

LEGISLATIVE ASSEMBLY

Wednesday 15 August 2012

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

Notices of Motions

General Business Notices of Motions (General Notices) given.

FISCAL RESPONSIBILITY BILL 2012

Second Reading

Debate resumed from 31 May 2012.

Mr MICHAEL DALEY (Maroubra) [10.11 a.m.]: Madam Speaker—

Mr Mark Coure: Do you support the bill?

Mr MICHAEL DALEY: Of course we support it. It is a nothing; it is a Brothers Grimm story.

The SPEAKER: Order! Members will refrain from interjecting. The member for Maroubra has the call.

Mr MICHAEL DALEY: I lead for the Opposition on the Fiscal Responsibility Bill 2012. Members opposite inquired, even before I opened my mouth, whether we were going to support the bill. Of course we will support this bill because it is, in effect, a legislative nothing.

The SPEAKER: Order! Members will cease interjecting.

Mr MICHAEL DALEY: It is good to hear the muppets on the other side of the Chamber in full voice. I have missed them during the past seven weeks.

The SPEAKER: Order! The member for Keira will remain silent.

Mr MICHAEL DALEY: This bill, like so many others that have preceded it in the last 18 months, is more about stunt than substance. I like the Treasurer; he is a good fellow. I note the member for Hawkesbury is nodding his head in agreement. Mike Baird, the member for Manly, is a good guy. But he is like Dale Guggins: he is a professional stunt merchant. Those who are old enough will know that Dale Guggins is the Australian version of Evel Knievel. This bill is merely a legislative stunt, like so many others that have preceded it in the last 18 months. I instance the Infrastructure NSW Bill, which enabled the Treasurer to do legislatively something Treasurers have always been able to do, and have quite readily done over the years—simply open a general account in the Treasury's ledger. However, he decided he wanted to legislate for that purpose. Now we have the Fiscal Responsibility Bill, which I note was accompanied on 31 May 2012 by a media release, which stated:

The NSW Government is the first to legislate to protect the triple-A ...

One does not need to legislate to protect the triple-A; one just does it, and that is what the Labor Party did so well for 16 years.

[*Interruption*]

In case those opposite have not noticed, they inherited a triple-A rating. We already have the Fiscal Responsibility Act 2005, which is twice as thick as this bill. It contains 2,453 words whereas this bill contains 1,179 words. The Government has relegated fiscal responsibility to the same legislative status, if volume of words is an indicator, as the Library Bill, which had more Coalition members speak to it than there are words in the bill. The new Fiscal Responsibility Bill removes the aim to keep the budget in surplus, removes the aim of managing public sector employee costs, removes the aim of maintaining the net worth of the general government sector and removes the aim of ensuring any tax changes are within maximum possible restraint. This is a political stunt, just like the failed Waratah bonds and the failed regional relocation grants. The Waratah bonds are terrific value. The seven people who bought them are enjoying the yields greatly.

The SPEAKER: Order! The member for Maroubra does not need the assistance of the member for Keira.

Mr MICHAEL DALEY: The regional relocation grants and payroll tax policies were failed stunts. The Government already has breached its own new goal of ensuring all investments in infrastructure are of the highest benefit to the community by ploughing ahead with the North West Rail Link without the Government conducting a comprehensive cost-benefit analysis, as outlined and highlighted by the head of Infrastructure NSW, the Hon. Nick Greiner, who said that he would not be building the North West Rail Link, and certainly not at this time. Talk is cheap in this game and that is reflected in this bill.

The object of the current Act is to provide a framework for the conduct of New South Wales fiscal policy with a view to maintaining financial results that are fiscally sustainable and to manage financial risks and shocks without having to introduce significant and economically or socially destabilising expenditure or revenue adjustments in those periods. I find this Government referring to social destabilisation a little hypocritical: as if sacking 15,000 good men and women who work for the Government is not socially destabilising. But the Government has done just that without a hint of lament.

The Government's bill makes no mention of social impacts. Instead, the very narrow stated objectives of the bill are simply to maintain a triple-A credit rating and to limit the costs of borrowing, to enable access to as broad as possible an investor base for borrowing, and to maintain business and consumer confidence. The Government is failing in most of those respects. The Labor Government's Fiscal Responsibility Act was, by comparison, far more detailed. It sets out 20 fiscal principles in relation to all aspects of government activities from keeping the budget in surplus to constraint of net cost of services, managing public sector employees, evaluation of capital expenditure programs, funding employer superannuation liabilities, total asset management, risk management and tax restraint.

The O'Farrell Government's bill inserts instead loose principles around sound financial management, reducing 20 principles to four. Those principles are responsible and sustainable spending, taxation and infrastructure investment, effective financial and asset management, and achieving intergenerational equity—lip-service. The Labor Government's Act sets out specific fiscal targets in addition to fiscal principles. For example, the medium-term fiscal target established was to reduce the level of general government net financial liabilities as a proportion of gross State product to 7.5 per cent or less by 2010. The long-term fiscal target was to reduce the level of general government net financial liabilities as a proportion of gross State product to 6 per cent or less by 30 June 2015.

These specific fiscal targets have been reduced to certain non-enforceable motherhood statements such as that the Treasurer will include in the budget papers a statement of the Government's fiscal strategy and report on the Government's performance against that fiscal strategy. I note that notwithstanding the fact that a Fiscal Responsibility Act is already in place and that the Government has been in office for 18 months, the Treasurer has moved to introduce a bill at a time that ensures that it did not apply to a budget recently delivered by him. Like the Fiscal Responsibility Act the bill does not place any enforceable obligation on any person and no remedy may be sought in a court of law or other administrative review forum with respect to a failure to comply with a provision of the Act. Nor does it prevent the introduction of any bill in or passage of a bill through any House of Parliament. The ramifications of noncompliance with the bill are identical to those with the Fiscal Responsibility Act 2005. In summary, the bill simply pays lip-service.

The bill also discloses a lack of self-confidence. The Schott report recommends that to achieve sustainability the budget operating result should aim to run a surplus each year of around \$500 million to \$900 million—a modest surplus—to fund general government and non-commercial infrastructure. The timeframe for the implementation is greater than 24 months; that is, it is a long-term objective. What was the

Government's response? Instead of leaping to agree, it said that it might look at it and support it in principle. It responded that the 2012-13 budget forecasts the achievement of significant operating surpluses over the forward estimates. It is forecasting it, but it will not commit to achieving it because it does not want to back itself into a corner. The Leader of the House informed us that 30 Government members intend to speak in this debate.

[*Interruption*]

The SPEAKER: Order! Members will cease their conversations across the Chamber. The member for Maroubra has the call.

Mr MICHAEL DALEY: They have had seven weeks in which to prepare to debate this bill. I hope to hear some great wit and repartee from members opposite and some well-rehearsed and well-prepared speeches containing piercing financial analysis. However, I suspect that we will have the usual conga line of one-trick ponies whose contributions will commence with, "You guys did nothing for 16 years." I remind members opposite that when they took office they inherited a triple-A credit rating and a budget in actual surplus—they might like to try to achieve that some day. When the Labor Party left office, the Standard and Poor's trigger point was 98.5 per cent and in one budget with an increase in net debt of 40 per cent members opposite ran it up to 118.2 per cent, which was perilously close to the downgrade point.

I remind members opposite that they also inherited historically low debt. When the Labor Party took office in 1995 the Greiner Government had left behind net debt for the total State sector of 10.3 per cent of gross State product. The Labor Government reduced that to 4.7 per cent, which enabled it to borrow more to maintain employment during the global financial crisis. We returned the budget to surplus in just one year without resorting to blaming or sacking one government worker. I note from the Government's forecasts that total State sector net debt is forecast to increase to 11.1 per cent of gross State product in 2015-16, which is higher than the percentage left behind by the Greiner Government. That should set alarm bells ringing. That was the situation that this Government was fortunate enough to inherit after 16 years of Labor administration. We delivered 12 or 13 budget surpluses.

Mr Ryan Park: Wow!

Mr MICHAEL DALEY: Wow, indeed. That is incredible. We created 195,000 new jobs in the last two years in which we were in government. This Government is 7,000 jobs in the red as we speak. The suggested budget black hole was also well and truly debunked by those in the know. The only black hole we have now is the credibility black hole of members opposite. I draw members' attention to the daily program, which demonstrates this Government's blinding legislative pace.

The SPEAKER: Order! I remind the member for Keira that the member for Maroubra does not need his assistance.

Mr MICHAEL DALEY: According to the daily program, Minister Goward will conclude the debate on the Community Housing Providers (Adoption of National Law) Bill some time today and we will debate the Fiscal Responsibility Bill—with 31 Government members scheduled to make a contribution. We will also debate the National Parks and Wildlife Amendment (Adjustment of Areas) Bill. The fourth item on the daily program is the resumption of the adjourned debate on the Budget Estimates and Related Papers for 2012-13. I throw down a challenge to the one-trick ponies opposite not to use the same speech for both this and that debate. I bet they cannot do that. I challenge the member for Myall Lakes to come up with a different speech on other legislation. He delivers the same speech on every bill that is debated in this House.

The SPEAKER: Order! Members will cease arguing across the Chamber.

Mr MICHAEL DALEY: They inherited a triple-A credit rating and 12 or 13 budget surpluses and the Labor Government created 195,000 new jobs in the last two years it was in office. There was no budget black hole. They inherited an impeccable financial situation. They are now blowing debt through the roof and sacking public servants. I will say one thing about this Government: It has been true to its roots—Liberal Party leopards can never change their spots. The Opposition will not oppose this bill. Let us have a debate.

The SPEAKER: Order! I remind the member for Keira that he is sitting on the back bench and that he will have a chance to contribute to debate on this bill later if he wishes to do so.

Mr MARK SPEAKMAN (Cronulla) [10.26 a.m.]: For 16 years we had government by spin and daily news cycle—that could even be spelt D-A-L-E-Y. Despite that, the member for Maroubra has had the audacity to decry this Government's legislation as a stunt. After 16 years of government by stunt, the leopards opposite have not changed their spots. Apparently it is a stunt to think strategically. For 16 years we had a government that could not think or act strategically. We had daily spin and daily news cycles. The Labor Government would make a big announcement—for example, that it would spend \$500 million on the Rozelle metro—and then withdraw. Having inherited that mess, we need a strategy to fix New South Wales. We need not only the day-to-day minutiae of administration and middle management and general administration but also a strategy, and that is what this Government is implementing with this Fiscal Responsibility Bill. The bill is an overriding, overarching statement of objectives, aims and principles. It is the strategy that was sadly lacking for 16 years.

The member for Maroubra complained that the Government's Fiscal Responsibility Bill does not contain the detail of the Fiscal Responsibility Act 2005. It was all very well to include 14 measures in that Act, but Labor implemented only three of them. A Labor Party statement of fiscal responsibility is a bit like a North Korean declaration of human rights—it is not worth the paper it is written on. As I said, the Labor Government implemented only three of the measures included in the Fiscal Responsibility Act 2005. Its failures included net financial liabilities being nearly double the target and net debt levels two and a half times the 2010 target. It is true that we have a triple-A credit rating. However, as was revealed in last year's budget papers, the Labor Government's fiscal management set this State on the path to losing it.

Of course, this Government's primary fiscal objective is to retain that credit rating. It has made that commitment because it knows that retaining it reduces expenses and maximises the amount available to spend on services and infrastructure. The muddle-headed Opposition cannot grasp this basic principle of sound public policy. We must have sound public policy and public finances to achieve sound social outcomes. The member for Maroubra decried the lack of specific social objectives in this bill. The bill is all about sound fiscal responsibility. It is about managing our revenue and expenses so that we can afford the sound social objectives that we all want to achieve. The member also complained about the lack of sanctions and accountability in this bill and said that it is unenforceable. He should consider proposed section 8, which enforces transparency. The Treasurer and the Government are accountable. The proposed section states:

The Treasurer is to include the following in the budget papers:

- (a) a statement of the Government's fiscal strategy having regard to the object of this Act and the fiscal targets and principles provided by this Act
- (b) a report on the Government's performance against that object and those targets and principles
- (c) the reasons for any departure from that object and those targets and principles, together with the action planned to achieve that object and those targets and principles within the forward years of the budget
- (d) an assessment of the impact of the measures in the budget on the State's long-term fiscal gap
- (e) in the case of the budget papers for 2016–17 and for each 5 years thereafter—an updated report on long-term fiscal pressures.

The Government has a mission statement that sets out its long-term objectives and goals. It is prepared to be accountable and expose in budget papers in detail how it can be measured against broad fiscal parameters. The Government makes no apology for having a sound mission statement that sets out its objectives, targets and principles. It makes no apology that the prime fiscal objective is retention of the triple-A credit rating. The second target is to eliminate the State's unfunded superannuation liability by 2030. That is a matter of intergenerational equity. Future generations cannot be expected to pick up the bill for the largesse of previous generations with an unfunded superannuation liability. Although defined benefits schemes closed for new entrants from 1992, liability has blown out by \$10 billion in the last 12 months. As custodians of the public interest and finances the Government needs to set parameters and to have a broad set of objectives in place that will see that unfunded superannuation liability eliminated by 2030.

The Fiscal Responsibility Bill has objects, targets and principles of sound financial management. The object is to maintain the triple-A credit rating by: limiting the cost of government borrowing; enabling access to the broadest possible investor base for government borrowing; and maintaining business and consumer confidence and therefore sustaining economic activity and employment. As the member for Maroubra pointed out, after the introduction of the General Government Debt Elimination Act 1995 there was a reduction of debt levels. That resulted in lower levels of infrastructure spending that was not sustainable from the community's

perspective. This Government is dealing with that legacy of underinvestment in public transport, roads, schools, hospitals and police stations. Fiscal responsibility is not just about eliminating debt or reducing expenditure; it is about having a sustainable basis so that the State can build the infrastructure it needs for the future.

Dr Geoff Lee: Tell us more.

Mr MARK SPEAKMAN: Do not worry, I will. Two of the fiscal targets are annual growth in general government expenses of the State being less than the long-term average general government revenue growth of the State and eliminating the State's unfunded super liability by 2030. The bill will set out principles of sound financial management. The policy objectives will be pursued in accordance with the principles. The first principle is responsible and sustainable spending on infrastructure investment, including aligning general government revenue and expense growth, stable and predictable taxation policies and investment in infrastructure that has the highest benefit to the community. The second principle is effective financial and asset management, including sound policies and processes for performance management and reporting, asset maintenance and enhancement, funding decisions and risk management practices.

The third principle is to achieve intergenerational equity, including ensuring that policy decisions are made having regard to the financial effect on future generations and ensuring that the current generation funds the cost of its services. There will be budget reporting in relation to fiscal targets and principles. This Government, as the member for Keira happily conceded in his interjections, is a reformist, activist government. It is a Government committed to transforming New South Wales and fixing the inherited mess following 16 years of Labor Government. To do that the Government needs day-to-day detailed policies and bills, an overall vision and a set of fiscal objectives to make sure it runs the State's finances in a way that is fair from an intergenerational viewpoint, is responsible, reduces and eliminates debts and makes sure future spending, including fixing the backlog of infrastructure works, is on a sustainable basis. I commend the bill to the House.

Mr RYAN PARK (Keira) [10.34 a.m.]: When I came down to the House today I thought there would be one member who would not speak on the Fiscal Responsibility Bill 2012—the member for Cronulla. Fiscal responsibility considered together with the member for Cronulla creates an issue. Tragically for my good friend the member for Cronulla a very important piece of infrastructure in his electorate—known as the Cronulla Fisheries Research Centre—

Mr Tim Owen: Oh, here we go.

Mr RYAN PARK: This bill is about fiscal responsibility and yet the member for Cronulla enters the House after a facility in his electorate is closed without a business case being presented. The Government has taken a piece of infrastructure away from the Liberals and placed it with The Nationals following a deal between the coalition parties, and then it speaks in this House about the Fiscal Responsibility Bill. There was no business case for this infrastructure relocation. Is that fiscally responsible? I am hoping that this bill will fix a policy that most members would find fiscally irresponsible.

ACTING-SPEAKER (Ms Sonia Horner): Order! Government members will remain silent.

Mr RYAN PARK: It is fiscally irresponsible to give someone \$7,000 to relocate from the local government area of Wollongong across a bridge that is approximately 200-metres long to the Shellharbour local government area. One of the bridges is approximately 250 metres long and the other bridge, across the Macquarie Rivulet, is approximately 100 metres long. In the Government's view that is fiscally responsible: giving someone \$7,000 to move from one local government area across a 200-metre long bridge to the next local government area. I recommend that when a speech is disseminated from the Minister's office and from the department all members, read it carefully.

ACTING-SPEAKER (Ms Sonia Horner): Order! Government and Opposition members will remain silent.

Mr RYAN PARK: The member for Cronulla—of all people—talks about fiscal responsibility when he has lost an asset that has been handed away with no business case.

ACTING-SPEAKER (Ms Sonia Horner): Order! Government members will remain silent.

Mr RYAN PARK: For the Government to talk about the Fiscal Responsibility Bill 2012—

ACTING-SPEAKER (Ms Sonia Hornery): Order! The members for Drummoyne, Parramatta and Newcastle will remain silent.

Mr RYAN PARK: This bill talks about the principles of sound financial management to support that object and provides for budget reporting in relation to performance against that object and fiscal targets and principles. It is all about good fiscal responsibility and management. That is great, and the Opposition is not discouraging that. As the member for Maroubra said, the Opposition supports that object. The fact is that the Government's actions are not fiscally responsible. Decisions by this Government—whether it is closing the Cronulla Fisheries Research Centre or ensuring the number of Family and Community Services workers is cut—do not help the bottom-line and are not fiscally responsible in relation to the provision of services. How is it fiscally responsible to spend \$7,000, or \$280 million, on a regional relocation grant that encourages and benefits people to move the enormous distance of 200 metres to receive \$7,000? I do not consider that to be fiscally responsible. A lot of my friends on the Government benches said that Labor was not fiscally responsible and pointed to certain projects. I will refer to the Sydney Airport rail link infrastructure.

Mr Michael Daley: It was only \$900 million.

Mr RYAN PARK: Yes, just close to \$1 billion. And it was a very fiscally responsible decision, I assume. Members of the Government say "You didn't fund this" or "You didn't do that during 16 years". I did not hear them mention the airport link. I assume that a part of this legislation is about honouring the Government's commitments to the community, about being sound economic managers and therefore upholding policies that impact on the cost of living and relate to economics. As the member for Maroubra says, the Treasurer is a good fellow. He is actually one of the moderates. He is not part of the Government's crazy conservative forum. The Treasurer said prior to the election that as part of a fiscally responsible government he was going to cap dividend payments because he understood that was a significant component in the increasing cost of electricity.

But then 18 months into the term of office that has changed: he has made the fiscally irresponsible decision not to carry that out. This bill sets out in its overview the principles of sound financial management. Someone has got to start asking questions of the Government. I have outlined that the relocation of the Cronulla Fisheries Research Centre had no business case; a scheme that gives people \$7,000 to move approximately 200 metres from one local government area to another; and that the Treasurer has reneged on a commitment about dividend payments that in turn impact on families. None of these actions were fiscally responsible. Many Government members will speak to this bill. Today's business paper shows that we are not flat out. If this is a reformist government, boy oh boy, I am scared! One would think that after 16 years in the wilderness the Liberal-Nationals Government would be chomping at the bit with a whole range of programs, a huge amount of legislation to get through to fix so much.

I hear every day "We've got so much to fix. This State is in disrepair. We have got to make New South Wales number four again." It is incredible 30 speakers will make a contribution on this bill. This is not a reformist government; it is a government that has got nothing to do. I would rather be in my electorate doing other things than wasting my time talking on this bill. To wrap up, it is a shame that my good friend the member for Cronulla has had to leave the Chamber. I know he cannot believe what he has just done. I ask whether he has left the generic speech for everyone else to deliver. I hear that the member for Myall Lakes is pressing the print button on the photocopier many times. The Government is not fiscally responsible; it is very fiscally irresponsible.

ACTING-SPEAKER (Ms Sonia Hornery): Order! I will give the member for Newcastle detention for an hour if he does not stop calling out.

Mr JOHN SIDOTI (Drummoyne) [10.44 a.m.]: I support the Fiscal Responsibility Bill 2012. We saw fiscal responsibility in action when the Treasurer bought down the New South Wales budget in June, a budget that delivers against the backdrop of falling overseas markets and the arrival of the Gillard Government's dreaded carbon tax. That is what fiscal responsibility is all about, and this Government has introduced this legislation so that it can maintain its triple-A credit rating. This is the first time in Australia that a government will show its commitment through legislation to protect the triple-A rating. It will be enshrined in law. Through the Fiscal Responsibility Bill 2012, retention of the triple-A rating is the top priority.

Previously under the Fiscal Responsibility Act there was no protection for the triple-A credit rating and, as was revealed in last year's budget, the previous Government's fiscal mismanagement meant that the State

was on a downward spiral to losing that rating. The reasons for retaining the rating are obvious, but I will detail those reasons for the benefit of those opposite. A high credit rating minimises interest expense and maximises the amount available to spend on services and infrastructure. It also provides a buffer so that when we find ourselves in tough economic times a high credit rating makes it possible to raise debt readily. A high credit rating also gives confidence to business, consumers and the community.

Look at what happened in Queensland. A few years ago Queensland lost its triple-A credit rating and that has had a huge impact on the cost and availability of finance for the State. Being downgraded one notch meant that during times of financial uncertainty the cost of borrowing for Queensland has been over half a per cent higher than for New South Wales. If that happened in New South Wales, it would have a significant impact on the State's finances and the cost of servicing the State's debt would blow out to approximately \$375 million during the first four years. Over 10 years that would amount to a staggering \$3.75 billion—yes, billion, because the previous Government spoke in billion dollar terms. As we have seen with the responsible budget handed down, the State, like any economy around the world, has to live within its means. When we look around the world to Europe, in countries such as Greece and Spain, we see that their current financial woes are the direct result of overspending, spending what they do not have.

ACTING-SPEAKER (Ms Sonia Hornery): Order! There is too much audible conversation in the Chamber. Members will remain silent.

Mr JOHN SIDOTI: Since the beginning of last year we have witnessed falling revenues in New South Wales. GST revenues have fallen, with New South Wales losing a further \$5.2 billion. This is the result of nervous consumers spending on essentials such as food, health, education and rents—all of which are not subject to the GST—but not on those items which attract the GST. They are saving, not spending, in those areas. In addition to the shortfall, the Government is also faced with the economic consequences of the carbon tax, which may further reduce spending by consumers, who are forced to save more money to pay for essentials. In the budget the Government addressed the shortage of housing in the State which has resulted in higher house prices and higher rents. The budget provides more than half a billion dollars—yes billion dollars—of new infrastructure funding for housing and construction across the State. This move will provide much-needed additional housing and more jobs in the housing industry across New South Wales.

This Government has a plan to reverse the woeful economic state that was left by the Labor Government. Both the budget and this bill are examples of economic management as opposed to economic mismanagement. At the same time, there is a major infrastructure backlog that requires immediate attention for such projects as the North West Rail Link—promised by the previous Government but never delivered—roads such as the M4 and the Pacific Highway and of course for hospitals and schools. Let me say at this point what a joke it is for the members opposite to be busy bagging the budget. What did the Labor Government do? Very little in the way of fiscal responsibility. When it comes to Wayne's World in Canberra the term fiscal responsibility is a contradiction in terms. What a mess that is. But New South Wales is not going down that path—not under this Premier and not under this Treasurer. The State must embark on a massive infrastructure program to make up for the 16 lost years under Labor. But to achieve this it must spend less.

ACTING-SPEAKER (Ms Sonia Hornery): Order! Opposition members will remain silent.

Mr JOHN SIDOTI: And therein lies the prime aim of the bill—that annual growth in general government expenses of the State is less than the long-term average general government revenue growth of the State. This means that spending growth must be kept under 5.6 per cent. This will be evaluated with each review of the Act. As the Treasurer has pointed out, what this Government has been all about since it was elected last year is boosting infrastructure investment with the sale of State-owned assets. In the budget the Government committed to spending \$1 billion more on infrastructure a year over the four years to 2015-16 than was spent over the previous four years—and that is in the context of a decline in Commonwealth capital funding. When introducing the bill the Treasurer said:

We need look no further than Europe to see the havoc that fiscal irresponsibility can wreak on governments and communities. Their prolonged periods of excessive borrowing have led to government services being cut, taxes being increased and social dislocation.

He is right, and he should be congratulated on introducing this legislation because it enshrines in law a protection for the State's finances now and well into the future. We in New South Wales have inherited a State with serious economic problems. This was the result of 16 years of economic ineptitude and, as the Treasurer so rightly put it, fiscal betrayal. What happened over that time was a growth in public sector expenses—exactly the

opposite of what should happen with fiscal responsibility. Enormous amounts of money were wasted on programs that failed to deliver outcomes. One that comes to mind is the duplication of the Iron Cove Bridge, in my electorate. This white elephant cost nearly \$200 million, but it failed to deliver a smoother drive for commuters from my electorate. In fact I am told the congestion is worse because once cars are off the bridge—

ACTING-SPEAKER (Ms Sonia Horner): Order! Government and Opposition members—

Mr JOHN SIDOTI: —they are forced to again funnel into three lanes—

ACTING-SPEAKER (Ms Sonia Horner): Order! The member for Drummoyne will pause for a moment.

Mr JOHN SIDOTI: —causing traffic chaos at peak times.

ACTING-SPEAKER (Ms Sonia Horner): Order! Government and Opposition backbenchers will remain silent. And I asked the member for Drummoyne to pause for a moment to assist the Chair to restore order.

Mr JOHN SIDOTI: I appreciate that, Madam Acting-Speaker, but it is eroding my time.

ACTING-SPEAKER (Ms Sonia Horner): Order! I do not appreciate the member's bad manners. I was trying to help him. If he had paused in the first instance, that would have assisted the Chair to restore order more quickly. His continuing to address the House while the Chair was speaking was rude.

Mr JOHN SIDOTI: New South Wales simply cannot afford that type of waste. Under this Government each project will be examined on its own merits, with clearly thought out projected outcomes for its completion. Through provisions in this legislation the Government will be held to account on meeting economic objectives, targets and principles. From now on the Treasurer will be required to include the following in the budget papers each year: a statement of the Government's fiscal strategy; a report on the Government's performance against the bill's objectives, fiscal targets and principles; an assessment of the impact of the budget measure on the State's long-term fiscal gap; and the reasons for any departure from those targets and principles, together with details of the planned remedial actions. This is all about accountability and responsible spending and fiscal and financial planning. It will be part of the law of this State to ensure the principles are adhered to by all governments both now and in the future.

This bill represents one of many measures introduced by the O'Farrell Government to apply responsible fiscal measures. We have limited the cost of public sector wages to an increase of no more than 2.5 per cent. It is worth noting in relation to this wage reform that between 1997 and 2011 public sector wages blew out by 21.1 per cent, and that that is double the equivalent increase in private sector wages. We reformed the police death and disability scheme to make it workable yet still protect injured officers returning to work. The Government has reformed electricity distribution to place downward pressure on power prices. The Government has signed a long-term lease for Sydney's desalination plant, freeing up essential funds for infrastructure. The Government has passed legislation to allow the sale of the State's electricity generators, the franchising of Sydney Ferries and reforming of workers compensation legislation. Yes, the Government is delivering on fiscal responsibility, and that is against a challenging backdrop of tough economic conditions and financial restraint. I commend the bill to the House.

ACTING-SPEAKER (Ms Sonia Horner): Order! I call the member for Port Macquarie.

Mr Ryan Park: A good member.

Mrs LESLIE WILLIAMS (Port Macquarie) [10.54 a.m.]: I thank the member for Keira and acknowledge that compliment. After this year's budget, which was handed down in June, it is a pleasure to speak on the Fiscal Responsibility Bill 2012. In doing so I ask which member of the House would miss the opportunity to congratulate the Treasurer, the Hon. Mike Baird, on again delivering a budget that is fiscally responsible and that epitomises the very reason that we saw the Liberals and Nationals gain government in March last year. I, like all members on this side of the House, am celebrating, as are the communities we represent, because we are the beneficiaries of a Government that understands the importance of governing within a budget and being fiscally responsible. I will talk later about the benefits for my electorate thanks to the election of a responsible Government—a Government that is delivering on its election commitment to make New South Wales number one again.

