouring this point because the validity and legitimacy of local government elections are paramount. If there are questions about the handling, conduct or quality of the election process for local government it can brutally undermine the legitimate nature of local government as we see it now. It is important to address this in detail to ensure it can be resolved. The Greens do not support creating a situation whereby councils are able to manipulate their governance structure ahead of local government elections in order to influence the result of the election and increase their majority. In our view this is bad for democracy.

Leichhardt council had that experience. A former councillor decided it would be a great idea to change the number of councillors per ward. The Labor Party, dragging the Liberal Party along, decided it would change the number of councillors from four to three to increase the quota. It thought that by increasing the quota the Independents and The Greens would be knocked out. It thought the Independents and The Greens would not reach the quota of around 30 per cent. But that backfired when The Greens councillors received two quotas and Labor only managed to achieve one quota in two areas. That led to only two Labor councillors being elected and six Greens—The Greens received close to 50 per cent of the vote across the municipality. It is not good policy to allow a resolution to change the way the electoral system is. The Greens want that to be addressed in the upper House.

The Greens do not consider the safeguard of ministerial approval to be enough. If councils want to change their governance structures they should conduct an open and transparent process. They should then be required to take the decision to the local community via a referendum. Similarly, a reduction in council equates to a reduction in representation. Why was the option to increase the number of councillors to gain greater local representation not given? The Greens view that as something that could always be considered by government. I repeat: If councils want to reduce the number of councillors it should be a requirement that the community approve it by way of referendum. In our view delegating responsibility, power and decision-making to local communities is always the best way to deal with these matters.

Extending the windows for not triggering a by-election from 12 to 18 months is effectively allowing a position to be vacant for a very long period. This reduces community representation and the workload of other councillors. This needs to be balanced against the cost of a by-election, which can be very significant to many councils. I commend the Government for the important and long overdue developments in the bill, which will be welcomed by local government. But I emphasise the need for the Government to address the issue of cost shifting, to support local government, and to respect and engage with it as a legitimate sphere in representative democracy in Australia. Finally, I think the bill has gone too far in allowing councils to potentially manipulate the electoral structures in the lead-up to the 2012 local government elections. I look forward to further debate on this matter in the other place.

Mr GARETH WARD (Kiama) [5.23 p.m.]: With pleasure I speak to the Local Government Amendment (Elections) Bill 2011. At the outset I commend the Minister for Local Government for bringing forward the discussion on these important items affecting local government. I first respond to the comments made by Mr Robert Furolo, the member for Lakemba. I was disappointed and saddened by his remarks in relation to local government employees apparently not being able or capable to conduct local government elections. I strongly support local government employees. I believe they can competently conduct local government elections should their councils believe it to be appropriate. The member for Lakemba referred to Ray Donald allegedly not supporting the type of changes being proposed today.

In fact the President of the Local Government and Shires Associations of New South Wales spoke on Dubbo radio today endorsing the actions of the Minister and this Government. I note also that elements of this legislation were previously introduced by the former Labor Government, particularly as to the reduction in the number of councillors. The issue of costs has been raised in debate. In responding to this issue I will read onto the record some comments that were made at the Joint Standing Committee on Electoral Matters. Mr Furolo was the chairman of that committee. I quote from the evidence of Genia McCaffery, President of the Local Government Association of New South Wales, to that committee. She stated:

On pettiness, I take the Committee to the submission of Councillor Ron Hoenig—

someone known to many people opposite—

who is the mayor of Botany. In his submission to the inquiry he describes the rejection by the Electoral Commissioner of the abbreviated names of candidates. Councillor Kondilios was a serving councillor in Botany. He was elected in 1995, in 1999 and again in 2004.

In all of those elections on his ballot paper was the name he is commonly known by, which is Stan Kondilios. His Greek name is Ustafios Kondilios. Miraculously in the 2008 elections the name that everybody knows Councillor Kondilios by was rejected by the Electoral Commissioner, claiming that Stan was not an appropriate abbreviation. Councillor Kondilios was then informed by the returning officer, Mr Pitman, that his nomination could not be accepted. He then advised the returning officer that he was known as Stan Kondilios at school, as a partner in his law firm and his partnership documents were in fact in the name of Stan Kondilios.

He then further advised that on the council's website he was known as Stan Kondilios, and that his business cards at the council and all the literature relating to him in the community showed him as Stan Kondilios. None of these assertions made by Councillor Kondilios had any impact on the Electoral Commissioner, and he was forced to go to the Consulate General of Greece in Sydney and obtain a certificate certifying that the name of Stan is a recognised abbreviation and an Anglicised version of the Greek name Ustafios. This is an example of the frustration that candidates felt in the 2008 elections.

With regard to incompetence, I would take you to our submission. Again, ironically it involves Botany.

Opposition members should be listening to this because it involves Labor representatives. Genia McCaffery further stated:

A number of councils, despite the fact that their elections were uncontested, were charged substantial amounts of money for an election which did not take place. Botany was charged \$45,000, or \$1.85 per elector, and not one ballot was cast. Carrathool, a poor country shire, was charged \$7,300. Conargo, [again] a poor country shire, was charged \$4,100. Lockhart was charged \$7,500 and Uralla was charged \$15,600.

In all those cases elections were not held. Genia McCaffery continued:

In conclusion with regard to incompetence, I think the mismanagement is the lost ballot papers at Blacktown [another Labor council].

I take you again to our submission. At Quakers Hill Public School in Blacktown they ran out of ballot papers twice, for 90 minutes in total. The electors at that polling booth were told not to worry, they would not get fined for not voting. Many of them, of course, were furious that they were unable to exercise a democratic choice for their council.

They are but a few examples of where it would be of great assistance if locals were in charge of contesting and running their elections rather than the Electoral Commission. Whilst I have confidence in councils that decide to use the Electoral Commissioner, there are examples—all Labor councils—that need to be discussed in order to have a proper discussion as to what local government should be doing.

In my own council there are some interesting comments to be made on costs. In 2000 and 2004 the costs of local government elections were \$156,850 and \$199,946 respectively. It is worth noting that these figures were for elections coordinated locally with the State Electoral Office giving assent to the appointment of a returning officer for our region who, in turn, appointed local staff. Compare these figures to the original amount of \$464,800, which was quoted by the State Electoral Office. These are all good reasons why locals should have some say in the running and management of their elections.

Slimming down councils and giving councils that option is appropriate, and it is something for local communities to decide. As well, wards should be discussed by local authorities. I support the tenor of the bill in giving these decisions back to local communities. The Opposition is not in favour of centralising power in local communities. We saw that with its part 3A, joint regional planning panels and affordable rental housing State environmental planning policy. Now the Opposition shows scant regard for local government with its comments today against local government employees and the rights of councillors to have a say in their local communities.

Debate adjourned on motion by Ms Cherie Burton and set down as an order of the day for a later hour.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! It being 5.30 p.m. in accordance with an earlier resolution the House will now proceed with General Business Notices of Motions.

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! General Business Notices of Motions having concluded, the House will now consider the petition signed by 10,000 or more persons listed on the Business Paper.

PUBLIC SECTOR WAGES AND CONDITIONS

Discussion on Petition Signed by 10,000 or More Persons

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [5.31 p.m.]: I am delighted to speak today in support of our public sector workers. Approximately 15,000 people have signed a petition in relation to public sector pay and conditions. Unfortunately, the petition is being discussed in this place after the legislation they were concerned about has been dealt with. The petition asks this House to dismiss the legislation, to provide public sector workers access to pay rises above 2.5 per cent and at least equal to the cost of living without requiring cuts to services and/or staff numbers, to give them access to the Industrial Relations Commission so that the commission can act as an independent umpire for workplace disputes involving public sector pay and conditions, and for bargaining to occur in good faith.

We all have responsibilities to our families, our friends, our employers and our colleagues. But public servants also participate in a particular societal compact. They are custodians of the myriad services and structures that make life in New South Wales, as we know it, possible. They are the custodians of the health, education, wellbeing, safety, prosperity and rights of the people of this State. They make the great work of governments possible. For all the importance of the private sector, when it comes to the big stuff, the big issues, the big infrastructure, the big reforms, then democratically elected government remains the only instrument, with its combination of authority and checks and balances, to manage these vital tasks.

I believe that our public servants join and stay in the public sector for that reason—to be a part of something bigger than simply profit and to know that the work they have done has contributed to the structures that we all quietly, at times, rely on. In New South Wales we are blessed with one of the most stable and successful democratic systems in the world. We continue to retain a level of economic prosperity, a quality of environment and a quality of life that are truly enviable on a world scale. A critical component of that legacy is the excellence of our public service. The members of this fairly new Government should remember that while Premiers and Ministers can and should make smart decisions and create good policies, it is only through our public sector that these decisions and policies can transform into positive, practical changes that improve people's lives.

We have achieved great changes for the public that we serve through a cooperative, collaborative approach that has improved not only what we deliver but how we deliver it. The benefit of a positive, cooperative approach defines a modern public sector that can respond to change and move with the times productively and sustainably. It is the type of change that we can deliver successfully only in partnership and with a collaborative approach. What is the alternative—cutting services and conditions? I believe that approach was tried by the last Liberal Government, to disastrous effect. Indeed, the previous Labor Government spent much of its early terms rebuilding the public services and reopening or repurchasing hospitals, such as Port Macquarie hospital, that had been closed or sold. But it seems that those opposite have not learnt anything from their past excesses.

At the 2007 election they made promises of large cuts to the public sector. At the time the people of New South Wales rejected those propositions, well aware that cutting the back-of-house means cutting the front line. At the 2011 election the now Premier's language was more nuanced. But we did hear the same talk of efficiency savings. That language panders to the outdated notion that our public sector is soft and bloated. It is an outdated notion because it ignores the economic reforms of the past two decades, which have left us with an essential frontline and a limited administration that directly supports that frontline.

Those opposite are genetically programmed that whenever they are in government they get stuck into the public sector. Let me go back to Nick Greiner and John Fahey and see what they did. They came to this place, they formed a government, and they got stuck into workers. It is in their DNA: they cannot help themselves. They get the levers of power and the first thing they do is get stuck into workers. In less than 78 days a bill goes through this House that rips the guts out of the Industrial Relations Commission and gives the Premier the capacity to set wages and conditions with total disregard for over 100 years of history, 100 years of practice. All Government members should be ashamed. Those opposite heckle and carry on but they cannot hide their shame for what they did today to our great public sector.

We reject the politics that the Coalition has brought to our public sector. We are rightly outraged at this attack on the independence and integrity of the public sector. We have called on the Government to reject this stripping of integrity and to return to a modern, contemporary industrial approach. But all we have seen is the

arrogance of members opposite. The Premier has done exactly what Nick Greiner did. He not only ripped away the conditions of workers once he was in office; he applied the same approach as the former Premier Nick Greiner did. Before the election Nick Greiner gave some advice to the Premier.

He said that he had two sets of policies, a set in the top drawer for the election and a set in the bottom drawer for after the election. It is clear that in less than 80 days Barry O'Farrell has taken the advice of Nick Greiner. The payment to Nick Greiner for his advice was the appointment to chair Infrastructure NSW. They paid for the advice and then they got stuck into the public sector. We know that public servants are the front line of government. They provide the important services to the State. We will continue to stand up for them. Shame on the Government!

Mr MIKE BAIRD (Manly—Treasurer) [5.38 p.m.]: I am pleased to discuss the petition that is before the House. The discussion of petitions is a wonderful addition to Parliament and the scrutiny and democracy process. Who introduced the discussion of these petitions in Parliament?

That would be the O'Farrell Government. The O'Farrell Government took this initiative to address issues exactly like this one. If issues in the community need to be discussed we do not want to hide from them, we want to discuss them, and that is exactly what we are doing here today. We are happy to do that time and again. The O'Farrell Government is very happy to have this debate tonight because obviously there is some concern in the community, but much of that concern has come about from some of the myths spread by those on the other side of the House.

Again I say that we are all about supporting our front-line workers—in the Department of Community Services and in health, our ambos or the police. We are incredibly proud of the work they do for this State. I cannot say how many times I have stood alongside some of those front-line workers and I have said to them, "I thank you for what you do." All of us should say that. I have heard many compelling stories from both sides of the House about the work our front-line workers do. How can we help our front-line workers? The number one way we can help them is—

Mr John Robertson: Smile while you're telling lies.

Mr MIKE BAIRD: There are no lies. We are starting to get the budget under control so we have more resources to help our front-line workers going forward. We are very determined to help them.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! Opposition members will remain silent during the Treasurer's contribution.

Mr MIKE BAIRD: We are offering all of our front-line workers a 2.5 per cent pay rise. Time and again we have heard members opposite speak about reduced services and reduced conditions. They are complete and utter lies. Why are they lies? They are lies because we are offering a pay rise of 2.5 per cent.

Ms Noreen Hay: Point of order: Yesterday the Speaker ruled that that term is unparliamentary.

Mr Stephen Bromhead: No, it's not.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! I did not hear the term.

Ms Noreen Hay: Yes, she did. She ruled on it yesterday.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! I did not hear what was said.

Ms Noreen Hay: Mr Assistant-Speaker, I was not speaking to you, I was speaking to the member for Myall Lakes. What happened yesterday was that the Speaker ruled that term as unparliamentary.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! What is the member's point of order?

Ms Noreen Hay: That you need to uphold the Speaker's ruling yesterday about that terminology.

Mr MIKE BAIRD: They are not telling the truth. All of the Opposition's scare campaign was blown away when it found out today the regulations will contain a provision that any changes in conditions can be

made only with the agreement of all parties. If all our front-line workers do not want any changes in conditions it is totally up to them. That will take away the scare campaign, because that is the fact. That is what the O'Farrell Government is about: fair wages and supporting our front-line workers. But the Opposition does not like it because it has run from one end of town to the other spreading myths among all front-line workers saying that all types of conditions will be taken away.

Conditions will not be taken away. It is totally up to our workers, and we are happy to provide a 2.5 per cent pay rise. Another myth we have heard again and again is about real wages. For the benefit of members opposite I will tell them how you determine real wages. We look at inflation. How do we look at inflation? We look at who delivers inflation, who controls monetary policy. It is the Reserve Bank of Australia. What is its target band? It is between 2 and 3 per cent. What has been its performance over the past 15 years? It has been 2.5 per cent.

Mr Nathan Rees: What is it now?

Mr MIKE BAIRD: The member for Toongabbie asks, "What is it now?" Has he heard about the potential interest rate rise later this year? If there is an interest rate rise what does that do to inflation? It takes the confidence out and it starts to reduce inflation. If inflation comes down it will go back to the target range. That is why you have to look back at the historical average. It is not just New South Wales. In Victoria it is 2.5 per cent, in Queensland it is 2.5 per cent, in South Australia it is 2.5 per cent, and in Tasmania it is 2.5 per cent. This year it is 2.5 per cent in Western Australia. The Commonwealth is around 2 per cent.

Mr John Robertson: You don't want to follow; you want to lead.

Mr MIKE BAIRD: We are leading, because we are saying to the people of New South Wales that we are determined to get the budget back under control so we can help our front-line workers, so we can build the infrastructure we desperately need. What Captain Solar over there has not admitted is that he would not have achieved the savings going forward. Is that what you are saying?

Mr John Robertson: No.

Mr MIKE BAIRD: Then what is the problem? That is the issue. The member for Keira says no. So the question is: If the Leader of the Opposition says he would pay more wages how would he fund it? I want to hear the answer from the Leader of the Opposition. Captain Solar has a new nickname—the \$7 billion man. Where would he get the money from? If he wants to be on the other side of the House where would he get the money from? We are standing up for workers; we are happy to give them a pay rise and we will be happy to say so for every day of this Government.

Ms SONIA HORNERY (Wallsend) [5.45 p.m.]: I congratulate the members of the Public Service Association on bringing the petition forward to the Parliament. They achieved a remarkable 16,000 signatures in a very short space of time. It demonstrates how very concerned public sector workers are about this Government's seriously restrictive plans for industrial relations in this State. They are rightly concerned and they have been unfairly ignored by this Government. The Premier has defied the 12,000 public sector workers who braved the heavy rain and marched on Macquarie Street yesterday. The Government has rushed the legislation through the Parliament as quickly as possible.

The Government has shown an unfettered desire to ignore any scrutiny or protest. In its determination to avoid scrutiny by our House of review, the Government even invoked a power that has not been used since 1906, and it shut down debate. The Premier hid his real industrial relations agenda from public sector workers and the electorate, and he hid it deliberately. Importantly, the Government did not take this plan to the election in March. The legislation came out of the blue and with no warning to the nurses, police, teachers and other public sector workers, with no consultation with relevant trade unions or the Industrial Relations Commission—

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! The member for Wollongong will direct her comments through the Chair. The member for Keira will direct his comments through the Chair.

Ms SONIA HORNERY: —and with no warning to the people of New South Wales. The Government has been dishonest. Prior to the election, the then shadow Minister for Industrial Relations, the Hon. Greg Pearce, was reported in the *Australian* on 11 March this year as saying that there was "a significant level of

reform exhaustion in the whole industrial relations space". The Coalition said it had no plans to change the role of the New South Wales Industrial Relations Commission, the independent umpire in the New South Wales industrial relations landscape.

The Minister for Police and Emergency Services wrote to the Police Association on 20 March 2011 and said that under a Coalition Government "police would keep their rights to collective bargaining, awards and an independent umpire". Now, just three months into the term of the new Government we see the extent to which Government members have misled the people of New South Wales about their ambitions. Under this Government the power to dictate the pay and conditions of every public sector worker in this State will reside with a single politician.

The New South Wales Industrial Relations Commission, which has impartially set wages and conditions for New South Wales workers for more than 100 years, has been obliterated in this unprecedented attack on our hardworking public sector workforce. After doing a backroom deal with crossbenchers in the other place, the Government has admitted that these laws will hurt our public sector workers by exempting police from the policy. Surely if these laws are too harsh for our police then they are too harsh for this Parliament to inflict on anyone. How did the Premier explain this position? He said, "I think that it recognises the particular role that police have."

How does the Premier justify that statement to the 16,000 public sector workers who signed this petition? How does he justify it to 300,000 public sector workers who contribute to this State in their work every day? I congratulate the Public Service Association and the union movement on their campaign. We will certainly support their fight. The nature of the Government's plans gives us no choice but to fight it. It is a gag on the independence of the industrial umpire and a consolidation of power away from people to politicians. The Labor Opposition will fight to protect the services that every New South Wales family depends upon. We will fight for every nurse, teacher and public sector worker in this State. They deserve fairness.

Mr JONATHAN O'DEA (Davidson) [5.50 p.m.]: The New South Wales Government will essentially continue the same wages policy as the former Labor Government implemented. However, it has introduced changes to the way the wages policy operates to ensure that key requirements of the wages policy are actually followed. Government is about sensibly and fairly allocating scarce public resources, which are funded from the pockets of New South Wales residents. In acting responsibly, the Government needs to strike a balance between maintaining the value of wages for much-valued public servants and the ability of the State budget to fund wage increases. This Government has a clear mandate to manage New South Wales financial resources much better than the previous incompetent Labor Government, which dined out on waste and mismanagement.

We know that under the previous Government, a number of the agreed savings that were to fund part of the agreed wage increases were never achieved. This has resulted in an additional \$900 million in costs to New South Wales taxpayers. I will recap the facts. The New South Wales Government has retained 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, improved the integrity of the policy by requiring that savings actually be achieved before they can be passed on in higher wages, legislated to ensure the Industrial Relations Commission gives effect to the Government's wages policy in making public sector awards and introduced the key elements of the wages policy through a disallowable regulation, which means that the Parliament has the reserve power to disallow any regulation.

The Government's lack of a majority in the upper House ensures proper accountability and safeguards. The Government has also indicated that the policy will apply to members of Parliament, Ministers and the Premier. It is clear that the Premier is a strong leader who is literally prepared to put his money where his mouth is while leading New South Wales into a new era of sensible reform and financial responsibility. Under this Government's policy, where agencies, employees, and their representatives are able to identify and deliver employee-related savings, these will be able to be passed on in higher wages. Existing New South Wales legislation already sets minimum standards on many conditions of employment, including annual leave, long service leave, and sick leave.

The proposed legislation and wages policy does not remove those legislated protections and the Government has no plans to change any of those legislated minimum standards. Bargaining by trading award conditions in exchange for wage increases has been a normal and essential part of the industrial relations landscape and the jurisdiction of the Industrial Relations Commission for decades, and will continue to be. The

Industrial Relations Commission will retain a key role in the wage-setting process. However, it will be required to give effect to the Government's wages policy in making its decisions. Public feedback to me on this issue can largely be summarised in three points.

First, most people realise that the Government needs to take a fair and balanced approach and that it must be mindful of New South Wales financial constraints and not give the views of union representatives undue weight. Secondly, many people are contemptuous of the Opposition's hysteria, hypocrisy and abuse of process with the filibustering in the upper House from Labor and The Greens. Thirdly, some people misunderstand the proposed approach but generally accept it when the facts are clarified. For example, did those who signed the petition before us today know that the New South Wales policy is in line with 2.5 per cent wages policies introduced by Labor governments in Queensland, South Australia and Tasmania?

Unlike Labor, the Liberals-Nationals will govern for all people equally and will not be captive to the union movement for support with our political preselection, electoral fundraising or manning of election campaign activity. We will not be judged based on union opinion or Labor's fear and misrepresentation. We are happy to be judged on public opinion, based on the facts and the reality of the vital infrastructure and better front-line services that will be delivered as a result of more efficient and effective allocation of New South Wales taxpayer dollars.

Discussion concluded.

EVIDENCE AMENDMENT (JOURNALIST PRIVILEGE) BILL 2011

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

Pursuant to resolution business interrupted for the presentation of inaugural speeches.

INAUGURAL SPEECHES

Mr BART BASSETT (Londonderry) [5.58 p.m.] (Inaugural Speech): It is with pride that I stand here as the first Liberal representative of the electoral district of Londonderry. Madam Speaker, I congratulate you on your election as the first female Speaker of Australia's oldest Parliament. I acknowledge the Darug people, the original custodians of lands covered by my electorate. I pay my respects to their Elders past and present. Londonderry covers parts of Blacktown, Hawkesbury and Penrith local government areas and includes sections of the beautiful Hawkesbury-Nepean River. I am proud to represent a multicultural electorate. Immigration is an Australian success story. People from all corners of the world have settled here, and made a better life and future for their families.

The geographical, social, economic and cultural profile of my electorate is diverse. However, there is a common thread running through the electorate. It is not complex but the basic bread and butter issues that have been neglected by the Labor Government. We need to upgrade public transport services, address healthcare issues at Nepean, Hawkesbury and Mt Druitt hospitals, allocate extra police resources, address environmental issues in the Hawkesbury-Nepean River Catchment, fund upgraded local roads, including a second crossing of the Hawkesbury River at North Richmond, deliver the Werrington arterial, upgrade Richmond Road and address complex local planning issues where there is a need to provide housing options while protecting the environment.

I acknowledge my two predecessors, Allan Shearan and the late Jim Anderson. Both gentlemen gave many years of public service. Allan is to be commended for his impeccable and dignified handover. I thank Allan and his staff who gave loyal service to our community, and I wish them well in the future. Members bring to this place a diverse range of skills, experiences, knowledge and ideologies. My journey began as a child in the western suburbs of Sydney in the 1960s. Shortly after my election I went through the many congratulatory messages sent through email, Facebook and my website. One message stood out, and read in part:

Firstly, congratulations on a great win ... I am wondering if you were the cute little Bart Bassett that I taught at Westmead Infants School? I began my teaching career there in 1966 when I was 18 years old! and have just retired after 45 years of teaching. I remembered your name when I heard the election results. Hope I have the right person. Once again, well done! Dawn Lambert.

I do not know about the cute description but, yes, I am that Bart Bassett. My teacher, Mrs Lambert, is present in the gallery tonight with her husband, Neville. I thank her for her commitment and passion to her teaching profession and for her role and that of others in my education that opened up so many opportunities for me. It

has been a long journey for a boy from the western suburbs of Sydney who started primary school at Westmead Public in 1966 to my election as a member of the Fifty-fifth Parliament of New South Wales on 26 March 2011, a journey shaped by values inherited from my parents, Eddy and Nola Bassett.

My parents could be considered part of that group described by Robert Menzies in 1943 as the forgotten people. They were not born into privilege. Dad was born in Surry Hills and moved to a Housing Commission house in Westmead as a young boy. Mum was raised in Rooty Hill. Mum and Dad started married life at Westmead, living in an extended family home with my grandparents, uncle and aunt. Living in that small house until I was 10 instilled in me the importance of family, hard work and community. Eddy and Nola started with nothing but a dream and a strong desire to provide for their family. Through hard work, enterprise and innovation they built up a successful small business. Their success instilled in me the values that have guided my adult life. These values led me to the philosophical views and platform of the Liberal Party.

I joined the Liberal Party in 1988, the same year that the last Liberal Government led by Nick Greiner was elected. With more than two decades of party membership, seven years as a Liberal councillor and more than five years as mayor and as someone who with my wife, Bronwyn, ran a small business, I believe in the Liberal philosophies of small government and a regulatory environment that protects the individual and encourages innovation, enterprise and reward for effort. As a member who has run small businesses, I understand the pressure for wages and accounts to be paid as well as having your own house on the line—it is important that we never forget that the laws we pass here have real consequences for real people. Big government is not the answer.

As Liberals, we need to ensure that government works in partnership with the private and not-for-profit sectors to provide infrastructure and services and to avoid unnecessary regulation and duplication that ends up being paid for by taxpayers—those ordinary men and women struggling to pay bills and manage the family budget. As a member who brings to this place a knowledge of the health system, gained from working in front-line helicopter medical retrieval as a service provider to government, it was refreshing for me to see that one of the Government's first bills tabled was from the Minister for Health, the Hon Jillian Skinner, to re-introduce local district health boards. This is a positive step to move the health system away from its bloated, top-heavy bureaucracy to a more decentralised locally focussed approach bringing together a range of stakeholders—medical professionals, business and community leaders—who can contribute towards the management and delivery of high-quality health services.

As a commercial helicopter pilot I, along with a doctor and another pilot, saw the need for a retrieval service to provide specialist medical care and transportation for critically ill babies and children servicing hospitals across New South Wales. That service became known as Child Flight. Whilst establishing Child Flight I drove cabs at night so I could volunteer my time during the day working with the health department, medical professionals and donors, as well as researching the latest advances in medical retrieval operations world wide so Child Flight could be a leading edge provider. In 1989 Child Flight was founded. I am enormously proud of having been a founder, pilot and general manager of that wonderful community charity, which has now airlifted more than 7,000 children. Child Flight was established as a mobile intensive care bed for newborns, working in partnership with, but not controlled by, government. It was funded as New South Wales fifty-fifth neonatal cot.

I acknowledge the commitment made by others in advancing medical retrieval in New South Wales, including Peter McCormack and Ian Badham, both instrumental in establishing the Westpac Helicopter Rescue Service and later NRMA CareFlight. Apart from the many health and other professionals I collaborated with in founding Child Flight, the service would not have got off the ground without strong backing from our political leaders. I acknowledge the then Minister for Health, Peter Collins, who not only displayed the leadership required to cut through the labyrinth of red tape but also ensured that the service was given a guaranteed funding package. Peter Collins is present in the gallery tonight, and I acknowledge his contribution.

I also acknowledge former Greiner Government members Chris Hartcher and Michael Photios for their support of Child Flight. Michael Photios has been one of my closest and trusted friends since we teamed up in high school. I do not know what subjects he was studying, but Michael must have acquired skills that equipped him with the ability to lead, influence and to make a difference. Michael, I thank you for your friendship and support over many years. Chris Hartcher gave considerable support to Child Flight. We established a working relationship that has since developed into a good friendship. Chris, I thank you for your support and candid advice.

I am a strong believer in education and the opportunities it creates for individuals, and I will always support policies that promote choice for parents to choose the educational institution best suited to their

children. Londonderry parents have a choice of government and non-government schools. I have worked with many principals and local parents and citizens associations, listening to their concerns about maintenance, capital works, educational resources and the curriculum. One of the first doors I knocked on after the election was the education Minister's to discuss issues affecting local schools. I look forward to supporting policies and programs to enhance our educational establishments.

My electorate also has many great tertiary institutions: the University of Western Sydney and Western Sydney Institute of TAFE. The Richmond campus of the university houses what was the historic Hawkesbury Agricultural College, which provided high-quality courses for generations of rural families. It now provides a range of courses including a centre of excellence researching environmental issues. I was recently at the Western Sydney Institute of TAFE Excellence Awards and saw students who had developed skills essential for employment and future prosperity. TAFE has developed strong links with local business and employer groups. One such group is the Hawkesbury Race Club. I congratulate Brian Fletcher, the Chief Executive Officer, and TAFE for a training model that will not only help those working in the racing industry in Australia but also will provide an export model that TAFE is taking to the industry elsewhere.

As Mayor of Hawkesbury City Council, which includes four of the five Macquarie Towns—Windsor, Richmond, Wilberforce and Pitt Town—it was my privilege last year to host the Governor, Her Excellency Professor Marie Bashir, AC, CVO, as guest of honour to mark the bicentenary of Lachlan Macquarie as the fifth Governor of New South Wales. Now, as the State member for Londonderry, I am proud to also represent Castlereagh, the fifth Macquarie town. Lachlan Macquarie was a visionary whose leadership established the solid foundations for the future growth and development of our country. With the right policy framework and strong leadership New South Wales can be number one again.

I have been proud to work closely with RAAF Base Richmond, an important institution in my electorate that has played a major role in military, humanitarian and peacekeeping operations both here and abroad. We are indebted to the men and women from our defence force who serve our country with honour and distinction, and who on a daily basis put themselves in the face of danger to defend our freedoms, liberties and way of life. Many have made the ultimate sacrifice. Our defence personnel can be assured of my utmost respect, loyalty and support. Drawing from my experiences in local government, I believe the time has come for a comprehensive look at our governance structures to identify reforms to enable governments to meet society's ever-changing needs. This Government's announcement of a comprehensive review into the planning framework and the establishment of Infrastructure NSW is a positive measure that establishes the right foundations for a stronger New South Wales. [*Extension of time agreed to.*]

Infrastructure NSW is a model that takes the politics out of decision-making and is a clear break from past failures by removing political interference in the decision-making process and involving the private sector, which will work alongside government in a coordinated effort to deliver infrastructure on time and within budget. I look forward to using my skills, knowledge and understanding of public administration gained through my services in local government, Child Flight and my recent Flinders University qualification in Public Policy Leadership to support and implement reforms in areas of planning and infrastructure delivery, service delivery models for government services and further reforms that open up government agencies to competition.

The Liberal Party is a party of free enterprise but also one of compassion. By creating portfolios for Mental Health and Healthy Lifestyles administered by Minister Kevin Humphries, Premier Barry O'Farrell is to be congratulated on prioritising the social issues of mental illness and obesity. Addressing the causes and effects of mental health and obesity is not only a moral responsibility of government; it is also a financial and economic one with a huge financial cost to the Government and the economy through the health system and lost productivity. We can thank Liberals like John Brogden, who set up the first stand-alone shadow ministry dedicated to mental health, and Jeff Kennett, who helped establish the Beyond Blue Foundation. Like Child Flight, Beyond Blue is a successful example where governments play a key role in leadership and resources but then hands over to those with the skills and knowledge to provide the services to address the complex issues that have tragic effects for individuals and our community.

Over the last four years the Coalition leadership and frontbench team led by Barry O'Farrell have spent hundreds of hours visiting my electorate to talk to people and hear their concerns about bread and butter issues that we have a responsibility to deliver. I thank the Premier, and Minister for Western Sydney, Barry O'Farrell, for his support for issues in my electorate and his commitment to deliver for western Sydney. I thank also our Coalition partners, The Nationals, and their Leader and Deputy Premier, Andrew Stoner, the Deputy Liberal Leader and Minister for Health, Jillian Skinner, and Ministers Mike Gallacher, Brad Hazzard, Adrian Piccoli,

Mike Baird, Greg Pearce, Robyn Parker, Andrew Constance, Victor Dominello, Anthony Roberts, Duncan Gay and George Souris, who, with other frontbenchers, all spent time in my electorate to gain an understanding of and appreciation for the issues. I thank also the President of the Legislative Council, Don Harwin, and Catherine Cusack for their support and advice over the years.

A special mention goes to the Minister for Transport, Gladys Berejiklian, who wore a track to my electorate from the 2007 election to the present day as she relentlessly pursued transport issues. I am also indebted to her wonderful volunteers from the Willoughby SEC, who travelled numerous times to the Londonderry electorate during the campaign and on election day. I thank them all so much. I acknowledge and thank the member for Hawkesbury, Ray Williams, for his tireless work, assistance and advice. I have worked with him for many years since we first teamed up to lead the fight that forced the Labor Government to upgrade Windsor Road. I acknowledge Stuart Ayres, Tanya Davies, Roza Sage and Kevin Conolly from neighbouring electorates, who make up part of the western Sydney team, and also past and present Federal parliamentarians Senator Marise Payne, Alex Hawke, Louise Markus and Kerry Bartlett, with whom I have worked to advance the interests of western Sydney at all levels of government.

There are many talented individuals who perform professional and support services on our behalf. I thank the Clerk of the Legislative Assembly, Russell Grove, and his staff for the smooth transition; the Liberal Party State Director, Mark Neeham; my campaign director, Chris Stone; western Sydney battle ground director, Mark Hycek; and my own staff, Justin Taunton, Michael Creed and Bronwyn Pullen. I thank also Jaymes Boland-Rudder and Matthew Cross for their patience and understanding during the election campaign, providing information and policy advice on issues that we worked on. Nothing was ever too much trouble; they are truly professionals.

One such issue related to local bus services around Werrington, Cambridge Park, St Marys and Mount Druitt that were removed as a result of reforms introduced by the former Labor Government. Their removal deprived those with limited income and means—the very people that the Labor Party claimed to represent—of a vital local service. I am working with the Minister for Transport and her office to untangle the mess created by the former Government. No-one makes the journey to this place without the support and encouragement of many wonderful individuals. Firstly, I thank the fantastic volunteers who helped me during the campaign. I would love to mention them all but unfortunately time only permits me to mention a few.

I pay tribute to my wife, Bronwyn, whom I met at Camperdown Children's Hospital. Bron, a nurse, implemented and managed as a volunteer various fundraising programs that assisted our local hospitals and Child Flight to purchase critical medical equipment and resources. Bron, thank you so much for your love, patience and support over many years in so many different areas. I thank Councillor Kim Ford, my campaign manager, for his loyalty, support and friendship. Kim is the kind of guy who calls a spade a shovel and has never been afraid to call things as they are. My campaign team has been by my side through thick and thin for over five years and through two elections. Margaret Eggers, Lynn Cave, John Ashton, Dr Barry McGlasson, Terry O'Brien, Joe and Vivienne Blair, Tony Miller, Rod Newton and Jacob Gunther symbolise everything that is great about mateship. I thank them all.

I have had the privilege of serving my community through local government and have advocated on local issues like the North West Rail Link and the duplication of the Richmond line, and have highlighted issues with the Hawkesbury-Nepean River such as major flooding, irrigation and a single river authority. I thank all the professional staff from Hawkesbury City Council for their advice and assistance over many years and dedication to public administration. I thank and acknowledge past and present councillors, with whom I have worked—to my deputy mayors Dianne Finch, Ted Books and Kevin Conolly, and also current and former councillors Neville Wearne, Tiffany Tree, Jill Reardon, Bill Whelan, Kim Ford, Bob Porter, Trevor Devine, Dr Warwick Mackay, OAM, and the late Dr Rex Stubbs, OAM. I thank and acknowledge councillors from other local government areas with whom I have worked closely on many issues.

I began my journey as a child in Westmead and now stand here in the Legislative Assembly as the Liberal member for Londonderry, representing the heart of western Sydney. The challenges as an elected representative will be great as we seek to represent our communities and deliver a stronger economy and better local services and infrastructure. I conclude by thanking the community who elected me to serve them in this place and who have entrusted me with representing their needs, which I will do to the best of my ability. Thank you.

The SPEAKER: I have pleasure in calling the member for Mulgoa to deliver her inaugural speech.

Mrs TANYA DAVIES (Mulgoa) [6.22 p.m.] (Inaugural Speech): Madam Speaker, may I offer you my congratulations on your promotion to the esteemed position as the first female Speaker of this House in the 100th year of International Women's Day. I am deeply honoured by the responsibility that has been entrusted to me by the people of Mulgoa to be their representative in this House. To become a member of the oldest Australian Parliament and, with my fellow members, to form the Fifty-fifth Parliament of New South Wales is a rare and treasured honour.

This opening paragraph would have been inconceivable to my grandfather, Alexander Szymoniczek. Alexander Szymoniczek arrived in Australia in 1948 as a World War II displaced person from the horrors of Hitler's failed fascist regime. He arrived, like so many others, penniless, friendless and homeless in a foreign land. But he knew one thing: he had arrived in a beautiful country with boundless opportunity and to live in peace.

My grandfather was employed on government contracts and continued to work diligently, saving money to bring his wife, his mother-in-law, his son and his daughter to this great country. His son, my Uncle George, and his daughter, my mother Zenona Pogmore, are in the gallery tonight. After working one year on contract my grandfather achieved his goal and in 1949 his family joined him in Australia. Three years later he opened his own shoe repair shop in Oxford Street, Paddington. He soon had a family of nine to provide for. He helped build the Russian Orthodox Church that still stands in Lidcombe today and he sponsored numerous European families out to Australia to live. My grandfather displayed a mammoth work ethic, integrity, a sense of duty for others and persistence. It was this trait of persistence—or, as I like to refer to it, stubbornness—that ensured he left an indelible mark on this world. His wife, my grandmother, was also a strong and stubborn woman.

There are many examples of such stubbornness, but one epitomises this quality. My grandmother persistently requested a new window be installed in the brick wall at the front of their house. She waited and waited. But fearing it would never eventuate, she took matters into her own hands and grabbed a sledgehammer and smashed out the bricks to the rough size of the window she wanted. Needless to say, there was now an incentive for my grandfather to finish the job. There is a saying that goes, "The apple does not fall far from the tree." That is, much of who we are can be attributed to our family and heritage. I can attest that I, the granddaughter, have not fallen far from the tree: the characteristics of my grandfather were passed down to my mother, and ultimately to me. The characteristic of stubbornness, likewise, has been successfully passed down to me, as my husband, who is in the gallery, would happily verify.

My father's parents likewise were strong role models of persistence and Christian character. As a young child I was unaware of what mental illness was, but my grandfather suffered greatly as a result of his war experiences, and as a consequence the family suffered as well. My grandmother stayed with him and displayed an amazing degree of persistence and Christian character over their many years of marriage. This trait of stubbornness or "stickability" I believe is a positive trait. It ensures one sticks at something, no matter how difficult it may be, until the finish line. This stubbornness has seen me persevere in situations where others would have given up.

While a school student I stayed working in my part-time job even though my boss would yell abuse at me in front of our customers. I turned up to school every day for four years even though I was the target of schoolyard bullies. I worked so very hard at school to become the first person in my family to enter university, and I completed a Bachelor of Applied Science in Physiotherapy at the University of Sydney. I moved house 12 times in six years, determined not to return home to Newcastle but to forge my own life in Sydney. Even when I was homeless for three months and ended up sleeping on various couches, I stubbornly refused to go home.

The other qualities that have formed the person I am include a strong work ethic, compassion for others, service to the community, and strong Christian values. These were modelled not only by my grandparents but also by my parents. I watched my parents work full-time jobs, my father as a minister and my mother as a house cleaner. Then on Saturdays they would work tirelessly on our 50-acre property. We lived in a crumbling 100-year-old farmer's cottage. I witnessed my parents' tenacity and stubbornness to build their dream home, even when facing many tough and heartbreaking situations.