The bill before us today is simple and precise; but, sadly, those opposite demonstrated over many years that they clearly did not understand what needed to be done in order to govern responsibly. The object of the bill is to maintain the State's triple-A credit rating, which is so important for the future of the State of New South Wales. As I said previously, the objects of the bill are quite simple. However, I will highlight them in the hope that those opposite might understand exactly why the Treasurer delivered the budget he did in June. The bill provides that the fiscal targets for achieving the object of retaining the triple-A credit rating are as follows: firstly, that the annual growth in general government expenses of the State is less than the long-term average general government revenue of the State; and, secondly, the elimination of the State's unfunded superannuation liability by 2030. The bill also sets sound principles of sound financial management to support that object and those fiscal targets and principles.

There are very clear reasons that it is so important to protect our State's triple-A credit rating, and the budget spelt those out. Without a triple-A credit rating you cannot deliver for your electorates, which is what I thought we are actually here to do. The June budget handed down by the Liberals and Nationals Government delivered in spades for my electorate. The major projects for the Port Macquarie electorate are part of a plan to build for our future and invest in the growing needs of our community. Despite the current economic climate in New South Wales, the Liberal and Nationals Government has delivered a strong but tough budget, honouring our promise to support regional New South Wales—which the previous Labor Government failed to do.

Let me highlight a few of the many projects we were able to deliver to the Port Macquarie electorate due to the fiscal responsibility of this Government. The inclusion of a public school at Lake Cathie, a multimillion dollar water reservoir at Thrumster and ongoing funding allocations for the upgrade of the Pacific Highway and Port Macquarie Base Hospital are all significant projects for our electorate. In Port Macquarie almost \$90 million has been allocated. The funding announcements were vindication of the work that my staff and I have done over the past 12 months, meeting with every State Minister to argue the case for our fair share of budget funding. I am particularly pleased that the budget included the Lake Cathie Public School, with planning work now well underway.

This is the only new school being built in a regional area of New South Wales, and it is something that the two previous members for the electorate could not or would not commit to, along with their Labor colleagues. Under a new Building the State package to boost housing construction a water reservoir will be built for the Thrumster release area and Sancrox employment area, accelerating the release of 4,500 properties for the Port Macquarie region. This infrastructure announcement to stimulate the Port Macquarie housing construction sector will be matched with additional incentives for both first home owners and new home buyers. The generous first home owners grant that will more than double to \$15,000 the New Home Grant of \$5,000 will be welcome news and will reinvigorate our local housing market and our broader local economy.

The budget bills are already working well to deliver better front-line services, including more nurses, more police and more teachers throughout New South Wales. Other key projects include \$65 million for local road projects. This includes \$31 million to complete the construction of the dual carriageway upgrade of the Pacific Highway between Herons Creek and Stills Road, as well as to continue planning for the upgrade of the highway between the Oxley Highway at Port Macquarie and Kempsey. We will also deliver on our election commitment for a dual carriageway on Ocean Drive, a main arterial road into Port Macquarie. That planning will commence immediately.

This year \$10.7 million will go towards the \$110 million upgrade of the Port Macquarie Base Hospital. Some \$8.6 million will be spent on routine and minor roadworks maintenance, as well as grants to Greater Taree City Council and Port Macquarie-Hastings Council for roadworks projects. There is \$1.6 million for a new fire station at Port Macquarie, \$555,000 for more nurses for the mid North Coast local health districts, \$1.5 million to construct new accommodation for people with disabilities in the electorate, \$2.4 million for the construction of passing lanes on the Oxley Highway between the Pacific Highway and Wauchope, and \$1.3 million for the ongoing planning of Stingray Creek Bridge. The budget's focus on infrastructure will give the Port Macquarie electorate the kickstart it needs, and this is a very welcome initiative.

The people of the Port Macquarie electorate will see in this budget a focus on building better infrastructure for the services we rely on every day. As people who have managed our own small business for 16 years, both my husband and I know how tough it can be. But we also know that if you are not fiscally responsible the business will not enjoy long-term success. It is no different from a family budget: You must live within your means—and that is exactly what this bill sets out to ensure. As the Treasurer said, this legislation enshrines sound principles for financial management. Since the budget was handed down in June, we continue

to see more money delivered to the Port Macquarie electorate. In fact, there is \$24.6 million in major infrastructure improvements for Port Macquarie and the Camden Haven thanks to the New South Wales Government's Local Infrastructure Renewal Scheme.

The Port Macquarie Hastings River Drive will get a \$10 million revamp and the Camden Haven will see the new \$14.6 million bridge over Stingray Creek finally delivered, thanks to the generosity of this loan subsidy scheme. As well, \$2.5 million has been allocated by the good Minister for Police and Emergency Services in the other place for a new police and community youth club in Port Macquarie—just another project that was not delivered by previous members or the Labor Government. In closing, it is worth noting that the previous Labor Government had two attempts at this legislation and failed. The Liberal-Nationals Government is determined to get it right, and this bill is the first step in achieving that goal. I commend the bill to the House.

ACTING-SPEAKER (Ms Sonia Horner): The member for Myall Lakes will wait until Opposition members are silent before he begins his contribution to the debate.

Mr STEPHEN BROMHEAD (Myall Lakes) [11.03 a.m.]: How rude Opposition members are; their behaviour is absolutely disgraceful. I support the Fiscal Responsibility Bill 2012 and commend the Treasurer on its introduction. I listened with interest to the speech of the member for Maroubra earlier. Fiscal responsibility and Labor is a contradiction in terms. It is in Labor's DNA to waste money and then tell lies to cover up its mismanagement. What is the record of the member for Maroubra on fiscal responsibility? Let us think about that. The former chief executive officer of WorkCover, Greg McCarthy, said that the member for Maroubra just would not listen. He said that the member did not have his hands on the levers of government and that nobody had listened to WorkCover since Della Bosca. He described the conduct of the member for Maroubra as nothing short of negligent. There are so many examples of the fiscal irresponsibility of the previous Labor Government.

Dr Geoff Lee: Rozelle metro.

Mr STEPHEN BROMHEAD: The member for Parramatta raises the Rozelle metro, as did the member for Cronulla earlier.

ACTING-SPEAKER (Ms Sonia Horner): The member for Myall Lakes should not respond to interjections from Government members. I ask him to return to the leave of the bill.

Mr STEPHEN BROMHEAD: The member for Maroubra attacked this Government's fiscal responsibility but consider his record and that of the previous Government. They have no credibility whatsoever. The Rozelle metro cost \$500 million.

Mr Mark Coure: How much?

Mr STEPHEN BROMHEAD: Half a billion dollars, with not one centimetre of track laid. That money was thrown away, wasted—fiscal irresponsibility. Some \$100 million was thrown away on the Tillegra Dam—wasted—without turning a sod. The member for Maroubra and the member for Keira seek to lecture us. But to do that successfully they must have credibility and they certainly have none. This Government came to power and discovered a \$5.2 billion black hole—\$5.2 billion unaccounted for—in the budget left by those opposite. Some \$4.1 billion was unaccounted for in the WorkCover scheme; it was not there. Another Labor mob is running Australia at the moment and what have we got? Goods and services tax revenue is in decline. What does that mean for New South Wales? It means a \$5.4 billion reduction in revenue. That is due to Labor's fiscal irresponsibility. When it comes to running the country and managing accounts you cannot rely on those opposite. You cannot rely on anything they say because they have no credibility whatsoever.

Consider other responsibilities of government. How about granting mining licences to mates for one dollar? That matter is now before the Independent Commission Against Corruption. That is the Labor record. Yet those opposite seek to knock the member for Cronulla for standing up for the people of New South Wales. They call on me, the member for Myall Lakes, to deliver another speech. They were in power for 16 years and for 16 years they ran this State into the ground. They took New South Wales from being the number one State, the premier State, to the last State—the State on the bottom of the rung. That has to do with nothing but the fiscal irresponsibility of the previous Labor Government—the worst Government in history. Even Labor Party powerbrokers talk about the shameful Labor Government, those shameful years.

ACTING-SPEAKER (Ms Sonia Horner): I ask the member for Myall Lakes to return to the leave of the bill, which is about fiscal responsibility, not the shameful Labor years.

Mr STEPHEN BROMHEAD: Was there a point of order?

ACTING-SPEAKER (Ms Sonia Hornery): There was no point of order, but I am asking the member to return to the leave of the bill.

Mr STEPHEN BROMHEAD: Was there a point of order?

Mr Mark Coure: I didn't hear a thing.

ACTING-SPEAKER (Ms Sonia Hornery): The member for Myall Lakes will return to the leave of the bill.

Mr STEPHEN BROMHEAD: I will not say anything. Consider how this Government is delivering for regional New South Wales. Is it not lucky that this State now has a Government that is listening to the people and making decisions for the people rather than for their mates? Myall Lakes has been the beneficiary of this Government's fiscal responsibility. The electorate received \$168 million in last year's budget. This year it received \$128 million, delivering for the Pacific Highway. There was \$100 million last year for the Bulahdelah bypass and another \$60 million this year. Taree TAFE will receive a nurse education and training centre to be built in the next two years. It will bring student nurses to the Manning Valley where they will be educated to take up jobs in regional New South Wales.

The Minister for Ageing, and Minister for Disability Services recently visited Myall Lakes and announced \$216,000 for the provision of day services for people with disabilities in the Manning Valley—which is exactly the amount that Taree Community College required. In the electorate of Myall Lakes the Government is delivering in many areas—for instance, there is \$400,000 for the dredging of Wallis Lake. Wallis Lake, a very important system, produces approximately 30 per cent of Australia's magnificent Sydney rock oysters—upon which I am sure the member for Maroubra dines daily. Funding of \$99,000 has been allocated for Ramsar wetland rehabilitation in Bulahdelah. Funding of \$7.5 million has been allocated to upgrade Main Road 90 at Avalon and Wallarnbah Road. Of that \$7.5 million some \$800,000 was allocated in last year's budget, \$5 million is allocated this year and a further \$2 million will be paid next year.

Consequently, the Greater Taree City Council will now be able to upgrade that important road. Funding of \$2.25 million has been allocated to upgrade the Lakes Way north from the Blackhead turn-off to the Pacific Highway, and a further \$2.25 million to upgrade the Lakes Way from the Smiths Lake turn-off to the Pacific Highway at Bulahdelah. Funding of \$400,000 has been allocated for a roundabout at the intersection of Blackhead Road and the Lakes Way—a notorious blackspot. The O'Farrell Government has listened to the community and is delivering projects across New South Wales. The member for Keira knocked the relocation allowance. As someone who understands numbers and the financial markets, the member for Keira will know that the real estate market across New South Wales is dead. When we have a change of government federally and the national economy starts to move—

ACTING-SPEAKER (Ms Sonia Hornery): Order! Opposition members will cease interjecting. The member for Myall Lakes will be heard in silence.

Mr STEPHEN BROMHEAD: Even the member for Keira understands that once the market gets going then incentives such as the relocation grant will be wonderful. People need to move from metropolitan areas to regional New South Wales.

ACTING-SPEAKER (Ms Sonia Hornery): Order! The member for Keira and the member for Oatley will come to order.

Mr STEPHEN BROMHEAD: Under the Local Infrastructure Renewal Scheme the Great Lakes Council was able to borrow \$18 million. It received a subsidy from the Government. What does that mean? It brings the roads and bridge renewal projects of Great Lakes Council forward by 10 years. It will also increase employment opportunities because someone will have to build those roads and bridges. It is a fantastic scheme that is fiscally responsible. It will reinvigorate regional New South Wales. It will help councils in regional New South Wales and their communities. The O'Farrell Government is delivering; the previous Government did not. This State endured 16 years of scandal, 16 years of incompetence, 16 years of mismanagement, 16 years of paralysis, 16 years of treating those in regional New South Wales as second-class citizens— [*Time expired.*]

Dr GEOFF LEE (Parramatta) [11.13 a.m.]: It is with much pleasure that I speak to the Fiscal Responsibility Bill 2012.

ACTING-SPEAKER (Ms Sonia Horner): Order! Opposition members will cease interjecting.

Dr GEOFF LEE: Those opposite are a little tardy today.

Mr Mark Coure: Overexcited.

Dr GEOFF LEE: The member for Oatley is correct. Those opposite are overly excited about this bill and the great things that it will do for New South Wales. I begin my contribution by commending the Treasury for introducing the bill. The object of the bill is to maintain the State's triple-A credit rating. It states:

The bill provides that the fiscal targets for achieving that object are as follows:

- (a) the annual growth in general government expenses of the State is less than the long-term average general government revenue growth of the State, and
- (b) The elimination of the State's underfunded superannuation liability by 2030.

Before continuing, I declare an interest in this debate: my mother is a retired teacher and a member of the State superannuation scheme. She has expressed some concerns to me and I have reassured her that the Treasurer is doing everything possible to ensure that the unfunded superannuation liability is overcome and that the State's budget is managed properly. Indeed, I assure all members of the State superannuation scheme that the Treasurer is doing a fine job. I note that the Hon. George Souris, the Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts, is at the table. He is doing a fine job as a hands-on Minister. About three weeks ago I had a meeting with him about a different issue and he served me tea and coffee with his own hands.

Mr George Souris: With my own personal hands.

Mr Ryan Park: What else would he use?

Dr GEOFF LEE: His own personal hands; nobody else's hands. I thank the Minister for that.

Mr Ryan Park: It is a credit to you, George. I bet it was a good cup of tea.

Dr GEOFF LEE: Madam Acting-Speaker, I apologise for that digression but I find it interesting that the member for Keira is interjecting. I guess he is overexcited because of the disappointing role he played during the past 16 years of darkness. I wonder what the member for Keira, as the former deputy director general of the Department of Transport under then Minister Campbell, said when the Rozelle metro was launched. Did he express any concern about the \$500 million that was wasted when not a centimetre of track was laid? Did the member for Keira support that initiative? I am sure he did. Did he raise any questions about the financial irresponsibility of that decision? The member for Keira is silent on this matter. He obviously does not want to re-examine the dim, dark days of Labor's mismanagement. Obviously the member's credentials are in question—

ACTING-SPEAKER (Ms Sonia Horner): Order! The member for Parramatta will return to the leave of the bill.

Dr GEOFF LEE: Madam Acting-Speaker, I apologise. I will return to the leave of the bill, which is about sensible fiscal management. The Government has made some tough decisions in order to maintain the State's triple-A credit rating. I come from a small business background, having run a small business for more than 10 years. I understand the importance of financial management and the principles behind it. Anyone who has run a business understands that in order to be successful revenue must exceed expenses. One can have the odd year in deficit but revenue needs to accrue so that it exceeds outgoings in the long term. Businesses will fail if that does not occur. Indeed, households run the same way: The amount that people receive in their pay packets must exceed their outgoing expenses. It is not rocket science; most of us understand the basic principles. But, disappointingly, those opposite do not appear to understand that revenue must exceed expenses in order to maintain a viable State and to deliver the required services and infrastructure for the good people of New South Wales.

The member for Keira is leaving the Chamber. I take this opportunity to wish him well although I am saddened by his financial track record. It is estimated that if New South Wales' triple-A credit rating were

downgraded to a double-A plus rating and we had to refinance in one year, it would cost the State around \$3 billion. That is \$3 billion worth of infrastructure and front-line services that could not be delivered. That is based on the premise that we could refinance the State's debts. As we know, with the global financial crisis and its lingering effects, around the world money is flowing to investments in countries that have a triple-A credit rating. So with a double-A plus credit rating, it may be hard to raise funds.

Campbell Newman is looking carefully at how Queensland can improve its credit rating because he appreciates the difficulties of raising money and knows that refinancing debt is particularly important. The New South Wales Government is taking the tough decisions, and some of those decisions are not popular. However, it does not shy away from making New South Wales the number one State. The decision to reform the electricity distributors by way of a merger saved the people of New South Wales \$400 million, which will be ploughed back to families. The leasing of the desalination plant raised more than \$2 billion. Obviously that money can be used to offset some of the State's loans and for further investment in infrastructure.

The Government made the hard decision to cap public sector wages at 2.5 per cent plus any cost savings that can be demonstrated. Certainly that decision was not popular, but it was necessary to keep the budget in line. Obviously I have been fighting for the Parramatta electorate. As we know, Parramatta is the capital of western Sydney—or, as some like to call it, the eastern suburbs of western Sydney. This year the budget has allocated \$30 million for the Westmead Millennium Institute, which is part of the Westmead health precinct. The millennium institute does fantastic work looking at critical health issues. That \$30 million will aid in the \$120 million building and development project, which will house about 500 researchers. The Westmead health precinct is the largest health precinct in Australia and is recognised internationally.

The budget also allocated \$1.4 million for additional neonatal intensive care services at Westmead Hospital, \$7 million for new and upgraded accommodation for people with disabilities in the Parramatta electorate, and \$3.6 million to relocate the newly formed Urban Growth NSW to Parramatta in the new Eclipse building. That work is due to finish at the end of this year. Another \$1 million has been allocated for Home and Community Care transport services and there is about \$1.5 million for road upgrades, including to Victoria Road, the Great Western Highway and the M4 at Wentworthville. In conclusion, the New South Wales Government is making the tough decisions to introduce fiscal responsibility to government to ensure that we can rebuild the New South Wales economy. A good economy means jobs, and more people in employment means a better outcome for the whole community.

Mr KEVIN ANDERSON (Tamworth) [11.23 a.m.]: I am pleased to support the Fiscal Responsibility Bill 2012 and to show the people of New South Wales how the O'Farrell-Stoner Government is rebuilding this State; how it is rebuilding our finances and making the tough decisions to get the budget back on track; and how it is trying, as it were, to turn around the *Queen Mary* after 16 years of neglect and underspending in regional New South Wales. Money is finally starting to flow to regional electorates, from the Victorian border through to the Tweed. There is now a sea of green in terms of representation by The Nationals. The community is starting to get bang for its buck because it elected a Government that is listening, consulting and ensuring that we build infrastructure to support our communities and show that regional New South Wales is a major player in the State's economy. How do we support communities? We do it by listening and by giving people the money they need to build infrastructure, roads, hospitals, bridges and police stations, and to upgrade much-needed facilities across the State—whether it is on Crown land or in education.

Showing that we care about regional New South Wales is part of rebuilding this great State through responsible fiscal management. I welcomed the Government's recent investment in the Tamworth electorate, with an injection of more than \$148 million. That is an increase of more than \$49 million on last year's budget. That shows the Government is looking beyond the Blue Mountains and the sandstone curtain to see how it can support regional New South Wales. An injection of more than \$148 million in the Tamworth electorate was most welcome. The big winners in the Tamworth electorate were Tamworth Hospital, the Manilla Road upgrade, the TAFE NSW New England Institute Tamworth campus, the Gunnedah railway bridge, Keepit Dam fishways, the Split Rock and Keepit Dam upgrades, and the Chaffey Dam upgrade. I will return to those matters later.

Our region did exceptionally well out of the budget, given the tough economic conditions across the State. It proves that the Government is listening to our community, backed by solid cases for funding and by building relationships with Ministers. Ministers are sitting down and having discussions with the community because they understand the importance of consultation and investing in regional New South Wales—unlike the previous Government, which had few regional Ministers and few regional backbench members. Basically,

Labor's view was that regional New South Wales was out there somewhere. Regional New South Wales is firmly on the radar now, thanks to the Deputy Premier, who is a great friend of the Premier. They have a fantastic working relationship, which is critical to ensuring that money flows west of the Great Divide.

The Tamworth region plays a major role in the economic growth of this State. That has been acknowledged, with the Tamworth electorate receiving a significant increase in funding in the 2012-13 State budget. Over the past 12 months I have not wasted one minute showing Ministers around the electorate and highlighting much-needed projects. I have knocked on their doors and discussed funding needs with them. Regional New South Wales needs to be heard. We must build the infrastructure that had been neglected for so long. We must rebuild regional New South Wales. Ministers have listened, and our hard work is paying off with the injection of \$148 million—an increase of \$49 million over the past 12 months during very tough economic times.

I thank the Treasurer and Ministers for investing and showing faith in our region. It is my job to work with them to ensure that we get our fair share and to keep us firmly on the radar when it comes to funding projects and growing our region. We have a strong history of growth, and we will continue to push hard for regional development by working with all sectors and with the Government, which has a regional focus. I welcome the \$42 million allocated to health services in the Tamworth electorate in the 2012-13 State budget. That includes \$17.6 million for stage two of the Tamworth Hospital redevelopment. That project is expected to start in a matter of weeks—the scaffolding has gone up around the emergency department, which is next door to the \$42 million regional cancer care centre, thanks to the co-contribution of the Federal Government through its health infrastructure fund. There is no doubt that that is a significant investment in our region.

In just a couple of weeks we will see some work begin on the redevelopment of Tamworth Hospital—something that the community had been calling for for years and something the former Labor Government promised time and time again but did not deliver. We are getting on with the job of rebuilding New South Wales and it starts right here. Also included in the budget is \$23.5 million to continue work on the New England North West Regional Cancer Care Centre. This is about providing services closer to home. Just because we live in regional New South Wales does not mean that we have to accept second best or that we have to accept automatically that we have to travel to receive first-class health services. We need those health services closer to home and we are going about it the right way by building the infrastructure and providing the clinicians and staff, the doctors and nurses—550 new nurses—to make sure that we have the people to staff those hospitals and provide front-line care to people in our communities. The cancer care centre, right on the hospital campus, is due to finish later this year.

The Werris Creek Multi-purpose Service and HealthOne facility will receive \$1.15 million, again providing five-star facilities to people in our regional communities. They expect it, they deserve it and they need it. They pay taxes just like everyone else, so we need to make sure that they get bang for their buck and give them the services they deserve. Also \$300,000 was allocated for the final work on the Manilla Multi-purpose Service and HealthOne facility—another magnificent five-star facility in a small centre about 20 minutes outside Tamworth. The people deserve it, they expect it and they should have it. The inclusion in the budget of \$220 million for Tamworth Hospital in the forward estimates and the funding for other health projects demonstrates the New South Wales Government's ongoing commitment to health services in the Tamworth electorate. That is something we have missed out on for so long—critical health infrastructure.

Parts of our hospital have a plaque above a door, which says, "1893". I think some of the original buildings are still there. It is a bit of a rabbit warren. We need to make sure that we provide the best facilities we can. This Government knows that to attract clinicians, doctors, specialists and nurses we need to ensure that we have those facilities, and we are getting on with the job. That is great news for the Tamworth region. There is no doubt that a record health spend positions us as the hub for health service delivery in the north-west. An amount of \$3 million will go to the Manilla road upgrade. This is another project that Labor promised but failed to deliver. We have listened to the community and stumped up \$3 million to upgrade this section of road to make it quieter, safer, wider and flatter for pedestrians as well as motorists. The community around that area is delighted that consultation will start in a couple of weeks and we can expect shovels to hit the ground in about February next year.

In addition, \$600,000 has been allocated to undertake a study to look at a rail overpass in Gunnedah. With a resources boom on the horizon, we have 1.5 kilometre-long coal trains cutting the town of Gunnedah in half, which poses a problem in an emergency when there is something on either side of the track and no-one can get to it. The town virtually comes to a standstill. The Minister for Roads and Ports, Duncan Gay, has kindly

allocated \$600,000 to undertake that study. We are getting on with the job of clearing the massive infrastructure backlog left by the former Labor Government. This Government is focused on regional New South Wales and on rebuilding. We are a reformist government. We are taking the hard decisions and making the changes that our communities deserve. I commend the bill to the House.

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

COMMUNITY HOUSING PROVIDERS (ADOPTION OF NATIONAL LAW) BILL 2012

Second Reading

Debate resumed from 14 August 2012.

Ms PRU GOWARD (Goulburn—Minister for Family and Community Services, and Minister for Women) [11.34 a.m.], in reply: I will comment on the contributions of members who spoke in support of the Community Housing Providers (Adoption of National Law) Bill 2012. I was very pleased to hear that members understood the many benefits of a national regulatory system for community housing providers, the benefits to the ongoing viability and continued growth of this very important sector, in particular with regard to facilitating investment in the sector through the enhancement of confidence of institutional bankers in the good governance and financial viability of community housing providers, improving the cost of borrowing through scale and providers' capacity to manage these borrowings, and developing a potential national market for lending.

Labor had a string of housing Ministers—six Ministers in the last six years of government, if my memory serves me—and they still managed to leave a mess for the O'Farrell Government to fix. There was a waiting list of 54,000, a maintenance backlog of \$300 million and a legacy of perceived entitlement. I am the Minister responsible for social housing in this Government and I take that responsibility extremely seriously. My role as Minister for Family and Community Services is to improve services and lives to assist those most vulnerable, including those in social housing or seeking social housing, as well as those who are homeless or at risk of homelessness. I have implemented more positive reform to the social housing system in 18 months in office, reform that will improve services for this State's most vulnerable people, than Labor managed over 16 long years.

The social housing waiting list is now accurate and transparent, making it easier for clients to make informed decisions. Applicants are required to demonstrate personal responsibility and ensure their contact details are up to date and accurate, and they are rewarded for doing so. This Government has reformed important private rental subsidies to make sure that these are sustainable into the future. We have also taken the steps necessary to ensure that Federal Labor's carbon tax does not rob vulnerable New South Wales families of up to 80 new social housing properties or instead up to 8,000 bathroom upgrades or up to 6,900 kitchen upgrades over the next four years. We will be including regular carbon tax payments in social housing rent setting from March of next year, just like the Prime Minister, Julia Gillard, has increased nursing home fees in federal nursing homes to cover the impact of her carbon tax on residential aged care. As is the case now, tenants will still only pay between 25 and 30 per cent of their income in rent—a very significant subsidy.

This Government has very strong voices representing the interests of those in housing need and those who are homeless, not only at the Cabinet table but throughout our backbenches. Now we are leading the nation on the delivery of uniform template legislation for a national system for registering, monitoring and regulating not-for-profit community housing providers. By introducing this bill, New South Wales has again demonstrated its credentials on the national stage and shown yet again that this Government gets things done. This vote of confidence by the Commonwealth and other States and territories in the O'Farrell Government reflects the understanding that the current New South Wales regulatory system is extremely robust. The national regulatory system contained in the national law is substantially based on New South Wales and the New South Wales system. The major difference is the enhanced enforcement and intervention powers for registrars. These enhanced powers are appropriate as they provide further protections for Government in relation to its investment in community housing.

I am aware that members and their staff engage with a range of people in housing need in their electorates. It was particularly heartening to hear members talk about the excellent work that community housing providers are undertaking to assist people most in need, including people with disabilities as mentioned by the Minister for Disability Services. Community housing providers work tirelessly to help vulnerable people access housing as well

as team up with other support providers to ensure these clients are supported and remain housed, an issue that I think every member of the House would acknowledge is much more complex than simply providing accommodation. That is why this Government supports the community housing sector and why it was very willing to take the lead in introducing legislation to create a national regulatory system for community housing providers.

I was also very pleased that members understood that the bill will make a considerable contribution to assuring tenants about the standard of service delivery they will receive as all providers registered under this system will need to comply with the national regulatory code. This code will set the framework within which providers are assessed against outcomes with regard to the management of housing assets, community engagement, governance, probity and financial viability. Members also acknowledged that stakeholders, including the finance industry, community housing providers, tenant representatives, support organisations and other peak bodies, have overwhelmingly supported the national regulatory system contained in the bill. This support has been expressed through the national public consultation process that I launched late last year.

Stakeholders are also participating in the design of the system, most recently through the technical working group that has been assisting government officials to develop operational guidelines. A further round of broad public consultation is taking place across jurisdictions in relation to these guidelines, with five consultation sessions being held across New South Wales alone in August and September. The community housing sector is an important and growing component of the social housing sector. New South Wales and other governments around Australia have pursued reforms to give the community housing sector a larger role in the provision of social and affordable housing.