We lived frugally, so much so that I remember our Christmas presents some years were pillow cases filled with canned food, toothpaste and soap. I was a part of seeing a dream realised through hard work and a persistent stubbornness to refuse to give up. While my family were not members of the Liberal Party, their life,

choices and example reflected the Liberal Party foundation of the inalienable rights and freedoms of all peoples and valuing individual initiative. Now that I am in this place, I put on notice the Premier and Ministers that when I believe in something I do not give up.

I dare not break the current tradition of new members elucidating the reasons why their electorates are the best of all the electorates in the State. However, unlike the member for Coogee, who could walk around his electorate, you'll need to come with me on a driving tour to cover the 268.6 square kilometres that is the Mulgoa electorate. We commence the driving tour on the majestic tree-lined boulevard of Queen Street in St Marys. We drive around the corner to St Marys Public School, which celebrates its 150th anniversary this year and whose past student Peter Dodds McCormick wrote our national anthem, *Advance Australia Fair*.

Driving west we enter Werrington and see the historic Werrington Park House—now known as Frogmore House—which was built around 1840. Frogmore House and my electorate's observatory form part of the University of Western Sydney's Werrington North Campus. Turning south we travel to Claremont Meadows, a recent residential estate that is the home of Angels of Mercy: the African migrant and refugee settlement assistance program that has changed the lives of hundreds of migrants and refugees in western Sydney. Driving further south we enter the undulating hills and scenic vistas of Orchard Hills, which boasts the starting point for the historical crossing of the Blue Mountains by Blaxland, Lawson and Wentworth.

We veer westward now and enter the Formula One-style tight bending roads of Glenmore Park. The remnants of Sir John Jamison's estate built in 1823 can be seen from the top of the hill within Glenmore Park. Sir John Jamison was a founder of the Sydney Turf Club and a member of the Legislative Council of New South Wales from 1837 till 1843. Driving further west we reach Regentville, the home of the *Nepean Belle* and *Penrith Platypus*. These boats offer classic tours into the Blue Mountains National Park with restaurants, and can host your functions. To make a booking please call 4733 1274. We take a sharp left-hand turn and head south to Mulgoa. Mulgoa is a beautiful, rural setting for hobby and general farmers. It boasts St Thomas Anglican Church, a sandstone church that contains a functioning 140-year-old J. W. Walker and Sons pipe organ.

Travelling further south we reach Wallacia, home to Hopewood Health Retreat, which has been providing a sanctuary for good health and wellbeing for over 50 years. While detoxing at Hopewood Health Retreat if all the clean living becomes too much we can travel one kilometre for a beer at the Wallacia Hotel. Continuing to travel south we enter the predominately rural and farming pastureland of Greendale. The historic St Mark's Church of England is all that remains of the original township after a severe bushfire in 1939. Heading north now we enter Badgerys Creek. Badgerys Creek began as a land grant in 1806 and has continued to be a village with most people working small land holdings until the decision was made by the Federal Government in February 1986 to build Sydney's second airport there. The people of this region have continued to live in limbo ever since.

Still travelling northward we enter Luddenham. Luddenham is the home of the Sydney Society of Model Engineers. This society began in 1906. It is the oldest model engineering club in Australia and the oldest continuously operating model engineering club in the world. Also at Luddenham you can taste traditional German food at the Hubertus Country Club. Heading in a north-east direction we enter St Clair. St Clair is a major residential suburb with an abundance of childcare centres, schools, sporting grounds, open spaces and shopping precincts.

Travelling further northward we enter Colyton. Colyton is the home of Healthy Harold, Life Education New South Wales. Finally, our last destination as we head northward is Oxley Park. Now members may need to jump out of our touring car to stretch their legs for it has been a bit of a journey. What better way to stretch our legs than to have one leg in Sydney and the other in Adelaide or, for a bigger stretch, one leg in Brisbane and the other in Perth? Almost 50 per cent of the streets in Oxley Park are named not after capital cities but after HMAS battleships. This concludes the tour of the wonderful electorate of Mulgoa.

I am sure members will now agree with me that Mulgoa has certainly finished in first place. While I have highlighted the exceptional wonders of the Mulgoa electorate, it—along with every other electorate—has its challenges. With 67 per cent of our population leaving the region to travel for employment, it demonstrates the insufficient job and career opportunities for the people of western Sydney. Employment in western Sydney must be a major focus for this Government. Let us mandate no more housing developments but let us mandate lifestyle developments, where homes and employment with recreational opportunities are provided for current and future generations. [*Extension of time agreed to.*]

Education is the hallmark of a modern society. However, quality education provided in technologically advanced classrooms is the hallmark of a leading society. But the potential of our students is dampened when they are forced to endure the extremes of temperature because of a lack of air conditioning in classrooms. We must develop an urgent plan that sees all western Sydney classrooms air conditioned for the sake of our children and our wonderful teachers. The school curriculum must be strengthened in the critical life skills training, such as the debilitating effect of unmanageable debt. It is immoral for schoolchildren to graduate school with personal debt. The power and the experience of personal saving must be returned to our children's skills base. Conflict resolution skills are desperately needed as so often conflict turns to anger, which leads to violence and abuse. I firmly believe that the accurate teaching of our country's war history is critical to ensuring that due honour and respect for our veterans and their sacrifice remains a core value of our Australian culture.

Obesity and overweight children in western Sydney is a significant concern for me. Children in western Sydney have weights and heights higher than the published Australian values. The ever decreasing size of the Aussie backyard and cramped housing estates do not help time-poor families allow children to experience outdoor exercise easily. I believe that the foundation stone of our society is the family unit. A good government will protect, enhance and strengthen families. I believe that the people of Mulgoa and New South Wales finally have a government that will put the people's needs first and that will build the infrastructure and social frameworks to make it easier to live and work in New South Wales. People are tired of just working for a living; they want to work for a life.

Having four members of my extended family with disabilities has taught me the additional struggle and pressure that falls onto a family unit. The mercury in the thermometer of society's advancement is measured in how well it cares for those who cannot care for themselves. I want to see the Government establish a fund that will provide wheelchair convertible vans to families who need this level of transport.

My opportunity to be the voice of the people of my electorate and to speak of my hopes and dreams is due to the amazing people of Mulgoa. I thank all those who came out in the thousands to select me above all others on 26 March. I thank the hundreds of previously loyal Labor voters who voted Liberal for the first time. They are all decent, hard-working salt of the earth Aussies who just want a fair go. I stand here today because of them and I sincerely thank them for their trust. People told me on many door steps that they felt taken for granted. I stand here on the precipice of this new Government and say to everyone in my electorate that I will not take them for granted.

I also thank the hundreds of others who helped during the campaign but I cannot name you all. I thank the Liberal Party headquarters team of Mark Neeham, Chris Stone, Richard Sheilds, Wendy Black, Mark Hyrcek, Lisa-Marie Snell. I thank the Coalition parliamentary team who supported the campaign: Barry O'Farrell, Gladys Berejiklian, Mike Gallagher, Andrew Stoner, Greg Smith, Ray Williams, Brad Hazzard, Catherine Cusack, Kevin Humphries, Pru Goward, Adrian Piccoli, Andrew Constance, Jillian Skinner, Mike Baird, Don Page and Greg Pearce. I thank those who door knocked with me: Chris Hartcher, Aaron Henry, Marie Ficarra, Matthew Mason-Cox, Marcus Cornish, Ben Goldfinch, Colin Willis, Lindsay Harris, Mark Davies and Mark Holmes. I thank parliamentary staffers Jaymes Boland-Rudder and Mathew Cross—you guys were amazing. I thank also the local Liberal stalwarts: George Bilic, Steve Simat and Tom and Joan Beram.

I thank my committed campaign team: Marcus and Margie Cornish, Robert and David Ardill, David and Christine Pettitt, Tina Shinn, Ben and Rebecca Goldfinch, Scott and Glynis Wheeler, Darryl and Erin Buckley, Stephen Rowe, Pat Sullivan, John Vrick, Paul Buddeke, Kevin Scoby, Steve Koulous, Steve Kokotovic, Myron and Janine Seeto, Josh Ballard, Charlie Chahoud, Joe Parker and the Young Liberals Flying Squad. To the RAID group: Mark and Carmen George, Dirk and Lindy Kurver, Tony and Angela Maltese, Richard Battersby, Vince and Karen Azzopardi with Jack and Hannah, and Ben and Carmen Attard with Stephanie and William, thank you. To the ROAR group: Peter and Regina Maltese and family, thank you.

To my long-suffering friends, Kelly-Anne Cummings and Belinda Garratt, thank you for your patience during this time and your steadfast friendship. Finally to my family: to my parents-in-law, Roy and Laraine Davies, thank you for postponing your holiday in your new caravan for two months to campaign every week. To my 11-year-old niece Emily Davies, thank you for coming along to street stalls. To my parents, Paul and Zenona Pogmore, we could never have achieved this result without your steadfast, unwavering love, support, patience and home-cooked meals and for becoming surrogate mum and dad to our daughter, Laura. Your Christian character, hospitality, loyalty and genuine care for others will always inspire me. This victory is also yours.

To my delightful daughter, Laura, you are a magnificent, unique, spirited, compassionate and inquisitive gem. In everything I do I strive to make your world a better place. I hope that when I am finished in

this place, and ultimately finished on this earth, our community will be a better place for you and your generation to take the reins and lead your community onwards and upwards. Let me say this now to you and all the children in our great State:

You are unique and destined to be here at this time.
You are designed and endowed with gifts and abilities
Do not give away your confidence which has great reward
When you change your thinking, you can change your world.

Finally to my husband, Mark, my campaign manager, you said when we were engaged that you could not guarantee what would happen in life, but you could guarantee that it would be an adventure. You were right. You were one of the very few people in my life who believed in me and my potential and encouraged me to achieve more. In the campaign you were a great strength and tireless worker, strategist, defender, organiser, coordinator and joint winner with me. No-one worked harder than you under immense pressure. You led the best team in one of the toughest campaigns in this State. I could not have done this without you. Thank you for believing in my potential and releasing me to this position of responsibility.

In closing, I will finish by sharing the story of one more role model who continues to challenge me. Her name is Esther. She was an Israelite young orphan woman whose story is told in the *Bible*. God raised her up out of anonymity to become queen in the land of her captors. God elevated her to a place of pivotal influence for one purpose—to save her people from annihilation. Would she speak up on behalf of her people or remain quiet? Her uncle challenged her with these words recorded in Esther 4:15:

For if you remain silent at this time, relief and deliverance for the Jews will arise from another place, but you and your father's family will perish. And who knows but that you have come to your royal position for such a time as this?

Thankfully, Esther spoke up and her people were saved. Like Esther, I believe that I have come to this place for such a time as this. I believe that we all have come to this place for such a time as this. A time for stewardship, not squandering. A time for courage, not cowardice. A time for service, not selfishness. A time for visionary ambition, not indecision. A time for compassion, not coldness. A time for steadfast Christian values. A time to make New South Wales number one again.

LOCAL GOVERNMENT AMENDMENT (ELECTIONS) BILL 2011

Agreement in Principle

Debate resumed from an earlier hour.

Mr TONY ISSA (Granville) [6.48 p.m.]: I support the Local Government Amendment (Elections) Bill 2011. I thank the Minister for Local Government for bringing it at short notice to the Parliament. No-one knows better the suffering of local government than the people who serve in it. This legislation is in response to representations from the Local Government and Shires Associations of New South Wales prior to the 2011 State election. The Coalition, as part of its pre-election commitments, agreed to return responsibility to local government. The Local Government Amendment (Elections) Bill reflects the Government's commitment to provide an effective legislative framework for the administration of local government in New South Wales.

Tonight I heard members of the Opposition speak to the bill. Every one of them is either a councillor or a former councillor but they must have lost contact with the community if they oppose this bill. Nobody knows the importance of the return of power to the local community more than councillors. I have been a councillor for a long time and I know that when there is a by-election the community suffers because of the cost involved. The minimum cost for any by-election is at least \$160,000, not including the cost of the preparation or the campaign of the candidates leading up to the election. It is a cost for the whole community. People have to take a day off to go back to the polling booths to vote because one seat has become vacant.

It was said tonight that the general manager could be a returning officer. The bill did not say that. The bill prohibits the general manager from being a returning officer. Members on the other side of the House do not have a full understanding of the bill. If they have not read the bill they have no understanding of what the Minister has presented to the House tonight. Members of the Opposition said that the bill was presented in a short time. That surprises me. Anyone who is a councillor or a former councillor and who has served on a council for between four and 10 years and does not understand the needs of local government after all that time will never understand the need for this bill.

This bill ensures that a service is provided to the community and that trust is put back into local government. It concerns me that the member for Lakemba, who is the mayor of Canterbury council, said that there would be a low-class of elections. That shows he has no trust in the people who are in local government: he knows better than the council staff the needs of local government. I understand that for many years normally council staff are employed to be part of the election procedure when an election is called. Tonight members of the Opposition said that they do not believe that council staff are eligible or qualified to do that. I was also concerned about the statements on abolishing the ward system. I have represented a ward for 24 years in local government. I was concerned when somebody came to me and said I only represent that ward and I do not represent the whole local government area.

Abolishing wards would make all council members responsible for the whole local government area, not just a section of the local government area in a ward—they would represent the whole city. I thought that members of the Opposition would contribute to debate on the bill tonight by talking about reducing the number of councillors, perhaps making the councillors' positions fully paid and, with councillors having more participation in the daily work of the council, perhaps cutting down on council staff overtime. But Opposition members did not address any of those issues; they have been negative. Not one speaker said one part of the bill was positive; everything was negative for the Opposition. This issue is close to my heart. I have been a councillor for a long time. I was a lord mayor for a couple of years and a deputy mayor. I know the needs of the community and I share the concern of the Minister. I commend the bill to the House.

Mr DONALD PAGE (Ballina—Minister for Local Government, and Minister for the North Coast) [6.54 p.m.], in reply: I thank the members who have participated in debate on the Local Government Amendment (Elections) Bill 2011. I thank the member for Lakemba, the member for Menai, the member for Shellharbour, the member for Wollondilly, the member for Auburn, the member for Lake Macquarie, the member for Kiama and the member for Granville. I believe that all the members who spoke tonight have practical experience of being in local government. It was interesting to note the contrast between those on this side of the House who understand, firstly, what the bill is about and, secondly, what the intention of the bill is and, thirdly, how relevant it is to the proper functioning of local government, and those opposite, who, despite their experience in local government, seem to have very little understanding of what local government is looking for.

As I listened to the debate I could not help thinking that there were a number of critical differences in the way that we approach legislation in local government and the way the former Labor Government approached it. The first observation I make is that we believe in honouring our election promises, unlike the other side, which does not. This was an election promise, even when dressed up in semantics by the member for Auburn when she said it was only honouring a response to the Local Government and Shires Associations. One could not have a more specific promise in relation to this legislation. To remind members of that promise I will read the response that the shadow Minister gave to the Local Government and Shires Associations list of priorities. He said:

In relation to councils to run their elections locally, the NSW Liberals & Nationals will amend the relevant legislation to permit council general managers to be responsible for the administration of Local Government elections, whilst maintaining the option of sub-contracting the administration to Elections NSW. Their responsibilities will include the appointment of suitably qualified independent returning officers and managing the relevant election costs. An independent returning officer could be sourced from a neighbouring council. Not only will this substantially reduce the costs of council elections but will also result in more prompt reporting of the results of the elections.

That is exactly what this legislation is about. This legislation goes right to the heart of our commitment. We are honouring our election commitment, unlike the former Labor Government. The now Premier, then Leader of the Opposition, also addressed the Local Government and Shires Associations late last year and he gave a similar commitment to that body. The Local Government and Shires Associations supported our policy in very strong terms, and it continues to support our policy. Indeed, recently I addressed the Local Government and Shires Associations on this and other matters, and the reception was very warm and very positive in relation to the announcement I made that we were going to introduce legislation along these lines. To draw a contrast I will indicate what the Labor Government's response was to the Local Government and Shires Associations. Councillor Keith Rhoades, the president of the Local Government and Shire Associations, said that he was impressed by the lengthy responses that the Local Government and Shires Associations had received from the Coalition—and, to be fair, also from The Greens. He said:

We're disappointed that we haven't yet received a response from the Premier. It only highlights the Labor Government's neglect of Local Government in recent years.

The associations did not even get a response. We had a detailed response, which we are giving voice to tonight through this legislation. The Labor Party could not even be bothered to respond to the Local Government and Shires Associations list of priorities. The second contrast that I draw between this Government and the former Labor Government is that we believe in giving councils a voice, and we have done that in a number of ways. We have abolished part 3A of the Environmental Planning and Assessment Act, which means that about half the proposals that were going to be dealt with by the former State Government will now go back to local councils.

I am very proud to say that I was the Minister who had carriage of the very first bill passed this session. That bill restored democracy to the people of Wollongong and Shellharbour. This Government delivered on an election commitment and it did so very quickly. In broader terms, the Coalition has repeatedly said that it takes local government seriously. It is the important third tier of government in this State, which has the largest population of any State in Australia. Unlike the former Government, which neglected local government and deprived it of a voice, the O'Farrell Government will give councils the respect and control over their own destiny that they deserve. The Coalition also made a specific commitment to introduce this legislation. The third point of difference between this Government and the former Government is that we believe in generating savings for ratepayers and councils. This legislation will achieve that in two ways.

First, it will give councils the opportunity to conduct their own elections. Councils believe—and there is objective evidence to suggest they are correct—that they can save money by conducting their own elections rather than having them conducted by the Electoral Commission. The second way in which this Government is serious about delivering savings to ratepayers is by providing that councils can choose not to have a by-election not 12 months but 18 months prior to a general election. If a council does not want to hold an election in the 18 months prior to a general election it will be able to approach me for approval. I will be very supportive of councils that do not want to incur the cost of a by-election. It has been noted that by-elections can cost between \$100,000 and \$200,000. It would be much better if that money were spent on roads, parks or other local infrastructure.

A number of councils have advised me that they believe they will be able to save up to \$150,000 if they organise their local government election. According to an email from the Campbelltown City Council, an Electoral Commission conducted election in 2008 cost \$494,140. The council has projected that if it conducts the election due to be held in 2012 it will cost \$350,662. It has provided a detailed analysis of that projection. That is just one council that will save \$144,000 based on four-year old figures for a commission-conducted election. I have no doubt that councils that choose to conduct their own elections will save money. I must emphasise that this legislation does not require councils to conduct elections; it simply allows them to choose. That is yet another way in which this Government is different from the Opposition. This Government believes in choice and giving councils the opportunity to conduct elections after having examined the guidelines that will be provided by the Division of Local Government.

Having done their costings, councils will be able to choose whether to conduct an election or to contract it out to the commission. Members of the Opposition referred to transparency, integrity, standards and so on. Councils will be provided with guidelines by the Division of Local Government, which is consulting with the Electoral Commissioner on their preparation. I am not sure where members of the Opposition are coming from, but if they are suggesting that the guidelines being developed by the commissioner will be inadequate or inappropriate, or that the commissioner is potentially corruptible, I cannot agree. I believe that the commissioner's guidelines for the conduct of local government elections will provide safeguards and that they will guarantee integrity.

The member for Lakemba said that councils tend to underestimate their costs. There is no motivation for them to do that, because they want to get the best value for money. They are not in the business of wasting ratepayers' money. They will examine the guidelines and determine whether conducting an election is appropriate. They will look at the cost of the last election and their cost structures and then make an intelligent decision. If the cost of conducting an election themselves is greater they will not do it. However, they will be honest about that because they have no reason to hide the cost. I do not understand the logic of that proposition. Councils understand that the cost of conducting an election will be real. The last round of elections, which were conducted by the Electoral Commission, was costly because the commission took a full cost recovery approach. I dismiss that argument on the basis that councils have no reason to hide the real cost because they either pay for the election themselves or they pay the Electoral Commissioner to conduct it.