This bill will make a significant contribution to enhancing the role that community housing providers can play in the provision of housing by ensuring a consistent and transparent national regulatory system. Lenders and other stakeholders can be assured that consistent standards can be used when they assess the creditworthiness of community housing providers. This in turn will provide opportunities for these nationally regulated providers to leverage private funds against the stock to grow the sector. I am therefore pleased that all members who spoke to the bill, including those on the other side of the House, lent their support to the introduction of the bill. The bill will greatly assist the ongoing viability and growth of the community housing sector, which provides housing to people in the greatest need and to the most vulnerable members of our community. I commend the bill to the House.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Third Reading

Motion by Ms Pru Goward agreed to:

That this bill be now read a third time.

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

FISCAL RESPONSIBILITY BILL 2012

Second Reading

Debate resumed from an earlier hour.

Ms GABRIELLE UPTON (Vaucluse—Parliamentary Secretary) [11.43 a.m.]: I welcome the opportunity to speak to the Fiscal Responsibility Bill 2012. This is a really important bill; let us be clear about this. I commend the Treasurer for his determination to exert some discipline in the conduct of our finances in New South Wales once and for all after 16 years of ill-disciplined financial management by those opposite. That is the only way we are going to be able to rebuild this great State. We have a long way to go. We have had 16 years of ill-disciplined financial management and this bill is part of the plan the Coalition Government is putting in place to make sure that discipline is reasserted, and it is none too early.

Let us put it in the context of our work in Government. One of the five strategies in our State plan NSW 2021 is to rebuild the economy through restoring economic growth and to establish New South Wales as the first place to do business. I know that people in the electorate of Vacluse took their businesses interstate, to Victoria and Queensland, and those go-ahead States, under the former Labor Government. Part of setting financial discipline in this State is to ensure we bring those businesses back, that we have a sustainable plan around the State and that the revenue and taxes are generated here to bring business opportunities back here. Strong economic growth also generates government revenue that will enable us to provide the services and infrastructure that our community needs. That is really the measure of success in our electorates—that we have the financial plans that will deliver the community services that our electorates desired, asked for and strongly supported in the March 2011 election when they elected our Government.

Goal 2 of our State plan requires us to rebuild our State finances by ensuring that expense growth does not exceed revenue growth, a starkly simple proposition that this side of the House understands only too well. It is a discipline that we exert in our households and that the people who elected us with great faith in March 2011 exert around their kitchen tables every day in making their household budgets work. It is only proper, therefore, that like the public we serve we too exert such discipline for the State as a whole. Disciplined, responsible and effective management of New South Wales Government finances is fundamental to rebuilding our finances and laying the groundwork for economic growth. We have a long way to go on that front.

The April 2012 CommSec "State of the States" report said that economic activity in New South Wales in the December quarter was just 8.3 per cent above the decade average. That was a decade of Labor rule. We were lagging behind other States and Territories. We are not going to do that in future. Part of the discipline that will be exerted by the adoption of this bill will enable us to propel some economic growth in a positive direction for New South Wales. The bill sets out the legislative framework for the Government's fiscal policy. One of the key objectives that we have heard the Treasurer speak about on many occasions is maintaining our triple-A credit rating. We know what has happened to other countries and to those Australian States that have not maintained their triple-A credit rating.

The bill also clearly sets out the principles of sound financial management, the fiscal targets we will have and the annual reporting targets—the transparency that we are going to bring to our economic management in New South Wales. Our community expects the Government to be fiscally responsible. It is one of their key expectations of us. The residents in my electorate of Vacluse expect that discipline. They exercise that discipline and so they should; and so should we. The bill sends a strong signal to the community and to my electorate that the O'Farrell Coalition Government is committed to fiscal responsibility and to governing for the long-term needs of the community—not the short-term needs—as well as its immediate needs. It is about ensuring that tax levels, expenditure and capital investment are sustainable not only today, in the next budget cycle and in the forward estimates but into the future.

There is no doubt that the Fiscal Responsibility Act 2005 is outdated. The requirement to review the Fiscal Responsibility Act gives this Government the chance to re-evaluate it and to set out what is important on our side of politics in managing the State's finances. Instead of having a long list of measures that nobody understands and that are so broad and numerous that they are all but ignored, as they were by the last Government, this bill has a clear objective with a few supporting goals and principles. It is a simple and meaningful framework that will lead to our disciplined approach.

Make no mistake: our Government's primary fiscal objective is to retain the State's triple-A credit rating. Why do we do that? Why is it so important? Look around the world at what is happening in Europe. If a government loses its creditworthiness its borrowing costs go up, interest rates go up and governments cannot maximise the funds to be able to spend on government and community services and the infrastructure our community wants us to provide. Right now we have only a modest buffer left for retaining our triple-A credit rating. But we know there are three important reasons why we have to do everything we can to maintain that rating.

We have to keep our borrowing costs low; we have to entertain and attract the largest and broadest possible investor base, which obviously is attracted to credit-quality countries and States; and we must ensure a greater level of consumer and business confidence in our community. People will invest in this State rather than in Queensland or Victoria, or in our neighbouring Asian countries. We know this State no longer has the windfall State revenues that flowed into the coffers of the former Labor Government over the past decade. We do not know what happened to that money. We know this Government inherited a financial mess. As the recent financial budget confirmed, GST revenues have fallen markedly since early 2011. A drop of \$5.2 billion in GST revenue makes our financial circumstances in New South Wales precarious.

Our levels of debt are high. Our buffer to retain the credit rating is low. This requires us to live within our means. This is a tough fiscal environment. We do not have to cut our current level of debt, but to moderate its growth over time. A slower growth in net debt, assisted by the net proceeds from asset sales, will enable the infrastructure spending in the coming decade. We have a significant infrastructure backlog—my colleagues have spoken about it today—the North West Rail Link; roads, such as the need for new motorways in Sydney; and hospitals and schools. In a breach of trust, the former Labor Government did not provide some of those things for the people of New South Wales. More than ever, the State is required to control spending and the fiscal policy tightly to provide funding for this essential infrastructure.

That subject brings me to the first financial target of the bill: to keep the annual expenses growth below the long-term annual revenue growth. By doing so, we will generate surpluses to provide for infrastructure investment. The second fiscal target is to eliminate unfunded superannuation liabilities by 2030. New South Wales, like the Commonwealth and other Australian States, has significant unfunded superannuation liabilities for past and some present employees. We cannot plan and invest for the future until we reduce or eliminate liability. This is another example of this Government's planning for today and for tomorrow, for putting on a substantial sustainable footing a lot of things over which this State Government has oversight.

We have seen that through the reform of workers compensation, and the death and disability insurances for the NSW Police Force. They are tough, hard decisions, but they are about putting some discipline into running the State so that money is available to provide for our communities, their infrastructure and their future prosperity. The bill also provides three principles of sound financial management to complete this responsible fiscal framework. The first of these three principles is responsible and sustainable spending, tax and infrastructure investment, which includes pursuing stable and predictable spending and taxation policies, and also investing in infrastructure that has the highest benefit for our communities. The second principle is effective financial and asset management.

The third and final principle is to achieve intergenerational equity, not load up our children and our children's children with our liabilities; plan for a sustainable basis so they do not inherit the debt we have had to manage due to the financial ill-discipline of the former Labor Government. Together, these three guiding principles will require this Government to produce fiscally responsible outcomes for the community and to ensure that we manage our finances. There is a transparency to this. Breaches of the requirements of the bill will have to be explained and accompanied by a plan to rectify the breach over forward estimates. The legislation will be renewed in five years. I commend the Fiscal Responsibility Bill 2012 to the House. It is important to get our House in order, which was not understood by the former Labor Government.

Ms TANIA MIHAILUK (Bankstown) [11.53 a.m.]: The Fiscal Responsibility Bill 2012 epitomises the attention-seeking, headline-grabbing nature of the O'Farrell Government. Its stated object is to maintain the triple-A credit rating of New South Wales. While this is an admirable principle and one with bipartisan support, it does not justify this legislation. Successive Labor Governments did not need legislation to maintain the triple-A credit rating—they just did it. Yet in an attempt to trumpet its economic credentials, this Government has introduced legislation. As well as attention-grabbing, this legislation serves another purpose. It allows government backbenchers to take part in a sickening practice of self-congratulation. It allows the member for Myall Lakes to deliver his usual weekly rant about 16 years of Labor Government. It allows the member for Parramatta another lame attempt at comedy. It also allows the member for Penrith to make yet another failed bid for a frontbench position.

Even more important than headline-grabbing or fishing for compliments from subordinates, this bill allows the Government to do one more thing: take up parliamentary sitting time. Unfortunately, I have had House duty for the past hour and I have had to listen to Government members go on and on about the wonderful job they are doing. This Government has learned that a little legislation goes a long way. Last year this principle was demonstrated when we debated the Library Amendment Bill 2012. We painfully heard government speakers talk about their youthful adventures in their local libraries. We saw this again yesterday when government members spoke to the Community Housing Providers (Adoption of National Law) Bill 2012.

Mr Stuart Ayres: Point of order: What is the relevance of the Community Housing Providers (Adoption of National Law) Bill 2012 and the Library Amendment Bill?

ACTING-SPEAKER (Mr Gareth Ward): Order! The point of order is upheld. I draw the member back to the leave of the bill.

Ms TANIA MIHAILUK: Once again, we have heard Government backbenchers expressing their boundless enthusiasm for the smallest legislative instrument, as long as it is proposed by a Minister. When it comes to what this Government does best—ripping off the public sector and the people of the State—its backbench members are silent. They were silent when it came to betraying the police with the Premier's changes to the police death and disability scheme. Backbench members were silent when retail workers were forced to work on public holidays. They were again silent when they privatised electricity generators and also when it was decided to destroy public sector worker rights and take away the authority of the Industrial Relations Commission. However, backbench members are happy to praise Ministers on what is a nothing legislative agenda. This did not have to be legislated. Instead, all the Government had to do was to deliver it, as did the Labor Government. This Government inherited a triple-A credit rating from the former Government.

Let us consider some more troubling data. This Government inherited a \$1.3 billion surplus when it came to office. What has it done with that? This State has now had two budget deficits of more than \$1 billion and government debt has reached \$14 billion. Treasury forecasts show that it will reach \$22 billion over the next four years. Most significantly, this Government has been murder on jobs. Putting aside the 15,000 public sector workers sacked by this Government, the private sector has suffered similarly. According to the Australian Bureau of Statistics there are almost 6,000 fewer jobs in New South Wales now than there were when the O'Farrell Government came to office. Unemployment has increased from 4.8 per cent to 5.2 per cent in the past months alone. This Government was told that jobs were under risk in finance, and in the manufacturing and construction industries. What did this Government do? It did absolutely nothing. The result was the loss of 600 jobs at Heyday Construction, 330 jobs at Caltex Oil Refinery, and 106 jobs at Bonds clothing.

The Government was silent when the job losses occurred. What is the result? It adds to increasing frustration and fear among public sector workers that their jobs will be next. It is appalling to sit in this Chamber and listen to government backbenchers praise this Government, knowing full well that it is a Government that is proud of these job losses, particularly those lost in the public sector. The Government is taking credit for the triple-A credit rating it inherited from the former Labor Government. The Opposition does not oppose this legislation. It calls on the Government to get on with the job, to improve its lacklustre legislative agenda and to deliver on its promises to this State. To date 200 promises have been broken by the O'Farrell Government. It is time this Government committed to the promises it made during the election campaign.

Mr JOHN FLOWERS (Rockdale) [12.01 p.m.]: I support the Fiscal Responsibility Bill 2012 and acknowledge the great job that the Treasurer and member for Manly is doing in his portfolio. He has the interests of all New South Wales residents in mind when he makes the responsible decisions that were evident in the 2012-13 State Budget. That budget builds a brighter economic future through responsible spending and provides better services, including with more nurses, police officers and teachers. We had 16 years of Labor waste and mismanagement—the expensive, nonexistent \$500-million Rozelle metro to nowhere that has now entered the halls of fiscal infamy springs to mind.

The good news is that New South Wales now has a safe pair of hands, with the Treasurer firmly committed to fiscal responsibility. He understands that to keep New South Wales strong we need a strong economy. The communities we represent expect the Government to be responsible in managing the New South Wales economy and that is precisely what it is doing. This bill sets the legislative framework with fiscal policy settings that will maintain the State's triple-A credit rating, which ultimately delivers greater funding for services by avoiding higher interest rates on borrowed funds. The Fiscal Responsibility Act 2005 is out of date and requires amendment. If members were to cast their mind back over the past 16 years they would recall just how reckless the Labor Government was with the State's economy. It neglected many responsibilities across New South Wales, including the provision of services, delivery of infrastructure, accountability—and the list goes on. I could talk about law and order, police station closures, transport and health. As members know, we have only a modest buffer within which to retain the triple-A credit rating.

The Fiscal Responsibility Bill 2012 reflects the debt situation in New South Wales and sets objectives, principles and targets that are both clear and meaningful. Members on this side of the House understand that retaining the triple-A credit rating will provide confidence for business and consumers, minimise interest payments and maximise the amount available to spend on services and infrastructure. It will also provide the best opportunity to raise debt readily in times of financial market uncertainty. Further, the bill sets fiscal targets for achieving the objects of this Act, which are annual growth in general government expenses less than the State's long-term average general government revenue growth, and the elimination of the State's unfunded superannuation liability by 2030. It is through the first fiscal target—that is, expense growth less than average long-term revenue growth—that surpluses can be delivered. That will allow for the additional investment in

infrastructure needed for New South Wales to increase its productivity. The second fiscal target—that is, eliminating the State's unfunded superannuation liability by 2030—is necessary because that liability continues to put the State's finances at risk. That burden needs to be removed.

Federally, Australia's most responsible Treasurer, Peter Costello, was well aware of the necessity to ensure that Australia's Commonwealth public service superannuation liability was fully funded so that it would not be a liability for future generations. As a consequence, the Future Fund was established in 2006 to address the Commonwealth Government's liability. The Howard-Costello Government was no stranger to responsible economic management: on gaining office it was at once confronted with a budget deficit of \$96 billion. To put that into perspective, taking into account inflation, in today's terms it would be a far larger amount. However, the budget was returned to surplus by a disciplined Coalition fiscal policy. Over the 16 years of Labor government its members—including some of the diminished number opposite—appeared to possess no capacity to understand that standard of fiscal discipline. In the dying days of the previous Government one could have been forgiven for thinking that it was using Monopoly money, such was the waste.

I now turn to the principles of sound financial management that are outlined in the bill and understood by members on this side of the House. The first principle is responsible and sustainable spending, taxation and infrastructure investment, including aligning general government revenue and expense growth, stable and predictable taxation policies and investment in infrastructure that returns the greatest benefit to the community. The second principle is effective financial asset management, including sound policies for performance management and reporting, asset maintenance and enhancement, funding decisions and risk management practices. The third principle is achieving intergenerational equity, including ensuring that policy decisions are made having regard to their financial impact on future generations and that the current generation funds the cost of its services.

This Government believes in accountability. That is why the budget papers include a statement of the Government's fiscal strategy, a report on the Government's performance against the bill's objectives, fiscal targets and principles, an assessment of the impact of the budget measures on the State's long-term fiscal gap, the reasons for any departure from that object and those targets and principles, together with the action plan to achieve that object and those targets and principles within the forward years of the budget. The Act will be reviewed five years after its commencement and that review will determine whether the objectives remain valid. A report of the review's outcome will be tabled in Parliament within 12 months of the end of the five-year period. Where Labor ignored its own Fiscal Responsibility Act, the Coalition will not ignore its legislation. This Government will continue to deliver on its commitments and to be fiscally responsible because that is what the people of New South Wales voted overwhelmingly in favour of when they made their decision to leave those opposite with just 20 of the 93 seats in this place. I commend the bill to the House.

Mr NICK LALICH (Cabramatta) [12.08 p.m.]: For the O'Farrell Government to introduce a bill entitled Fiscal Responsibility Bill 2012 is pure hypocrisy and downright embarrassing. I was proud to serve under the Labor Government, which left New South Wales in a sound financial position with its triple-A credit rating intact to safeguard our economy and future investment. The Labor Government was returned to the treasury benches four times by the people of New South Wales. This O'Farrell Government introduces nothing bills because members opposite have no vision for this State and no plans. My colleague the member for Keira said that this is a Government with nothing to do. As I said earlier, it is pure hypocrisy for the O'Farrell Government to talk about fiscal responsibility. Who was in power when the airport link line was established?

It is a gigantic white elephant that was delivered to the people of New South Wales by a Liberal Government at a cost of \$900 million. Which Government gave us Eastern Creek? It was an indulgent project implemented by a Liberal Government that foisted yet another expense on the hardworking people of New South Wales. Approved by the Greiner Government in 1989 and opened in 1990, Eastern Creek was going to be the Mecca for Sydneysiders to go to watch overseas entertainment, concerts and festivals, racing—for example, the V8 Supercars and the motocross—and what is it now? It is an empty shell with a few car races. They remind us of the waste a former Liberal Government delivered to the New South Wales people. For this O'Farrell Government to move a bill entitled Fiscal Responsibility Bill 2012 is pure hypocrisy and downright embarrassing.

The O'Farrell Government has no right to talk about fiscal responsibility in view of its devious tactics. The claims about our supposed \$400 million budget black hole—a scare tactic to soften up the media and the electorate before delivering the "tough but responsible budget"—are very creative. The same words get trotted out every year. To pull the wool over the eyes of the people of New South Wales about our budget position is

nothing short of irresponsible. But that is what we get from this incompetent and uncaring Coalition Government. As with the Library Bill, I know there will be plenty of speakers from the other side looking to bolster their speech numbers on a bill which is just a filler. Where are the Barry O'Farrell reforms? Where are the grand plans, the grand vision? All we have so far is that RailCorp employees can be sent home if upper management deem their appearance unacceptable. What a great piece of legislation that was and how great was it for the working class people of New South Wales? The people of New South Wales expected more when they voted in the Premier. He has certainly disappointed them.

This Government continues to trot out Labor plans and parade them around as their own. The North West Rail Link was a Labor initiative which the O'Farrell spin doctors and Ministers herald as their own. The South West Rail Link is a hugely important piece of infrastructure that commenced under Labor—that is right construction on the South West Rail Link commenced while Labor was still in government—yet one of the Premier's catch cries was that the Government would "start work" on the South West Rail Link. Perhaps the people of south-west Sydney should just be grateful that the Premier pays them any mind at all—he has hardly been out there since coming to office.

Barangaroo is an initiative started under Labor, transforming the last piece of Sydney's waterfront puzzle into what will be an amazing mix of residential, commercial and leisure facilities. Let us not forget that it was Labor under Barrie Unsworth that put Darling Harbour on the map—a magnificent piece of infrastructure and part of Sydney's cultural fibre. They are all examples of Labor's vision, of good planning and of former Labor government's that knew what they were doing. Last term, when the current Premier was the Leader of the Opposition, he said that the triple-A rating does not matter. He used to scream from this side of the Chamber that the Government needs to build infrastructure and not worry about the triple-A credit rating from agencies such as Standard and Poor's; just borrow money and build infrastructure. Well his tune has certainly changed since he came to office.

Every government should be responsible enough to protect the triple-A credit rating; that should not need to be legislated. Without the triple-A credit rating all State borrowings will be far more expensive. That can lead to an inability to control future outgoings. That is just plain commonsense. This bill does not do much but narrows some of the objects that already exist. There is no mention of social impacts; instead there is just the broad general aim of maintaining the triple-A credit rating. The original Fiscal Responsibility Act of the Labor Government was far more detailed. It set out 20 fiscal principles in relation to all government activities, such as keeping the budget in surplus, evaluation of capital expenditure programs, risk management and tax restraint, to name a few. If the principles set out by Labor are abided by the triple-A rating takes care of itself. This is just a bill for a Government with no real vision to have some fill-in legislation in the House. It is a feel-good bill for the Premier and the Treasurer to make it look like they are doing something so they can sit with their friends in big business and act like monetary gurus. The Opposition does not oppose the bill.

Mr PAUL TOOLE (Bathurst—Parliamentary Secretary) [12.13 p.m.]: I have great pleasure in speaking to the Fiscal Responsibility Bill 2012 and I commend the Treasurer, the Hon. Mike Baird, for having the vision and foresight to introduce this bill. Under the Labor Government there was ineptitude and inactivity. For 16 years it lived outside its means and could not budget. Expenditure each year was outgrowing each department. The member for Cabramatta was a member of the former Government but he never told his colleagues that they were living outside their means. He should tell that to all the families in his electorate and to the people across New South Wales who are now left with a \$5.2 billion black hole because of what the former Government did not do for them.

The Fiscal Responsibility Bill 2012 will bring the budget under control to make sure that the Government can deliver services to the people of New South Wales. I will refer shortly to the services that are being delivered in my electorate—and I will need more than the eight minutes and 44 seconds remaining to me. The Fiscal Responsibility Bill 2012 builds for the future of New South Wales. It builds on the results delivered in the first year of this Government. This bill shows that we are getting on with the job of building a stronger New South Wales of which we can all be proud. I am a proud member representing regional New South Wales. I know that this Government is not neglecting regional communities and is ensuring that they get their fair share of services and money. We are taking the steps to rebuild a stronger New South Wales.

On 26 March 2.1 million people of this State changed the Government and said they wanted to see New South Wales recover. They want this Government to be a reformist government, a government to make the necessary changes to see this State prosper. They want a government that acts in the best interests and delivers for each of them. Today this Government is making the decisions for a stronger future for all to enjoy. The

Fiscal Responsibility Bill 2012 is set against a volatile global economy and comes at a time of indecision with Labor's Federal counterparts, who have lost control of this country and have forgotten to govern for the people that they should represent. This Government is making the difficult and tough decisions that are right for the future of this State. We are setting a clear direction and we cannot afford to stand still as the former Government did. Labor members did not tell us about the projects on which they wasted money and about money that was not going into regional communities but was spent in Newcastle, Sydney and Wollongong.

We on this side of the Chamber are standing up for the taxpayers of this State. We have acted to restore fiscal responsibility with measures such as: the new Fiscal Responsibility Bill, a legislated wages policy, reform of the Police Death and Disability Scheme, reform of electricity distribution networks, signing a long-term lease for Sydney's desalination plant to free up vital funds for infrastructure to go into regional communities, and passing other legislation to fix up New South Wales. We have also acted to reform services. We have localised public health services in the running of local hospitals to give more say to those on the ground. We have begun the Local Schools, Local Decisions reform in education, which empowers local principals and communities to implement the education resources they need to improve the opportunities of our kids.

We have launched long-overdue reform of RailCorp and franchised Sydney Ferries, putting customers at the front of all we do in transport. It is already a record of a reformist Government that is acting in the interests of the people of the State. It is a record of which we can be proud. Significant changes have already been made since our election to office on 26 March 2011. We must not forget our uphill battle with the problems that were left behind by the Labor Government. We will make the decisions needed, not those that are the easiest. We will continue to live within our means and employ sound financial management to ensure a bright long-term outlook for the people of New South Wales.

The member for Cabramatta speaks about grand plans and grand visions. I will refer to some of those directly in the seat of Bathurst. The people of the Bathurst electorate have been unrepresented for a long time. For example, renal dialysis chairs in Bathurst were announced in 2007 by the former member. He promised new chairs year after year after year and we never got them. But only this year we have already received two additional dialysis chairs which now accommodate up to eight extra people per day receiving that treatment. This is going to be a great benefit: people will not have to travel to receive the health care they require. A daily return train service from Bathurst to Sydney will be introduced. For 16 years Labor said we cannot do it; it is too hard; we cannot find it. The Government actually did an audit, had a look to see what rolling stock we had around the State. A train sitting in a yard in Lithgow having parts ripped out of it for years. We found the additional train.

After 16 years of Labor saying it could not do it this vital service will be introduced for the people of Bathurst. It will run from the end of October. We will be very pleased to utilise that service. For 30 years Dennison College has been asking for a new gymnasium. The Minister for Education went there to announce a multimillion dollar gymnasium for the school. Parents had been cooking cakes trying to raise a few dollars to put towards the new hall. Already we have a vision and a strategy to deliver for the people of New South Wales. The people of my electorate are getting more services and more infrastructure than they have ever seen before. In the last couple of weeks we announced \$250 million to be spent on the Great Western Highway for necessary roadwork and improvements. Flashing lights were repeatedly promised. Now they will be delivered in Bathurst Lithgow. Schools have received the flashing lights that were promised for so long but never delivered. Our Government actually delivers what we say we are going to do. This is making a huge difference to our local communities.

We have also provided additional frontline services with more police, teachers and nurses in the electorate. We are fighting for our fair share of police for regional New South Wales. For far too long we did not get our fair share. Now we have a Minister who is actually looking at the whole of the State and ensuring that we are getting the police and the resources in the parts of this State where they are needed. On the other hand, the Leader of the Opposition is saying that we should be ripping the police from regional communities, taking them away and putting them into western Sydney. I will be waiting to see whether the member for Cessnock fights for his community, or does he want to see more police taken out of his area? I refer to the local infrastructure renewal program. I could go on all day. This a great bill. I commend the Treasurer for putting it forward and I look forward to having the opportunity later to be able to continue to talk about the vision of the Government for the Bathurst electorate.

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

CRIMES LEGISLATION AMENDMENT BILL 2012

Bill introduced on motion by Mr Greg Smith, read a first time and printed.

Second Reading

Mr GREG SMITH (Epping—Attorney General, and Minister for Justice) [12.25 p.m.]: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Crimes Legislation Amendment Bill 2012. The purpose of the bill is to make miscellaneous amendments to criminal legislation, as part of the Government's regular legislative review and monitoring program. The bill amends a number of Acts to improve the efficiency and operation of the State's criminal laws. The bill also contains provisions to repeal certain legislation. I will now outline each of the amendments in turn. Item [1] of schedule 1 amends section 66F (7) (a) (ii) of the Crimes Act 1900 to remove the word "established" from the term "established de facto partner". Section 66F provides for the offence of engaging in sexual activity with a person with a cognitive impairment and subsection 66F (7) (a) (ii) provides a defence where the accused was married to the person to whom the charge relates, or was a de facto partner of that person.

The term "de facto partner" has a specific statutory meaning under section 26C of the Interpretation Act 1987 and the word "established" is not necessary to convey that meaning. The amendment will not change the nature of the defence or what needs to be proved in order to establish it. Item [2] of schedule 1 amends the definition of "special care" in section 73 of the Crimes Act to include the de facto partner of a parent, guardian or foster parent. Section 73 provides for the offence of unlawful sexual intercourse where the victim is aged between 16 and 18 years and under the "special care" of the offender. The existing definition of "special care" in section 73 (3) (a) captures circumstances where the accused is the step-parent, guardian or foster parent of the victim, or in certain professional relationships with the victim. The amendments contained in the bill will ensure that offenders who are the de facto partner of a parent, guardian or foster parent are also captured by the offence provision. Reform of this provision was suggested by the Supreme Court in the recent matter of *R v JAD* in which the court had to consider whether or not the definition of "special care" extends to de facto partners.

Item [3] of schedule 1 amends the offence of kidnapping in section 86 of the Crimes Act to include circumstances where a person detains another, without their consent, with the intention of committing a serious indictable offence. "Serious indictable offence" is defined in section 4 of the Crimes Act to mean an indictable offence that is punishable by imprisonment for life or for a term of five years or more. At present section 86 criminalises detention of another with intent to hold them to ransom or to obtain any other advantage. Therefore, where a person detains another with intent to commit a particular offence other than obtaining a ransom that offence must be nominated as the "advantage" the offender intended to obtain.

Addition of the new intention subsection will enable the prosecuting authority to identify the specific offence the accused intended to commit without having to express it as an advantage. Further, the amendment will facilitate the offence of kidnapping being added to the definition of "serious sex offence" in the Crimes (Serious Sex Offenders) Act 2006. The new intent provision is intended to operate as an alternative form of charging, meaning that the prosecution will not be obliged to proceed under the new subsection unless it considers it appropriate to do so in the circumstances.

Item [4] of schedule 1 clarifies the law relating to spousal immunity by explicitly abolishing any common law rule that prevents a person from being found guilty of an offence involving failing to disclose a crime committed by their husband, wife or de facto partner. The Crimes Act already contains provisions abolishing common law spousal immunity defences in relation to conspiracy between spouses, and a wife being accessory after the fact to a felony committed by her husband. The amendment contained in the bill will ensure consistency of treatment for similar offences.

The transitional provisions in the bill provide that the amendments to sections 73 and 86 will apply only to an offence committed, or alleged to have been committed, on or after the commencement of the provision. Further, the provision that abolishes the common law rule in relation to failing to disclose a crime will apply only where the offence involving the failure to disclose is committed, or alleged to have been committed, on or after the commencement of the provision. Late last year or earlier this year a woman was

acquitted in the District Court of failing to disclose sexual offences committed against one of her children by her husband, who I think was stepfather to the child. Shortly after that there was a High Court decision involving the Queensland Criminal Code, which seemed to do away with the protection of wives in these sorts of offences.

Items [1] to [6] of schedule 2 expand the definition of "sensitive evidence" in section 281B of the Criminal Procedure Act 1986 to capture an audio recording of a person committing an offence against another person, being the protected person, where the contents of the recording are obscene or indecent, or where providing a copy of the recording to another person without the protected person's consent would interfere with the protected person's privacy. Section 281B (1B) provides that an audio recording is not obscene or indecent merely because it includes obscene or indecent language.

The existing definition of "sensitive evidence" in section 281B applies only to images. Concerns were raised by the Director of Public Prosecutions that an audio recording of the commission of an offence that is obscene or indecent would not be captured where there is no accompanying image. The reforms in the bill will ensure that such recordings are captured as "sensitive evidence" and are therefore subject to the restrictions on possession and dissemination required by the sensitive evidence regime. It was not considered appropriate to extend the definition to capture audio recordings made during the investigation period where such recordings relate to the evidence of vulnerable witnesses and are therefore captured by the specific regime for disclosure and dissemination of such evidence provided for in part 6 of the Criminal Procedure Act. The amendments made by this bill will provide added protection for sexual assault complainants by preventing the dissemination of material that may cause humiliation or further trauma to them. The transitional provisions in the bill provide that these reforms will apply to existing prosecutions.

Items [1] to [3] of schedule 3.1 amend sections 48 and 72 of the Crimes (Domestic and Personal Violence) Act 2007 to provide that an appointed guardian can apply for an apprehended violence order on behalf of a person subject to a guardianship order. These reforms were requested by the Office of the Public Guardian to enable its officers to make an application for apprehended violence orders on behalf of persons over whom they have guardianship. The reforms will not impact on the existing practice for matters involving a criminal allegation whereby a police officer will apply for an apprehended violence order on behalf of the alleged victim. Items [1] to [3] of schedule 3.2 contain amendments to sections 32 and 35A of the Crimes (Sentencing Procedure) Act 1999.

Section 32 permits a prosecutor in sentence proceedings to file in court a list of additional charges that the offender wants the court to take into account on sentencing for the principal offence. Section 35A requires prosecutors to file a certificate on sentence confirming that requisite consultation has taken place with victims and police officers in charge in relation to the filing of a list of additional charges or the preparation of an agreed statement of facts. At present, these sections provide that a list of additional charges or a charge negotiation certificate can be filed only after it is signed by the Director of Public Prosecutions. The regulation presently provides a number of persons with a delegation to sign these documents on behalf of the director, including officers of the WorkCover Authority, the Department of Health and the NSW Police Force.

However, it is not appropriate that these persons sign documents on behalf of the director as his office generally has little or no oversight over their prosecutions. The bill will therefore amend sections 32 and 35A to provide that a list of additional charges or a charge negotiation certificate can be signed by the director or by a person or class of persons prescribed by the regulations. Schedule 3.3 to the bill contains consequential amendments to the Crimes (Sentencing Procedure) Regulation 2010 and includes the provision of a delegation to sign lists of additional charges for the Chief Executive Officer of the New South Wales Food Authority. Item [1] of schedule 3.4 amends the definition of "serious sex offence" in section 5 (1) (b) of the Crimes (Serious Sex Offenders) Act 2006 to include the new kidnap offence of detain with intent to commit a serious indictable offence and the offences of being armed, disguised or entering premises with intent to commit an indictable offence.

Pursuant to the definition in section 5 (1) (b), these offences will be captured as "serious sex offences" only where they were committed with intent to commit offences in the nature of sexual assault and where the offence the offender intended to commit is punishable by seven years imprisonment or more. The transitional provisions provide that these amendments apply only in respect of offences committed on or after the commencement of the legislation. In relation to the section 114 offences, prosecuting authorities will now be on notice that they need to nominate the requisite sexual intent in the charge if they wish the offence to be captured within the definition of "serious sex offence". It is not proposed to include the offence of possessing implements without lawful excuse, also referred to in section 114, in the definition of "serious sex offence" at this stage. That offence has no element of intent and therefore cannot be readily captured within the definition.

Schedules 3.5 and 3.6 address the need for the Bureau of Crime Statistics and Research to obtain from police records of warnings, cautions and youth conferences under the Young Offenders Act 1997. At present there are legal limitations on this exchange. The bureau needs this information in order to effectively monitor and research juvenile reoffending and there is a strong public interest in the bureau doing so. The amendments ensure that these records can be disclosed to the bureau for the purposes of its statistical and other research, subject to protections such as a requirement that any published data be de-identified. The bill will also retrospectively authorise the information exchange that has occurred to date, permitting the bureau to retain the information it has already collected in this manner. The schedule also updates the legislation to reflect the move of Juvenile Justice staff from the Department of Human Services to the Department of Attorney General and Justice.

Schedule 4.3 repeals the Law Enforcement (Powers and Responsibilities) Amendment (Detained Person's Property) Act 2008, which never commenced. That Act included amendments to the Law Enforcement (Powers and Responsibilities) Act 2002 to remove the need for police to itemise the property seized from arrested persons and to allow police to store this property in a resealable property bag instead. The amendments were intended to reduce the time police have to spend itemising individual items of prisoner's property. Commencement of the legislation was delayed to allow the NSW Police Force to complete a trial of the new procedures.

The trial resulted in largely negative feedback from police. Whilst the bags did result in some efficiencies, these were outweighed by the practical difficulties police encountered with them, including their size, which rendered them unable to store large items of property. Both the NSW Police Force and Corrective Services NSW, which also participated in the trial, expressed concern that the absence of a written record of property made it difficult to account for the items seized from a person once they have been transferred into custody. The legislation will now be repealed. Police will continue to use the present procedures for recording and storing prisoner's property, which have been in place since the Law Enforcement Powers and Responsibilities Act was passed in 2002.

Schedule 4.4 repeals the Sporting Venues (Offender Banning Orders) Act 2005, which commenced on 18 November 2005. Schedules 4.1 and 4.2 make amendments consequential to that repeal. The Sporting Venues (Offender Banning Orders) Act was intended to prevent violence and disorder at sporting events by establishing a sports banning orders regime in New South Wales. The Act provides for a court to make an order banning a person from attending or being near specific sporting venues where they have been found guilty of an offence involving violence and disorder at, or in connection with, a sporting event. The specific offences that can result in a ban are identified in section 3 of the Act and include offences involving actual or threatened violence.

In compliance with section 12 of the Act, a statutory review was conducted by the Department of Attorney General and Justice to establish whether the policy objectives of the Act remain valid and whether its terms remain appropriate for securing those objectives. The review received submissions from legal stakeholders and sporting bodies, including the Sydney Olympic Park Authority, Australian Rugby Union Limited and the Football Federation of Australia. Following inquiries with the NSW Police Force, the Office of the Director of Public Prosecutions and the courts, the review could find no evidence of any banning orders having been made under the Act since it commenced. None of the sporting bodies that responded to the review had ever sought an order under the Act. Instead, sporting bodies advised that they use their own administrative systems for banning persons who commit offences at the events they manage. I assume that includes rock throwers.

Those systems are generally enforced by way of conditions of entry that patrons must agree to when purchasing a ticket to a sporting event. The review also noted that the National Rugby League [NRL] currently has a memorandum of understanding with the NSW Police Force with regard to enforcing its bans. That memorandum of understanding has been in place since July 2007, and as at July this year 34 bans had been issued by the NRL. Submissions to the review identified a number of drawbacks with the legislative regime that make it less effective for sporting bodies than their own administrative banning systems. Delay is one drawback as a ban under the Act can be issued only following a conviction, which may come months after the commission of the offence. This contrasts with an administrative ban that a sporting body can issue instantly following unacceptable behaviour.

Further, the Act does not have the flexibility or responsiveness of an administrative banning system, which can be easily altered by, for example, simply changing the conditions of entry to a particular event. A lack of similar legislative banning regimes in other Australian jurisdictions also means that national sporting

bodies cannot rely on consistent legislative sanctions across jurisdictions. This contrasts with an administrative banning system that can be applied with national or even international consistency by sporting bodies. The review considered whether the terms of the Act could be amended to make the legislative banning regime more responsive to the needs of sporting bodies and thereby increase its use. However, the review concluded that it would not be possible to amend the Act in such a way as to make it as effective for sporting bodies as their own systems.

Preventing violence and disorder at sporting events remains a worthwhile objective. However, in the absence of any banning orders having been made, there is no evidence that the Act is contributing to that objective. On the contrary, it appears that the prevention of undesirable behaviour at sporting events is being addressed more effectively via the various banning systems instituted by sporting bodies themselves. In the absence of evidence that it is likely to be used in the future, the only argument for retention of the Act is the deterrent effect of having it in place. However, the review noted that there is little evidence that the Act is having any deterrent effect. Again, it would appear that the sporting bodies' own banning systems and conditions of entry are far more likely to act as a deterrent to offending behaviour than the legislative regime. It was the conclusion of the review that there is no longer any demonstrated need for a legislative banning regime and in those circumstances it cannot be said that the Act is meeting its policy objectives. The bill therefore includes provisions to repeal the Act. I commend the bill to the House.

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

SUCCESSION AMENDMENT (INTERNATIONAL WILLS) BILL 2012

Bill introduced on motion by Mr Greg Smith, read a first time and printed.

Second Reading

Mr GREG SMITH (Epping—Attorney General, and Minister for Justice) [12.46 p.m.]: I move:

That this bill be now read a second time.

The Succession Amendment (International Wills) Bill 2012 amends the Succession Act 2006 to adopt into New South Wales law the uniform law contained in the Convention providing a Uniform Law on the Form of an International Will 1973. The uniform law provides for an additional form of will known as an "international will". The convention was prepared by the International Institute for the Unification of Private Law [UNIDROIT], and it entered into force on 9 February 1978. The convention is currently in force in a number of other countries, including Italy, France, Belgium, Portugal, Slovenia, Bosnia and numerous provinces in Canada. The key benefit of the convention is that it provides greater legal certainty for testators. It provides a uniform set of requirements for a will—known as an international will—that will be recognised as a valid form of will by courts within those countries that have adopted the uniform law.

Currently, proving the formal validity of a will can become complex where the will contains foreign characteristics, such as where a will deals with assets in another jurisdiction or where a will has been executed in another jurisdiction but deals with property situated in New South Wales. For instance, if a will is made in another country and then an application for probate is made in New South Wales, the New South Wales court may have to consider which country's laws should apply to determine its formal validity. This may involve determining matters such as where the will was executed or the residence, domicile or nationality of the testator, and the requirements of the law in force in that place. In the case of an international will, this process would be simplified.

An international will that complies with the uniform law will be recognised as a valid form of will by courts within those countries that have adopted the uniform law, regardless of where the will was made, the location of the assets, or the testator's residence, domicile or nationality. In July 2010 the then Standing Committee of Attorneys-General agreed to take action to implement legislation in each State and Territory to allow Australia to accede to the convention. The Parliamentary Counsel's Committee then prepared a model bill, which has formed the basis of this bill. The convention requires that in order for member states to effectively adopt the convention into law, the text of the uniform law must be reproduced. As a result, item [3] of schedule 1 to the bill essentially reproduces the uniform law contained in the convention.

I now turn to the provisions of the bill. Item [2] of schedule 1 to the bill inserts a new part 2.4A into the Succession Act 2006 dealing with international wills. This creates an additional form of will in New South

Wales. It does not replace existing forms of wills. The use of international wills will be purely optional. Clause 50B provides that the annex to the convention, which is set out in schedule 2, has the force of law in New South Wales. Clause 50C deals with the persons authorised to act in connection with international wills. Under the convention an authorised person is required to attach to a will a certificate to the effect that the proper formalities have been performed. The certificate, in the absence of contrary evidence, is conclusive of the formal validity of the instrument as an international will. Through the standing committee, States and Territories have agreed that authorised persons should have an understanding of local laws concerning wills and of the uniform law's requirements as to form.

This is why the bill designates Australian legal practitioners and public notaries as persons authorised to act in connection with international wills. Clause 50D provides that the requirements for acting as a witness to an international will are governed by the law of New South Wales, and clause 50E makes clear that the provisions of the Succession Act 2006 that apply to wills extend to international wills. These provisions reflect the fact that the international will provisions are confined to providing for a form of a will and are not intended to address matters such as the capacity of witnesses or the construction of the terms of a will.

Item [3] of schedule 1 contains the uniform law as it appears in the Convention providing a Uniform Law on the Form of an International Will. Article 1 provides that a will shall be valid with regard to form irrespective of matters such as where it is made or the location of assets. The key requirement is that the will must be made in the form of an international will, complying with articles 2 to 5 of the uniform law. The uniform law also makes clear that a will that does not satisfy the formal requirements of an international will may still be valid as another form of will. For example, if a testator purports to make an international will but articles 2 to 5 of the uniform law are not complied with the will may nonetheless be a valid will in New South Wales if it is otherwise valid under the Succession Act 2006. This again reflects the intention, which is to provide for an additional form of will rather than substituting for the form of a will already available under the Act.

Articles 2 to 5 of the uniform law contain the requirements for a will to be a valid international will. These include requirements that there be only one testator; that the will be made in writing; that the testator declare in the presence of two witnesses and an authorised person that the document is his or her will and that he or she knows its contents; that the testator sign the will, or acknowledge a previous signature, in the presence of the witnesses and authorised person unless he or she is unable to sign; and that the witnesses and authorised person attest the will by signing it in the testator's presence. Articles 6 to 15 of the uniform law contain further matters of form and other matters. These articles cover matters such as the position of signatures and the date of the will, and where it should be noted. They also deal with the role of the authorised person, and the form and status of the certificate that they provide. Item [1] of schedule 1 provides that the part of the Succession Act 2006 dealing with foreign wills does not limit the operation of the new part 2.4A dealing with international wills.

The convention provides that it will enter into force six months after Australia accedes to it. The New South Wales amendments will not commence operation until the convention comes into force in Australia. Once the uniform law is in operation in each Australian jurisdiction there will be a consistent approach to recognising the formal validity of international wills across Australia. In addition, it should be simpler for courts in other countries that have adopted the uniform law to recognise the formal validity of international wills made in Australia. The bill reflects this Government's commitment to implementing the International Institute for the Unification of Private Law convention and to simplifying the process of proving the formal validity of wills that comply with its requirements. I commend the bill to the House.

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

FISCAL RESPONSIBILITY BILL 2012

Second Reading

Debate resumed from an earlier hour.

Mr JOHN BARILARO (Monaro) [12.56 p.m.]: Before I make my contribution in relation to the Fiscal Responsibility Bill 2012 I must say that it was funny listening to Opposition members, especially the member for Cabramatta, speak this morning in debate. Whenever a good news story came out of the budget—and there was a great announcement for the electorate of Cabramatta regarding money for the high school—those opposite tried to claim it as part of the budget reforms put in place by the previous Labor Government. But

when it came to the debt and liabilities that were left—the mess that was left by the Labor Government—members opposite tried to avoid them. They claimed that we had been in government for 15 months and it was our responsibility—blah, blah, blah. Labor members told two different stories about the same budget.

The O'Farrell-Stoner Government is determined that New South Wales will retain its triple-A credit rating. That is why the primary objective of the new Fiscal Responsibility Bill 2012 is that New South Wales will need to live within its means for the first time in many years—an understanding and appreciation of a simple objective that was totally ignored by Labor for more than 16 years. Fiscal responsibility means governing not only for the immediate needs of the community but also for its future needs. It means ensuring that taxation levels, expenditure and capital investment are sustainable.

Labor introduced the Fiscal Responsibility Act in 2005. However, it met only three of the 14 measures. Key failures include net financial liabilities at nearly double the target and net debt levels at two and a half times the target in 2010. As revealed in last year's budget papers, the previous Government's fiscal management left the State's finances on a path to losing the triple-A credit rating. The objective of the triple-A credit rating places a limit on the amount of debt that the State can borrow. Accordingly, the Government must ensure that its valuable capital is invested in the most productive infrastructure priorities for the community. However, managing debt levels by managing expense growth and using targeted asset sales is not the whole story when it comes to maintaining the triple-A credit rating.

New South Wales, like the Commonwealth and many other States, has a significant unfunded superannuation liability for past and some present employees. It is essential that this liability, which puts the State's finances at risk, is eliminated over time rather than ignored. This leads to the Act's second main target: the elimination of the State's unfunded superannuation liability by 2030. That contrasts with the approach of the previous Labor Government, which chose to stick its head in the sand and ignore a significant financial liability of the State. The proposed triple-A objective and the two fiscal targets, while outcome based, are not sufficient to provide a completely responsible fiscal framework. That is why the Government is proposing three principles of sound financial management.

The first is responsible and sustainable spending, tax and investment, which includes pursuing stable and predictable spending and taxation policies, and investing in infrastructure that has the greatest benefit for the community. The second is effective financial and asset management, which includes policies and processes for performance management, investment funding and risk management. The third is achieving intergenerational equity, which includes the current generation funding, the current cost of its services and ensuring that policy decisions have regard to their financial effects on future generations.

It is essential that the Government is held to account for meeting the objectives, targets and principles. Accordingly, the Treasurer will be required to include in the budget papers each year: a statement of the Government's fiscal strategy; a report on the Government's performance against the bill's objective, fiscal targets and principles; an assessment of the impact of the budget measures on the State's long-term fiscal gap; and the reasons for any departure from those targets and principles, together with details of the planned remedial actions. This is all about transparency. The 2012-13 budget is the first to have been developed under the terms of the proposed Fiscal Responsibility Bill 2012. Fiscal responsibility is one of the key expectations that the community has of our Government. The Labor Government demonstrated little regard for the responsible management of government finances, as shown in the last report on the Fiscal Responsibility Act where it had met only three out of the 14 targets and principles.

This Government inherited a position where State debt levels are so high and a structural deficit so entrenched that there is only limited flexibility within the State's triple-A credit rating. In view of the previous budget and the 2012-13 budget and infrastructure and services needs around the State, the only way we can continue to fund infrastructure spending is if the Government can run surpluses and regain control of its expenses. There was a \$46 million investment in roads across the electorate of Monaro, including funding for the Kings Highway and the Monaro Highway. A heap of local government and regional roads received additional funding, and \$1.4 million was allocated for the Queanbeyan ring road. These types of infrastructure are important to the community and have priority. The budget of 2012-13 achieved that aim of regaining control of expenses. My compliments go to the Treasurer for doing so.

The Government can continue to invest in the electorate of Monaro and other electorates around the State. We heard earlier today about the massive injection of funding for infrastructure and services in the Bathurst electorate. The same applies in Monaro. There is money for hospitals, money for roads and money for

high schools. There is \$5.7 million for Cooma TAFE to deliver a new carpentry and joinery wing. We are educating and empowering the workforce of the future. This can only be achieved through fiscal responsibility and by restraining our expenses and living within our means. Like most mums and dads and businesses—my background is in small business—we have to live within our means.

When the economy is tough you have to respond accordingly, and that is exactly what this year's budget did. We all remember the response of the Leader of the Opposition to last year's budget when he made a 20-minute speech that included a couple of real blunders. I think he made a \$100 million error. The Opposition talks about fiscal responsibility but the previous Labor Government over 16 years, and especially for the last four of those years, presided over waste and mismanagement and burdened businesses, taxpayers, families and income earners of New South Wales. It struggled to invest in the infrastructure and services that were important for driving the economy to the benefit of the people of New South Wales and to attract investment.

The legacy of Labor's mismanagement is that the outcomes for the State in a number of areas were at the bottom of the heap. We were well below the national average when it came to employment and incomes. This morning members opposite talked about their track record of fiscal responsibility. Let us look at their record over the past 15 months. This Government inherited a budget that was already in excess of \$5 billion in debt, plus all the booby traps left by the previous Government. When Labor members were on the way out they made sure they left a mess. They made sure they sabotaged the next generation. When we started bringing forward reforms, because we are a reformist Government, and made politically tough decisions—

ACTING-SPEAKER (Ms Melanie Gibbons): Order! The member for Cessnock will come to order.

Mr JOHN BARILARO: We made the effort, even though they were politically tough decisions. Opposition members opposed our reforms to disability benefits; they opposed our WorkCover reforms; they opposed enforcing the Government's wages policy. We remember the quarter-to-midnight sale of the electricity generators and the mess that Labor left us. They opposed any reform in that area in this term of government. Let us not forget Captain Solar and the solar panel rebate scheme that Labor left behind and the problems that created for taxpayers and households. The Opposition opposed any changes to that scheme. The leasing of the Sydney desalination plant and the leasing of Port Botany were tough political decisions aimed at bringing fiscal management and fiscal restraint to the budget, and the Opposition continued to oppose them. In the dying days of the Labor Government it whacked up the amount in the Community Building Partnership to \$700,000 per electorate as a means of pork-barrelling to get votes.

We have had to bring that figure under control to ensure the program is sustainable. They were tough decisions but they were necessary, as was the decision to fix the running of the ferries. The tough decisions that every Minister in the O'Farrell-Stoner Government is making are about fixing the State and making it number one. They are also about making sure the next generation is not burdened with the debt left by the Labor Government. The proposed objective of the amended Fiscal Responsibility Act is to retain the triple-A credit rating. This will enable the Government to maximise funding for service provision, retain the flexibility to meet shocks that occasionally arise, such as the global financial crisis, and provide the greatest capacity for infrastructure investment to make New South Wales number one again. I commend the Treasurer and I commend the bill to the House.

Mr RICHARD AMERY (Mount Druitt) [1.05 p.m.]: The Opposition obviously supports the Fiscal Responsibility Bill 2012. I will not read out the whole overview of the bill but the explanatory note says it all: The object of the bill is to maintain the triple-A credit rating of the State of New South Wales. It is incredible that 16 months into this Government's term of office it has to bring in a bill to achieve something that the previous Government achieved for the past 16 years—a surplus. I am glad to hear the laughter of members opposite, particularly The Nationals members, which justifies those advertisements at country shows that say, "Mind-reading \$10, members of the National Party half price." Their interjections today confirm those advertisements. The Government's aim of retaining the triple-A rating, as set out in the bill, is admirable and we hope that they achieve it. So far they have retained it, but let us not lose sight of the fact that Government members were left with a triple-A rating. They inherited it; they did not achieve it, they did not earn it, and they did not work for it. They inherited the triple-A rating. I like to hear all the Government members interjecting.

ACTING-SPEAKER (Ms Melanie Gibbons): Order! The member for Monaro will come to order.

Mr RICHARD AMERY: Sixteen months into their term of Government and reality is starting to hit. We remember the speeches they made last year about all the things that were going to be sorted out. Now they

are getting the budget papers—we read the same budget papers—and we know they are getting the big zero. Even their Community Building Partnership money is being cut. I know that all members opposite are happy about that. I want to put some matters on record about this bill in order to balance the debate. I have made the point about the triple-A rating, which was retained right through the term of the previous Government. This Government inherited it and, so far, has maintained it. It wants to keep it.

We all want to keep the triple-A rating. It means a lot not only to the status of the Government but also in relation to things such as interest rates and borrowings. Nobody disagrees with that. In relation to balancing the budget, I do not want to use my words or those of the member for Cessnock or any other member who spoke on the bill, such as the member for Cabramatta, who has been quoted; I will use the words of the Treasurer of New South Wales, Mr Baird, in his Budget Speech last year when he said—I can quote this off the top of my head because I have referred to this comment in many forums since then: "At 30 June 2011 the operating surplus for the State of New South Wales was \$1.3 billion."

Mr Ryan Park: Who said that?

Mr RICHARD AMERY: It was the Liberal Treasurer, the Hon. Michael Baird.

Mr Troy Grant: Don't cherry pick.

Mr RICHARD AMERY: I am simply using that as an example. The Labor Government delivered budget surpluses for 15 consecutive years and this Government has squandered that in 16 months. This Government has predicted four consecutive budget deficits for the first time in this State since 1995. It is always good to hear from an educated man such as the member for Orange. He obviously has a degree in some form of nonsense, and he confirms that every day. Economic growth has slowed from 1.6 per cent to less than 1 per cent since the 26 March 2011 election. The O'Farrell Government's own debt forecast has doubled from \$7.9 billion to \$15.8 billion. These are the Government's own estimates. The fact that the planning system is gridlocked while the Government undertakes a review is another example of this Government's failure to manage this State. The member for Monaro aggressively attacked the Opposition for opposing the Government's workers compensation reforms, the cap on public service pay increases and what he called the tough decisions about public sector employment. We plead guilty to those charges.

Mr Troy Grant: Where is the fiscal responsibility measure that you talked about?

Mr RICHARD AMERY: We did not need one of these bills to deliver 15 straight surpluses; we just did it.

Mr John Barilaro: You cooked the books. You made up the numbers.

ACTING-SPEAKER (Ms Melanie Gibbons): Order! The member for Monaro will come to order.

Mr RICHARD AMERY: What a terrible thing to say about your Treasurer. He said that there was a \$1.3 billion surplus just weeks after the Labor Government left office. Members opposite cannot avoid that.

Mr Chris Hartcher: Landslide, landslide.

Mr RICHARD AMERY: They are all happy about that.

Mr Chris Hartcher: Even you escaped only by the skin of your teeth.

Mr RICHARD AMERY: I am here. The Treasurer's comment about the state of the budget last year, weeks after the Labor Government was defeated, is recorded by the good people of Hansard and is part of the history of this State. He said that the Coalition Government had a \$1.3 billion surplus. One year later, despite reducing public sector working conditions, attacking the workers compensation scheme—employees will no longer be covered when they travel to work—capping public sector employee pay rises and sacking 15,000 of them, this Government has turned a surplus into a deficit. That takes very creative accounting.

The Fiscal Responsibility Bill 2012 has a backdrop of job losses, a complete trashing of accountability, gun crime out of control, our most vulnerable being attacked with increased rents, education cutbacks across the board and the undermining of community groups in every electorate in this State. I conclude by saying that the

Opposition supports the bill. I listened to most of the contributions made by members opposite—some would say that is because I have a sense of humour—and I am enjoying remembering their inaugural speeches and first budget speeches. All of a sudden, after two Coalition budgets, I can see their little smiles fading. I remember all the bridges and buildings that they said would be built and all the things they would do that the previous Government did not do. Welcome to reality.

The Government members I heard speaking this morning did not talk about the budget; they talked about things that will not happen. The only bit of concrete being poured in New South Wales at the moment is being poured at projects that were initiated by the Labor Government or those funded by the Commonwealth Government or local government. If I am wrong, I invite members opposite to correct me. I would like them to prove that this Government can lay claim to being responsible for one cubic metre of concrete that is now being poured. I am not referring to projects that were planned and implemented by the Labor Government. I want them to tell me about a project that has been initiated by this Government since the election. One cubic metre of concrete is yet to be poured under this Government's stewardship. The Opposition supports the bill, but I point out that it should not be necessary.

Mr TROY GRANT (Dubbo—Parliamentary Secretary) [1.15 p.m.]: I should seek an extension immediately to respond to the member for Mount Druitt's tirade of rubbish. I am disappointed that he has left the Chamber. I have finally worked out why the Labor Party lost the last election.

Mr John Barilaro: Tell us.