Members asked what will happen if a candidate challenges the result of an election. It will be the same process that applies in a State or Federal election: an aggrieved State election candidate will appeal to the Court of Disputed Returns and a local government election candidate will appeal to the Administrative Decisions Tribunal. Of course, that cost will be borne by the individual lodging the appeal, as happens at both the State

and the Federal level. The reduction in the number of councillors and the abolition of wards also generated a bit of excitement in members opposite. Legislation enabling councils to reduce the number of councillors was introduced by the Labor Government in 2005. This is a one-off option. I do not understand the Opposition's logic, because it was their Government that introduced the legislation. It is interesting to note that more than 20 councils took advantage of that option on that occasion.

The Act already allows for a reduction or an increase in the number of wards without a referendum. This legislation provides for a 42-day window in which submissions can be lodged about a reduction in the number of councillors in a local government area or the abolition of wards. If I as Minister receive submissions that express total opposition I will obviously take them into consideration and decide whether to allow the council concerned to go ahead with its proposal. Safety valves have been included in the legislation. The public will have six weeks—which is more than was provided for in the Labor Government's legislation—to lodge a submission and the Minister can consider those submissions and, based on them, reject the council's proposal.

It is important to make the point is that this is only a one-off opportunity. If, for example, a council chose to reduce the number of councillors or abolish wards in a way that was opposed to general opinion in that council area, it can always change it at the next election. It can put forward a referendum to allow the community to have a full say if it is really concerned about it. It is not as if a one-off decision supported by the Minister will remain forever and a day. The council can revisit it. The member for Auburn raised timing, saying that the bill is being rushed through and so on. I have some sympathy for that argument insofar as it is unusual for the Government to introduce legislation one day, debate it the next and send it to the upper House. But I have been in this place for a while, and this is something the previous Government did habitually; it gagged debate all the time. To my recollection we have not gagged debate.

The Division of Local Government has asked us to get this legislation through so that guidelines can be developed and distributed to councils in an appropriate time frame. The commissioner needs a certain amount of time before councils decide whether to go with it, and put it all in place for the September 2012 elections. The Electoral Commissioner has told us that to enable councils to decide by 31 October whether to hold their own elections or to go with the Electoral Commission we have to have this legislation through in the next two weeks. It has nothing to do with the Government rushing things through. This is all about giving the Division of Local Government enough time to distribute the guidelines that are being developed with the Electoral Commissioner so that councils can make intelligent decisions about whether to conduct their own elections or contract them out to the Electoral Commissioner.

Mr Kevin Anderson: Good common sense.

Mr DONALD PAGE: It is good common sense. To summarise, this legislation is honouring our election promise to give councils the option to conduct local government elections whilst maintaining the integrity of the election process. It is also about saving ratepayers' money by reducing costs to councils in the conduct of elections and, of course, saving ratepayers and councils money by not having to hold unnecessary by-elections in the 18-month period leading up to a general local government election.

It is also about ratepayers finding out more quickly who are their elected representatives. Apart from cost savings, the Local Government and Shires Associations and councils generally were concerned about the length of time it took to get results from the Electoral Commission when it conducted elections. Some rural councils waited two or three weeks before they found out who were their elected representatives. When local government conducts elections, you know pretty well the next day or the day after. That is important to the democratic process. It is nice that people know who is their mayor and who are their councillors; they can get down to business straight away.

Fourthly, it is broadly consistent with our policy of recognising the important role local government plays as the third tier of government. It is about returning decision-making, including conducting local government elections and making other decisions, to local communities; providing the respect that local government deserves; ensuring that we give councils the opportunity to have control over their destiny, whether it be in relation to consideration of matters considered by the previous Government under part 3A or whether it is allowing them the opportunity to conduct their own local government elections; allowing them the opportunity to save money by running elections more cheaply but preserving the integrity of the process; or saving money by ensuring that an unnecessary by-election does not occur.

That is an important point to make in the current context, with the cost of living going up all the time. We do not want rates to be higher than they need to be. If a council has to spend an extra \$200,000 on a

by-election, obviously that impacts on what the council can do—it may have to put up its rates to cover the cost. This is eminently sensible legislation. I particularly thank government members for their erudite contributions. As someone who does not have a strong background in local government, it was interesting to hear the erudite contributions. They were full of common sense and reality. I know, from my conversations with the Local Government and Shires Associations, it is supportive of what we are doing.

The former Minister, the member for Auburn, implied that somehow or other there was no consultation. Our commitment prior to the last election was circulated to all members of the Local Government and Shires Associations. There are 152 councils in New South Wales. They all knew where we were coming from and they are all delighted with this legislation. I hope the crossbenchers in the upper House support the legislation so that councils have the opportunity to conduct their own local government elections if they so choose and save money by avoiding unnecessary by-elections.

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.

ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (PART 3A REPEAL) BILL 2011

Bill introduced on motion by Mr Brad Hazzard.

Agreement in Principle

Mr BRAD HAZZARD (Wakehurst—Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW) [7.17 p.m.]: I move:

That this bill be now agreed to in principle.

Today I implement one of the major election commitments of the Liberal-Nationals Government—to repeal part 3A of the Environmental Planning and Assessment Act 1979. In repealing part 3A the Liberal-Nationals Government is honouring two of its commitments for the New South Wales planning system: returning a broad range of decision-making powers to local communities and providing a planning framework for genuinely State significant development that provides certainty for investment and the efficiency needed to get this State moving again. The Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011 is a first step in the comprehensive review of the New South Wales planning system.

In that sense the bill I introduce today is an interim, but necessary, measure to rebuild confidence in a new planning system for New South Wales—a planning system based on the public interest, not private interests; a planning system that is transparent, where planning rules are certain and decisions are taken on merit and in a timely way. The Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011 provides the framework to correct the imbalance in the New South Wales planning system—delivering the balance between the decisions that should be made by local communities and the decisions that are genuinely of State significance.

Unlike part 3A, the bill provides that local environmental plans and council development standards will be an important consideration in the comprehensive environmental assessment of State significant development proposals. At the same time, the bill will honour the Liberal-Nationals Government's commitment to place the provision of major infrastructure at the centre of our program. The bill provides for a dedicated, comprehensive and independent environmental assessment regime for infrastructure that is genuinely of State significance. It is for these reasons that I introduce a bill today which will repeal part 3A in its entirety and replace it with an open, transparent and fair assessment process to deal exclusively with genuinely State significant development and infrastructure.

This assessment process for State significant proposals will be an interim measure until the comprehensive review and rewriting of the planning laws has been completed. Before I turn to the bill I must point out that it is merely the principal measure in a package of measures to give effect to the repeal of part 3A. The parts of the package include major amendments to State Environmental Planning Policy (Major Development) 2005 to remove all references to part 3A of the planning legislation, a new State environmental planning policy for State significant development, necessary changes to the Environmental Planning and Assessment Regulation 2000, delegation of the Minister for Planning and Infrastructure's determination role to the Planning Assessment Commission, new more transparent procedures for the Planning Assessment Commission, and consequential changes to State Environmental Planning Policy (Infrastructure) 2007.

The explanatory note to the bill sets out the effect of the provisions of the bill in some detail and will assist members in understanding its provisions. The bill itself comprises two schedules. Schedule 1 contains amendments to the Environmental Planning and Assessment Act 1979 while schedule 2 contains consequential and other amendments to other Acts. Schedule 1.1 repeals part 3A of the Act in its entirety. Schedule 1.2 amends existing Act provisions and inserts a new division 4.1 under part 4 of the Act to establish the new assessment pathway for State significant development. These amendments set out a clear, accountable, and transparent assessment process for determining projects that have been classed as State significant development.

New division 4.1 to be inserted by the bill provides that State significant development applications will be assessed under part 4 of the Act, with the Minister for Planning and Infrastructure as the consent authority. The bill allows for classes or descriptions of development to be declared State significant development by a State environmental planning policy. The bill also provides that the Minister may declare by order other specified development on specified land as State significant development. This will only occur after the Minister has obtained, and made publicly available, advice from the Planning Assessment Commission about the State or regional significance of the development. I seek leave to table a policy statement entitled, "Ministerial 'call in' for State significant development", dated June 2011.

Leave granted.

Document tabled

It is proposed these classes be listed in a State environmental planning policy to be entitled the State Environmental Planning Policy (State and Regional Development) 2011 to provide both transparency and certainty for the development industry, councils and the public. As has traditionally been the case with part 4 applications, these developments are predominantly by private developers and will include types of major employment generating industrial development that were previously determined by the Minister for Planning under part 4 prior to the introduction of part 3A. This includes coalmining and other large-scale mining resource and primary industry projects such as petroleum and extractive industries. It includes projects such as timber milling, intensive livestock industries, aquaculture, agricultural and food processing, as well as metal and chemical processing and major industrial manufacturing, storage and distribution facilities.

Development involving category 1 remediation of contaminated land will also be dealt with as State significant development. State significant development will also pick up major social infrastructure projects valued over \$30 million, including such projects as large-scale hospitals and medical facilities, correctional centres, schools, TAFEs and universities, major sporting facilities and cultural facilities such as performing arts centres, museums and exhibition and convention centres. State significant development will also include certain infrastructure projects over \$30 million—mainly undertaken by private proponents such as electricity generation, port and wharf facilities, water supply works, sewage and wastewater treatment plants, private road and bridge projects, industrial heavy rail lines, rail freight and intermodal terminals and related rail corridor developments.

Certain infrastructure such as electricity generation, sewage treatment, water supply works and resource recovery and waste facilities such as landfills will also be listed as State significant development depending on their scale and whether they are located in environmentally sensitive areas. For some classes of development we have removed employment generating numbers and significantly increased financial thresholds, for example, from \$15 million to \$30 million for health facilities and from \$20 million to \$50 million for large warehouse and distribution centres to cut back on the number of medium-scale or less-significant proposals that would otherwise have been dealt with by the State.

We have also continued to honour our commitment to exclude residential, commercial, retail and coastal subdivision projects from being specific classes as State significant development and we have expanded

the exclusions to cover marinas as well. These types of part 3A proposals have caused significant community concern over the past six years and will no longer be considered State significant development, regardless of their scale. The removal of these classes of development and increase in the capital investment value thresholds for remaining classes will result in around a 50 per cent reduction in the number of matters that will be considered State significant when compared with projects previously assessed under part 3A.

The new State environmental planning policy will also include a schedule for listing specified sites and will initially carry across several sites from the Major Development State Environmental Planning Policy. These specified sites are of major significance in terms of delivering the Government planning agenda and will continue to be dealt with by the Minister but under the new State significant development provisions in part 4 of the Act. These sites include the Sydney Opera House, Luna Park, Barangaroo, Sydney Olympic Park, the Bays Precinct, Honeysuckle, Warnervale, The Rocks, Darling Harbour, Taronga Zoo, Fox Studios, Moore Park and Sydney Sports Stadiums, Redfern Waterloo sites and Penrith Lakes. While as Minister for Planning and Infrastructure I will be the consent authority for State significant development, I will delegate these functions to the Planning Assessment Commission, for example, for proposals by private developers.

As State significant development will largely be undertaken by private developers, it is anticipated that the majority of these projects—over 80 per cent of State significant development—will not be determined by the Minister. For public authority projects such as schools, hospitals and other public infrastructure, it would be appropriate for the Minister to retain the consent authority function. However, I will delegate my approval role to senior officers of the Department of Planning and Infrastructure where appropriate, especially for minor or non-controversial matters that the relevant local council does not oppose. In addition to making the Minister for Planning and Infrastructure the consent authority, the bill also allows the Minister to return the assessment of subsequent stages of a development to the relevant council.

The Minister for Planning will not be able to grant consent to a development that is wholly prohibited by an environmental planning instrument, but consent for partly prohibited development may be granted. In instances where a proposed development is wholly or partly prohibited, a development application may be considered in conjunction with a proposed environmental planning instrument to remove the prohibition, for example, a rezoning by a local environmental plan.

In such instances, the Director General of the Department of Planning and Infrastructure will become the relevant planning authority under part 3 of the Act and where the proposed local environmental plan relates to a State significant development that is wholly prohibited, only the Planning Assessment Commission can make the proposed local environmental plan and determine the related development application. I seek leave to table a policy statement entitled, "Proposed State significant development and infrastructure classes", dated June 2011.

Leave granted.

Document tabled.

All State significant development applications will be subject to a mandatory minimum 30-day public exhibition period, which will be extended in the regulations to a minimum of 45 days during school holiday periods. The bill also provides that if following public exhibition a State significant development application is amended, substituted or replaced by a later application, and the director general determines that it substantially differs from the original application, then the application must be placed on further public exhibition. One of the main features of the State significant development system will be heightened transparency and disclosure of decision-making.

This will include requiring the Department of Planning and Infrastructure to publish on its website State significant development applications, environmental assessment requirements, environmental impact statements, public submissions, and other related documents and reports relevant to the proposal as soon as they become available. The bill also provides that an environmental impact statement will be required to be submitted with a State significant development application even if it is not designated development. Environmental impact statements provide a clear and comprehensive framework for assessing the impacts of proposed development and have been a widely accepted tool used in New South Wales, other jurisdictions and internationally to assist in improving environmental outcomes stemming from development.

A key feature of environmental impact statements is the need for proponents to assess potential impacts, identify and evaluate options and alternative solutions, and outline ways in which the proposal can be

modified to avoid, minimise and mitigate those impacts. The submission requirements for a State significant development application and the accompanying environmental impact statement will be outlined in the regulations so that the standard of assessment and reporting is made clear up-front to proponents and other stakeholders. The preparation of each environmental impact statement will be informed by whole-of-government input into the assessment requirements. This will ensure that a coordinated, strategic and holistic approach is taken to addressing the myriad issues that might arise with large, complex and multi-faceted development proposals.

All relevant State agencies will be consulted early in the process about the assessment requirements for environmental impact statements and their views will be sought on the proposal at inception, rather than later down the track. Furthermore, seeking early local council feedback, including inviting input into assessment requirements, will be an important tool for State significant development. This is particularly important where proposals raise particular local issues that should inform the preparation of the environmental impact statement, including developing any strategies to avoid, manage or mitigate impacts on local communities. By applying a coordinated and holistic assessment process, including involvement of all relevant government agencies at the early stages of the process, the need for separate individual approvals from those agencies further down the track can be reduced.

As such, additional and separate consultation and concurrence requirements such as for threatened species from other State agencies will not apply for State significant development. Also, the current provisions relating to the application of approvals under other legislation to part 3A projects have been brought across into the new division 4.1 of part 4 of the Act for State significant development to assist in integrating approvals for State significant development. The provisions mean that certain integrated approvals and other authorisations will continue not to apply while some other approvals will need to be consistent with the consent issued by the Minister. In addition, the bill applies the current regime for biobanking for part 3A projects to State significant development, so that biobanking remains an optional requirement for dealing with the impact of proposals on biodiversity for these projects.

The primary purpose of coordinating State agency input early in the assessment process and removing individual and separate approvals by different agencies is to enable one comprehensive assessment of environmental impacts to ensure they are properly mitigated together, rather than piecemeal and sequentially. This also enables the reduction of the bureaucratic red tape associated with major, complex and multifaceted projects that would otherwise trigger requirements under multiple pieces of legislation. Coordinating and streamlining the services that government provides through strategic, comprehensive and holistic assessments gives industry and investors greater certainty and will help get the State moving again. Such an approach will also give the community certainty at a much earlier stage about whether a project can go ahead and will provide greater confidence that a comprehensive suite of measures will be put in place to minimise and mitigate off-site environmental impacts.

As with local development, State significant development will be assessed under section 79C of the Act and, therefore, relevant planning controls and development standards in council local environmental plans will apply. As with local development applications, development standards can be varied where appropriate under State environmental planning policy 1. However, there is reduced latitude to do so than under part 3A where local development standards and controls could be completely ignored or contradicted. It is also proposed that the State environmental planning policy of State and Regional Development will include a provision to exclude the application of development control plans to State significant development and allow for relevant planning issues to be assessed taking into account site-specific factors and the individual merits of each proposal.

Development control plans typically are not prepared with major complex classes of development in mind and often do not provide appropriate planning provisions for the types of proposals that would come under State significant development. As such, detailed and meaningful planning controls need to be tailored to specific proposals as they arise. Furthermore, other provisions in development control plans covering matters such as notification, advertising and procedural matters related to the handling of development applications will be unnecessary, given that the new Act and regulation provisions will provide consistent statewide procedures for the State significant development application process. An important feature of State significant development that builds and improves on the regular part 4 process is the power for the Minister to require modifications to the proposal before approving it.

This new process encourages proponents to address and respond to concerns raised in submissions by the public and this may include modifying the final proposal to mitigate impacts or to otherwise deliver

improved outcomes for the community. In respect of appeal rights, standard section 123 appeals will apply—those being judicial reviews on points of law. Existing third party appeal rights will also apply. The process for modifying State significant development consents will be the same as that for other development modified under section 96 of part 4 of the Act—that is, proposed modifications need to be substantially the same as the original approved development. Significant changes to these developments would require lodging of a new development application, with full assessment and public scrutiny like any other development application. Another important feature for State significant development will be to reinstate general rules related to the lapsing of development consents.

Under part 3A the Minister has complete discretion about whether to require developers to commence work by a certain date, potentially leading to proposed development sites remaining untouched for indefinite periods without recourse. However, under State significant development, as with other development applications, consents will lapse after a maximum of five years—thereby encouraging developers to physically commence works including construction of buildings on sites so that the benefits of these approvals are realised sooner. The bill includes regulation-making powers in respect of State significant development, including for the preparation of environmental impact statements, consulting with government agencies and other affected parties, making orders for declaring specified development as State significant development, making application and determination information publicly available, and requiring applicants to provide responses to submissions. I seek leave to table a policy statement entitled, "State significant development—procedures", dated June 2011.

Leave granted.

Document tabled.

Schedule 1.3 amends existing Act provisions and inserts a new part, part 5.1, to establish the new assessment pathway for State significant infrastructure. New part 5.1, to be inserted by the bill, provides that State significant infrastructure must not be carried out without the approval of the Minister for Planning and Infrastructure. The process for assessing State significant infrastructure, as with State significant development, aims to provide coordinated and strategic assessment by the State for large-scale projects. However, it is necessary to ensure that the process for assessing State significant infrastructure proposals of direct and great public benefit to the community, including critical infrastructure projects, is comprehensive, efficient, and done with minimal red tape.

The bill provides that classes or descriptions of development may be declared State significant infrastructure by a State environmental planning policy. The bill restricts such declarations, however, to development that is permitted to be carried out without consent under a State environmental planning policy, and infrastructure, as defined under the new part 5.1, or other activities permitted without consent where the proponent is also the determining authority and where an environmental impact statement would otherwise be required under part 5 of the Act. The bill also provides that the Minister may declare by a State environmental planning policy, or by an order, other specified development on specified land to be State significant infrastructure. The bill also includes a provision that allows such declarations to be made on recommendation from Infrastructure NSW or the Planning Assessment Commission.

I draw the attention of the House to the policy statement I previously tabled outlining proposed classes of State significant development. The statement also outlines the proposed classes of State significant infrastructure to be listed in the proposed State and Regional Development State environmental planning policy. State significant infrastructure largely includes classes of development undertaken by or for public authorities. We have tried to match, as much as possible, the underlying structure of the Act so that most large development proposals, including by private developers, are dealt with under part 4 of the Act, while public infrastructure projects are dealt with in a similar manner to that under part 5 of the Act.

The proposed classes of State significant infrastructure include transport and public utility works undertaken by or for State public authorities and which would otherwise require an environmental impact statement under part 5 of the Act. These works were traditionally determined by the Government under part 5 of the Act, before part 3A was introduced. They include, among other things, major road and rail projects, electricity transmission and distribution, telecommunications, water and sewerage systems, and stormwater management and flood mitigation works. In addition, major public water supply works, public port and wharf

facilities and Australian Rail Track Corporation rail infrastructure will also be captured if the works are valued above \$30 million. State significant infrastructure will also include submarine telecommunication cables and licensed pipeline projects.