Mr TROY GRANT: It is because the member for Mount Druitt was not in charge of the Labor Party's messaging. If it had employed his skills to improve its election chances he would have convinced everyone in this State and the Labor Government would have been returned to power. Fortunately, the people of New South Wales were not convinced on 26 March 2011, because for 16 years their confidence and this State's capacity to deliver services and infrastructure were destroyed. The Labor Government had a fiscal responsibility map but it did not follow it. It failed to deliver the hospitals that it promised would be built in the electorates of Dubbo, Parkes and Forbes. That is the concrete that is now being delivered. The Parkes police station is also being delivered by this Government. That had nothing to do with the Labor Government. I agree that the previous Government encouraged the community of Parkes to believe that the police station would be delivered, but it provided only half of the required funding.

My constituents became accustomed to that sort of failure. It is in the Labor Party's DNA to define its success on the basis of still being optimistic after repeated failure. Despite failure after failure, members opposite are happy to claim that they were successful. I am pleased to support the Fiscal Responsibility Bill 2012 introduced by the Treasurer. The object of this bill is to maintain the State's triple-A credit rating. I acknowledge that the Coalition Government inherited a triple-A credit rating, but the economy was heading downward and the loss of that credit rating was imminent. We have witnessed the challenges confronting our friends in Queensland who have lost their triple-A credit rating. The people of Queensland also spoke passionately about their lack of faith in the Labor Party to keep any of its promises and its repeated failures.

This bill states that retaining the State's triple-A credit rating will be achieved by ensuring that the annual growth in general State government expenses is less than the long-term average general government revenue growth. That is not a "light on the hill" statement; it is simply a clear statement about government responsibility and its parameters. Members opposite were subject to the same responsibilities but they cooked the books and added a bit of Federal Government stimulus to make everything look pretty. Of course, the master chef was involved in that. The Gordon Gekko of Macquarie Street sat in the Legislative Council as the Treasurer of this State and ruined the capacity and confidence of New South Wales. He made rotten decision after rotten decision, supported by members on the other side such as Captain Solar, and left us with a legacy that was choking the life out of the capacity of this State to deliver.

The former Government did nothing but drive down the confidence of every sector of this State and, for that, members of the Opposition should forever hang their heads in shame. It was absolutely disgraceful. The second key component of this bill is the elimination of the State's unfunded superannuation liability by 2030. Was the member for Mount Druitt happy to claim credit for that? No. The member for Mount Druitt runs quicker than Usain Bolt from anything that looks like liability. The member for Mount Druitt has been in this place since Noah and he should take accountability and responsibility for his contribution to the continuous failings of the former Government which drove down confidence and the capacity of this State. The Treasurer said it best in his second reading speech: "Fiscal responsibility is one of the cornerstones of good government".

That was never evident in those opposite. Fiscal responsibility means governing not only for the immediate needs of the community but also for its future needs. It means ensuring that taxation levels, expenditure and capital investment are sustainable.

Sustainability is a word completely foreign to those opposite. The global economic difficulties and the continually fractured Federal policies, programs and legislation coming from those lunatics in Canberra are adding to the pain that the former State Government inflicted on this Government. It is amazing that we can make it right again. However, we have complete confidence in our Treasurer. Through the policies and the bill that has been introduced in this place we know he will put New South Wales back on track and restore the confidence of this State. We will do what a good government should do, that is, fund the resources and services that the community expects and invest in infrastructure—measures that were not taken by the former Government.

The member for Mount Druitt said that under this Government no concrete has been laid or cement poured. Did I hear him correctly? Did he level that accusation at this Government? Recently I saw the Minister for Police and Emergency Services turn the first sod on the construction of Dubbo Police Station. I invite the member for Mount Druitt to travel with me on the Newell Highway to Parkes. I will shout him a cup of tea and get a hot washer for his forehead and show him where concrete has been laid in this State. I have many more examples but I will not steal the thunder of other members to expound on the concrete that has been laid in their electorates. Concrete also has been laid at Dubbo hospital. I had never been so attracted to concrete until the member for Mount Druitt articulated why I should be so impassioned by it.

Members of the Opposition have the hide and audacity to question the objective of this legislation and state that this Government has no idea about fiscal responsibility. It is arrogant and audacious for members of the Opposition to lecture us. I repeat that enthusiasm is their cornerstone: despite failure after failure they measure their level of success. That is not the level of success that this Government will measure itself by. This Government will measure its success when at the next election the community of New South Wales has its say. It will decide whether the Government has delivered in a fiscally responsible manner on its promises and commitments to get this State back on track. We will measure our success by making New South Wales number one and restoring the confidence of the people of this great State.

Mr DAVID ELLIOTT (Baulkham Hills) [1.23 p.m.]: I agree with my colleague the member for Dubbo that the member for Mount Druitt has been living under a rock. The consistent criticisms of the Opposition about fiscal responsibility are absolutely laughable. I draw on my experience in my pre-parliamentary life as an industry lobbyist and executive of the Civil Contractors Federation. As the Australian Labor Party knows, that organisation was screaming out for economic activity and the pouring of concrete but Labor, with its love of regulation, got in the way of the Civil Contractors Federation promoting the economic growth that it so desired. Fiscal responsibility is not something that is unknown to the Labor Party but it is restricted to Sussex Street.

As an industry advocate I remember the number of cheques that went into Sussex Street from business leaders because the Labor Party refused to approve any economic activity unless the people who were beneficiaries to that economic activity first paid their cheques to Sussex Street. It was absolutely disgraceful. One day, when I write that book I have promised myself, I will highlight how many of the Labor leaders who have become members of Parliament via Sussex Street have been fundamentally part of the cheque-book politics that New South Wales was riddled with under the Labor administration. One of the most fundamental expectations that the people of New South Wales place upon government at all levels is the maintenance of fiscal responsibility.

The maintenance of strong public finances is not only a community expectation, it also is instrumental to the continuing economic success of this State. It is imperative that a strong position is maintained in the interests of business confidence, crucial infrastructure spending and the preservation of a competitive tax system. The best argument in support of fiscal responsibility is the dire consequences of fiscal irresponsibility. Excessive spending and borrowing are a recipe for economic disaster. Throughout economic history the story has been the same: public spending beyond what is sustainable coupled with expanding debt naturally leading to disaster. This type of reckless public administration cannot be tolerated. The people of New South Wales know it, hence their decision on 26 March 2011.

The greatest threat to a sound fiscal policy is the hideous record of those opposite. The Labor Party talks about fiscal responsibility, but has it ever actually delivered on it? We only have to look at the previous

Government's contemptuous disregard for the Fiscal Responsibility Act 2005 to get a proper understanding of Labor's attitude. Of the 14 targets Labor set itself it met only three. That is a shameful result. Thankfully, one of the hallmarks of Coalition governments across Australia is the delivery of sound financial management consistent with the principles of fiscal responsibility. Let it be widely known that the Liberals and The Nationals are genuinely committed to responsible economic management; we are not here to feather our own nests.

The Fiscal Responsibility Bill 2012 creates a legislative framework for the State's financial policy which will ensure that taxpayers' funds are managed properly. The bill rightly set the preservation of our triple-A credit rating as the main objective of our fiscal policy. This objective is commendable as its achievement ensures business and consumer confidence, sustained economic activity and employment in the State. As has already been well covered in this debate, the maintenance of this credit rating guarantees that the Government can access cheap funds, even in times of uncertainty. Of equal importance is that this bill sets two crucial fiscal targets as priorities for our State: one, that annual growth in government expenses is less than the long-term average government revenue growth of the State; and, two, the elimination of the State's unfunded superannuation liability. Labor has known about this liability for more than a decade. Between now and 2030 these targets are our priority.

It is my firm belief that these targets could and should have been met by the previous administration. In the same economic environment the Howard Government managed to fund the liability. But the Carr-Iemma-Rees-Keneally rollercoaster was idle on this issue. Most importantly, this bill will enshrine in law the Government's commitment to sound principles of economic management with an emphasis on responsible and sustainable spending, taxation and infrastructure investment. I commend the Treasurer for the introduction of this bill. It forms the cornerstone of fiscal responsibility and illustrates the philosophy of the Liberals and The Nationals towards good government. All stakeholders in our economy should have confidence that this Government is committed to the delivery of sound economic management. I commend the bill to the House.

[The Acting-Speaker (Ms Melanie Gibbons) left the chair at 1.30 p.m. The House resumed at 2.15 p.m.]

AUSTRALIAN OLYMPIANS

Ministerial Statement

Mr BARRY O'FARRELL (Ku-ring-gai—Premier, and Minister for Western Sydney) [2.17 p.m.]: This morning the Minister for Sport, the Leader of the Opposition and I joined with the Prime Minister and the Federal Leader of the Opposition, Tony Abbott, to welcome home Australia's 2012 Olympic team from London. When the door of the plane opened, I was delighted that the first two people to emerge were New South Wales citizens. The first was Lauren Jackson, our flag bearer at the Olympic opening ceremony. Lauren is an Albury resident, educated at Murray High School—an institution well represented in this Chamber. Lauren has competed in every Olympic Games since the 2000 Sydney Olympics. Both her parents were members of the Australian national basketball team.

The other person was Malcolm Page, a double gold medallist member in the 470 class. He was the only Australian to back up with a gold medal in these recent Games after winning his first gold medal at the Beijing Olympics. The Page family are from North Curl Curl. Malcolm's father, Don, said this morning, "There are enough Pages here to fill a book." It was absolutely fantastic to see all the members of our Olympic team: they did our nation proud. Some came down the steps from the plane with medals, but there were others who came down without medals. Never let it be said that any one of them did not do his or her best. They would not have been in the Australian Olympic team if they had not met the conditions and standards. As I said earlier, all the athletes did this nation proud, and from this point on they can proudly call themselves Olympians.

Of course some did not win medals. From those snippets of the Games that I saw or heard, whether through the great coverage of Channel 9 and Fox Sport or through the courtesy of 2GB or ABC Radio, for me the standout interview was that conducted with the 19-year-old athlete from Cranbrook, Stephen Solomon, who competed in the 400m event. He said, "Someone's got to lose. Unfortunately, on this occasion it's me." I thought that showed great wisdom. In sport, as we know in politics, one cannot win every day, but the point is to try to win. The point is to encourage our children to continue to strive for success. I pay tribute to all of the athletes, who were keen to represent their nation and who worked their hearts out to do so. Others worked very hard also to support our athletes: their parents—a fact epitomised in an interview conducted with Sally Pearson. Sally was brought up by her single mother, who sold cakes at cake stalls to help Sally reach her potential on the track, as we saw only a week ago in the London Olympics.

At the Qantas hangar this morning our athletes were supported by an army of family and friends who deserve to share in the pride that the nation has for its Olympic team. I was pleased to hear the Federal Leader of the Opposition, Tony Abbott, mention that in a week's time we will see the Paralympics in London. We all remember the great Paralympics that were held in Sydney in 2000. We wish all of Australian Paralympians every success in London. The Minister for Sport approached me earlier this year about whether he could go to London for the Games. I am pleased that he decided not to go to the Olympic Games but to be in London for the period that our Paralympians will be competing at the Paralympics. I pay credit to him for that and to those who will compete in London in the weeks ahead. In particular, I pay tribute to those who represented this State and this nation in the 2012 London Olympics.

Mr JOHN ROBERTSON (Blacktown—Leader of the Opposition) [2.21 p.m.]: I too congratulate all the athletes who inspirationally represented Australia, particularly the athletes who come from New South Wales. Everyone in this Chamber, across New South Wales and the nation should be extremely proud of the efforts of all our athletes. Contrary to comments in the media and hype about medal statistics and the like, to become an Olympian, to represent this nation, to put on the green-and-gold is a feat in itself. At the event this morning the master of ceremonies, Peter Overton, made the point that very few of us—and this applies particularly to members in this Chamber—will ever get the opportunity to say that we were Olympians"

A point worth noting here is that these athletes are members of an elite group; they have achieved something that very few will achieve or have achieved in the past. They ought to be congratulated for those efforts alone. As the Premier said, it was very pleasing that the first two people off the jumbo this morning were our two flag bearers: both of them excelled at the Olympics. That of itself warrants a special mention. It is also worth noting that of the 410 athletes who competed in the Games, 85 had been to the New South Wales Institute of Sport. That speaks volumes about the efforts of the New South Wales Institute of Sport to groom our athletes and get them to their prime for events such as the Olympics. The Australian Olympic team came home with 35 medals—seven gold, 16 silver and 12 bronze. More than half of the gold medallists in the Australian team live in the great State of New South Wales. Those who won gold for sailing events—in the 49ers, the 470s and the Lasers—were New South Wales sailors; people learnt their skills and honed their craft in locations right across the State.

The Premier made specific mention of Sally Pearson. Anyone who saw Sally win gold will agree that it was one of the great moments of the Olympics. She felt great pressure at that time, feeling the weight of a nation's expectation as she set about winning gold. We were all relieved that she achieved her goal and won gold. Sally was raised by a single mother, who went above and beyond the call of duty to ensure that Sally could realise her dreams and achieve something great for herself and for her nation. It is important today that we congratulate every single one of our athletes for performing at their personal best at this great event.

I too want to briefly say something about the Paralympics. I recall seeing an advertisement that was being run during the London Olympics by the Paralympics Organising Committee saying thanks for the warm up act and reminding everyone that the real Olympics were due to start after the conclusion of the Olympics—in about 12 days. One of my constituents, Jayme Paris, will actually be competing in the Paralympics. Jayme is a C3 cyclist. I asked the Minister this morning to keep an eye out for her when he visits the Paralympics. Jayme bronzed in Beijing and is on track to achieve gold in the two events in which she will compete in London. I wish her and everyone else competing in the Paralympics all the very best. I know that they will do our nation proud as they compete in the London 2012 Paralympics.

REPRESENTATION OF MINISTER ABSENT DURING QUESTIONS

Mr BARRY O'FARRELL: I inform the House that I will answer questions addressed to the Minister for Education, who will be absent during question time today.

QUESTION TIME

[Question time commenced at 2.28 p.m.]

CHILD PROTECTION CASEWORKERS

Mr JOHN ROBERTSON: My question without notice is directed to the Minister for Family and Community Services. Given recent reports that a child tragically died in Wollongong after local caseworkers in the Minister's department were unable to follow up the case due to staff shortages, why is the Minister cutting 968 workers from Family and Community Services?

Ms PRU GOWARD: I thank the member for his question. Of course, the truth is that not a single case worker position has been cut in Wollongong. What we are looking at is a disgraceful and morally bankrupt campaign by a union conducting its own leadership elections to link the death of a child in Wollongong to industrial conditions. It is worthwhile drawing attention to the industrial conditions that have imposed on this office by a union with the support of the Opposition. As I have said, there has been no cut. In fact, the vacancy rate in the Wollongong office has been reduced by one-third. So how do we explain that three serious reports were not examined?

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

Ms PRU GOWARD: We need to look at the restrictive work practices and the 19 work bans that have been imposed by the union that those opposite now look to for leadership. In fact, I have noticed that each time the union issues a press release within an hour those opposite follow up with comments using almost the same language. Whilst those opposite might have had a little bit of courage when in government, in opposition they have none. They have returned to being the servants of their real master: a bankrupt union movement.

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

Ms PRU GOWARD: Members will be fascinated to learn that our caseworkers are so compromised in their work because of the 19 workplace conditions that have been imposed by the Public Service Association as part of its election campaign. I will now run through them.

Ms Linda Burney: How dare you—

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

Ms PRU GOWARD: How dare they? How dare a union that has imposed 19 work bans and a number of restrictive practices on our caseworkers multiply its moral hypocrisy by seeking to link a tragedy with the difficulties faced by caseworkers? Those difficulties and restrictions faced by our caseworker were imposed by that very union. I will now remind the House of those conditions. First, the Public Service Association has told its members to disregard casework procedures not approved by the union. Since when was the union the arbiter of and expert in casework practices? The Public Service Association has told its members to take no part in performance reviews. How are we supposed to know how to help our caseworkers if we cannot review their performance?

Mr John Robertson: Point of order—

The SPEAKER: Order! Government members will come to order. The member for Monaro and the member for Wyong will come to order. The Leader of the Opposition has the call.

Mr John Robertson: My point of order is under Standing Order 129, relevance. The question specifically refers to Wollongong and job cuts. The question does not ask for the Minister's view on work bans and the role of the union. This is a very serious matter. I ask that the Minister be drawn back to the leave of the question.

The SPEAKER: Order! The Minister is being relevant to the question asked. It was a very specific question. The point of order is not upheld.

Ms PRU GOWARD: It is impossible to answer this question without referring to the work bans imposed on all offices, including the Wollongong office, by the Public Service Association. As I said, the allegation by the member opposite that there has been a reduction in the number of caseworkers is absolutely wrong. In fact, the vacancy rate has— [*Time expired.*]

KINGS CROSS LATE-NIGHT TRADING VENUES AUDIT

Mr MATT KEAN: My question is addressed to the Premier. What is the Government's response to the recent audit of licensed late-trading venues in Kings Cross?

Mr BARRY O'FARRELL: I thank the member for Hornsby for his question. I know the answer to this question will be of interest to everybody following the tragic death last month of Thomas Kelly. Whether it

is because we go there, or because our children or our grandchildren go there, or because we care about what happens in our city, concerns about the safety of people who visit Kings Cross are an issue for almost every one of us. The alcohol- and drug-fuelled incidents that occur at Kings Cross and their impacts upon innocent individuals and their families are a blight upon this city. Last month the Minister for Tourism, Major Events, Hospitality and Racing announced that the Office of Liquor, Gaming and Racing would audit all late-night trading venues at Kings Cross. The results of that audit make a compelling case for change in the way in which licensed premises operate at Kings Cross.

The audit examined the incident registers of late-night trading venues, which registers are required by existing laws and regulations to be accurately kept. That examination revealed a large disparity between the number of people being refused service because they were drunk and the number of people ejected from premises because they were drunk. Many more people were rejected from nightclubs and bars than were refused service. This has raised serious concerns about the application of responsible service of alcohol laws in that area. The regrettable and unacceptable conclusion is that at Kings Cross one will continue to be sold alcohol until one is so drunk that one is thrown out of a licensed premises. That then becomes a public problem because those same drunken people are then on public streets. This is not what the law or the regulations prescribe. It is not what the community wants in what should be a safe and vibrant nightspot.

Today, in response to the audit, I can announce a range of new measures designed to help curb alcohol- and drug-related violence in Kings Cross. I emphasise for the benefit of the member for Sydney that this is not the plan of management upon which the Government and the City of Sydney council are currently working cooperatively. It is specifically in response to the audit undertaken by the Office of Liquor, Gaming and Racing following the tragic death of Thomas Kelly. By any measure the new requirements are tough—and, frankly, they deserve to be tough. I accept the advice of the Director General of NSW Trade and Investment, who is responsible for the Office of Liquor, Gaming and Racing, that these changes are both targeted and necessary. This morning the director general wrote to the licensees of the 58 bars, pubs, restaurants and nightclubs in Kings Cross advising of his intention to impose eight new conditions on their operating licences. Licensees have until 3 September to make a response to these proposals but they should be under no illusion about the Government's determination to reduce alcohol- and drug-related incidents at Kings Cross.

The proposed changes in licence conditions will mean that on Friday and Saturday nights shots, doubles and some other drinks will not be able to be sold after midnight; no-one will be able to buy more than four drinks at a time after midnight; from 11.00 p.m. there will be two responsible service of alcohol marshals walking around each venue; and alcohol sales will be banned in the hour before a licensed premise closes. On every night of the week the proposed changes will mean that glasses, glass bottles and glass jugs will be banned after midnight; venue managers will immediately notify police of any violence causing injury, and preserve the crime scene; there will be more extensive use of closed circuit television cameras, particularly within licensed premises; and more stringent controls on incident registers. A man is facing court over the death of young Thomas Kelly, and the justice system will deal with this terrible incident that unforgivably resulted in the death of a young man. In the meantime the Government makes no apologies for seeking to improve the safety and amenity of Kings Cross. The memory of Thomas Kelly deserves no less.

CHILD PROTECTION CASEWORKERS

Mrs BARBARA PERRY: I direct my question to the Minister for Family and Community Services.

The SPEAKER: Order! Government members will come to order. There is no reason for any interjections at this stage.

Mrs BARBARA PERRY: Last year the Government told the Ombudsman that all child protection caseworker vacancies would be filled by January 2012. In light of this commitment what is the current statewide caseworker vacancy rate?

Ms PRU GOWARD: I thank the member for Auburn for her question. As the member well knows, caseworker vacancy rates vary from week to week and month-to-month because of issues such as pregnancies, maternity leave, acting positions, et cetera. But I can inform the member that the number of child protection caseworkers has not been cut since the O'Farrell Government came to office. As I said earlier, the Government is struggling with an enormous number of restrictive work practices and bans that have been imposed by the union over the past several months.

Child deaths are always tragedies, and it certainly does not help when caseworkers struggle under additionally restrictive work conditions. It is distressing that the Opposition, in cahoots with its union masters over the past couple of weeks, has run a shocking campaign that has denigrated caseworkers and the work they do, lied about caseworker resources and the child protection budget, and twisted the complexity of Community Services operations. We review our casework to a very high level. That is why we have started to produce the first annual report on child deaths.

Ms Linda Burney: That is not true.

Ms PRU GOWARD: It is the most transparent report that examines Community Services practices in Australia. I think it is a great step forward in transparency.

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

Ms PRU GOWARD: Let me get to the work bans and restrictive work practices.

Mr John Robertson: Point of order—

Mr Andrew Stoner: You don't want to hear what your unions want to do.

The SPEAKER: Order! The Deputy Premier will come to order. The member for Monaro will come to order. The member for Wyong will come to order. The Leader of the Opposition has the call.

Mr John Robertson: My point of order is Standing Order 129, relevance. The question is specifically about the current statewide caseworker vacancy rate. As much as the Minister would like, once again, to go off on a tangent about unions, what workers are doing and the like, the question is specifically about what she is doing and what the statewide vacancy rate is now. I ask you to draw her back to the leave of the question.

The SPEAKER: Order! I understand the point of order. In the first minute of her answer the Minister specifically addressed the statewide vacancy rate as being variable at any one particular time. At the moment she is being relevant to the question asked, so the point of order is not upheld.

Ms PRU GOWARD: I repeat that the vacancy rate, for example, in the Wollongong office is one-third less than it was when we came to office. So we have exactly the same number of caseworkers in Wollongong, but a reduction in the vacancy rate by one-third. I think that is a good thing.

Ms Noreen Hay: The workers don't think it's good.

Ms PRU GOWARD: Yes, they do because they can get on with their job.

The SPEAKER: Order! The member for Wollongong will not argue with the Minister.

Ms PRU GOWARD: The member for Wollongong needs to understand that caseworkers like doing their job. They are not there to play games; they are there to take seriously—

Ms Noreen Hay: I know what they do.

The SPEAKER: Order! The member for Wollongong will cease arguing. The Minister is answering the question.

Ms PRU GOWARD: As the Ombudsman found only a year ago, the department is very well resourced. Despite the significant increases in spending in the department under Labor, caseworkers were seeing fewer children than they were previously. We need to understand the complexity of child protection in New South Wales, the conditions under which caseworkers—

Ms Linda Burney: Answer the question.

Ms PRU GOWARD: I have answered the question. I remind members that the most alarming public sector ban is work ban number 17, which states:

Members are directed not to participate in routine and regular complex case reviews led by any Director of Child and Family or any other director.

That directly risks the safety of vulnerable children and young people. It is a disgrace and it makes a further moral mockery of the campaign by the union in the run-up to its own elections. In addition, the Public Service Association is opposed to caseworkers working across more than one Community Services office, which further limits our capacity to fill gaps when there are gaps and ensure that children are seen when they need to be seen.

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

Ms PRU GOWARD: The Public Service Association has also opposed reforms for caseworkers to do home visits alone, even when the occupational health and safety and risks of those visits are ranked as low.

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

Ms PRU GOWARD: Imagine how many more home visits caseworkers could make if the Public Service Association did not get in the way of child safety. [*Time expired.*]

ALCOHOL-RELATED VIOLENCE

Mrs TANYA DAVIES: My question is addressed to the Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts. What has been the Government's response to the public forum on violence and anti-social behaviour in Kings Cross in the wake of the tragic death of Thomas Kelly?

Mr GEORGE SOURIS: I thank the outstanding member for Mulgoa for her most important question. The Government is committed to addressing the problems in Kings Cross, highlighted by the senseless death of Thomas Kelly—a tragedy that has touched all of us deeply. Last month the Sydney Town Hall was the venue for a public forum organised by Fairfax. It was attended by several hundred people and streamed live over the internet. I was on the panel representing the Government. Numerous valid questions were posed to all members of the panel by a passionate and concerned group of citizens.

However, none of us who attended that Town Hall forum could have forgotten the emotional address to the panel, and to me in particular, from Mr David Anstee, a close friend of Thomas Kelly's family. Mr Anstee is in the public gallery: I acknowledge his presence in this Chamber and welcome him today. Mr Ralph Kelly is interstate and offers his apologies. At that forum Mr Anstee made a genuine and heart-felt plea to me to consider a government-run advertising campaign to change attitudes of young people regarding the misuse of alcohol and attack the underlying culture that binge drinking is cool, that it is the thing to do. Mr Anstee said:

If anything good is to come out of Thomas' horrific death, it is to stimulate change that would benefit other kids and the community.

I could not agree more. I pledged to Mr Anstee at that town hall meeting that I would communicate with my colleague, the Minister for Health, regarding his request and would get back to him. Recently I spoke to Mr Anstee at length over the telephone and then again in person, and I have been left in no doubt about his sincerity and passion regarding the problem of alcohol-fuelled violence and excessive drinking by young people, and methods of solving this dire problem. There will be three campaigns. First, the Government will soon unveil a major campaign to fight alcohol abuse. The Minister for Health has advised me that one campaign will be aimed at educating young people between 16 and 29 years of age about the risks associated with binge or excessive drinking and public drunkenness. It will include outdoor posters, in-venue advertising and print media, with a capacity to develop a digital-social application for the campaign and will run for five months.

There will be a greater focus on young males in this campaign. The 2008 New South Wales Population Health Survey indicated that one in 10 adults engaged in high-risk drinking behaviour—a significantly higher proportion of males, 13.4 per cent, than females, 6.7 per cent. Its aim is to reduce the level of risky drinking, reduce the level of antisocial behaviour, increase awareness of the physical and social harms associated with excessive drinking and public drunkenness, and promote a culture of personal responsibility for the consequences of excessive drinking and public drunkenness. A second campaign will engage with the broader community about how and why we drink and how we as a community need to change negative drinking behaviour. This will run on television, in print and online. These matters also fall within the portfolio responsibilities of the Minister for Mental Health, and Minister for Healthy Lifestyles.

Third, I can inform the House that by the end of this month we will be trialling an interactive, web-based system to educate school pupils of the perils of excess alcohol consumption. The Office of Liquor, Gaming and Racing is developing an internet-based alcohol education resource for senior secondary school

students in partnership with the Department of Education and Communities. It will be available to all New South Wales public high schools in term 4 of this year. It aims to improve young people's awareness around alcohol, the law and the potential risks and dangers associated with alcohol use. By educating young people about the impacts of their behaviour on themselves, their friends and their community, "Out Tonight? Party Right" aims to minimise alcohol-related harm among younger people.

It is directly linked to the New South Wales school curriculum and developed in conjunction with the New South Wales Curriculum and Learning Innovation Centre within the Department of Education and Communities. There are eight distinct lessons, and each lesson contains six activities that encourage students to think about and apply the course material in a variety of situations. The lessons are binge drinking and partying, drinking and your health, sport and alcohol, political and legal responses, sexual activity and alcohol, social and economic impacts, reducing risk, and the law regarding licensed premises.

I have also arranged for Mr Anstee to meet with the Executive Director of the Office of Liquor, Gaming and Racing, Elizabeth Tydd, to add value to the program, particularly in relation to getting the right message out to our youth. Changing Australian drinking culture will not happen overnight, nor will it happen with a single burst of advertising. On behalf of my colleagues and all members of this place I offer our deepest and most sincere heartfelt sympathy to the family and friends of Thomas Kelly and indicate, as the Premier has indicated, that his senseless death was not in vain.

DEPARTMENT OF FAMILY AND COMMUNITY SERVICES CHILD DEATH STATISTICS

Ms CARMEL TEBBUTT: My question is directed to the Minister for Family and Community Services. In light of the Minister's commitment to immediately and publicly report the deaths of any children known to the Department of Family and Community Services, how many children known to the department have died in 2012 and where has this been publicly reported?