The bill provides that if a development meets the description of a class of State significant infrastructure and also a class of State significant development under the State environmental planning policy, the development is to be assessed as State significant development. This will ensure that there is one comprehensive, rigorous and transparent assessment process by the Department of Planning and Infrastructure, rather than a piecemeal approach. The bill also sets out provisions for staged infrastructure applications, and outlines the application and assessment process for State significant infrastructure. This includes application lodgement requirements and the director general issuing the proponent environmental assessment requirements following consultation with relevant public authorities.

All State significant infrastructure will undergo comprehensive assessment, including preparation of an environmental impact statement, with State agencies consulted early in the process about the assessment requirements for the environmental impact statements. As with State significant development, by applying a coordinated and holistic assessment process, including the involvement of all relevant State agencies at the early stages of the process, there is a reduced need for separate individual approvals from those agencies further down the track. Similarly, additional and separate consultation and concurrence requirements such as for threatened species from other State agencies will not apply for State significant infrastructure. Also, the current provisions relating to biobanking and the application of approvals under other legislation to part 3A projects have been brought across State significant infrastructure to assist in integrating the approval.

As State significant infrastructure will almost exclusively deal with proposals delivering important and high-priority community infrastructure, it is essential that a comprehensive and coordinated whole-of-government approach is taken to assessing these proposals, rather than requiring piecemeal and separate approvals from different agencies. The bill requires the director general to provide submissions or a report on issues raised in submissions to the proponent, and the director general may require the proponent to submit a response to issues raised in the submissions. The director general may also require the proponent to submit a preferred infrastructure report that outlines any changes to the proposal to minimise its environmental impact or to deal with any other issue raised during the assessment of the infrastructure proposal. This is an important feature that ensures public comments are duly considered, and it encourages proponents to seek better solutions by modifying the final proposal to mitigate impacts or to otherwise deliver improved on-ground outcomes for the community.

The bill includes provisions regarding the preparation of the director general's report to the Minister and the considerations the Minister is to take into account when deciding whether to approve or refuse consent for the carrying out of the State significant infrastructure. The bill also provides that any State significant infrastructure may also be declared critical infrastructure if the Minister is of the opinion that it is essential for the State for economic, environmental or social reasons. The concept of critical infrastructure was first introduced in 2005 to ensure that there was a straightforward and quicker way to assess and approve infrastructure projects of high importance to delivering government infrastructure priorities to the public. Today there is still a need to have in place a way to speed up the assessment and determination of high-priority public infrastructure proposals.

It is important to note, however, that future critical infrastructure declarations will be far more restrictive and will apply only to certain major public infrastructure projects that are not State significant developments. This means that in future, development proposals such as power stations, wind farms and biodiesel projects will no longer be listed as critical infrastructure, hence significantly restricting the application of the critical infrastructure provisions. The main distinction between State significant infrastructure and critical infrastructure is that for State significant infrastructure an assessment is undertaken to determine whether the development should proceed. However, for critical infrastructure the proposal will generally already be recognised as a priority to proceed, and the assessment process assists in determining the details of how it will proceed.

Once an approval has been given, only the Minister for Planning and Infrastructure will be empowered to ensure that the environmental protections built into every critical infrastructure approval are complied with. As currently applies under part 3A, it will not be possible for any person, interest group, or other entity, including local councils or other government agencies, to commence legal proceedings under the Environmental Planning and Assessment Act 1979, or any other environmental legislation in this State, or to issue stop work orders to prevent the government agency, or public private partnership, or private infrastructure provider, from carrying out the project.

The critical infrastructure provisions in this bill will not prevent interest groups and communities going to court to seek judicial review about whether a proposal has been assessed and determined in accordance with the law, in line with the principles recognised last year by the High Court in the case of *Kirk v WorkCover*. However, the bill ensures that there are no additional rights to seek judicial review of a decision on critical infrastructure, statutory or otherwise, beyond those recognised in *Kirk*. The provisions for critical infrastructure strike the appropriate balance between the rule of law and the role of the courts in reviewing the decisions of public officials, the need for certainty for investors, and the imperative that these projects be delivered speedily and without interference for the benefit of all the people of New South Wales.

The bill does, however, include a three-month time limit for the bringing of any such judicial review proceedings in regard to State significant infrastructure projects, not just those declared critical infrastructure. This three-month period is consistent with other provisions limiting the bringing of judicial review proceedings that already exist in the Act, in relation to the making of environmental planning instruments under part 3 and for the granting of development consents under part 4 of the Act, including those for State significant development. These provisions limiting the time for judicial review proceedings are important in providing certainty for investors and the community alike. Including this provision in the bill strikes the appropriate balance between the need to allow the courts to supervise the decision making of public officials and the need for the Government and infrastructure providers to get on with delivering these projects for the benefit of all the people of New South Wales.

The bill also includes a range of machinery provisions dealing with State significant infrastructure, including allowing for modification and conditioning of approvals. As with State significant development, another main feature of State significant infrastructure will be heightened transparency and disclosure of decision-making, including requiring the Department of Planning and Infrastructure to publish on its website environmental assessment requirements, environmental impact statements, and all public submissions and other related documents and reports relevant to the State significant infrastructure proposals. The bill also includes regulation-making powers in respect of State significant infrastructure for landowners consent, amending applications, application fees, and public exhibition, notification and public registers of applications and determinations.

Schedule 1.4 amends part 2A and schedule 3 to the Act in relation to the Planning Assessment Commission. The bill sets out revised functions for the Planning Assessment Commission. This includes any functions delegated to it under the Act and allows the Director General of the Department of Planning and Infrastructure, in addition to the Minister, to request the Planning Assessment Commission to provide advice, to review certain matters or to hold public hearings. The bill also amends schedule 3 to the Act to clarify that the chairperson is a member of the Planning Assessment Commission and that membership of the commission can range from four to nine members, including the chairperson. The bill also includes amendments to the membership of the Planning Assessment Commission so that members may not hold office for more than six years in total to strengthen the independence of the commission. The amendments also include allowing for Planning Assessment Commission members to be appointed on either a full-time or part-time basis and allowing the Minister to change the basis of the appointment during the member's term of office.

With the establishment of State significant development and increased delegation of ministerial determination functions to the Planning Assessment Commission, there is a strong need to ensure that the membership and operation of the commission is optimal for undertaking its heightened role. The provisions relating to the Planning Assessment Commission membership and functions are part of a broader suite of measures to improve the transparency, independence and professional operation of the Planning Assessment Commission. Other measures will include providing more resources to assist the Planning Assessment Commission in carrying out its expanded role. As Minister I will require the commission to publish new operational procedures and protocols which outline how the commission will undertake its day-to-day functions in a more open and transparent way. Meetings where determinations of development applications are made will generally be open to the public to give opportunities to communities, local councils and proponents to address the Planning Assessment Commission directly.

There will also be an increase in Planning Assessment Commission public meetings in rural and regional New South Wales, where there is significant community interest in a proposal. As well as making determinations in public and holding public briefing meetings for contentious proposals, the Minister for Planning and Infrastructure will still be able to direct the Planning Assessment Commission to hold an inquiry into a proposal by way of a full-scale public hearing and report back to the Minister with the results of that hearing. In this case the commission will also ask for written submissions from interested parties before asking

them to make submissions to the commission in person. Consistent with the current provisions of the Act, if the Planning Assessment Commission determines a development application after conducting a public hearing at the Minister's request, with an opportunity for the community to make submissions and participate in the investigation of the proposal, there will be no appeal rights for applicants and third parties for applications under part 4 of the Act. This will ensure that the public's participation in the process cannot be undermined either by an applicant or a third party following the report of the Planning Assessment Commission, merely because they did not agree with the report of the independent umpire.

Let me make it clear, however, that appeal rights will be affected only if the Planning Assessment Commission holds a public hearing at the request of the Minister. Appeal rights will not be affected if the commission merely holds a public briefing or public determination meeting. Schedule 1.5 amends part 2A and schedule 4 to the Act and inserts a new schedule 4A, in relation to joint regional planning panels. As with the Planning Assessment Commission at the State level, joint regional planning panels will have an important role in determining large-scale projects, particularly those residential, commercial, retail and coastal projects that were previously dealt with by the Government. It is therefore essential to ensure that the membership and operation of the regional panels is also optimal for performing its functions. The bill will give local government more of a say in the selection of the chairperson of each regional panel by requiring the Minister to obtain the concurrence of the Local Government and Shires Associations of the proposed appointment. The associations' concurrence will not be required if they do not respond to the request within 21 days or if they refuse concurrence on two occasions with respect to the same appointment.

To provide transparency and to ensure that the best possible appointments are made, I propose to establish a panel with representatives from the Local Government and Shires Associations, the development industry, the Department of Planning and Infrastructure, and the Public Service Commission to advise me not only on suitable chairperson candidates but also on future appointments of other members of the regional panels. These proposed changes to rebalance how regional panel members are nominated and appointed will help to strengthen relationships with our council partners, ensure members are of the highest calibre and possess appropriate skills, and improve public confidence in the way decisions are made regarding regional development. It has been two years since the joint regional planning panels were first introduced to determine development proposals of regional significance. We have an opportunity now also to put in place administrative and procedural measures to respond to the lessons learnt over that time.

As with the Planning Assessment Commission, changes to regional panel membership are part of a broader suite of measures to improve the transparency, independence and professional operation of the regional panels to help build community confidence in the system. The operational procedures for the regional panels will also be revised and published, and will include improved systems for addressing key issues such as complaints handling and additional measures to remove instances where there may be potential conflicts of interest. The bill also inserts a new schedule 4A, which outlines the classes of regional development for which the joint regional planning panels will be the consent authority. This will provide ongoing certainty to industry, the community and local councils about what applications will be determined by councils and what will be determined by the regional panels. These classes of regional development have largely come across from the State Environmental Planning Policy (Major Development) 2005, with some changes.

It is proposed in the bill that applications for certain classes of regional development currently determined by regional panels be handed back to councils to determine instead. This includes most designated development proposals, certain types of coastal development and large subdivisions. It is also proposed to increase the capital investment value threshold for the general development category determined by joint regional planning panels from \$10 million to \$20 million, with the exception of council and Crown applications. Other classes of development applications determined by the panels will not materially change. These changes will return about 55 per cent of development applications to councils and will allow regional panels to concentrate on the determination of truly regionally significant development. With the return of the determination of those development applications to local councils, it will be important that councils continue to meet the performance benchmarks for those development applications within the range of \$10 million to \$20 million so that the improved assessment times achieved by the regional panels and the flow-on savings to industry can be maintained.

Accordingly, the bill includes a provision to give applicants the right to refer these development applications to the regional panel if they remain undetermined by the local council after more than 120 days, unless the chair of the regional panel considers the delay was caused by the applicant. The referral of a delayed development application will not be automatic. The proponent will have the choice of pursuing determination by

the local council after the 120 days expires or referring it to the regional panel. Council assessment officers will remain responsible for the assessment of the proposal at all times and a proponent's existing appeal rights will also be maintained. At the same time it is proposed to require regular quarterly reporting from local councils on their performance in processing these applications. Performance measures will include timeliness, consistency with assessment officer reports and appeals against decisions. To respond to instances of repeated or systemic poor performance in determining development applications, the bill also allows the Minister to designate additional classes of development back to the regional panels if the Minister deems the council's performance in dealing with those development proposals to have been unsatisfactory.

Schedule 1.6 includes miscellaneous consequential amendments to Act provisions in relation to the repeal of part 3A, the Planning Assessment Commission and joint regional planning panels, and the introduction of State significant development and State significant infrastructure. Importantly, the bill will allow the independent Planning Assessment Commission to recommend that a planning proposal be submitted to the Minister for a gateway determination. This will enable rezoning proposals that have planning merit or are consistent with local, sub-regional and regional planning strategies to be progressed even if a local council is unwilling or does not have the resources to pursue the rezoning at the time. In such a case the Minister can make the Director General of the Department of Planning and Infrastructure the relevant planning authority for the planning proposal to carry it forward.

Schedule 1.7 inserts a new schedule in the Act, schedule 6A, to provide transitional arrangements for existing part 3A project applications and concept plan applications. I am advised that more than 500 pending part 3A projects, worth over \$60 billion, were caught in the part 3A system when the Government took office that will need either to continue under part 3A until determined, be transitioned to new assessment processes, or be returned to proponents and be re-lodged with councils. Transitional arrangements have already been determined for around 165 residential, retail, commercial and coastal subdivision projects.

It is proposed in the bill that the remaining part 3A projects for other classes of development currently in the system be subject to the following savings and transitional arrangements: part 3A projects that also fall within the new categories for State significant infrastructure will be assessed under the new State significant infrastructure regime, including State agency projects that meet certain criteria; other part 3A projects will be finalised under the existing part 3A regime where director general's requirements have already been issued by the time part 3A is repealed; projects that have not reached that stage of assessment yet will be assessed under the new State significant development regime if they also come within the new classes of State significant development; and, finally, certain projects will be removed from the State assessment system entirely if they do not match the new State significant development and State significant infrastructure classes and no director general's requirements are issued when the new legislation commences, or where director general's requirements have been issued more than two years previously and the proponent has not submitted an environmental assessment by the time the part 3A repeal is effective.

These provisions strike an effective balance between the need to provide security for investors and delivering jobs and housing for the people of New South Wales by facilitating the assessment of genuinely State significant proposals at a State level. The provisions also ensure that communities are able to have a real say at a local level about projects that should be determined at a local level. It is important to note that around a quarter of the pending part 3A proposals will leave the State assessment process entirely and be returned to the local level to be dealt with appropriately. Schedule 2 to the bill outlines consequential amendments to 22 other Acts, six regulations and six water sharing plans to build on existing references to part 3A by referring to State significant development or State significant infrastructure, where relevant. Schedule 2 also amends the Statutory and Other Offices Remuneration Act 1975 to make reference to full-time members of the Planning Assessment Commission under the Schedule of Public Offices. Schedule 2 also amends the Subordinate Legislation Act 1989 to ensure that the Environmental Planning and Assessment Regulation 2000 can remain in force for another two years until September 2013 as an interim measure while a broader review of the planning system is being undertaken.

In conclusion, the bill offers an opportunity to wind back much of the layering and complexity introduced by the former Labor Government when it first introduced part 3A of the Act in 2005. The time has come to give planning powers back to communities. The majority of that task will be achieved through the outcomes we seek as part of the broad review of the planning system, which will be an inclusive review in partnership with councils and the community. However, in the interim, the bill will assist in slashing the number of development proposals dealt with by the State and depoliticising the determination of the remaining State significant proposals by handing them to the Planning Assessment Commission or to the Director General of the

Department of Planning and Infrastructure for determination. This bill provides an opportunity to reinstate transparency, integrity and propriety in the way we assess and determine major developments of significance to the State of New South Wales. I commend the bill to the House.

Mr MICHAEL DALEY (Maroubra) [8.06 p.m.]: After all the bluster, fluff and verbosity from the then Opposition and now Government for more than 12 months, here we are. The dragon is dead—or so members opposite would have us believe. I concede that those opposite were very good at convincing the people of New South Wales that part 3A was a dog. But the Government has taken the labrador inside, given it a perm, sent it back out onto the street and told the public it is now a poodle. Nothing much has changed. For all its talk in the past nine weeks about being pro business, the Government has delayed, obfuscated and talked its way into not doing very much. All the while, applicants with part 3A applications lodged for significant and costly developments have been stalled and their holding costs have run up. They are the ones who have been penalised.

Why am I as shadow Treasurer and shadow Minister for Finance speaking to the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011? The answer is clear. The shadow Minister for Planning Infrastructure and Heritage, the Deputy Leader of the Opposition and member for Canterbury would have led on this bill but earlier today she was removed from the House in questionable circumstances, to say the least. Today the Government has moved to repeal part 3A of the Environmental Planning and Assessment Act. The Opposition received a copy of the legislation only this morning—and I thank the Minister for the briefing we received on it.

The Opposition has agreed to the bill passing through all stages because, as has been said many times before in the past nine weeks, it is allowing the Government to ramp up its legislative program to give work to the other place. The Opposition will not oppose the bill in this place, given the importance of the New South Wales planning system to the economy of the State. But as the Opposition has only had a short time to consider it in detail and to speak to stakeholders, it reserves the right to amend the bill and to speak further about it in the other place.

The New South Wales Opposition takes seriously the role that planning plays in our State's economic growth, as well as in the lives of our communities. As such, members of the Opposition recognise that this is an important bill. But I want to make a number of observations about what this bill does—or, more correctly, what it does not do. Given the Government's commitments prior to the election, the record should reflect exactly what this legislation delivers, and exactly what it does not. Members may recall the release of the document, "Start the Change", by the Liberal Party and The Nationals in 2010. I do not believe it is still available online—they have removed everything else that they are embarrassed about. I will quote from that document. Page 59 tells us what the Liberal Party and The Nationals were promising the people of New South Wales. It states:

The NSW Liberal and National Parties are committed to returning local planning powers to local communities (through their councils). We believe that local residents—through councils—are best placed to make local planning decisions affecting their suburbs.

Members will recall the great fanfare that accompanied the Coalition's "Contract With NSW." I love this one; it is a cracker—apart from the photos.

Mr Brad Hazzard: Am I in it?

Mr MICHAEL DALEY: No, you are not. The Minister is too good looking for it. If he sees the roll-up, he will know I am correct. It says, "If we don't perform you can hold us to account at the next election." Opposition members will make sure that the people hold the Government to account at the next election, particularly in relation to the legislative sleight of hand in this bill. The contract is a blatant rip-off of an idea from the conservative parties in the United Kingdom and the United States of America, but I suppose no-one ever seriously accused the conservative parties of having too many original thoughts. The contract, which was personally signed by the Premier, states on its final page:

We will return planning powers to the community ... We will Scrap Part 3A and rewrite the Planning Act to give communities a say again in the shape of their neighbourhood.

Local communities and councils could be forgiven for thinking the election of the O'Farrell Government would herald a new era for them, when they would be empowered by the new State Government to take planning decisions into their own hands. They could be forgiven for thinking that the scrapping of part 3A by this new Government would mean that State significant residential development would no longer take place, that

ministerial discretion would no longer exist and that bodies such as the joint regional planning panels would no longer make decisions. They could be forgiven for thinking all those things, but this bill shows that they were mistaken in thinking that that is what the O'Farrell Government would do. One needs only to read the explanatory note to the bill to see that. It states:

Development that is State significant development will be dealt with under Part 4 by the Minister.

Development that is State significant infrastructure will be dealt with under a new Part 5.1 by the Minister.

The bill does not scrap part 3A and return planning powers to local communities. The bill scraps part 3A and renames it "part 4" and "part 5.1". Rover becomes Lassie.

Mr Andrew Gee: Great gag.

Mr MICHAEL DALEY: Is that right?

Mr Andrew Gee: I like it.

Mr MICHAEL DALEY: Good, thank you. Under the bill does the Minister retain discretion for calling in State significant development? Yes, he does.

Mr Stephen Bromhead: It's a bit rough. It's got hair on it.

Mr MICHAEL DALEY: It has been permed and now it is poodle, apparently. The Minister will say that he has to get advice from the Planning Assessment Commission [PAC] first. That is fine. So he seeks advice, but he retains the call-in discretionary powers. Under the bill, does the Minister retain the decision-making power he currently enjoys under part 3A? Yes, he does; he just relocates it to part 4 and part 5.1. The Minister will say, as he did earlier, that he will delegate his decision-making power to the Planning Assessment Commission. Let us talk about the Planning Assessment Commission. Who set it up? It was the Labor Government. Who brought it into operation? It was the Labor Government. Who is going to retain it, make it more powerful and not return its powers to local communities? That is Liberal-Nationals Government.