Mr Chris Hartcher: You should ask that after what happened under your administration.

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

Ms PRU GOWARD: Indeed, what a disgrace following a government that lied and hid its work in child protection for 16 years. Given the efforts we have made to make the work of this department as public as possible, that is an incredible hide.

Ms Linda Burney: You made a promise.

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

Ms PRU GOWARD: I made a promise to ensure that the public was made aware of the deaths of children. That is why we publish an annual deaths report in which we closely examine the practices of the department and look for opportunities to improve. That is also why, whenever a child's death is reported—and remember there are often very important legal reasons and privacy reasons involved, and not wanting to compromise police investigations—we can only comment in a small amount of detail. That is why, whenever we are asked to comment on a child's death, we have done exactly that. I undertook never to hide from a child's death. It is true that in 2010, as the annual report made clear, there were 139 deaths of children known to the Department of Community Services. At the end of 2011 there were 110 deaths of children known to Community Services. This year, and unfortunately the shadow Minister does not appreciate that we have not got to the end of 2012—

Ms Linda Burney: You promised you would report to the Parliament.

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

Ms PRU GOWARD: I am very happy to facilitate the member's question by advising that the latest statistics show that by August this year a total of 44 deaths of children were known to the Department of Community Services, so we have gone from 139 to 110 to 44 so far.

Ms Linda Burney: Point of order: Standing Order 129. You promised—

The SPEAKER: Order! The member for Canterbury will resume her seat. Members will not take a point of order and then begin to argue with a Minister. The Minister is being entirely relevant to the question asked. I call the member for Canterbury to order for the second time.

Ms PRU GOWARD: It is extraordinary. I have answered the question. I have answered a part of the question that was not anticipated because the member opposite thought that we had got to the end of 2012, whereas in fact we are five months away from that, so I would have thought the answer is pretty clear: 139, 110 and 44. I did undertake to advise whenever a child had died, obviously within the constraints of the legal system and the need to protect the privacy of children, and that is exactly what we have done on every occasion. That is an important part of reforming a system—a system that was allowed to fall into disrepair by a government that was more willing to be beholden to the restrictions on work practices imposed by a union that paraded behind its concern for children when in fact it was protecting work practices and stifling the department's capacity to respond. Members opposite do not like admitting that they presided over a government that was beholden to a union that was more interested in protecting the jobs of its members than it was in protecting the lives of children.

CHINA TRADE AND INVESTMENT

Mr JOHN FLOWERS: My question is addressed to the Deputy Premier. What is the New South Wales Government doing to make New South Wales a more attractive destination to Chinese tourists, students and business travellers?

Mr ANDREW STONER: I thank the member for Rockdale for his question. A stark indication of the critical importance of Australian States developing strong links with the burgeoning economies of Asia was when the Western Australian Premier, Colin Barnett, remarked recently that since becoming Premier of that State he had visited China more often than he had visited Canberra. As part of our commitment to rebuild our economy, the Liberal-Nationals Government—you have to love the member for Lakemba; if he had half a brain, it would be lonely—focused on expanding our State's presence in key emerging and established international markets and therefore we make no apologies for also being regular visitors to China.

In particular, we are working hard to secure trade and investment outcomes for New South Wales in high-growth Asian markets, including China, which the International Monetary Fund [IMF] predicts will experience real gross domestic product [GDP] growth of 8.8 per cent in 2013. By better engaging China and our State's other important trading partners, we are demonstrating our commitment to strengthening our trade and investment ties. Indeed, during a recent visit to Shanghai I was present when three important agreements were struck between New South Wales and Chinese companies.

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

Mr ANDREW STONER: We could talk about some of the trips of the member for Toongabbie. Where is the folder of his trips? Was it Shanghai or the Cannes Film Festival? Monte Carlo is where those opposite went. I am sure that members of the public and the business community in New South Wales would be very interested in these agreements, even though the Labor Party is not, because these agreements are indicative of the many business partnerships that are bringing mutual benefit to our great State as well as to China. Under agreements between China UnionPay and the Commonwealth Bank, National Australia Bank, Macquarie University and Cabcharge, cards from China UnionPay—the only domestic bank card organisation in China—will be accepted at all 170,000 Commonwealth Bank terminals within two years.

Macquarie University, China UnionPay and National Australia Bank are developing a new online payment capability that will enable Chinese students to easily pay their fees in Renminbi. The National Australia Bank, Cabcharge, Destination NSW and UnionPay will also work together to promote the use of UnionPay cards in all Cabcharge terminals and to introduce a new Chinese language sticker on taxis that says, "Welcome to Sydney." The member for Maroubra is a dope if he does not think we should welcome them. My department, NSW Trade and Investment, helped facilitate these important agreements. Whether it is shopping, catching taxis or paying university fees—

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

Mr ANDREW STONER: I think I will send a copy of the *Hansard* with all the interjections to the Chinese Consul General so that he will know what those opposite really think.

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

Mr ANDREW STONER: The shrill one down the end—the member for Canterbury—is only interested in Cannes. Whether it is shopping, catching taxis or paying university fees, the New South Wales Government wants Chinese tourists, business travellers, students and new migrants to know they are welcome in Sydney and it seems the Chinese are listening, with inbound trade and visitor numbers from China increasing dramatically since the Liberal-Nationals Government came to power. In the 12 months following the Liberal-Nationals resounding election victory in March 2011, the number of Chinese visitors to New South Wales increased significantly as a percentage of all inbound tourists from 10.3 per cent to 11.6 per cent. Over the same period, mainland China was also the biggest contributor of international visitor nights in the State with 405,000 visitors staying an average of 30.3 nights per stay, or more than 12 million visitor nights in total. To anyone but the Labor Party, this is great news, with tourism from China alone contributing \$1.2 billion to our New South Wales economy. We will continue to encourage tourists and trade growth with China and our other important trading partners as we grow our State's economy by building on those important relationships.

KINGS CROSS POLICING

Mr JOHN ROBERTSON: My question is directed to the Premier. In light of his earlier answer about alcohol-related violence in Kings Cross, when will he address the staffing shortages at Kings Cross police station?

Mr BARRY O'FARRELL: We heard in the answers provided by the Minister for Family and Community Services an example of just how low Labor would go in using the death of children to support a union campaign. I will say it again: At the end of this month there will be 16,016 police in New South Wales. That is a higher number than ever existed under Labor. We no longer include in actual strengths of local area commands, for instance, people who are on sick leave and not available because if people are on sick leave they are not available to be on the beat. We will continue to graduate new police officers from Goulburn as we committed to do, with an additional 550 by July 2014. We will continue to apply those graduates and police generally to those areas that require attention. I simply say that the Leader of the Opposition, with all due respect, needs to get out to the Cross. I am sure the member for Sydney would agree with me on this, if nothing else. Go to the Cross late at night and see the way in which police, as they did under his Government and are doing under my Government, concentrate police resources there as the night goes on and he will understand that they are doing everything physically possible to try to prevent the sorts of tragedies we have seen.

Mr John Robertson: Point of order: It is Standing Order 129, relevance. It is a straightforward question. There are staffing shortages in Kings Cross, the Premier has made an announcement and I am asking when those vacancies or shortages will be rectified.

The SPEAKER: Order! The Premier's answer is relevant to the question asked.

Mr John Robertson: For the Premier's benefit I can give him the figures.

The SPEAKER: Order! This is not the time to debate the matter. The Leader of the Opposition has raised a valid point of order. The Premier will return to the leave of the question.

Mr BARRY O'FARRELL: Operationally, police numbers at the Cross are increased as the nights go on, particularly on Friday and Saturday nights. I have seen it personally. It was confirmed to me again by the local area commander. I will not make politics out of the death of an unfortunate young man who because of no—

Mr John Robertson: You have.

Mr BARRY O'FARRELL: We have not. We have seen today some of the grubbiest politics I have experienced in 17 years in this Chamber.

The SPEAKER: Order! The Leader of the Opposition will stop shouting and arguing. He has asked the question. I call the Leader of the Opposition to order.

Mr Gareth Ward: Throw him out.

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

Mr BARRY O'FARRELL: What should be a matter of bipartisanship and what certainly has brought the Lord Mayor and me together, which is not a common occurrence, is our determination to clean up Kings Cross once and for all. What I have announced today is far more than Labor did in 16 years. In an audit undertaken by the Office of Liquor, Gaming and Racing of the laws Labor put in place we have found a large number of problems. In response to that, as recommended by the director general, I have announced eight additional licence conditions for premises across Kings Cross.

The SPEAKER: Order! The Leader of the Opposition will cease arguing with the Premier.

Mr BARRY O'FARRELL: What we are not going to continue is a situation in which, for instance, it was said the local area command at Kings Cross had an actual strength of 100 when 20 per cent of them were on sick leave. Why? It is because it meant that 100 police were not available; it meant only 80 police were available. We have brought openness and transparency to reporting on police. We have increased police numbers and we are committed to increasing police numbers by 550. We have said to police we will give them the resources and the numbers required to tackle these problems and we are still waiting 24 hours later to know whether the Leader of the Opposition will support the announcement we made yesterday—

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

Mr BARRY O'FARRELL: —about reforms to the right to silence in this State, something for which the Police Association has been crying out for 17 years. What did the Police Association say yesterday? Mr Goorley said, "Now we expect to see from this that our investigators"—that is, police investigators—"are given a fair chance to reach a truthful finding before they put it to the court rather than being ambushed in court." We are backing police; the Leader of the Opposition will not back our latest proposals.

NATIONAL DISABILITY INSURANCE SCHEME

Mr GARRY EDWARDS: My question is addressed to the Minister for Disability Services. How will people with a disability in the Hunter benefit from a trial of the National Disability Insurance Scheme?

Mr ANDREW CONSTANCE: I thank the member for Swansea for his question and recognise him for his leadership in the Hunter in securing the trial. It was brought home to me in the midst of the media coverage of the Council of Australian Governments [COAG] meeting that the debate around a National Disability Insurance Scheme is not about funding, governance or the scheme; it is about people with disabilities and their carers.

Ms Linda Burney: It took you a long time to get there.

The SPEAKER: Order! I would have thought, given the subject matter of this question and the information the Minister is conveying to the House, that members would remain silent.

Mr ANDREW CONSTANCE: When in the midst of that public debate a lady by the name of Maree Buckwalter rang radio 2GB in tears and pleaded with the national leadership to fully fund a National Disability Insurance Scheme it brought home to me that the key element in all this is making sure we meet the needs of people with disabilities, their carers and their families and not engage in partisan politics. Maree has a 25-year-old son, Alex, who contracted viral meningitis when he was two years of age. For 23 years she has battled the system to try to gain the support she needs for her child. Maree lives in the inner west. She holds out hope that in the next couple of months in the lead-up to the next Council of Australian Governments meeting we can work out the governance and funding arrangements for the national rollout.

The agreement that was struck through the Council of Australian Governments process is a major one. I cannot emphasise enough how serious a step forward this is towards improving the quality of life for people with disabilities in this country. In New South Wales we are running a trial in line with the Productivity Commission recommendations. The trial will support 10,000 participants. The governance arrangements are in line with the Productivity Commission and in line with what the Commonwealth is proposing. It is a trial to which \$550 million will be contributed by the State, plus an additional \$35 million that resulted from negotiations with the Commonwealth, and a \$300 million contribution from the Commonwealth, which as a result of the discussions we had with the Commonwealth during the Council of Australian Governments process meant that an additional \$62 million will go to the front line in relation to the 10,000 participants in the Hunter trial.

Another aspect of the agreement reached between the Commonwealth and the State is that 100 per cent of the risk associated with the trial, both of population risk and pricing risk associated with the mechanisms around individualised funding, coupled with the transition risk, will be carried by the Commonwealth. I might add that among those eligible to participate in this scheme are people with psychiatric illness. This lays a foundation to enter the discussion around the national rollout. The Premier, the Treasurer and I will continue those discussions over the next six months. We have made it clear, as has the Commonwealth, that the precedents that will be set in funding and governance in the trial will not be reflected necessarily across the board when it comes to the national rollout. Very pleasingly, however, 10,000 participants in the Hunter are set to benefit from individualised funding, local area coordination and the establishment of a transition agency that will administer that funding. It is a scheme that will change their lives forever.

I note that the funding will be ongoing after the three-year trial. That funding has now been locked in for those 10,000 participants for life. We must now ensure that over the next six months we continue discussions at the Council of Australian Governments level that will result in the national rollout of the scheme. Those discussions will be complex and no doubt politics will be involved. However, every member in this place—Labor, Coalition, Independent and Greens—has offered support for the scheme. I would like to see that support replicated at the national level, because that would result in the outcome we all want to see: people with disabilities being put at the heart of the system so that they can control their support. [*Extension of time agreed to.*]

People with a disability should be at the heart of decision-making that impacts on them. As part of the trial the Government will continue the State-based reforms that it has embarked upon with regard to individualised funding. This Government made it clear that it would move toward an individualised funding scheme and make it available to all concerned as of 1 July 2014. That reform will continue because it lays the foundation for the rollout of the National Disability Insurance Scheme. Some 120,000 disabled people were identified by the Productivity Commission as needing assistance in New South Wales and 10,000 disabled people in the Hunter will participate in the National Disability Insurance Scheme trial.

We must also ensure that the service sector is well supported through this process, because it will be required to make changes. Last night the shadow Minister for Disability Services joined me at the New South Wales Disability Industry Innovation Awards ceremony, which recognised the way in which the sector is introducing innovative measures to support people with disabilities. This morning I announced the allocation of \$5 million over two years for the implementation of a consumer development fund that is designed to assist individuals to build greater capacity as, for the first time in their lives, they make decisions for themselves with the support of their carers. For too long people with disabilities have been disadvantaged because of the restrictions placed on the traditional support system. That will now change and individuals will be at the heart of the system. It is pleasing that we have been able to commence the National Disability Insurance Scheme process. Members who represent the Hunter Valley will see enormous benefits for people with disabilities in their electorates.

RENEWABLE ENERGY

Mr JAMIE PARKER: I direct my question to the Minister for Resources and Energy.

Mr Adrian Piccoli: You've got matching ties.

Mr JAMIE PARKER: I am asking a question of him. It has been more than 13 months since the Government announced that it would develop a renewable energy action plan to guide New South Wales in meeting its renewable energy target. Does the Government's inability to produce this plan demonstrate its lack of commitment to meeting even its own renewable energy target?

Mr CHRIS HARTCHER: It is interesting that we are asked questions about energy by the member for Balmain, who is a member of The Greens, and the Prime Minister herself weighed into the debate last week about electricity prices, power and the importance of energy, but we have not had one question on this issue from the Labor Opposition. That silence of the lambs who went to their destruction on 26 March 2011 will not go unremarked. However, I will answer the question asked by the member for Balmain. The New South Wales Government—I almost said "Opposition"—

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

Mr CHRIS HARTCHER: The New South Wales Government is committed to its target and it is producing its report, which will be released for public discussion. In the meantime it is taking hard steps. It is not simply producing the report to which the member referred and which the Parliamentary Secretary for Renewable Energy, the member for Pittwater, has been working on under the oversight of Professor Mary O'Kane, the Chief Scientist, who chairs the task force. One of the hard steps that the Government has taken has been to commit \$64 million for the construction of a large-scale solar generation plant in Broken Hill, in the electorate of the member for Murray-Darling. Of that \$64 million, \$18 million will flow into scientific research to advance renewable energy. The Government has encouraged and I have opened the new algae biomass development on the South Coast.

The SPEAKER: Hear, hear!

Mr CHRIS HARTCHER: The Government has been working hard with the proponents to develop a new generation of algae to fuel the future energy needs of this State. We are not only working on a discussion paper; we are also looking at the hard details. Of course, we have also addressed wind power in the State environmental planning policy produced by my colleague the Minister for Planning and Infrastructure. The Coal Innovation Board had a meeting this morning at which representatives of the University of New South Wales gave a presentation about the research work being undertaken in the Hunter on geothermal energy. The Government is addressing solar, wind and geothermal energy. The blueprint to be produced under the auspices of the Parliamentary Secretary will put that into a holistic framework so that the Government can advance its target of 20 per cent renewable energy generation by 2021. Unlike the previous Government, this Government does not simply talk or produce handsome glossy brochures; it also acts in the interests of consumers. It has repeatedly made clear that the cost of green schemes will not be borne by consumers or taxpayers. Electricity bills recently issued have a significant warning from the New South Wales Government that the carbon tax and green schemes cost families \$316 a year.

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

Mr CHRIS HARTCHER: The Leader of the Opposition interjects. If there is one member who should not interject about this issue it is he, because \$34 of that \$316 is the result of his Solar Bonus Scheme. That is an impost of \$34 on each family each year thanks to him.

The SPEAKER: Order! This is not an opportunity for the Leader of the Opposition to argue across the Chamber. The Minister will return to the leave of the question.

Mr CHRIS HARTCHER: Next year's power bills will detail the cost of the carbon tax, the Renewable Energy Scheme and the John Robertson Solar Bonus Scheme.

The SPEAKER: Order! Opposition members will come to order. The member for Keira will stop shouting.

Mr CHRIS HARTCHER: I thank the member for Balmain for asking that important question because it allowed me to tell the House about the cost of the green schemes and what the Leader of the Opposition has imposed on the people of this State. If he believes that that will go unremarked until 2015 he is sadly mistaken. *[Time expired.]*

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

NURSING STAFF NUMBERS

Mr DARREN WEBBER: I address my question to the Minister for Health and Minister for Medical Research. Will the Minister update the House on the number of additional nurses appointed since the election?

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

Mrs JILLIAN SKINNER: I congratulate the member for Wyong on his interest in this important issue. It is particularly important on the Central Coast because more than 400 additional nurses have been appointed there since this Government was elected. Members should keep in mind that the Labor Party reduced the number of nurses employed in that area by 100 when it was in office. Since coming to office this Government has increased the number of nurses it employs by more than 2,900.

The SPEAKER: Order! I remind the member for Macquarie Fields that this is not an opportunity for him to ask questions of the Minister.

Mrs JILLIAN SKINNER: This Government employs more than 46,000 registered nurses and midwives, which is a record. That is nothing like the number that the Labor Government employed. The Government has been delivering on its election promise to employ 2,475 additional nurses over four years. We have already exceeded that number, having employed more than 2,900 nurses. I am very proud that we have delivered 15,000 nurses to work in rural and regional New South Wales, where they were badly needed. This year we have also employed a record number of new graduate nurses and midwives—more than 2,000 in 102 hospitals across the State. We have also involved clinical nurse specialists and clinical nurse educators, an area on which we focused our attention and made commitments.

Last year we employed an extra 40 clinical nurse specialists and clinical nurse educators. We have allocated funds for another 40 this year and in the following years we will employ many more. These new positions are located in Sydney and across the State, including at Coffs Harbour, Bellingen, Macksville, Maitland, Shellharbour, Wollongong, Forbes, Parkes, Cowra and Bourke. In fact, widespread hospitals across the State and community health services are benefitting from these extra nurses. I also pay tribute to the additional Aboriginal nurses and midwives who have joined our workforce. This Government made a strong commitment to increase the number of Aboriginal employees in the health workforce to 2.6 per cent.

The SPEAKER: Order! There is too much audible conversation in the Chamber. The Minister is discussing a fairly important subject.

Mrs JILLIAN SKINNER: This includes increasing the number of Aboriginal nurses and midwives who are employed as cadets as they are gaining their qualifications. Currently 70 cadets are employed and located across the State, including at Newcastle, Kempsey, Nepean, Royal Prince Alfred hospitals and the Royal Hospital for Women. Recruitment will commence in September for an additional 30 cadets. They are very valued members of our nursing workforce. We have also been very pleased to welcome back nurses into the system who have been out of the workforce from five to 10 years through re-entry scholarships that the Government is providing in compliance with the national registration recency of practice provisions. The Government is providing 60 scholarships of up to \$10,000 to assist previously registered nurses to return to their profession. To date we have awarded 30 scholarships and 30 remain for the next year. After gaining their registration those nurses have gone to hospitals such as Nepean, Coffs Harbour, Goulburn, Inverell, Manly and Westmead.

Nurse practitioners are a very important component of the nursing workforce. We now have approximately 200 nurse practitioner positions across the State in emergency departments, in the community caring for patients with chronic and complex diseases such as diabetes and cardiac failure, and specialists in wound care and women's health. The Government sees that role as an important component of health care provision and will continue to support those positions. The Government is providing a comprehensive scholarship program to attract and retain our nursing and midwifery workforce in New South Wales. In 2011-12 more than \$3 million was awarded for 2,290 scholarships, and we will continue to provide these scholarships. I want to turn some of the fantastic programs in which these nurses are involved, for example, the Essentials of Care Program. I know that many of my colleagues have seen that program operating in the hospitals as they have accompanied me on the rounds at those hospitals. [*Extension of time agreed to.*]

Essentials of Care is a program developed by nurses that is now in 600 wards in hospitals across the State. Along with the record numbers, nurses are telling me it has made a real difference to the culture and to ending bullying and harassment in the workplace. They now enjoy working in our hospitals. I am pleased to report an increasing retention rate for nurses. They are not leaving in droves as they were during the 16 years of the Labor Government. We have a fantastic, happy nursing workforce working in programs such as Essentials of Care. Nurses have also been involved in programs such as Ways of Working—WOW. The Ways of Working program encourages nurses to come forward with ideas about how to improve practice—

Ms Linda Burney: Wow.

Mrs JILLIAN SKINNER: Yes, it is wow. I am glad that the member for Canterbury agrees with me. The program was started by nurses. Is the member for Canterbury ridiculing nurses? No, of course not. These programs enable nurses to devise measures on the wards that help them look after patients better. Like me, they know that our focus must be on getting the best possible patient care. I am extremely grateful to all those

hundreds and hundreds of nurses I meet as I visit hospitals. I am reminded by the member for Myall Lakes that we met with a nurse union representative at Manning Base Hospital. The nurse said to us, "Just one question, Minister: Why aren't you using the private hospital contract that the former Labor Government established to get much better services that enabled me to send my patients who are ready for discharge to that private hospital?" Within two days we were able to follow up on that request and use that contract much more effectively. Nurses provide marvellous assistance to the elderly, to patients in community settings, and to families and others right across the State.

Question time concluded at 3.25 p.m.

PETITIONS

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

Wollongong Hospital Scanning Facilities

Petition requesting funding for a PET scan machine at Wollongong Hospital to assist the diagnosis and treatment of patients across the Illawarra and South Coast, received from **Mr Gareth Ward**.

Early Childhood Teacher Salaries

Petition requesting in-principle support for pay parity for early childhood teachers and funding to all community-based long day care services and preschools to achieve early childhood teacher pay parity, received from **Ms Carmel Tebbutt**.

Discussions on petitions set down as orders of the day for a future day.

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

Eastern Suburbs 300 Series Buses

Petition requesting the addition of express buses along the Eastern Distributor tollway from the southern suburbs to the city and the expansion of the 300 series bus service to adequately serve the increasing inner-city population in peak travel period, received from **Ms Clover Moore**.

Eastern Suburbs Bus Service 311

Petition requesting the retention of the 311 bus service link to Central and Circular Quay and the improvements to frequency and reliability, received from **Ms Clover Moore**.

Pets on Public Transport

Petition requesting that pets be allowed on public transport, received from **Ms Clover Moore**.

Cooks River Sewage Flows

Petition requesting the limitation of sewage flows into Cooks River such that levels of E. coli and other human pathogens are reduced below safe levels for swimming and boating activities, received from **Ms Linda Burney**.

Feral Animal Eradication Program

Petition opposing amendments to the Game and Feral Animal Control Act 2002 to extend the feral animal eradication program into New South Wales national parks, nature reserves and State conservation areas, received from **Ms Clover Moore**.

Pig-dog Hunting Ban

Petition requesting the ban of pig-dog hunting in New South Wales, received from **Ms Clover Moore**.

Slaughterhouse Monitoring

Petition requesting mandatory CCTV for all New South Wales slaughterhouses, received from **Ms Clover Moore**.

Social Housing Tenants Commonwealth Clean Energy Supplement

Petition requesting that social housing tenants receive the full benefit of the Commonwealth Clean Energy Supplement provided to offset increased living expenses, received from **Ms Clover Moore**.

Social Housing Tenants Mental Health Support

Petition requesting the provision of community outreach and support programs directed to people with a mental illness who are tenants of Housing NSW and community housing, received from **Ms Clover Moore**.

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

Riverstone Police Resources

Petition requesting an early decision on construction of a new police station in Riverstone and an upgrade of police resources with the provision of mobile patrols, beat police and mobile command unit, received from **Mr Kevin Conolly**.

The Clerk announced that the following Minister had lodged a response to a petition signed by more than 500 persons:

The Hon. Brad Hazzard—Twofold Bay Wind Farm—lodged 21 June 2012 (Mr Andrew Constance)

INSPECTOR OF CUSTODIAL SERVICES BILL 2012

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

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY

National Disability Insurance Scheme

Mr TIM OWEN (Newcastle) [2.27 p.m.]: It will be a pleasure to move probably what is one of the most important motions that has been put before this Parliament. My motion should be accorded priority because the National Disability Insurance Scheme is about recognising the need to improve the lives of people with a disability, their families and carers. The National Disability Insurance Scheme trial will change the lives of 10,000 Newcastle and Hunter residents by providing individualised care and support packages, thus enabling people to choose their own services that best suit them. For the first time ever people with disabilities will be empowered to have their own say and choice in what services they need and require. Every 30 minutes someone in Australia is diagnosed with a significant disability.

Under the National Disability Insurance Scheme people with disability in the Hunter will have decision-making power about their care and support, including choice of service providers. Additionally, for the first time ever, they will be assisted by local coordinators to help manage and deliver their support; and have access to a system they can easily navigate, that will link them to mainstream and community services. The Hunter trial will ensure that New South Wales plays a pivotal role in the implementation of the scheme. Early this month the New South Wales Government and the Australian Government finally reached an agreement for the Hunter regional trial of the National Disability Insurance Scheme to proceed. I commend the Premier for his leadership in this disability reform in that he agreed that the New South Wales Government would contribute an additional \$35 million to a Hunter National Disability Insurance Scheme trial so we, as a Government, could take the important step of involving people with disabilities, their families and carers in New South Wales in the opportunity to participate in this proposed national scheme.

This motion should be accorded priority because it should be acknowledged that the additional \$35 million was committed on top of the initial \$550 million already provided for disability services in the Hunter region. Whilst

the Commonwealth will spend about \$1 billion over the same period, the New South Wales Government will in fact be investing \$8 billion into disability care and support for the people of this State. I note that our \$2 billion worth of growth money is unmatched by other States or Territories in this country. Much more work and commitment are required by the Federal Labor Government. It must agree to the road map of the Productivity Commission in funding the National Disability Insurance Scheme beyond the three-year trial period. The Productivity Commission provided a clear road map for the rollout of the National Disability Insurance Scheme and unambiguously stated that the Commonwealth should be the sole funder of the scheme. It is the Commonwealth's responsibility to commit to the recommendations of the Productivity Commission report and to finally provide sustained support to the most disadvantaged people in our society. That is why this motion should be accorded priority.

Fire Station Closures

Ms CHERIE BURTON (Kogarah) [3.30 p.m.]: My motion should be accorded priority because it involves yet another cost-cutting measure from the O'Farrell razor gang. Let me go back. What about its so-called contract with New South Wales? I think point number three related to transparency and accountability. Let us have a look at that. While the people of New South Wales were cheering on the Olympic athletes in London the O'Farrell Government in the dead of night was shutting down their local fire stations. And for what purpose? To save money; do not worry about community safety. We know what all Government members are going to say. They will trot out the old chestnut that we have to find savings because of Labor. That is an outright lie. It has been confirmed by the Treasury—

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

Ms CHERIE BURTON: —that there is no black hole. In fact, there was a surplus of \$1.3 billion. But a \$1.3 billion surplus might as well be \$1.30 when it is in the hands of this incompetent O'Farrell Government. Seriously, let us have a look at what this will mean for the people of New South Wales.