Let us be very clear about this. The Minister is not giving back the powers of the Planning Assessment Commission to local councils. He is retaining them for himself, as the legislation permits him to do, and he will delegate them for private projects to the commission. Another Minister might choose to behave otherwise, but the legislation permits him to do just that. Under the bill does State significant development still include residential development? Yes, it does. The bill stipulates that State significant development includes major developments such as mines, large chemical and manufacturing plants, large warehouses and distribution centres, hospitals, some port facilities, electricity generation projects, large waste management facilities and—the catch—urban renewal sites.

The Government has deceived the communities of Randwick, the City of Sydney, Granville, Leichhardt and, yes, even Ku-ring-gai, whose residents hate home units—everyone else in Sydney has to live with home units but the good folk of Ku-ring-gai will not have anything above nine metres. They thought the Premier's promise to scrap part 3A would mean that State significant urban renewal sites in their areas—we do have them in Sydney in established urban areas—would be returned to them for determination. All those people who joined my good friend the member for Coogee outside the Coogee Bay Hotel to rally against part 3A may well be back at his electorate office rallying against him and his Government, because this bill leaves the door wide open for the Minister to call in and declare pretty much any development he wants under the guise of urban renewal.

Under the bill do joint regional planning panels still exist? Yes, they do. Joint regional planning panels were established by the Labor Government in July 2009. They have accelerated planning decisions, facilitating economic investment and jobs growth, and taken the politics out of planning—the politics that this Government said did not exist but now is keeping. The Liberal-Nationals Government will not be returning planning decisions to local councils through this bill. In fact, the Government will retain the joint regional planning panels. So to all those councils, community activists and residents out there who believed the Premier when he pledged he would return planning powers to them, the proof is in the pudding—this legislation. He is not. Since part 3A was introduced in 2005 it has seen \$60 billion worth of capital investment approved and 200,000 jobs supported. It is no wonder this Government is retaining it by another name.

Mr ROB STOKES (Pittwater—Parliamentary Secretary) [8.16 p.m.]: I support the Environmental Planning Assessment Amendment (Part 3A Repeal) Bill 2011. I note the comments of the member for Maroubra, who agreed that part 3A was, in fact, a dog that needed to be collared. That is what the communities of New South Wales have been telling us for the past three years, in particular. I remember when the now Minister made the announcement at a rally calling on the then Labor Government to save Currawong on the western foreshores of Pittwater from Labor's plans to subdivide and residentially redevelop that beautiful coastal bushland historic site as a gated community of McMansions. Communities throughout New South Wales have been demanding that these absolutely draconian planning laws be removed.

The member for Maroubra made a number of fallacious statements, the first of which was in relation to residential development. One of the big reasons why part 3A had had its day and why it needed to go was that residential developments that were clearly not State significant, such as home unit blocks and developments such as that, were being caught in its ambit. I will spend a little time on Currawong because it illustrates to the House why part 3A was so bad and why it needed to go. Currawong is only State significant because of its heritage value, not as a development site. Under the major projects State environmental planning policy at the time one could call for development—a 25-lot subdivision, for example—in a sensitive coastal site, such as Currawong, and it could be caught in the part 3A net.

The site at Currawong was owned by Unions NSW. The then leader of Unions NSW, now Leader of the Opposition, John Robertson, facilitated the sale of the site to a development company, Eco Villages. That company put a caveat over the land title of Currawong before Unions NSW gave its executive body the agency to sell the site. Perhaps Eco Villages knew something before the vote; we will never know. Eco Villages then made a development application for a 25-lot coastal subdivision and the then Minister for Planning called in that 25-lot coastal subdivision redevelopment for his personal determination. It was cute—very cute indeed. Even cuter, it emerged that Eco Villages had made significant donations to the New South Wales branch of the Australian Labor Party. That is what stank about part 3A.

In a political sense, clearly part 3A was developed as a route for funnelling developer donations into the pockets of those in Sussex Street. That was its reason for being. It was a route for developer donations, nothing more and nothing less. The not-so-subtle implication behind part 3A, as it was developed in a political sense, was that the Minister had a wide discretion to call in all sorts of developments that, on any rational grounds, could hardly be considered State significant. If developers wanted the Minister to be more inclined to call in their developments, they trotted down to Sussex Street and made their donations. If they did that, the Minister might be more likely to call in their developments for his or her personal determination.

That is what was wrong with part 3A. Belatedly, the Labor Government realised that it was doing damage to the Labor brand. The then Labor Premier, Nathan Rees, the member for Toongabbie, in the final moments of his premiership realised that developer donations were doing the Labor brand a huge amount of damage. He introduced legislation to ban those donations and part 3A became a shell. The reason for it had all but disappeared. The shell remained but the reason for its enactment had gone.

Mr Nick Lalich: It's now called part 4 or part 5.

Mr ROB STOKES: The member for Cabramatta refers to parts 4 and 5. The member for Maroubra, who led for the Opposition on this bill, suggested that we have developed a new part 4 to put part 3A into. I have news for the member for Maroubra. Part 4 has been in the Act since its enactment in 1979. It was a simple Act when it was first developed. Part 3 dealt with plan making, part 4 dealt with development control and part 5 dealt with environmental assessment. It was elegant and simple. Over the past 16 years the Labor Government introduced more than 100 substantive amendments and made a mess of an elegant and simple piece of legislation.

Mr Kevin Anderson: A mockery of development.

Mr ROB STOKES: It made a complete mockery of planning laws in New South Wales, as the member for Tamworth points out. This Government has had to fix the mess. It is interesting to see how far New South Wales Labor has fallen. Labor legend Joe Cahill, when setting up the first comprehensive planning system in New South Wales in 1945, said:

Planning shall be democratic ... the people themselves shall join in the planning to the greatest extent possible. We will not have planning imposed from above.

That is exactly what part 3A was designed to do. We see how far Labor has fallen. To Labor's shame, those opposite still do not get it. They still do not understand the damage that part 3A caused to their brand. They still do not understand the community anger at part 3A and the damage it was doing to the environment, to communities and, most crucially, to public confidence in the planning system. Each and every member in this place, beyond our policies and politics, is here to maintain public faith in the institutions of democracy and the Parliament. Part 3A went to the heart of public confidence in the system, which we are here to uphold. That is why we must repeal part 3A. It was a cancer eating away at public confidence in this State. That is the reason we have introduced this important bill.

Part 3A ostensibly was introduced to fast-track the assessment of proposals for major or significant development by establishing a streamlined assessment process, with the Minister for Planning installed as decision-maker in the place of local council. That was not the real purpose of part 3A. We have always had a mechanism to enable the Minister to call in matters of true State significance. Part 3A allowed the Minister sweeping powers to declare a huge range of potential developments as State significant, to call them in for his or her personal determination in a truncated assessment process and to switch off all the protections that those who were not among the Minister's favoured coterie of developers had to comply with. The powerful, vested-interest developers, particularly the ones who had made big donations to Sussex Street, did not have to jump through the same hoops that the ordinary citizens of New South Wales had to.

The favoured developers were exempt from established environmental assessment for coastal protection, fisheries management, biodiversity protection, heritage, water management and bushfire risk. Once a proposal received a green light under part 3A there was no need to get approval before demolishing heritage items, destroying Aboriginal sites or clearing native vegetation. Part 3A could be applied not just to developments that were considered truly State significant, such as large industrial processes, renewable energy plants, freeways and bridges. It could also be applied to developments such as residential flat buildings. I do not know how a residential flat building could be considered State significant.

The ordinary person in the street would say that type of development should be determined by the local council. The Environmental Planning and Assessment Act was set up for that purpose. The clear objectives of the Environmental Planning and Assessment Act were general planning, to provide for power sharing between State and local governments, and to offer increased opportunities for public participation. Part 3A attacked the two latter objectives. It attacked the objective of power sharing between State and local governments to ensure that projects were assessed at the right level determined on their significance, and it attacked the clear objective of the original Act to ensure increased opportunities for public participation.

Mr Kevin Anderson: An undercurrent of deceit.

Mr ROB STOKES: As the member for Tamworth says, it was a complete undercurrent of deceit in relation to the way that part 3A was processed at a political level by various Labor Ministers. It has been said that political parties are tending to merge. One area of marked difference that I have noticed in my time in this place, having examined legislation and having been involved in debates, is that Labor tends to favour centralisation and Liberal tends to favour devolution to involve local communities. In any area of government that tends to be the general theme, and in planning it is very clear. The problem with the centralisation of power in relation to planning is, as Lord Acton once famously quipped, power has a tendency to corrupt. By containing too much power in too few hands, one creates a perception of corruption.

When there is a perception of corruption or the opportunity for corruption, it does not really matter whether corruption exists. The perception of corruption allows the damage to be done. That is why the repeal of part 3A is so important. This legislation is only the first part of what the Government needs to do to clean up the mess in planning legislation in New South Wales left by Labor governments. The Environmental Planning and Assessment Act has become bloated over the past 16 years. What was a very simple and elegant Act has now become a monstrosity that is very difficult to read and understand. It is virtually inaccessible to ordinary citizens. We have a big job in cleaning it up.

I recall that at a breakfast the former Minister for Planning said she could not quite understand an area of her own legislation and had to get the director general of planning to help her out. Some suggested it was terrible that a Minister did not understand her own legislation, but I thought there was a deeper point. I did not think that indicated that the Minister was stupid; rather, it indicated that even the Minister for Planning, who I understand to be a very intelligent person, could not understand her own legislation. If the Minister could not understand that legislation, how could anyone in the community understand it? That became a real problem with planning legislation in New South Wales.

This bill is the first step in restoring public faith in the planning system. As the new Minister for Planning has already indicated, this is the first step in a comprehensive overhaul of the entire Act, to restore some semblance of structure, order and good process to planning in New South Wales. Public confidence in the planning system is absolutely crucial. The member for Maroubra indicated how important the planning system is. Planning decisions must be made clearly and accountably, and they must be made at the right level to ensure full community involvement and proper protection of the environment. That is what this Government must do.

Mr KEVIN ANDERSON (Tamworth) [8.31 p.m.]: I support the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011. One could fairly compress that elongated title to just two words: common sense. Common sense is underpinning the O'Farrell-Stoner Government. Right from day one we said we are going to get New South Wales back on track and make this the number one State again. This bill is a significant demonstration of how to do that. I commend the Hon. Brad Hazzard, Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW, his staff, who are still here at this late hour, and of course the department for doing such a magnificent job, putting in hours and hours of work to unravel the spaghetti and network wrought by this terrible part 3A.

It has constrained, restricted and choked quite a number of significant developments. I believe in some cases part 3A made it all too hard to operate in New South Wales, and led to developments being undertaken elsewhere—north in Queensland and south in Victoria. Companies said they were not doing business in New South Wales because it was far too hard—that is, unless they were in the pockets of those who held the pens to write the signatures and approve developments that were brought under part 3A, in circumstances which in some instances were quite questionable.

Part 3A was the planning assessment framework that was used by the Labor Government to deal with State significant development projects, and override all local planning controls, and community concerns with proposed development. The key words there are "override all local planning controls". A most significant aspect of the new Coalition Government is its consultation with local communities and giving local government the opportunity to control what happens in their communities. No-one knows better than local government, in consultation with their communities, what happens at ground level.

Local government has worked hard to deliver local environment plans that will best deliver the services and infrastructure necessary to ensure communities live harmoniously with infrastructure and development that works well in those communities. Local communities do not want to be dictated to by a few people in backrooms who have no regard for communities. That is because they have been controlled by a puppeteer government that is imposing its mandate upon them, telling them exactly how the State will be run, without caring what happens in some areas of New South Wales, particularly regional areas.

Local planning laws have been pushed out the door, and local government had no say. It was left with its hands tied behind its back and with little funding because of the cost shifting that also was part of the 16 years of control from Sussex Street. That had to stop, and it will be stopped by repeal of part 3A. The time has come to give planning powers back to local communities. In repealing part 3A, the Government is honouring two of its commitments on the New South Wales planning system: first, returning a broad range of decision-making powers to local communities and, second, proving a planning framework for genuinely State significant development that provides certainty or investment and the efficiency needed to get this State moving again. That is a significant statement in the conversation about significant development and significant infrastructure. Getting the State moving again and providing the efficiency needed to get it moving again are critical to encourage companies that have been looking to invest and become involved in regional development and in State significant projects.

New South Wales was once the great economic powerhouse of Australia. Investors and developers would enter this State as a place of great opportunity. Suddenly, they came across the brick wall of part 3A, implemented under the Labor Government. It was as if Labor had set out to make it really difficult for those people to get involved in this State, and how to make it difficult for companies to invest in New South Wales. But the former Government also decided it needed control. It wanted the power to tell companies what is best for this State and how they should run their businesses, so it invented part 3A. I am pleased to be speaking this evening in support of repeal of part 3A.

This Government's approach is about tailoring the system to suit the types of projects being assessed, rather than just loading everything under part 3A and ignoring the wishes of local communities. The bill provides an opportunity to reinstate transparency, integrity and propriety in the way that we assess and

determine major developments of significance to the State of New South Wales. The electorate of Tamworth has a number of projects that will come under new part 3. These new environmental planning and assessment measures are robust tools being implemented by the Government. Part 4 relates to State significant development, and part 5 relates to State significant infrastructure. Many areas in the electorate of Tamworth are breathing a sigh of relief today, because they know they can do business in this State again. They can see that there is light at the end of the tunnel. The light is no longer a train wreck; it is a hope and a vision for the future. It is a strategy and plan to go forward and make this great State number one again.

The new system will ensure that only projects of genuine State significance will be determined through the new State significant development and infrastructure framework. The bill splits projects of State significance into two classes: State significant development, under part 4, and State significant infrastructure, under part 5. Under State significant development, projects will have to be consistent with local planning controls. That means that local governments will have a say in what happens in their communities, and that is critical. Local governments need to be given respect and they need to be given the authority to say what happens to a certain level in their communities. That is why this bill is a significant step forward in getting us back on track to where we need to be.

State significant development is typically private projects such as mines and manufacturing projects, and some public projects such as hospitals, wind farms, et cetera. In relation to hospitals, Tamworth Base Hospital is about to undergo a total redevelopment and I am delighted that this bill will envelope that redevelopment and cushion it through. It will show our communities that this Government cares for them, that this Government is listening to them, and showing them how it is going to work with them and not against them. The Minister will delegate decision-making authority to the Planning Assessment Commission or the director general of the department for more minor or non-controversial projects, which is an excellent way to go.

Private projects will be dealt with by the Planning Assessment Commission at arm's length from the Minister. That means that no longer will the Minister be the controlling authority over absolutely everything. There is a change of culture in the Coalition Government. There is a breath of fresh air and a weight lifted off shoulders in relation to moving forward with State development. In the change of culture I am talking about there will be no cash for comment and there will be no dollars for decisions; it will be open, transparent and consultative. We will make sure that there is a process in place to ensure that the planning processes are robust and at local level.

Joint regional planning panels now will be able to decide projects up to \$20 million, which is an increase from \$10 million. Let us give the panels a bit of power. Let us empower them to make the decisions that are good for their communities. As with any building company—and I come from private practice—as with any project, you set a date for when you want to commission that project. You have a budget worked out and you know the processes you need to go through, the time lines, the benchmarks and the key performance indicators. You have an end time and you basically work back from that, which pretty much gives you your project plan.

Under the old part 3A, if you hit a snag and the project got stuck and bogged down, it would get put on a table, a desk or a shelf and it was left there until someone got around to it, and that cost dollars. It made companies rethink about investing in New South Wales. It made companies look over their shoulders at Queensland and Victoria. In relation to investment opportunities, companies were walking out the door and walking north, south and west. One of the significant aspects of this legislation is that it will provide hope for those businesses looking to invest in New South Wales. Assessment times will be reduced, and that will return savings to the industry. Around 50 per cent of proposals under the old part 3A will go back to council.

Today I had the pleasure of hosting the mayor and general manager of Mid Western Regional Council here in the Fifty-fifth Parliament—the oldest Parliament in Australia—and they were delighted to hear two words that are ringing clearly throughout the Coalition, two words that they have not heard for so long, and they are breathing a sigh of relief. Those words are: common sense. Common sense is now being applied to policy, it is being applied to legislation and it is being applied to the way that this State will be run. That is what we have been crying out for. That is what so many people, particularly the new members of this House, including me, campaigned so hard for. As we doorknocked we heard businesses, private enterprise and many people saying, "Let us get some common sense back into the way we run our State."

Mr Bryan Doyle: That is what we are going to do.

Mr KEVIN ANDERSON: That is exactly what we are going to do. We are also making significant changes to the joint regional planning panels. We are ensuring that those projects that are determined by the panels are truly regionally significant. There will be input into those panels, which will comprise two council employees, two State Government appointees and an independent Chair appointed by the Minister from a list of candidates agreed to by the Local Government and Shires Association. We had genuine consultation and genuine input from people on the ground, people at the front line, who know what they are talking about in relation to their communities. Many of us have cried out for far too long for that to happen.

The bill also amends the criteria for regionally significant development to be referred to the joint regional planning panels for determination by increasing the capital investment threshold up to \$20 million, which is certainly the way to go. This is about giving more responsibility back to councils and local communities, and we will see how they manage that responsibility when we review the planning legislation. It is a change of culture. The member for Maroubra told us that it was a dog, and he is absolutely right—it was a dog of a process.

Ms Clover Moore: Did he say that?

Mr KEVIN ANDERSON: Yes, he did. Did he not say it was part of a dog?

Mr Greg Piper: Which part?

Mr KEVIN ANDERSON: That is up to you. You can help us out.

Ms Clover Moore: The tail.

Mr KEVIN ANDERSON: The tail wagging the dog; the dog wagging the tail. He said at one point that we took the labrador in, we gave it a bit of a buff and out came a poodle.

Mr Ray Williams: They didn't do that to the dog?

Mr KEVIN ANDERSON: They certainly did.

Mr Ray Williams: No dogs were harmed during—

Mr KEVIN ANDERSON: That is right. No dogs were harmed during the making of this bill. I return to the matter of repealing part 3A. It is a very positive move by the Minister and I support the bill in its entirety. It will give back common sense to the planning decisions in our region. The time has come to give planning powers back to local communities. I commend the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011 to the House.

Ms CLOVER MOORE (Sydney) [8.46 p.m.]: I support and welcome the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011, which is a step in the right direction towards much-needed reform to the planning system after years of emasculation of what was once landmark legislation. The Environmental Planning and Assessment Act 1979 was a response to the ravages of the Askin Government, which saw development excesses and appalling and rapid loss of heritage, particularly in the inner city. At that time people had no say in the form and future of their cities, towns and environments. It was a free-for-all between governments and developers.

The Environmental Planning and Assessment Act was proudly introduced by a former Labor government and it enshrined community rights to be informed and involved in planning and development processes, particularly for development that affected communities. But the achievements of the 1979 Act were progressively reversed under successive legislative changes by the former Government over the last decade. Heritage protections were gutted, and the built environment and neighbourhood amenity were put in the hands of people the community had not elected and who did not live locally. I opposed those changes every step of the way in this House.

In 2005 when then Planning Minister Knowles introduced part 3A, I told the House the bill "could be a recipe for environmental degradation, urban chaos and social dysfunction". Part 3A gave the Minister extraordinary discretion over environmental assessment and final development approval at the expense of community input and checks and balances in order to fast track development. It created a new process for major

projects and critical infrastructure that reduced accountability and transparency, took away people's right to be involved in development in their neighbourhoods and, worse, took development assessment out of the public arena to behind closed doors, creating an environment conducive to corruption. I called for a division to oppose that legislation and only five Independents voted with me.

In 2006 there were further changes proposed which I again opposed. These changes allowed the State to override development control plans formulated with community input. It enabled the Government to spend development contributions away from communities impacted by a development, and to appoint administrators or panels to perform the functions of councils. Also in 2006 I opposed changes that allowed the Minister to ignore environmental assessments that prohibit development approvals. Again, in 2008, I opposed changes that transferred planning decisions from elected councillors to unelected panels and bodies hired and fired by the Minister or the developer. Bit by bit the people of New South Wales have had their hard-won rights to be involved in the future of their neighbourhood wound back and environmental and heritage protection diminished.

The Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill creates an interim planning process for major development and critical infrastructure, and returns some types of development to elected representatives, where they will be assessed openly and transparently. The Planning and Assessment Commission will determine State significant development, such as major developments like mines and hospitals, as well as urban renewal sites. The planning Minister will continue to approve State significant infrastructure, which includes roads, railways and pipelines. I acknowledge that the Minister says the bill is an interim measure while a comprehensive review of the New South Wales planning system is carried out; however, I do have some concerns with proposals in the bill.

The Minister retains a call-in power for State significant development. This process could deteriorate and create perceptions of and opportunities for a conflict of interest. Developers are likely to lobby to have their developments called in to avoid rigorous processes required by councils. They will use the need for jobs and housing as justification. The ability to call in prohibited development is a particular concern, which could encourage approvals of inappropriate development. A preferred approach would be to require a public and accountable process to look at amending planning controls on their merit and with input from the community.

I welcome provisions that allow for legal challenges against State significant development approvals. I am concerned that planning decisions will continue to be made by the Planning Assessment Commission, which is made up of unelected members. I acknowledge the Minister's comments that commission determinations will involve more opportunities for public comment. However, it remains another decision-making body in what is an over-governed State. The Minister should also commit to seeking and considering public submissions, including from councils, communities and stakeholders, on the matters proposed in the new State environmental planning policy. The Government's review should aim to achieve a twenty-first century version of the 1979 Act, which encouraged the best social and environmental outcomes in planning. I look forward to working with the Government to achieve that.

Mr BRYAN DOYLE (Campbelltown) [8.52 p.m.]: I am pleased to speak in support of the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011. I am pleased to see that the bill sets out a regime for the State to assess major infrastructure projects that can bring such great public benefits to communities throughout New South Wales and especially Campbelltown. The classes of State significant infrastructure will be set out in a State environmental planning policy. The types of proposals will primarily include large-scale and generally linear infrastructure such as roads, railways, pipelines, transmission lines and some port-related facilities. State significant infrastructure will also include activities carried out by public authorities that are likely to have significant environmental impacts.

An independent, integrated and comprehensive assessment process for State significant infrastructure will be coordinated by the Department of Planning and Infrastructure with input from relevant government agencies early in the process. The bill will require that an environmental impact statement be submitted with the State significant infrastructure proposal. Environmental impact statements provide a clear and comprehensive framework for assessing the impacts of proposed projects and also require proponents to identify and evaluate options and alternative solutions, and outline ways in which the proposal can be modified to avoid, minimise and mitigate those impacts. I am pleased to see that there will be a mandatory minimum 30-day consultation period for all State significant infrastructure projects and I understand that the Department of Planning and Infrastructure will publish on its website all submissions made in response to public consultation on a proposal. This will improve transparency and accountability in the assessment of these projects.

I note that the Minister for Planning and Infrastructure will retain his approval role for these projects given that these projects are mainly undertaken by public authorities or through public-private partnerships. With the Minister as the approval authority, and as a democratically elected member of the Government, there will be clear Government accountability in relation to the approval of projects that expend public funds and that are intended to deliver on Government election commitments, policies and plans. Importantly, however, the Minister may still request the Planning Assessment Commission's advice in relation to controversial or complex State significant infrastructure proposals or direct the commission to conduct public hearings in relation to a project. This provides another measure of transparency and integrity to this new assessment system for State significant infrastructure projects.

I believe the community can have confidence that in this new system their concerns will be considered and that the assessment of major infrastructure projects will be as thorough and efficient as possible so that State significant infrastructure projects can be delivered for the benefit of communities with any external impacts reduced or minimised wherever possible. The bill also includes important provisions to strengthen and expand the role of the independent Planning Assessment Commission. The commission will now have an expanded role in determining State significant development. The bill provides for this by allowing the Minister to delegate a broader range of functions to the commission.

It is proposed the commission will determine all private State significant development applications other than those involving minor non-controversial projects with limited objections. In addition, the commission will have a new role in respect of State significant development which has been called in by the Minister. Where such development is prohibited, the commission will oversee the concurrent rezoning and development application process to ensure the proposal is appropriate having regard to existing planning controls and stakeholder concerns. This change is consistent with the recommendations of the Independent Commission Against Corruption.

In recognition of the commission's increased role, the bill includes provisions to increase transparency in the way the commission operates, strengthen its procedures and improve the process for appointing commission members. In particular, the bill strengthens the commission's capability by having a mix of full-time and part-time members as well as an additional pool of long-term casual members to increase the breadth and depth of experience needed for its expanded role. It provides that commissioners' terms be limited to a maximum of six years in line with the recommendations of the Independent Commission Against Corruption. It also provides for the commission to hold public hearings when requested to do so by the Minister, thereby providing members of the public with increased opportunity to comment on significant proposals. It also provides for the commission's procedures to be formalised, including a requirement for all significant determinations to be held in public.

In addition to the provisions included in the bill other procedural changes will further strengthen the accountability and accessibility of the commission. For example, I understand that the Planning Assessment Commission will hold more meetings in rural and regional New South Wales where there is significant community interest in a proposal. Taken together these measures will go a long way to restoring the community's trust and confidence in the New South Wales planning system—a confidence that the community did not have with part 3A. In particular, I draw the attention of the House to the provisions in the bill dealing with the joint regional planning panels process for the determination of proposals of regional significance. This is a matter of great concern in my electorate of Campbelltown.

Mr John Sidoti: The pearl of the south-west.

Mr BRYAN DOYLE: No, it is the opal of the south-west. As the Minister said, the Liberal-Nationals Government is honouring its commitment to reform the New South Wales planning system. It is returning a broad range of decision-making powers to local communities and providing certainty and efficiency that investors can rely upon. That is vital for developing the economy. The proposed changes with regard to regionally significant development as outlined in this bill will help to achieve that and will strengthen the operation of the regional panels. The bill outlines the classes of regional development for which the joint regional planning panels will be the consent authority. I will list some of the developments previously dealt with under part 3A.

Residential, commercial and retail developments valued at more than \$100 million and coastal subdivisions have already been removed from part 3A and will now be determined by regional panels. Further,

as identified in the policy statements tabled in support of this bill, determination of other developments such as marinas, some warehouses and distribution centres and other developments will also be returned to local councils. This means there will be a significant increase in applications going back to council for assessment. Assessments will be done by local council planning staff and in accordance with the planning controls in local environmental plans.

The bill also provides that certain classes of development currently determined by regional panels must be handed back to councils to determine. That includes most designated development proposals, certain types of coastal development and large subdivisions. Importantly, the bill increases the capital investment value threshold for the general development category determined by joint regional panels from \$10 million to \$20 million. These changes will return about 55 per cent of development applications to local councils. That will allow regional panels to concentrate on the determination of truly regionally significant development.

It is important that the improved assessment times achieved by the regional panels and the flow-on savings to industry are maintained. As at April 2011 the regional panels had determined 352 development applications and 96 per cent were in accordance with the council officer's recommendation. The changes proposed in the bill will ensure that regional panels can continue to support the assessment of regionally significant development applications by local council planning staff. Importantly, the bill will give applicants the right to refer development applications valued at between \$10 million and \$20 million to the regional panel if they have remained undetermined by the local council for more than 120 days if the applicant has not been the cause of the delay.

The bill also amends the way in which regional panel members are nominated and appointed. That is vital to help strengthen relationships with our council partners and to ensure that regional panel members have the required skills and experience. It will also improve public confidence in the way decisions are made regarding regional development. The bill will also ensure that local government has more say in the selection of the chairperson of each regional panel. That has been a matter of concern at Campbelltown—the opal of the south-west. The Local Government and Shires Associations will provide a list of suitable and appropriately qualified people with the required expertise and the Minister for Planning and Infrastructure will select the chair from that very same list.

The operational procedures for the regional panels will also be revised, improvements will be made to complaints handling procedures and additional measures will be implemented to remove conflicts of interest. This bill provides an opportunity to reinstate transparency, integrity and fairness in the way we assess and determine developments of regional significance in New South Wales. The changes to regional development criteria and panel membership are part of a broader suite of measures that will improve the professional operation of the regional panels and help to rebuild community confidence in a planning system that desperately needs it. I support the bill.

Mr GREG PIPER (Lake Macquarie) [9.05 p.m.]: I support the Environmental Planning and Assessment (Part 3A Repeal) Bill 2011. Any member who was in this Chamber in the early hours of 3 June 2008 would wish to be here to deal with what was a truly aberrant amendment to the Act introduced by the penultimate Labor Minister for Planning, the Hon. Frank Sartor. Debate on that legislation concluded at about 2.30 a.m. Earlier tonight I spoke about my credentials in the local government field, having been a Lake Macquarie councillor since 1991 and mayor since 2004. I put myself forward as a candidate for local government election because of my concern, which many others shared, about the nature of development in the Lake Macquarie area. I was appalled at what occurred, particularly over the last two terms of the former Labor Government and probably over its entire administration. We witnessed an inexorable march away from considering the concerns of local communities.

Part 3A was an abomination. There is no other way it can be described. It set aside the principles of democracy that served us so well through the Environmental Planning and Assessment Act 1979. That was a very worthy and well-developed planning instrument. If it had a flaw in contemporary terms it was the result of its age: it desperately needed to be modernised. It was the victim of a host of ill-considered amendments moved by the Labor Government. It looked like a very poorly constructed Christmas tree covered in appalling amendments. Nearly all of those amendments were designed to deprive someone of the right to participate in the planning process.

The 2008 amendment bill, which introduced the Planning Assessment Commission process and joint regional planning panels, was the star on top of the tree. It was a disgrace, and I put my strong objections to that

legislation to the then Minister. In Minister Sartor's defence, I believe he had some sympathy for the issues being raised by local government representatives and members of this House. It would be hard to place all the responsibility for those atrocious amendments on his shoulders. The legislation was not the product of one Minister; it was a reflection of the systemic corruption of the process that occurred under the Labor Government's administration.

I applaud the Government for once again bringing forward in a timely manner such a significant piece of legislation to honour a promise that it made to the community across New South Wales in the lead-up to the election. I thank the Government for doing that. I acknowledge my friend, Craig Baumann, the former mayor of and the current member for Port Stephens. I have had many discussions with him about this issue. I am also heartened that we are moving towards what appears to be a very genuine and serious reconsideration and reassessment of the planning legislation for New South Wales. I am heartened by what I am seeing: it looks like we are going to re-engage with local communities, in particular through local councils. I am still a little concerned about some of the thresholds. While I recognise that the thresholds for consideration under joint regional planning panels are doubled from \$10 million to \$20 million, we should put that into some kind of context. An amount of \$20 million is very minor in development terms. Any review should seriously consider that.

I will reflect on a conversation I once had with former Minister Sartor. I am sure he will not mind my mentioning it. Some years back Lake Macquarie City Council had a major development before it for Charlestown Square, which was being undertaken by General Property Trust. It was a controversial development because of its magnitude. The original estimate of the cost of the project was \$360 million; ultimately it was closer to \$460 million—nearly half a billion dollars of investment in the city of Lake Macquarie, which is now in the electorate of the member for Charlestown. I am sure the member for Charlestown is very pleased to have that economic stimulus within his community. It is more than an economic stimulus; it really has improved community infrastructure, which is a key element of what Lake Macquarie City Council and other councils that pursued this project were after. It was not about looking after the interests of General Property Trust; it was about what we could do for our community.

We were having difficulties because the project was taking a considerable time—it was a complex development. To retrofit a major commercial centre that has the largest commercial turnover in the Lower Hunter was very difficult. I was approached by Minister Sartor and asked very quietly whether I would like to have it taken over under part 3A. I politely—that is a euphemism—informed him that I would not and that I felt somewhat offended if he felt a request to me might elicit a response that way. I informed the Minister that he could try to take it over; however, the development required council's contribution of land and therefore it would not be possible. The end of the story is that General Property Trust thanked me after the development was approved and well underway. It did not believe it could have had a better result by dealing with the State Government through part 3A and through a planning assessment commission process; nor did it believe the community benefit that was delivered would have happened if the approval had not been done by council.

Councillors know their communities. Councillors live in their communities. We walk in the communities. We shop in the communities. We are directly answerable to communities and we want the best for our communities. This is what we should be doing. This is what good planning should be about, but the former Labor Government vicariously abrogated that responsibility for us. It was a disgrace. I am speaking in this debate tonight because I want my name attached to the same debate in *Hansard* that saw this aberration removed from the statutes as it was when I spoke against the planning amendment on that early morning in 2008. I thank members for their patience.

ACTING-SPEAKER (Mr Lee Evans): As one of the members said, you have a Minister who is listening now.

Mr CRAIG BAUMANN (Port Stephens—Parliamentary Secretary) [9.13 p.m.]: I congratulate the seventieth member of the Coalition on his impassioned speech. We will give him the nomination form in the morning.

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

Mr CRAIG BAUMANN: Minister Craig Knowles introduced the coastal policy, I think it was clause 71, giving the Minister the authority to determine all major projects within one kilometre of a tidal waterway

along the entire New South Wales coast. One of the first approvals was for a 14-metre high building in an eight-metre high zone at Shoal Bay—a limit respected by all colours of Port Stephens councillors since Adam wore shorts. It was six metres over the height limit and the Minister's excuse was that he cut the applicant back by one storey. As mayor I visited all coastal councils from Port Stephens to Tweed and every council was frustrated by Sydney-based planners determining the character of their towns and ignoring the local residents. I know the member for Lake Macquarie, who is also the mayor of Lake Macquarie, had similar problems with the disastrous coastal policy of State environmental planning policy 71.

The Labor Government then introduced part 3A so all of us could share the pain. The income derived from the development application fees, which are the lifeblood of council planning departments, was channelled into that Labor Government. My experience of Labor Government has solidified my belief that professional assessment and decision-making with regard to development applications should occur at the local government level. As previous speakers have said, councillors and council staff live and breathe their communities. They are the best suited to determine the validity of most development applications. The repeal of part 3A is an important step in restoring public confidence in the planning system and in getting New South Wales moving again.

I will expand particularly on the features of the bill in relation to the proposed State significant development process that will replace part 3A of the Act for development proposals of genuine State significance, particularly in rural and regional New South Wales. The Coalition has always maintained that following the repeal of part 3A of the Act it will be necessary to put in place an open, transparent and fair assessment process to deal exclusively with genuinely State significant developments. The proposed process for State significant developments outlined in this bill provides such a framework and strikes an appropriate balance between returning decision-making powers to local communities while providing certainty and efficiency that investors can rely on when it comes to large-scale priority projects of State significance.

First, a State environmental planning policy will outline classes of State significant development and these classes will only pick up major development proposals with importance to the State. Residential, retail, commercial, coastal subdivisions and marina developments will no longer be specified classes of State significant development. We propose to increase the financial thresholds for other remaining classes of development. These changes will halve the number of applications dealt with by the State and return fewer significant applications to councils for assessment. However, I am pleased to hear the new State and regional environmental planning policy will provide that major employment-generating and income-producing proposals will still be assessed by the State.

It is quite appropriate for there to be a State-based assessment of major employment-generating industrial development, coalmining and other large-scale mining, resource and primary industry projects such as petroleum and extractive industries, timber milling, intensive livestock industries, aquaculture, agricultural and food processing as well as metal and chemical processing and major industrial manufacturing, storage, and distribution facilities. State significant development will also pick up major social infrastructure projects valued at more than \$30 million including large-scale hospitals and medical facilities, correctional centres, schools, TAFEs and universities, major sporting facilities and cultural facilities such as performing arts centres, museums and exhibition and convention centres.

State significant development will also include certain infrastructure projects over \$30 million mainly undertaken by private proponents such as electricity generation, port and wharf facilities, water supply works, sewage and wastewater treatment plants, private road and bridge projects, industrial heavy rail lines, rail freight and intermodal terminals and related rail corridor developments. As well, it is important that the State continues to take a role for major development with significant environmental impacts such as electricity generation, sewage treatment, water supply works and resource recovery, and waste facilities such as landfills if they are located in environmentally sensitive areas for category one remediation works.

This is a great step forward for industry and communities as both can have confidence that the State will continue to take an important role in the assessment of major private proposals that deliver jobs throughout rural and regional New South Wales. Increased transparency and integrity are consistent themes throughout this bill and the associated measures. In his agreement in principle speech the Minister for Planning and Infrastructure said although the bill provides for him to be the consent authority for State significant development, that for State significant development proposals he will delegate this function to the Planning Assessment Commission for proposals by private developers or to senior departmental officers for minor, less controversial proposals to depoliticise approvals and to introduce far greater independence and integrity in the handling of such applications.

I understand it is anticipated that the majority of these projects—more than 80 per cent of State significant development—will therefore not be determined by the Minister. By moving these responsibilities to the independent commission or to senior departmental officers the Minister has moved to restore public confidence in the planning system. This is a big win for the planning system and will go a long way to putting the problems of part 3A behind us. I note however that the Minister may also call in projects under State significant development, but I am pleased to see that this power has been tightly constrained and will only be allowed after the Minister has obtained and made publicly available advice from the Planning Assessment Commission about the State or regional significance of the development.

In addition, I note from the bill that the Minister cannot approve a wholly prohibited development. I understand that if an application for prohibited development is proposed, a concurrent rezoning would be required to remove the prohibition and, to ensure that such proposals are dealt with at arm's length, only the Planning Assessment Commission will be able to make the proposed local environmental plan and determine the related development application. I note that the bill will strengthen the independence of the Planning Assessment Commission and expand its role and also includes establishing clear protocols and procedures to which the commission will operate.

Another feature of State significant development assessment will be heightened transparency and disclosure of decision-making including requiring the Department of Planning and Infrastructure to publish on its website State significant development applications, environmental assessment requirements, environmental impacts statements, public submissions and other related documents and reports relevant to the proposal as soon as they become available. State significant development applications will also require submission of an environmental impact statement that will provide a comprehensive assessment of the proposal. Relevant government agencies will be consulted early in the process about the assessment requirements for the environmental impact statements and their views will be sought on the proposal at inception rather than later down the track.

The DEPUTY-SPEAKER (Mr Thomas George): Order! There is too much audible conversation in the Chamber. It is difficult for Hansard to hear the member for Port Stephens.

Mr CRAIG BAUMANN: This integrated and holistic assessment approach also means that separate approvals and concurrences will not apply to State significant development. This gives industry and investors greater certainty and will help get the State moving again. It also gives the community certainty at a much earlier stage about whether a project is feasible and that comprehensive mitigation measures will be put in place. As with local development, State significant development will be assessed under section 79C of the Act. Local development standards and controls can no longer be completely ignored or contradicted as they were under part 3A. Existing third party appeal rights will apply as will judicial reviews on points of law.

Importantly the bill will assist in slashing the number of development proposals dealt with by the State and depoliticising the determination of the remaining State significant proposals by handing them to the Planning Assessment Commission or the Director General of the Department of Planning and Infrastructure for determination. These provisions strike an effective balance between the need to deliver security for investors, and jobs and housing for the people of New South Wales by assessing genuinely State significant proposals at a State level and the need to ensure that communities have a real say at a local level about projects that should be determined at a local level.

Mr JAMIE PARKER (Balmain) [9.28 p.m.]: I speak on the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011. The Greens welcome the repeal of part 3A of the Environmental Planning and Assessment Act. I acknowledge the Minister, the Minister's staff and departmental staff who have done a great deal of work to deliver this bill. Part 3A contains what many of us know was the discredited approval process that exposed this State's planning system to corruption and undermined public faith in the planning system. It has done enormous damage to local communities and the environment. It has also undermined the credibility and confidence of many in the planning industry who have stood up for their local communities, worked in local government throughout New South Wales and found their work undermined by the part 3A process. I trust this is the beginning of the reversal of many of the regressive changes introduced by the previous Labor Government, in particular heritage protection.