The SPEAKER: The Leader of the House will resume his seat. The member for Kogarah has the call.

Ms CHERIE BURTON: What this will mean—and this is why this motion should be accorded priority—is that any eight of Sydney's—

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

Ms CHERIE BURTON: —70 fire stations could be closed at any time. An additional two in the Hunter could also be closed. Imagine dialling 000 when, tragically, one's house or one's unit is on fire and one's local fire station is closed. Some stations are under threat of permanently closing—Revesby, Riverwood, Campbelltown or Berkeley Vale, just to name a few. This would mean massive increases in response times, and the longer response times mean more burnt out buildings and more risk to life.

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

Ms CHERIE BURTON: As the firefighters union has said, this plan is playing with people's lives. It is a plan by a Government that has no clue what it is doing. People should not be fooled by the statements of the local members. The members for Oatley and Cronulla said they would fight for the Cronulla Fisheries Research Centre. Their chest beating did not achieve anything. They are windbags—all hot air. I do not know how to break it to the member for Rockdale but his own Government has duded him on Rockdale police station—another broken promise. He is not going to get a police station in Rockdale.

The SPEAKER: Order! The member will address her comments through the Chair. The member for Rockdale will come to order.

Ms CHERIE BURTON: Another broken promise. You are like Oatley and Cronulla—

The SPEAKER: If the member for Kogarah does not address her comments through the Chair I will sit her down.

Ms CHERIE BURTON: He will lose every time. He says he is going to fight and he loses. When Labor was in government and I fought for my community I was successful: I delivered. I was a strong voice in the Government for the people of Kogarah. Whatever the problems are in New South Wales, all Government members have demonstrated is that they are not the solution. [*Time expired.*]

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

The House divided.

Ayes, 63

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

Noes, 22

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

Question resolved in the affirmative.

NATIONAL DISABILITY INSURANCE SCHEME

Motion Accorded Priority

Mr TIM OWEN (Newcastle) [3.41 p.m.]: I move:

That this House:

- (1) recognises that the National Disability Insurance Scheme will vastly improve the lives of people with disability, their families and carers;
- (2) acknowledges the New South Wales Government's leadership in disability reform in securing the Hunter for a trial of the NDIS; and
- (3) calls on the Federal Government to commit to the road map of the Productivity Commission in funding the NDIS beyond the three-year trial period.

After that lunatic tirade it is nice to return to sensible debate. I am delighted to report that the New South Wales Government is proud to deliver a life-changing investment for people with a disability together with a life-changing individualised funding process, the National Disability Insurance Scheme. I note that

10,000 people in the Hunter will benefit from the trial beginning next year. People with disabilities will have their needs assessed and they will start to receive individual care and support packages, enabling them to pick and choose the services they want. They will have decision-making power concerning their care and support, including choice of service provider.

Under the National Disability Insurance Scheme, people with a disability in the Hunter will be assisted by local coordinators to help manage and deliver their support. They will have access to an easily navigated system linking them to mainstream and community services. On 2 August this year I had the privilege to host the Minister for Ageing, and Minister for Disability Services in Newcastle at Lifestyle Solutions, a not-for-profit charitable organisation that supports people who require a helping hand for various reasons. On the day I was also joined by my great Hunter colleagues, members representing the electorates of Charlestown, Port Stephens and Swansea, and the Minister officially announced the National Disability Insurance Scheme trial in the Hunter.

Ms Robyn Parker: Oh.

Mr TIM OWEN: Sorry, Robyn, you weren't there. Needless to say, many individuals and service providers present on the day were delighted to hear the significant announcement. I have received many letters, emails and phone calls from Newcastle constituents, expressing their heartfelt thanks to the New South Wales Government. I would like to mention just one of the many messages that my office has received since the announcement. It is from Mrs Elaine Brown and Mr John Brown about their young grandson, who is autistic. They write:

As our local Member, would you please convey to the Minister sincere appreciation for such a wonderful gesture from the NSW Government and their great stickativeness in finding a solution with the Federal Government. Any assistance given to members of the community like our Zac and the Hunter School under such a scheme would be very much appreciated.

Before continuing, I take this opportunity to set the record straight about the New South Wales Government's submission for the Hunter trial. In the days following the Council of Australian Governments meeting the Commonwealth caused an unnecessary amount of pain and confusion to people with a disability. A strong bipartisan approach and a strong, well-funded scheme are needed to ensure quality of life and choice for the most vulnerable people in our society. It is no time for politics. This leads me to my next point. While I am delighted that the O'Farrell Government has been able to secure a trial in the Hunter, bigger questions remain as to how the scheme will be fully funded into the future.

Let us be clear about the Federal Government's contribution to the National Disability Insurance Scheme. Currently, funding stands at \$1 billion over four years for the trial only, not the national rollout. In accordance with the Productivity Commission's recommendations, it is noted that the report states the Commonwealth should be a sole funder of the National Disability Insurance Scheme in order to provide a clear road map for the rollout of the scheme. The New South Wales Government's offer to the Commonwealth to host the Hunter trial site was supported by more than half a billion dollars over three years. The Commonwealth Government then wanted another \$70 million from New South Wales to begin the trial.

Does that seem fair to anyone in this place? I do not think so. We subsequently offered another \$35 million, which takes our contribution to the Hunter trial to well over \$550 million over three years. We are bending over backwards to get this trial over the line. I say on behalf of my colleagues in this Chamber that the O'Farrell Government looks forward to a bipartisan approach and to working with the Commonwealth to roll out the National Disability Insurance Scheme so that people with a disability get the certainty they deserve, and have their care and support needs met under this significant reform. I also hope that we get strong bipartisan support from the Opposition in this Chamber.

Mrs BARBARA PERRY (Auburn) [3.46 p.m.]: I foreshadow that I will move an amendment to the motion at paragraphs (2) and (3). The National Disability Insurance Scheme is an idea whose time has come. It is a reform that is well and truly in the Labor tradition, as significant as Medicare and compulsory superannuation. It is a reform that has been initiated and now implemented by Labor, and we look forward to the day when it is as much a part of our landscape as Medicare and compulsory superannuation. Many people forget that in the long term the National Disability Insurance Scheme makes not just moral and social sense but economic sense as it allows people with a disability to take their rightful place in the workforce, thereby significantly increasing productivity.

The scheme will transform service delivery for people with disabilities to a person-centred system. As the member for Newcastle rightly points out, it will vastly improve the lives of people with disabilities and of

their families and carers. The New South Wales Labor Government, through its Stronger Together and Stronger Together II initiatives, has built a platform on which the National Disability Insurance Scheme will be built. It is the reason that New South Wales is more ready for the National Disability Insurance Scheme than any other State and in many ways why the Hunter trial site could be configured in its current form. In reality, the Minister is continuing the work of the former Government and the bipartisan agreement on disability initiated by Labor.

I know that he acknowledges that publicly. For these reasons it was most disappointing that the O'Farrell Government had such difficulty negotiating the Hunter pilot. A major issue was the decision not to put any further funding towards the proposed Hunter launch site—a decision that was made clear in the budget papers and initially followed through at the Council of Australian Governments meeting. It showed that the Government was not prepared to put an extra cent to what Labor had asked it to pledge in the bipartisan agreement prior to the last election. I think the public reaction to that decision says more than any argument I can put here. The Government seemed to forget that the National Disability Insurance Scheme is a shared responsibility and the trial sites were never set up to mirror exact funding arrangements for a future scheme. As Barrie Cassidy pointed out in his excellent article about the political posturing that occurred:

Whatever the Productivity Commission said about long-term funding of the National Disability Insurance Scheme, it made no recommendation about the funding of trials. Falling back on the Commission's report to shirk State funding for that was always a cop out.

It was envisaged that the sites be a vital next step in establishing the National Disability Insurance Scheme and provide opportunities for policy learning and determining what funding is needed in a fully rolled-out scheme. I point out that the Productivity Commission recommended that the States give up inefficient taxes, which is one way that the full rollout of the National Disability Insurance Scheme could be funded. The Premier's posturing on this issue has put people with disabilities and their families through a great deal of unnecessary uncertainty. However, for all the downsides and anxiety that the decision caused, one very good thing came from it—namely, we were left in no doubt about the groundswell of support for the National Disability Insurance Scheme.

The people of New South Wales do not want sideshows, grandstanding or anything else to get in its way. What the people of New South Wales want, and what people with disabilities and their families deserve, is leadership, compromise and negotiation. The National Disability Insurance Scheme will be built just as Medicare was built: first things first and step by step. The good news is that we have started and, whilst we acknowledge there is much to be done, there is also much to celebrate. The Opposition will do all it can to maintain the bipartisan commitment that New South Wales will work towards a National Disability Insurance Scheme. The fact is we cannot afford not to have such a scheme. Accordingly, I seek to amend the motion of the member for Newcastle. I move:

That the motion be amended by leaving out paragraphs (2) and (3) with a view to inserting instead:

- (2) acknowledges the leadership of the New South Wales and Federal governments in disability reform in securing the Hunter for a trial of the NDIS; and
- (3) calls on all State governments and the Federal Government to do all they can to make the NDIS a reality.

Mr ANDREW CORNWELL (Charlestown) [3.51 p.m.]: The New South Wales Government is proud to be delivering a life-changing investment for people with a disability, together with a reform in individualised funding, and now the National Disability Insurance Scheme [NDIS]. Some 10,000 people in the Hunter will benefit from a trial of the scheme, which is to begin mid next year. In that trial people with disabilities will have their needs assessed and they will start to receive individual care and support packages. That will enable them to pick and choose the services they want. The Hunter trial will ensure that New South Wales plays a leading role in the implementation of the National Disability Insurance Scheme. With 10,000 people, we will have more participants than any other State or Territory and our participants will not be discriminated against because of their age—unlike in South Australia and Tasmania.

I take this opportunity to set the record straight about the New South Wales Government's submission for the Hunter trial because in the days that followed the Council of Australian Governments meeting an unnecessary amount of pain and confusion was caused by the Commonwealth to people with a disability. The Commonwealth claimed that the New South Wales Government had not put a single cent on the table for the National Disability Insurance Scheme trials. That is wrong. Our proposal for the Hunter trial was backed by \$550 million. Let us be clear about the Federal Labor Government's contribution to the National Disability Insurance Scheme. Federal funding stands at \$1 billion over four years—that is for the trials, not the national

rollout. That represents one-quarter of what was recommended by the Productivity Commission. Over the same period the New South Wales Government will be investing \$8 billion in disability care and support for the people of this State.

The New South Wales Government makes no apology for taking its time in the days after the Council of Australian Governments meeting to examine the Commonwealth's numbers. The shadow Minister described this as posturing. Prime Minister Gillard played politics with this issue; she postured more than Marcel Marceau. Forgive us for not signing a deal then and there on the back of an envelope in Canberra. We came back with an additional \$35 million, meeting the Commonwealth halfway and filling the funding gap that it claimed existed. With the Federal Government agreeing to divert \$60 million to front-line services, we were able to secure a deal for the Hunter trial to proceed.

I repeat: The New South Wales Government has been and always will be committed to the implementation of the National Disability Insurance Scheme in accordance with the recommendations of the Productivity Commission. While the Prime Minister was more interested in playing the blame game over numbers, the New South Wales Government was keen to get the deal done—and it has. On the day after the Council of Australian Governments meeting Mr Andrew Constance, the Minister for Ageing, and Minister for Disability Services, flew to Melbourne to meet with Jenny Macklin but he was unable to secure a meeting. Again, I heard the term "posturing" used. The only posturing was from the Federal Government. On 2 August Barbara Perry, the shadow Minister, tweeted:

Thrilled that NSW NDIS launch site going ahead. Well done Andrew Constance and Jenny Macklin.

I agree with the shadow Minister: Well done. This important reform will benefit the citizens of the Hunter enormously and I hope it is rolled out in line with the recommendations of the Productivity Commission. I commend the original motion to the House.

Ms NOREEN HAY (Wollongong) [3.54 p.m.]: On Monday 30 Monday 2012 the largest rally of people with disabilities ever seen in this country took place in support of a national disability insurance scheme. The theme of the rally was "Rally to Make It Real: NDIS 2012". The Illawarra region was strongly represented at that rally by Greenacres Disability Services, the Flagstaff group, the Disability Trust, Interchange Illawarra, Community Options Illawarra and Interchange Shoalhaven. I place on record my belief that Prime Minister Gillard and the Federal Labor Government should be congratulated on ensuring that a national disability insurance scheme will become a reality and that the former New South Wales Labor Government should be congratulated on setting up the funding program.

Members representing the electorates of Newcastle and Charlestown tried to bandy about the idea that the trial could have failed because of the behaviour of the Federal Government. I listened with interest to those opposite talk about a bipartisan approach but they had to be dragged kicking and screaming to the table to deliver the Hunter trial launch. The member for Newcastle and the member for Charlestown now want to take all the credit. The Federal Labor Government deserves the credit for holding fast and getting the O'Farrell Government to come to the table. The community also deserves credit. The people of New South Wales are not fooled by those opposite.

They know that, while Labor was prepared to adopt a bipartisan approach, those opposite played games and squibbed on \$5 million. The O'Farrell Government put in \$35 million rather than the \$40 million it was asked for. New South Wales is the largest State in Australia; we are the country's engine room. In this year's budget the O'Farrell Government also took \$500 million from community support for people with disability, their families and carers. The O'Farrell Government continues to attack those who need help most. While the Opposition is prepared to offer bipartisan support, it is not prepared to let those who almost tore this trial asunder take credit they do not deserve.

Mr TIM OWEN (Newcastle) [3.57 p.m.], in reply: I begin my reply by stating that my motion will stand. The Opposition is essentially walking away from the recommendations of the Productivity Commission, which basically said that the Federal Government has the prime responsibility for delivering the National Disability Insurance Scheme across Australia. The member for Wollongong did not even get her facts right. Notwithstanding that, I thank those opposite for their minute contributions to debate on this motion. I also thank the member for Charlestown for his contribution. Interestingly, Opposition members who represent electorates in the Hunter did not contribute to the debate.

Mr Daryl Maguire: That's because they do not have any seats anymore.

Mr TIM OWEN: That is true.

Mrs Barbara Perry: Withdraw that, Tim.

Mr TIM OWEN: I will not withdraw anything; my comment stands. The need for change is urgent and the O'Farrell Government has worked hard to make it happen. It has committed more than \$580 million to get the Hunter trial over the line, which is yet another affirmation that the State Government is committed to driving this vital reform for the people of New South Wales. The Premier's strong leadership has secured a trial that will see 10,000 people with disabilities finally getting the help and the services they need. Our Government's commitment to disability is strong and continues to be so. It is time for the Federal Labor Government to show the same level of commitment and offer to fund the National Disability Insurance Scheme beyond the three-year period. People with disabilities deserve better. People with disabilities deserve a Federal government that will put an emphasis on helping those in our community who need it most by giving them specialised support and services, not by playing political games.

It is not good enough simply to run a trial and not implement the scheme Australia wide. Hundreds of thousands of everyday Australians struggle with either mental or physical disabilities. Members opposite made inane comments while the Government tried to secure a bipartisan approach to this issue. That is why the O'Farrell Government will continue to work with the Commonwealth to ensure that the scheme becomes a reality for hundreds of thousands of Australians and not just 10,000 people in the Hunter region. No doubt there will be many hurdles to negotiate before the National Disability Insurance Scheme becomes a reality. Today I am proud to say that the New South Wales Government has been able to secure an historic deal with the Commonwealth for the Hunter, and the trial will proceed next year. I congratulate the Minister on his great work and the excellent negotiating skills he brought to the table. Members opposite should learn a lesson from that.

Question—That the words stand—put and resolved in the affirmative.

Amendment negated.

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

Motion agreed to.

FISCAL RESPONSIBILITY BILL 2012

Second Reading

Debate resumed from an earlier hour.

Mr CLAYTON BARR (Cessnock) [4.02 p.m.]: Let me say at the outset that the Labor Opposition will not oppose the Fiscal Responsibility Bill 2012. I note the irony of having to introduce a fiscal responsibility bill to do what I guess is simply a government responsibility. I would have preferred it if the Coalition Government had introduced a financial bill that was laced with some honesty and integrity. However, that is not the case with this bill; nor has it been the case so far, and I probably should not expect it to be the case in the future. The former Labor Government managed to deliver 15 out of 16 budgets in surplus. On several occasions Government members, and indeed the Treasurer, have argued that Labor's budgets were in surplus because of certain Federal moneys. Governments must spend the money they have, and if that includes Federal moneys then that is what they spend.

Earlier we debated a motion relating to Federal funding for the National Disability Insurance Scheme. No-one is bemoaning the fact that Federal money comes into the State budget. Governments do what they can with the money available to them. So the fiscal responsibility of the former Labor Government, in bringing down 15 out of 16 budgets in surplus, is in stark contrast to the fiscal responsibility of the Coalition Government. The Government has already provided one budget in deficit, and it plans to provide another three budgets in deficit in coming years. The object of the Fiscal Responsibility Bill 2012 is to maintain New South Wales triple-A credit rating. By definition, "maintain" suggests that we need to keep doing what we have been doing. For 16 years the Labor Government managed to maintain the triple-A credit rating, even through the global financial crisis.

I hope that the O'Farrell Government's competence allows New South Wales to maintain the State's triple-A credit rating. However, there are some concerns. Indeed, the Treasurer noted that we have been sailing

fairly close to the wind. By introducing this bill the Treasurer is making a statement not so much to the Labor side of politics—because Labor does not control the chequebook at present—but to his colleagues about the importance of the chequebook and about the Government not making random promises and commitments but being fiscally responsible. The Coalition Government is on an educational journey. I hope that it appreciates its next 1,000 days in government and does not completely ruin the State's finances before Labor manages to return to office.

Interestingly, clause 3 states that the purpose of maintaining the State's triple-A credit rating is to limit the cost of government borrowing and to enable access to the broadest possible investor base for government borrowing. Both of those indicators refer to borrowing. It is fairly important that we understand that when Labor came to power the Greiner Government had a gross State debt of 10 per cent. Over 16 years Labor worked hard to reduce the debt to 4.5 per cent. This Government is projecting that the debt will be back at 11 per cent by 2015-16. So clause 3 is about returning to borrowing, which is a tradition of Coalition governments in New South Wales. The Labor tradition, which was set over the past 16 years, is to repay debt.

For example, mums and dads across New South Wales borrow money to make an investment and then pay it back. Clearly, one team in this Chamber is good at paying back money; the other team is good only at borrowing. Clause 3 also refers to the need to maintain business and consumer confidence, thereby sustaining economic activity and employment in the State. This is about the Government's broad-ranging policies, not just the Fiscal Responsibility Bill 2012. This is about everything, big and little, that the Government does in education, health, sport and recreation and in every other department to sustain economic activity and employment in this State. I draw the attention of members to the fact that the Government is taking money out of education and training and preparing people for employment.

Northnet is a registered training organisation in my community that relies on government funding. This year when it went to the bucket and applied for grant funding there was no money because the Government had managed to take between \$30 million and \$80 million out of education and training in the Hunter. Northnet deals with some of the most difficult young people in our community: people who do not necessarily know who their parents are; young people who do not have a birth certificate because their mother or father moved them across the State and disguised their identity so they could not be found; people who do not know where they are from or where they were born. Some of them do not know their birth date because their parents have never been in a financial position to celebrate a birthday.

Northnet trained these young people to be job ready in an environment where unemployment is as low as 5 per cent. Many employers now look to employ these people who historically have been overlooked for work. That is one of the great things about the condition of this country and State at the moment: These young people get the opportunity to find work. That opportunity has been swept away because we do not have sustainable activity for employment in the State if we are not preparing people for the workplace. I draw attention to the section following part 2, clause 8 (d) of the bill, which refers to the budget papers for 2016-17.

It is important for everybody participating in this debate and the people of New South Wales to understand the pressing urgency for introducing this Fiscal Responsibility Bill 2012. It is all about responsibility in four or five years, a time after the next election and a time when the Government has had four years to prepare the long-term fiscal position of this State, to try to understand it and then map out a future fiscal position for this State. The Fiscal Responsibility Bill 2012 will not be enacted in its entirety for four more years. Let us not kid ourselves that this is about immediate fiscal responsibility. Let us not think that we will get anything other than the deficit we have been promised by the Treasurer, because he will not have to answer to this fiscal responsibility in its entirety for another four years.

Who knows whether he will then be the Treasurer, whether the Coalition will still be in government and what the make-up of many other things will be in this place. I look forward to a Treasurer of New South Wales preparing a long-term fiscal statement in 2016-17. We need also to be aware that "long term" has not been defined; nor has a sufficiently long previous period been defined. Apparently that will be worked out when we go through the regulations. We are debating a bill even though we have not been told everything that we need to know about what a sufficiently long previous period is. I note as I read the budget papers that sometimes the Coalition Government and this Treasurer choose an appropriate fiscal period. Sometimes we see figures quoted from 2006, other times from 2010; sometimes we have a baseline from 2002 and other baselines have been provided from 2008. Who knows?

It seems to me that the Treasurer is intent on taking the most convenient period and making that the baseline data. There is no consistency in either of the two budgets that he has handed down in this place. Why

do we bring in a bill talking about sufficiently long previous periods when we do not define what they are? There are certainly concerns and I hope that in his reply the Treasurer will answer some of those concerns. In closing, I refer to part 2, clauses 7 (4) (a) and (b), and go back to the example I gave about Northnet. "Future generations" means young people who are trained, educated and employed; future generations that will pay taxes, make a meaningful contribution to our society and communities, and future generations that are being deserted by the fiscal policies of this Government. I hope that the Fiscal Responsibility Bill 2012 brings more common sense to this place.

Mr GLENN BROOKES (East Hills) [4.12 p.m.]: The Fiscal Responsibility Bill 2012 needs to be passed by this Parliament to right the wrongs imposed upon this State by almost two decades of Labor's economic incompetence. The bill needs to be passed so that this Government can balance the books and ensure the fiscal viability of New South Wales for many years to come and for many generations to come. The bill must be passed to allow this Government to implement the measures necessary to insulate this State against the economic pressures created by foreign economies and, more alarmingly, the disastrous policies of the Gillard and Swan Government. The New South Wales Government is committed to retaining the State's triple-A credit rating—something that the former Labor Government was all too ready to trash. As revealed by last year's budget papers, the former Labor Government's financial management left this State on a path to losing the triple A-credit rating. While those opposite may scoff at that, in Australia the community expects its Government to be fiscally responsible.

But it is not all bad, and we have learned a thing or two from Labor's 2005 Fiscal Responsibility Act. In particular, it is much better to have a clear objective with a few supporting goals and principals rather than to have so many measures that they are, in the main, ignored. With that in mind, under the Fiscal Responsibility Bill 2012, this Government has set just one clear and unambiguous objective to maintain the State's triple-A credit rating. To achieve that one clear and unambiguous objective, the Government has set two simple tasks: that annual growth of this State's general government expenses is less than the long-term average general government revenue growth and the State's unfunded superannuation liability is eliminated by 2030. Setting targets and goals is praiseworthy, but underpinning that concept is the truth that, as with any family budget, New South Wales must live within its means.

Living within our means involves taking hard decisions now, decisions that may be unpopular in the short term but that are necessary to ensure economic prosperity and stability for the future—economic stability and prosperity that will have a significant impact on the infrastructure backlog that plagues this State. Living within our means also involves implementing three principles of sound financial management. First, responsible and sustainable spending, predictable and appropriate taxation policies, and investment in infrastructure that has the highest benefit for the community; secondly, engaging in effective financial and asset management, including proper risk management; and, thirdly, ensuring that policy decisions made today have regard to financial effects on future generations.

What do we get when we put one clear and unambiguous objective with two simple targets and three principles of sound financial management? We get fiscal responsibility that maintains the State's triple-A credit rating, fiscal responsibility that maximises funding for service provision, fiscal responsibility to provide the greatest capacity for infrastructure investment over time, and fiscal responsibility that sends an important signal to the community that this is a Government that is committed to the wellbeing of New South Wales and its citizens. While this Government inherited a dismal economic position of high debt levels and limited flexibility, our legacy will be wealth, infrastructure investment, an ability to weather the global storms that have caused a mess throughout Europe, and a future for our children and their children that does not come with a bill for the children to pay. For all the reasons I have outlined, it is my pleasure to commend the Fiscal Responsibility Bill 2012 to the House.

Mrs TANYA DAVIES (Mulgoa) [4.19 p.m.]: I support the Fiscal Responsibility Bill 2012, which will set the agenda for the New South Wales Government's fiscal policy for the years to come. This bill reflects the significant positive change that has occurred in New South Wales since the election last year of the Liberal-Nationals Government. The people of New South Wales now have a Government that is willing to make the necessary financial and management decisions required to ensure that as a Government and public service we live within our means and govern with fiscal responsibility to establish a strong financial foundation upon which our State can grow. The first point of the New South Wales Liberals and Nationals Five Point Action Plan to make New South Wales number one again is to strengthen the economy.

There is a high expectation in the community that the O'Farrell Government will repair Labor's disastrous financial management, and rein in the former Labor Government's wasteful spending, including

poorly planned and often cancelled projects and the explosion in the size of the public sector under Labor, especially middle management. The community and the business sector want stability, certainty and a responsible government. That is why last year they voted in record numbers for the Liberals and Nationals. As members will be aware, the Fiscal Responsibility Act 2005 is now due for updating. That Act was to be the guiding principle for the administration of fiscal policy for the previous Labor Government. It set many targets for the Government to reduce debt and spend responsibly.

The Act also required a statutory review of the performance of the Government against the set objectives in the Act. On this point it is interesting to note that Labor stole a foundation stone of the Liberal and National parties—accountability, transparency and financial responsibility. The former Labor Government espoused those objectives as its own but never delivered on them. I find it illuminating to read the "Report of the Treasurer to the NSW Parliament on the review of the Fiscal Responsibility Act 2005." I quote from page 2 of this report because the Treasurer's analysis of the outcome of fiscal activities under the former Labor Government is interesting:

The policy objective of the Act, *maintaining financial results that are fiscally sustainable in the medium and long term*, remains valid and the Government is committed to this objective. However, the review finds that many targets and principles have not been met. There has been no attempt to return to the unmet targets nor has there been acknowledgement of the departure from principles and provision of the reasons, the remedies, and the time frame to return to them, as required under the Act.

The departure from the key net debt and net financial liability targets means that the state has less of a balance sheet buffer to absorb financial risks or shocks, thus threatening the long-term sustainability of the state's finances.

It is very interesting that the report found that only three of the 14 measures had been met; 11 of them were not met under the Labor Government. There are too many to list but I will mention some of them.

Dr Geoff Lee: Tell us some of them.

Mrs TANYA DAVIES: I will tell the member for Parramatta some of them. They include general government net financial liabilities, general government net debt and State unfunded superannuation liabilities. Those targets were not met. What is very interesting is the measure to keep the budget in surplus. All day today we have heard those opposite claim that they delivered budget surpluses in 15 out of 16 years. This review covered a five-year period and the key measure of keeping the budget in surplus was never met in those five years. I do not know how members opposite can make the claim that they have delivered budget surpluses. The Fiscal Responsibility Act 2005 set the medium-term objective to "maintain underlying general government net debt as a proportion of gross State product at or below its level as at 30 June 2005, unless an increase is required in net debt to reduce one or more components of general government net financial liabilities". The report found that at 30 June 2010 general government debt was 2.3 per cent of gross State product, more than double the 2005 level at 1.4 per cent over target.

The Fiscal Responsibility Bill 2012 is further evidence of the changes that have already occurred in the State's budgetary situation and provides a plan for future spending under the Liberals and Nationals. The new Act will take into account the current debt situation and legislate for clear and meaningful targets, developed from principles of sound and responsible fiscal management. Due to the previous Government's deviation from their objectives, the State's triple-A credit rating was at risk. The focus of the targets in this bill is the objective to retain the triple-A credit rating. Retaining the triple-A credit rating will allow the Government to maximise funding for service provision and infrastructure spending, something that we desperately need, whilst still maintaining the capacity of the State to meet financial challenges whether domestic or international.