A major reason there are only 20 Australian Labor Party members in the House today is the corrosive impact, the dictatorial impact of the part 3A changes. In my local community part 3A has been used to exclude the community and Leichhardt council and has pushed development such as the White Bay cruise ship terminal,

which I raised today in question time. Yesterday we heard this proposal will now cost close to \$70 million, 35 per cent over the original estimate. This is an example of part 3A in action, a proposal that is not supported by the cruise ship industry, a proposal that is not supported by the Tourism and Transport Forum, the peak group representing travel and tourism bodies, not supported by local councils and not supported by the local community yet the former Government was proposing to spend close to \$70 million to build a cruise ship terminal in White Bay that nobody wanted. It is absolute madness.

I am hopeful the Government will make a positive decision about White Bay, saving the Government money and ensuring that the tourism and cruise ship industry can prosper in its appropriate location of Barangaroo. I note the bay's precinct will now fall under part 4, which is a great improvement on the former part 3, but it still withdraws the decision-making power from local government. I call on the Government to follow through on a promise the former Labor Government could not keep, a promise made to our community by former Premier Iemma in Balmain Town Hall at a community Cabinet when he committed his Government to a genuinely consultative master plan for the bay precinct, a genuinely open and inclusive master plan for what is one of our most precious resources in Sydney, our beautiful harbour. Many people who look at Australia look at Sydney and its harbour, but there is still no coordinated master plan for what happens in our harbour. That is a disgrace.

Unlike the Government and the Opposition, The Greens and Independents opposed part 3A from its inception. In June 2005, Labor members, Liberal members and National Party members of this Parliament voted together for the introduction of part 3A. We know that when the bill reached the upper House, they changed their minds, but only The Greens and Independents consistently opposed the amendment. The Greens opposed it then and have sought to repeal it ever since. We have been working with our local communities to fight inappropriate development. We also have worked to promote sound planning decisions that have environmental and social considerations at the forefront of determinations, not exclusively the economic goals of a developer. We all knew then that part 3A would be a disaster, and our view has been vindicated.

The DEPUTY-SPEAKER (Mr Thomas George): Order! There is too much audible conversation in the Chamber. Debate will conclude sooner if the member is heard in silence.

Mr JAMIE PARKER: One of those who voted against the introduction of part 3A was Ms Sylvia Hale, a former member of the Legislative Council and The Greens spokesperson on planning. Ms Hale described part 3A as little more than a State-run extortion racket, designed to raise millions of dollars in political donations from property developers for the New South Wales Labor Party. I believe that view is widely held within and throughout our community. The Greens welcome the repeal of part 3A.

I note that the Government is seeking to improve accountability and transparency of the Planning Assessment Commission, which The Greens welcome. We urge the Government to implement that as soon as possible to ensure that current developments which will be considered by the Planning Assessment Commission will benefit from the Government's proposed changes. However, we believe that more can be done to improve accountability of the Planning Assessment Commission to enable its democratisation. The Greens will outline detailed proposals for change in the other place.

The Greens have some concerns about the bill that I will draw to the attention of the House. First, I am concerned about how little time members have been given to consider such important legislation. I acknowledge that the bill is an interim measure and that the Government intends to undertake a comprehensive review of the planning system, which The Greens welcome, but this bill establishes an approval process for potentially billions of dollars worth of developments over that interim period. Yet there has been little public consultation about the content of the bill. Even members of Parliament received the details of the bill only tonight. It is my view and the view of The Greens that that approach is not optimal for decision-making.

Part 3A has discredited the planning system in this State. The system that replaces it must build public confidence in the planning system. While giving members so little time to consider the detail of the bill is not a positive step towards restoring public confidence in the planning system, there are two points relating to the bill that I must discuss. One relates to joint regional planning panels. I welcome the return to local councils of determining most coastal and designated developments and large subdivisions, and the increase in the general development threshold from \$10 million to \$20 million. I acknowledge the presence in the House of the Minister for Planning and Infrastructure and the work that the Government has done on planning reform.

Government members: Hear! Hear!

Mr Gareth Ward: That is good.

Mr JAMIE PARKER: I probably will not give the Government a lot of credit, but when it is due I will. I should declare that I am a former member of a joint regional planning panel. I question whether there is a legitimate and ongoing role for joint regional planning panels, and why local councils do not deal with all developments that are not either genuinely State significant, or genuinely State significant infrastructure. I hope that will be addressed by the review of joint regional planning panels. I understand that the panels will continue in the interim, but their composition should be changed. As I stated earlier, The Greens will address that issue in another place.

I will conclude my speech by referring to the other problem—the number of active industry representatives who are members on joint regional planning panels. That has potential for conflicts of interest to emerge. While the property development industry is large in terms of investment, it is relatively small in terms of people. Many industry representatives who are appointed to joint regional planning panels may have worked in the planning field in the past, and may reasonably expect to work in the future with an applicant who is before a joint regional planning panel. That can present the industry representative with a potential conflict of interest. The apparent or potential conflicts of interest in the planning approval process are probably what have most discredited the planning process in the eyes of the public. Allowing the potential for conflicts of interest on joint regional planning panels to continue is not the way to rebuild public confidence.

I foreshadow that The Greens will be seeking to amend the bill in the upper House to overcome some of the concerns with this bill. Finally, I again recognise the work of staff, in particular ministerial staff, and the work of this Government. I encourage the Minister to hear the voices of many community groups in New South Wales who have had their trust in the planning system shattered. I encourage the Minister to increasingly empower local government—the bodies that are democratic and accountable—and ensure that they are central to the future of planning in New South Wales.

The DEPUTY-SPEAKER (Mr Thomas George): Order! Opposition members and Government members will remain silent. Hansard is having difficulty hearing what is being said.

Mr GARETH WARD (Kiama) [9.35 p.m.]: I had not intended to join in debate on the bill, but given the enthusiastic address by the Minister how could one resist. I support the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011 and acknowledge that its provisions seek to return planning and development powers to local communities. If there was one issue that was raised more often than others as I consulted throughout my electorate, it was the loss of the community's control over the future of its affairs. As a former deputy mayor and member of Shoalhaven City Council and a member of the Local Government Association of New South Wales, I saw a raft of reforms by the former Government that took away powers from local councils, and that was certainly a key concern in the community.

There is no doubt that planning legislation should have a provision for major projects to be considered. That was previously the case under the 1979 Act, which operated very effectively. However, in time it was patched and prodded to the extent that we now have a mishmash of legislation that does not provide certainty in the State's planning system. While we could not imagine the mayor of North Sydney and the mayor of Sydney negotiating on how to build the Sydney Harbour Bridge, the harbour bridge is an example of major infrastructure that is appropriately dealt with by Government. However, part 3A was being used for subdivisions for blocks of flats and golf courses, and that is not something that the community considered to be appropriate for a State government to deal with. One example of that approach is the Calderwood proposal in the Kiama electorate, which involved a massive development of floodplain and prime crop and pastoral land. Approval was given to that development in direct conflict with the Illawarra Regional Strategy.

In spite of the fact that the development was not intended to go ahead for many years, the proposal leapfrogged the Illawarra Regional Strategy and was placed on the Minister's desk. At the time, the Minister for Planning was the former Premier, Kristina Keneally, who gave support and life to the proposal at the concept plan stage as part of the rezoning. Donations were involved, which resulted in the matter being reported to the Planning Assessment Commission. The donations were discovered by Nicole Hasham from the *Illawarra Mercury* and exposed during the 2011 election campaign. That is an example of the local community having lost its right to have a say in the future of its urban environment. Local councils that under normal circumstances would have dealt with the development were taken out of the process.

The legislation before the House represents a commitment as part of the Government's 100 Day Action Plan to ensure that local communities have a say in their future. What we saw from the former Labor

Government was more and more power being taken away from local councils. This Government is confident that local communities are the best people to make decisions. We do not believe we should shy away from local people having a hands-on involvement in what should be happening in their local communities in relation to the size, bulk, scale and degree of development. This Government has confidence that local councils and local representatives can be held accountable to deliver certainty in the planning system and outcomes that local people want in their areas.

Mr RAY WILLIAMS (Hawkesbury—Parliamentary Secretary) [9.39 p.m.]: I inform the House that I am speaking as the member for Hawkesbury in debate on the bill, and not in reply. I participate in debate on the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011 because tonight we complete a journey that was commenced in 2008 by the former Minister for Planning, Frank Sartor, when part 3 of the Environmental Planning and Assessment Act 1979 was amended. Members who were present during that debate will recall that debate ensued until 2.15 a.m. and that many members of the then Opposition and the crossbench spoke against that insidious amendment to the Act.

In 2008, the amending bill took away control from local government. As a product of local government and as a councillor of one of the busiest councils in Sydney, The Hills Shire Council, I must say that I was incensed by that amendment because I knew full well that development would be taken away from local councils and out of the hands of local communities. I drove a very public campaign, with the help of my dear friend and Australia's greatest broadcaster, Alan Jones of 2GB. I appreciated his support, as the Opposition appreciated his support. The one thing that the Opposition did not learn from all those days ago was the adverse effect of these changes on the Environmental Planning and Assessment Act. It drove a nail into the coffin by taking away the rights of the community.

The passage of this bill fulfils another commitment by the O'Farrell Government to repeal part 3A of the Environmental Planning and Assessment Act. In conclusion, I commend the Minister for Planning and Infrastructure for introducing this bill to the Parliament in the first term of the O'Farrell Government. The Minister wanted to fulfil this major commitment and he is a person of great integrity and experience. He has been charged with the responsibility of ensuring that we restore planning outcomes on behalf of the community of New South Wales. We made that commitment, which, in turn, will help restore this great State to being the premier State. I commend the bill to the House.

Mr JONATHAN O'DEA (Davidson) [9.41 p.m.]: I, too, make a brief contribution in debate on the Environmental Planning and Assessment Amendment (Part 3A Repeal) Bill 2011, mainly to put on the record the appreciation and thanks of my local community for the speedy action of the Minister for Planning and Infrastructure and the Cabinet of the new Government in getting rid of part 3A. I congratulate the Minister as this was the first decision of the new Cabinet. The community of Davidson, and I am sure I speak on behalf of the Premier in saying the community of Ku-ring-gai, will be delighted that concrete action has been taken, as promised before the election.

There is no rail transport at St Ives and part 3A has been used inappropriately in areas like Lindfield and St Ives to consider residential dwelling developments that really should have been considered by either joint regional planning panels or local councils, resulting in a denial of local democracy and local input. This fantastic bill contains welcome changes to joint regional planning panels that increase the threshold from \$10 million to \$20 million and provide a more consultative chairperson appointment process. I note for the record the Minister's advice that the joint regional planning panels will be examined further in the context of a broader review of the planning legislation and that further improvements may be made.

In conclusion, I reply to a comment by the shadow Treasurer, which was implicitly critical of the people of the Ku-ring-gai council area for not wanting development of a high rise nature. That demonstrates again how the Labor Party does not understand or care for my part of Sydney or value the heritage and environmental value of an area that has accepted more than its fair share of new dwellings under the Metropolitan Strategy. Perhaps that reflects why the seats of Davidson and Ku-ring-gai are held by the Liberal Party with two-party preferred votes of 86.5 per cent and 87 per cent. It reflects the disdain and contempt that people in my area have for the Labor Party. That is reciprocated by the Labor Party, as demonstrated by the shadow Treasurer's comments tonight.

Mr BRAD HAZZARD (Wakehurst—Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW) [9.44 p.m.], in reply: It is a great day for New South Wales, it is a great day for the people, who want a return of transparency, integrity and honesty, and it is a great day to tell Labor that what it has done for the past 16 years will no longer be tolerated in New South Wales.

Mr Charles Casuscelli: Where's Noreen?

Mr BRAD HAZZARD: Where is she when we need her? I thank all members who have contributed to the debate tonight. In the spirit of goodwill I thank the member for Maroubra, the shadow Treasurer, but also the members for Pittwater, Tamworth, Sydney, Campbelltown, Lake Macquarie, Port Stephens, Balmain, Kiama, Hawkesbury and Davidson. What is interesting is that all members want a repeal of part 3A. Even the Labor Party appears to be keeping silent; we merely had concern about breeds of dogs from the member for Maroubra. The matter is a little more substantive than that; this is a serious issue because for 16 years the former Labor Government was absolutely rotten in the way in which it dealt with planning issues. Since 2005 members opposite could have qualified for post-graduate degrees in rotten planning issues.

Mr Gareth Ward: Masters.

Mr BRAD HAZZARD: Masters degrees, PhDs in dealing with planning issues. Their actions have been unacceptable. The Liberal-Nationals Government clearly states to the people of New South Wales tonight that this is all finished. The planning system will be open, transparent and honest. The member for Maroubra stated that the Government had briefed him. In fact, I spent nearly half an hour briefing the shadow Minister this morning and I spent another half an hour with the member for Maroubra this afternoon. At one point I offered a briefing to another Opposition member who, at that point, was likely to be leading for the Opposition. We did everything possible to ensure that the Opposition was well informed about what was going on. Even so, I note that the member for Maroubra indicated that the "Minister will just call in projects". In other words, he cannot see that life has now changed in New South Wales. That is totally erroneous, fallacious and stupid.

We made it very clear that the Minister will only call in projects following advice from the independent Planning Assessment Commission—that is it; no more. That is what happens. The stringent controls around that will be entirely different to the ones that operated under Labor. We now have a different set of rules and the passage of this bill will guarantee that the people of New South Wales can have confidence in our planning system. With those comments I again thank the House and trust that the Legislative Council will deal with the bill and ensure that we have this law in place next week because New South Wales needs a new planning system.

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.

INFRASTRUCTURE NSW BILL 2011

Agreement in Principle

Debate resumed from 26 May 2011.

Mr KEVIN CONOLLY (Riverstone) [9.48 p.m.]: I support the Infrastructure NSW Bill 2011. My electorate of Riverstone has the fastest-growing population in New South Wales and desperately needs infrastructure. This bill has been a long time coming and was a long time needed after the former State Labor Government announced, cancelled or delayed one infrastructure project after another, from the South West and North West rail links through to major road and hospital upgrades or the M5 East. This legislation is aimed at addressing the years of delay, inaction and mismanagement of the former Government. Cost blowouts, such as the Epping to Chatswood rail link and the more than \$400 million that was squandered on the Rozelle metro debacle, will not occur under Infrastructure NSW.

Riverstone constituents are holding their breath for the arrival of the North West Rail Link. This project was the single most important priority for many of my constituents, and they are delighted that progress has commenced under this new Government. Riverstone needs other infrastructure, such as the continuation of the

duplication of the Richmond railway line; the Riverstone overpass, underpass or whatever pass it will be; the upgrade of Richmond and Schofield roads; and the replacement of the 130-year-old Windsor Bridge, which I informed the House recently had a 40-kilometre-an-hour speed limit imposed on heavy vehicles for safety concerns—making that project priority more urgent. Riverstone also needs a new high school to serve the Stanhope Gardens and Kellyville Ridge residential areas, and a new police station, amongst many other things.

We look forward to the infrastructure model of the O'Farrell-Stoner Government with "Infrastructure NSW" guiding and developing the strategy for infrastructure and "Restart NSW" providing the funding mechanism. This process can only benefit my constituents and the people of New South Wales. The bill will take the politics out of infrastructure delivery in New South Wales and ensure independent decision-making so that infrastructure projects can be delivered efficiently, effectively and impartially. As the Premier said, this bill makes it absolutely clear that if the government of the day chooses to reject the strategic decisions and recommendations of Infrastructure NSW, it will have to account to the electors for its reasons. That procedure makes this legislation a long-term reform for the better government of New South Wales.

Another important function of Infrastructure NSW will involve coordinating funding submissions to the Commonwealth, including Infrastructure Australia. This will reverse Labor's failure to bid for our infrastructure share and take a strategic, professional and evidence-based case to the Commonwealth. In future New South Wales will get the funds it deserves. Infrastructure NSW will produce strategic directions and detailed recommendations without fear of political interference. Beyond its many functions, the establishment of Infrastructure NSW and legislating long-term strategic planning as its core responsibility will give the people of New South Wales a renewed faith in their Government and a sense of pride as we work together to make our State number one again. I commend the bill to the House.

Mr MARK SPEAKMAN (Cronulla) [9.52 p.m.]: On many occasions we have heard in this Chamber about the failures of the previous Labor Government to build infrastructure and its stop-start approach over 16 years. I will not repeat that litany of disasters and failures. Instead I will concentrate on what that failure meant for my electorate of Cronulla.

In February 2010 the Keneally Government published its Metropolitan Transport Plan. After 16 years of Labor the people in my electorate face commute times of an hour to an hour and a half, year after year, because the Keneally Government failed to address road infrastructure in the Sutherland shire. How many times was the F6 mentioned in the grand Metropolitan Transport Plan in February 2010? Is it mentioned 10 times or even half a dozen times? It is not mentioned once.

My electorate and that of my colleague the member for Heathcote, as well as the Illawarra, were abandoned by the Labor Government. We need Infrastructure NSW because we need a strategy for 20 years. We need planned infrastructure such as the F6 and not the laughable Metropolitan Transport Strategy we got after 16 years of Labor that does not even mention the F6. Labor's plan for the F6 was not to have a plan at all. We need a body like Infrastructure NSW to plan for the expensive bits of infrastructure over the next five, 10 and 20 years.

The second failure of the Labor Government was a rail duplication from Cronulla to Sutherland. The cost for this important piece of infrastructure blew out from \$106 million to \$344 million—a 225 per cent increase. On my calculations, that amounts to about \$2,000 for every taxpayer in the eastern end of the Sutherland shire.

That money could have been spent on a bike track—which is popular in some quarters—from Cronulla to Sutherland alongside the train line. That money could have built commuter car parks in Cronulla, Woollooware or Caringbah. That money could have widened the underpass in Gannons Road on the Caringbah and Woollooware border. That money could have been spent on important infrastructure in the Sutherland shire. Nothing happened because Labor does not know how to manage projects. We need Infrastructure NSW not just to have a 20-year strategy and plan and to choose the projects, but also to deliver those projects in the most cost-effective manner. The previous Government could not do that. Instead, it squandered over \$200 million. That represents a cost of \$52 million per kilometre of one rail track that already has a dedicated pathway.

The comparable cost in Western Australia was \$17 million per kilometre for the Mandurah southern railway line. We need Infrastructure NSW to have the strategy in place and to deliver the projects in a cost-effective manner to get the best value for money for taxpayers, to make sure that New South Wales is made

number one again and to ensure that Cronulla commuters, those people stuck in traffic congestion, can have confidence that their Government has their interests at heart and is committed to delivering the best infrastructure outcomes for New South Wales.

Mr KEVIN ANDERSON (Tamworth) [9.57 p.m.]: It is with great pleasure that I support the Infrastructure NSW Bill 2011. The Tamworth electorate particularly welcomes this bill with open arms because it gives us some certainty. This bill opens the door to development, consultation, growth and regional development. The light is now at the end of the tunnel. For far too long Labor failed to provide funding for many important infrastructure projects. Dams, roads, schools and hospitals throughout my area were left to crumble. Infrastructure is crumbling—just like the midnight power sale of the century. The State's power was sold for a song and we will be paying for that for a long time. I commend the Infrastructure NSW Bill 2011 because the 20-year strategic plan with a five-year operational plan will secure efficient, effective, economic and timely planning, coordination, selection, funding and implementation of projects. We will actually have a plan after the past 16 years of the Labor Government not building a thing.

With this bill we are giving New South Wales the opportunity to be number one again. The bill will assist many regional areas. The member for Dubbo spoke about the areas in his electorate. Right across regional New South Wales we need rail infrastructure upgraded, we need branch lines opened, we need extra rail infrastructure to accommodate all the extra trains that will be traversing between Newcastle and north-western New South Wales, and we need extra road infrastructure. The crumbling road network left to us by the Labor Government is despicable. That is why so many cars break down. Water infrastructure, health infrastructure, local roads, and education and community infrastructure will now be cocooned in a welcoming envelope of funding provided by the Coalition. That is why I commend the Infrastructure NSW Bill 2011 to the House.

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

**The House adjourned, pursuant to resolution, at 10.02 p.m. until
Friday 17 June 2011 at 10.00 a.m.**