There are three key reasons why retaining the triple-A credit rating is vitally important for New South Wales. The triple-A credit rating provides access to the lowest borrowing costs. This Government has inherited a debt level so high that even a downgrade to double-A would increase debt servicing costs by around \$375 million over the next four years and by \$3.75 billion over the next decade. The triple-A credit rating provides New South Wales with access to the widest possible investor base. This is critical in times of global financial dislocation. The loss of the triple-A credit rating would damage business confidence in New South Wales. Investors and businesses must have confidence in the New South Wales economy or the State will suffer a loss of economic activity and higher unemployment.

To retain the triple-A credit rating two fiscal targets will be adopted. The first is to keep expense growth below long-term average revenue growth. To put it simply, we must live within our means. This is sound advice that should be adopted and followed not only by government but by all levels of our community including family and individual budgets. We must live within our means. That is the basic concept that those

opposite never understood. New South Wales cannot spend more than New South Wales earns. Secondly, we will continue to work towards the elimination of unfunded superannuation liabilities by 2030. Our fiscal policy will be guided by three principles of sound public sector management: First, responsible and sustainable spending, taxation and infrastructure investment; secondly, effective financial and asset management; and, thirdly, achieving intergenerational equality.

Our Government is building a stronger New South Wales for the future and I am determined, as part of the Liberals and Nationals Government, that when I leave this place New South Wales will be in a stronger economic position than it was when I first arrived. The new Act will also require the Government to assess compliance with the objectives and principles each year in the budget. Any breaches of the Act must be reported with a plan to rectify them over the forward estimates. Unlike the previous Government we take the legislating of fiscal principles seriously. The Act will not simply be a helpful prop as it was for many Labor Premiers; this Act is our plan for the management of finances for New South Wales. In closing I reiterate the introductory comments of the State Treasurer when he introduced the bill to this House:

Fiscal responsibility is one of the cornerstones of good government. Fiscal responsibility means governing not only for the immediate needs of the community but also for its future needs. It means ensuring that taxation levels, expenditure and capital investment are sustainable. One need look no further than Europe to see the current havoc that fiscal irresponsibility can wreak on governments and communities. There, prolonged periods of excessive borrowing have led to government services being cut, taxes being increased and social dislocation. In Australia, the community expects its governments to be fiscally responsible.

The people of New South Wales now have a fiscally responsible Government that will deliver. I commend the bill to the House.

Mr JONATHAN O'DEA (Davidson) [4.28 p.m.]: The woes of the world's economies are predominantly a result of fiscal irresponsibility. It is therefore timely that the New South Wales Liberals and Nationals Government has introduced this legislation for future fiscal responsibility. It should help boost confidence, reduce Government debt and reinforce intergenerational equity. While Wayne Swan said in August 2011 that Australia's gold-plated triple-A credit rating was safe and secure, he could only say that due to the budget surpluses enjoyed under the Howard-Costello Government. Australia previously experienced a credit downgrade in 1986 under Federal Labor, with a national triple-A credit status regained only in the financial year 2002-03 under Howard and Costello. As Peter Costello, the excellent Australian Treasurer from 1999 until 2007, said, a triple-A credit rating is very hard to recover once it has been lost.

The clear message from both the former Federal Treasurer and the State Treasurer is that we should not lose that credit rating in the first place. South Australia lost its triple-A credit rating after its Labor Government's cost-cutting budget was handed down in May. It is forecast that South Australia's net debt will peak in four years at nearly half of government revenue. Queensland and Tasmania also have double-A credit ratings. We do not want that to happen in New South Wales. Standard and Poor's downgraded South Australia's credit rating because revenue was expected to fall without spending being satisfactorily reduced, thus worsening debt levels. Its financial situation is expected to deteriorate substantially over the next few years. We must avoid that situation in New South Wales, where at the moment debt is reasonably high but manageable. However, we cannot afford debt levels to rise substantially, and we must act now to ensure that we have an appropriate strategic framework.

The Government is making it a priority to retain this State's triple-A credit rating. By doing that and avoiding a one-notch downgrade, as the Treasurer indicated, the State will save some \$375 million over four years and \$3.75 billion over 10 years. The proposed amendments to the Fiscal Responsibility Act 2005 are an attempt to refocus the Government's attention on short-term fiscal control by ensuring that annual growth in general government expenses is reduced so that it is less than the long-term average level of general government revenue growth. Continuing the recent adverse spending trend in New South Wales would have resulted in this State losing its triple-A credit rating. In fact, as a number of members have already noted, the Labor Government failed to meet its own financial benchmarks.

The former Labor Government was only able to hang on to that credit rating by implementing a half-baked, half-priced and fully desperate sale of State electricity generation assets. At the same time it maintained its other triple-A rating—of amateur, arrogant and appalling. Unfortunately, it appears that the Labor Party has not changed much, and that was demonstrated by the contributions of various members today in this debate. We cannot predict the future in the present economic climate. We also cannot assume that the future will look after itself. We cannot become complacent in the way that Greece did. After Greece adopted the euro, public spending exploded. For example, public sector wages increased by 50 per cent between 1999 and 2007 and tax evasion became widespread, thereby reducing government income.

That meant that the difference between Greece's spending and its income spiralled out of control, making it especially vulnerable to the vagaries of international marketplaces. After it became clear that Greece could no longer repay its loans it negotiated further massive loans from the other European countries and the International Monetary Fund. As we all know, since then Greece has encountered problems trying to conform to the conditions of those loans. That obviously has all the hallmarks of irresponsible fiscal policy. It has also created intergenerational inequity among the Greek people. This legislation attempts to avoid that happening in New South Wales. The Government believes that the people of this State now and in the future should enjoy a decent level of prosperity. In that sense, I agree with the economist James Tobin, who wrote in 1974:

The trustees of endowed institutions are the guardians of the future against the claims of the present. Their task in managing the endowment is to preserve equity among generations.

By retaining the State's triple-A credit rating the Government can minimise its interest expenses and maintain service delivery. That is especially important in areas such as health, education, and law and order. It is vital that those services continue to operate at their current high standards for future generations. It has also helped to boost local business confidence and employment during what has been a gloomy global interlude. Another major issue that must be addressed promptly is New South Wales unfunded superannuation liability. We have seen a blowout of more than \$10 billion in that liability in just one year with an increase from \$28.9 billion to \$38.7 billion. This bill aims to attack that problem and to eliminate the unfunded liability totally by 2030. That is an admirable goal that the Treasurer has set as a challenge and one that we must aspire to and meet.

The Auditor-General has recommended that Treasury review the structure and number of public sector funds and establish whether efficiencies and cost savings might be achieved by consolidating the range of funds in New South Wales. That is another area that should be examined. We must legislate for responsible and sustainable spending, taxing and investing in infrastructure. This then must be managed and reported on to control and monitor vital fiscal maintenance. That will be achieved by assessing performance annually in the budget. By doing all this the Government will ensure that spending is not higher than income and that debt is controlled. Most families appreciate that they must achieve that goal with their own finances. Likewise, this Government is focused on doing what is right. It will continue to deliver responsible governance of New South Wales on behalf of all its people.

Mr GUY ZANGARI (Fairfield) [4.37 p.m.]: The objective of the Fiscal Responsibility Bill 2012 is to maintain the State's triple-A credit rating. The bill states that the fiscal strategies for achieving that target are ensuring that the annual growth in general government expenses is less than long-term average general government revenue growth and the elimination of the State's unfunded superannuation liabilities by 2030. This bill is absolutely not rocket science. That is what the Government was elected to do; that is, to be fiscally responsible for the State. The Labor Government was fiscally responsible in delivering 15 out of 16 budget surpluses. The O'Farrell Government has a long way to go. Members opposite take every opportunity available to them to chant the old "16 years of Labor" song.

The member for Myall Lakes uses copy and paste for every contribution he makes in this place. The Government is now on the dance floor and it must dance. Maintaining the triple-A credit rating is not an issue for debate. There is no doubt that that is what we all want, and no-one will reject the primary objective of this bill. However, we should be discussing what the Government is doing to maintain that credit rating, or, rather, what it is not doing. I note that one of the objectives of the bill is to limit the cost of government borrowing. I ask the Government: Which services or major projects will not be funded in order to limit borrowing? Another clause states that the budget papers for 2016-17, and every five years thereafter, are to include an updated report on fiscal pressures and a reassessment of the State's long-term fiscal gap.

Do we have to wait another four years for that information? What happens in the meantime? Let me highlight some of the things that this Government has done in the past 17 months to jeopardise the triple-A rating. We should be debating issues such as the blow-out of government debt while infrastructure spending has gone down. In the first year of the O'Farrell Government infrastructure spending is down by \$1.5 billion. More than 23,000 jobs have been lost in the finance, construction and manufacturing sectors since this Government was elected. The housing industry has stalled, with building approvals, housing finance and construction all falling. Building approvals are down by 8 per cent, new construction is down by 13 per cent and economic growth has slowed to only 1.3 per cent under this Government.

And the list goes on: cuts to education, the capping of public sector wages to 2.5 per cent and cuts to front-line staff—police, firefighters and nurses. This Government has turned a \$1.3 billion surplus and a strong triple-A rated budget into a \$744 million deficit with skyrocketing debt levels. Under the O'Farrell Government

the cost of living has increased by well above the rate of inflation. I am sure every member in this Chamber knows how people are struggling to make ends meet in their electorates. Yet since last July the Government has increased electricity prices. The Government has given all sorts of excuses but it is responsible for the rises. Electricity prices have increased by 18.1 per cent, train fares by 7.4 per cent, bus fares up by 6.1 per cent and petrol by 12 per cent. We need the Government to take action to maintain the credit rating, not just talk about it. We need action from this Government to get on with the job of advancing our State, not continuing to put the State's credit rating at risk.

Ms MELANIE GIBBONS (Menai) [4.42 p.m.]: I support the Treasurer's Fiscal Responsibility Bill 2012. As we are still a fresh-faced Government we have been working hard to return this State to where it should be as the number one State in Australia.

Ms Carmel Tebbutt: Not very fresh faced.

Ms MELANIE GIBBONS: We are fresh faced. We must keep a watchful eye on the economy to maintain its health. When we were handed the State's finances in 2011 one of our first commitments was to maintain our triple-A credit rating. Despite the budget being tight and a number of cuts being made to recoup necessary funds, it is one goal to which we have remained committed. Financial security is a topic we frequently see on our television screens and in our newspapers. We have been captivated by the recent Greek elections and the economic circumstances in some countries Europe and the potential impacts they will have on the rest of the world.

The Australian people look to the Government for financial security and trust that it will take care of the economy for now and into the future. The Treasurer is doing a commendable job, but he also has a big job ahead of him. This bill is just one of the steps the Government is taking to ensure that the State's finances are protected and our triple-A credit rating is maintained. As revealed in last year's budget papers, the fiscal management of the previous Government left the State's finances headed towards losing the triple-A credit rating. This bill will require the Government to review the current Fiscal Responsibility Act and ensure it has a clear objective that is achievable. The new framework is intended to provide more room for discipline and better outcomes.

As I have said, the Government's objective is to retain the triple-A credit rating. By keeping the rating it will minimise interest expense and maximise the amount available to spend on services and infrastructure into the future. It also means that New South Wales will be in the best position should it need to raise debt easily in times of financial market uncertainty. The other, but still important, aspect of maintaining the triple-A credit rating is that business, consumers and the community will remain confident about the New South Wales economy. We have seen how Queensland was affected when its rating was reduced by just one notch. During times of financial market uncertainty the cost of borrowing for Queensland has been more than half a per cent higher than in New South Wales, and the financial situation continues to be unpredictable for our northern neighbours.

If New South Wales were to lose its current rating it would cost approximately \$375 million during the next four years. This is not a cost we want to bear, or one that to which we should resign ourselves. It could take 10 years to regain a triple-A rating, making a cumulative credit cost of \$3.75 billion. Imagine what we could do with that amount. The primary objective of the Fiscal Responsibility Bill 2012 is to retain this State's triple-A credit rating. However, New South Wales will have to work hard to reduce its overspending and avoid blown out budgets. We are aware of the large infrastructure backlog to provide some of our much-needed road upgrades and investments in our hospitals and schools. However, to make sure those very worthwhile projects are achieved we have to control our spending in other areas.

I will point out the work and funds that are being expended on Liverpool Hospital at the moment. This kind of spending obviously still needs to continue as it is necessary spending on wards and facilities that have been opened as a result of funding of \$390 million. Liverpool Hospital has a new 800-space car park for staff members that will free up spaces in the visitors car park and will make it easier for doctors, nurses and administration staff to undertake their work. Earlier the member for Mount Druitt said that no concrete had been poured as a result of this Government's projects. I advise him that Liverpool Hospital car park upgrade is a result of this Government.

Mr Anthony Roberts: And good local members.

Ms MELANIE GIBBONS: Thank you to local members. I was really active in relation to this matter. It came about as a result of a community meeting with doctors, nurses and some of the administration staff, who said they park their cars miles down the road and have to walk back to them at night after long shifts.

Mr Anthony Roberts: You delivered.

Ms MELANIE GIBBONS: This Government has delivered.

Mr Anthony Roberts: You delivered.

Ms MELANIE GIBBONS: Take it, take it.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Menai does not need a hand. She is doing well enough, thanks to the Minister for Fair Trading.

Ms MELANIE GIBBONS: It is very nice of him, though. By ensuring that expense growth is less than average long-term revenue growth, New South Wales can generate surpluses to provide for additional infrastructure investment. This will also allow us to enjoy a buffer to help manage overall debt levels. We must also address the State's unfunded superannuation liability for past and some present employees. This liability needs to be eliminated over time. Ignoring it would put the State's finances at risk. We have set the target of 2030 to reach this goal. As the Treasurer said, "We must budget for tomorrow as much as for today". He is right, and this bill will help us do just that. Should bumps on the road occur, the bill includes ways to rectify any breaches and manage the things within our control.

We need to remember that maintaining our triple-A rating and achieving the two fiscal targets are not enough to ensure a completely responsible fiscal framework. The bill proposes three principles to help us achieve sound financial management: responsible and sustainable spending, tax and investment; effective financial and asset management; and achieving intergenerational equity. Combined, those principles will mean that the Government must aim for fiscally responsible outcomes for the community and ensure that the management of finances occurs in a responsible manner. The Treasurer has committed to ensuring that taxation levels, expenditure and capital investment are sustainable.

Government should be held accountable for its actions. We must work hard to retain the public's confidence in our ability to manage our finances—an ability the Australian Labor Party had lost. The bill will allow us to achieve these aims. The public's confidence is important: after all, it is the public's money. Each year the Treasurer will now be required to include a statement on the Government's fiscal strategy, a report on the Government's performance against the bill's objectives, fiscal targets and principles, assessment of the impact of the budget measures on the State's long-term fiscal gap and the reasons for any departure from those targets and principles, together with the details of the planned remedial actions. Each of these measures ensures that there is transparency, and the Government will be required to stay committed to these objectives.

The Act will be reviewed after five years to ensure that it is meeting the objectives and that it is working to sustain and improve our fiscal responsibilities. As a pre-cursor to this legislation, the 2012-13 budget was prepared for the first time under the terms proposed in this bill. It is a sign of good faith that the Government has our fiscal management at the forefront of its priorities. Now the job begins to rebuild the State's finances after the poor state that they were left in by the former Government. The main objective of the amended Fiscal Responsibility Act is to retain the triple-A credit rating. It is incredibly important to do so. Today we send a strong message to the people of New South Wales that this Government supports fiscal responsibility and remains committed to ensure a sound economic future for this State. I commend the bill to the House.

Mr DOMINIC PERROTTET (Castle Hill) [4.51 p.m.]: I support the Fiscal Responsibility Bill 2012. The O'Farrell Government was elected to make New South Wales number one again. One of the main precepts we ran on was to bring fiscal responsibility back to New South Wales. After 16 years of the Labor Government taxpayers, the wider public of New South Wales, were sick to death of the waste and fiscal irresponsibility of the previous Government. Let us just go through briefly some of the more insightful financial decisions made by the previous Government.

Mr Christopher Gulaptis: I think that is a good idea.

Mr DOMINIC PERROTTET: It is a good idea. We will start with the CBD metro. It was announced at a time when Labor cancelled the North West Rail Link—I think for the third time—on the basis that it could not be afforded. One week later the CBD metro was announced—a project that was eventually scrapped, costing taxpayers \$350 million and with not one passenger on a train, not one piece of track laid. The Labor Government produced absolutely nothing with that project.

When listening to the member for Cabramatta earlier in the debate I almost fell off my chair. He claimed that the North West Rail Link was a Labor initiative that the Liberal spin doctors have now claimed as their own. What? Labor members now claim that announcements are something to be proud of. They announced this project four times. We have announced it once and are now delivering it. Tunnelling will start next year. We claim that as a success for the people of the north-west. Unlike those opposite, can we afford to build it because we are putting in place fiscal responsibility policies to ensure that we can build the infrastructure to make New South Wales number one again. More importantly, we are going to ensure that the waste of the previous Government in projects such as the Solar Bonus Scheme is not replicated.

The Auditor General described the scheme as lacking the most elementary operational controls. Yet the previous Government proceeded with this \$362 million scheme. That amount is about the same as was lost on the CBD metro. The scheme will cost \$1 billion by the time it is finished—the great financial management of the previous Labor Government at its best. My personal favourite was around the time I was a young student going through university. I finished my Higher School Certificate in the great year of the Sydney Olympic Games—we are still in the Olympic spirit although we did not do so well this year as we did at the Sydney Olympic Games. But 2000 was the year that the Tcard was meant to be rolled out. That matter has recently been settled, costing the Government \$70 million. The project went over 12 years but we ended up with nothing: we did not get a card. We are on the way with the Opal ticketing system, which I am sure will be delivered.

I am sure that it will take less than 12 years, because this Government is responsible—not just financially responsible but also morally responsible. Ministers of the previous Government lined up day by day at the Independent Commission Against Corruption. We will not be seeing the same from this side of the House. As a former lawyer one of my favourites was the JusticeLink electronic legal processing system, which has been in the newspaper recently, a system that has cost taxpayers \$55 million. Most people in the legal profession did not use the system. Everyone continued to send clerks down to process documents. That is what I did. Why? Because documents get lost online and the case management would never be updated on the electronic system. We are currently inquiring into the system. I hope that the system will be scrapped.

Mr Christopher Gulaptis: How much did it cost?

Mr DOMINIC PERROTTET: It cost \$55 million of taxpayers' money—money from the hardworking families of north-western Sydney and western Sydney who are struggling to pay their bills. This is what we had for 16 years from those opposite. It is with great pleasure that I have the opportunity as a new member of this place to speak on this bill. I will just quickly run through the objects of the bill set out in clause 3. The firstly is to limit the cost of government borrowing; the second is to enable access to the broadest possible investor base for government borrowing; and the third is to maintain business and consumer confidence, thereby sustaining economic activity and employment in this State. The targets and principles set out in this bill will ensure that the annual growth in general government expense of the State is less than the long-term average general government revenue growth of the State. Another requirement is that the State's unfunded superannuation liability be eliminated by 2030.

The people of New South Wales expect the Government to put in place policies and legislation that pursue long-term fiscal sustainability for our future generations. Of course, tough decisions will have to be made. But the Government cannot shy away from the tough and at times unpopular decisions. Governments must be responsible not just for today's population but for the future generations. The Fiscal Responsibility Bill 2012 provides the Government with the chance to review and better manage the State's finances. The Labor Party, those opposite, introduced the Fiscal Responsibility Act 2005. They set out 14 measures to reduce government debt consistent with the General Government Debt Elimination Act 1995. How many of these measures were met? Only three were met. I was never very good at maths at school but three out of 14 is about 21 per cent, which is ironically the same percentage of members that the Labor Party is left with in this House. At least they are consistent.

The Government is committed to retaining our State's triple-A credit rating. Following a review last year by the Treasurer it is clear that the existing Fiscal Responsibility Act is now obsolete. The new Act needs to

reflect the current debt situation and bring about responsible fiscal and financial management with clear principles and targets. The prime objective of the revised Fiscal Responsibility Bill is to retain the triple-A credit rating. This will enable the maximisation of funding for service provision, retain flexibility to meet shocks and provide greatest choice of infrastructure over time.

There are generally three overarching principles why we need to maintain this rating. Credit rating impacts on borrowing costs. A downgrade in the State's rating will increase debt servicing costs by around \$75 million over four years and \$3.75 billion over 10 years. Secondly, a triple-A credit rating provides access to the broadest possible investor base. Thirdly, business confidence decreases as credit rating decreases, which impacts on economic activity and employment. We only need to look to Queensland to understand the importance of maintaining a triple-A credit rating. Even dropping a notch down several years ago has had a significant effect on the cost and ability of the Queensland Government securing finance. A similar notch down in this State's credit rating would significantly increase the cost of servicing our debt by around \$375 million over four years—around \$3.75 billion over 10 years.

To provide for future necessary infrastructure projects such as new schools, transport projects and increased funding of our health system, it is vital not only that our triple-A credit rating is maintained but also that expenditure is curbed to free capital for them. It is necessary to keep the annual growth in general government expenses in the State below the general government revenue growth. Like any family with increasing costs trying to save or pay for a mortgage, the Government must tighten its belt to ensure a surplus for additional infrastructure investment. To that end, the Government will be guided by the three principles of sound public sector management: responsible and sustainable spending, taxation and investment; effective financial and asset management; and achieving intergenerational equity.

As previously mentioned, the Labor Government demonstrated little consideration for the State's finances, as only three of the 14 targets and principles were met under the Fiscal Responsibility Act 2005. The O'Farrell Government has inherited a challenge; nonetheless it is committed to rising to the occasion. By reducing debt levels and maintaining a triple-A credit rating the Government's ability to maximise funding for better services and continuing to invest in vital infrastructure will be assured. I commend the Treasurer for his commitment to sustainable fiscal management and for introducing this bill. I commend the bill to the House.

Mr CHRISTOPHER GULAPTIS (Clarence) [5.01 p.m.]: I support the Fiscal Responsibility Bill 2012. I commend the Treasurer for introducing this bill and for his commitment to reform New South Wales so we are once again the number one State in Australia. I use the term "reform" because the change seen in this State since the O'Farrell Government won office has been nothing short of reform. The Labor Government brought New South Wales to the brink of a credit rating downgrade. The O'Farrell-Stoner Government has certainly had its work cut out to reform New South Wales after 16 years of waste, mismanagement and maladministration. Labor's headquarters are now in the Independent Commission Against Corruption because that is where the members meet more often than they do at Sussex Street.

The former Labor Government wasted over \$400 million on the CBD metro without a single length of track delivered, yet Labor members now bleat about its fiscal responsibility record. The Labor Government left New South Wales with a debt of over \$40 billion. That shows what those opposite think of intergenerational equity. All this occurred at a time when Australia had a mining boom and New South Wales had a building boom. The people of New South Wales want to know what happened to that money. I am glad that the Opposition supports this bill. It is a shame that those opposite did not practise fiscal responsibility when in government. God help New South Wales if the Labor Party had been in control of Treasury during the global financial crisis: no doubt our debt levels would be far higher than the \$40 billion debt those opposite left our children.

The legacy of 16 years of Labor mismanagement in my electorate is the same as that in every other New South Wales electorate: a lack of services, a lack of infrastructure and a lack of business confidence. In Clarence that mismanagement meant we had fewer police, fewer nurses and fewer teachers. Since the O'Farrell-Stoner Government won office the number of police, nurses and teachers in my electorate has increased. The Grafton Bridge was not even on the radar after former Premier Bob Carr—the king of spin—gave an ironclad guarantee that it would be built. This Government has finally given a commitment to commencing work on the Grafton Bridge. The duplication of the Pacific Highway was languishing until the O'Farrell-Stoner Government committed record funding over two consecutive years—namely, \$1 billion last year and the same again this year. But because of the Labor Government's mismanagement the public service has had to be downsized. Let us lay the blame where it belongs: squarely at the feet of those opposite.

Fiscal responsibility is one of the cornerstones of good government. This means governing not only for the immediate needs of the community but also for its future needs. It means ensuring that taxation levels, expenditure and capital investment are sustainable. One needs to look no further than Europe to see the impact of fiscal responsibility on governments and communities. What we have seen in Europe is the result of prolonged periods of excessive borrowing and living beyond their means, just like New South Wales under Labor. The result for Europe has been cuts in government services and increases in taxes and social dislocation. In Australia we expect governments to be fiscally responsible, and that is why those opposite were thrown out of office in March 2011.

Labor introduced the Fiscal Responsibility Act in 2005 but had only met three of the 14 measures introduced. Its key failures were net financial liabilities being nearly double the target and net debt levels 2½ times the target in 2010. The previous Government's fiscal management left the State's finances on course to losing its triple-A rating. This bill moves away from Labor's failure in implementing fiscal responsibility. It has a clear objective with a few supporting goals and principles, rather than a range of measures so numerous that it is impossible to manage and assess them. The bill provides a much better framework and discipline to retain our triple-A credit rating. The O'Farrell-Stoner Government is committed to doing just that. It is critical to minimise interest expense and maximise the amount available to spend on services and infrastructure. It will also mean that the Government will have the best opportunity to more readily raise debt in these times of financial market uncertainty. Retaining our triple-A credit rating will provide confidence for business, consumers and the community.

To gain a better understanding of what it means to lose our triple-A rating one only has to look at the problems the Queensland Government has faced since its downgrade a few years ago. One notch has meant that the cost of borrowing for Queensland has been more than 0.5 per cent higher than for New South Wales, and it continues to be unpredictable in the current financial market. The opportunity for Queensland to pull out of the global financial crisis through infrastructure stimulus has been weakened and the loss of services and business confidence will be long lasting. A downgrade of our triple-A rating would significantly increase the cost of servicing the State's debt by an increasing amount each year. The cumulative credit cost would be \$3.75 billion over a ten-year period. The O'Farrell-Stoner Government is determined that New South Wales will retain its triple-A credit rating: it is the primary objective of the Fiscal Responsibility Bill 2012. For my electorate this interest rate cost could jeopardise the commencement of the Grafton Bridge and put back the completion date of the Pacific Highway.

New South Wales has to live within its means. We do not have the high levels of revenue that flowed into the State's coffers in the past decade. Our GST revenue is down, stamp duty revenue is down and we have a significant infrastructure backlog. The bill will ensure that we have the capacity to provide funding for infrastructure and it is underpinned by three solid principles: responsible and sustainable spending, taxation and infrastructure investment; effective financial and asset management; and achieving intergenerational equity. The first principle will require the State to control spending and the first target is to ensure that annual growth in the general government expenses of the State is less than the long-term average government revenue of the State. It is economics 101—a course that Labor has continuously failed, as outlined by the member for Castle Hill—to set oneself a budget and not spend more than one earns. By keeping expenses down one has an opportunity to grow a surplus for infrastructure investment. It also provides a buffer for managing debt levels.

Another main source of funding for infrastructure investment is asset sales. This can provide funding for repaying debt as well as enabling the Government to re-borrow for new infrastructure. The second target is elimination of the State's unfunded superannuation liability by 2030. We must budget for tomorrow as much as for today. The third target is to achieve intergenerational equity, ensuring that policy decisions have regard to their financial effects on future generations. The former State Labor Government's legacy for future generations was to leave them with a debt of \$40 billion. That is what members opposite think of fiscal responsibility. The O'Farrell-Stoner Government is a reformist government, and this bill is an example of the reform we will implement. Fiscal responsibility is one of the key expectations that the community has of our Government. By passing this bill, Parliament will send an important signal to the community that it supports fiscal responsibility and that the Government is committed to fiscal responsibility. I commend the bill to the House.

Mr ANDREW GEE (Orange) [5.10 p.m.]: I support the Fiscal Responsibility Bill 2012. I congratulate the member for Clarence on his contribution; he is committed to sound economic management. The object of the bill is to maintain New South Wales's triple-A credit rating and the provision of fiscal targets for achieving that objective. The fiscal targets to achieve that objective are that the annual growth in general government expenses of the State is less than the long-term average general government revenue growth of the State and

elimination of the State's unfunded superannuation liability by 2030. The bill includes the necessary provisions to make that a reality and to protect the State's important triple-A credit rating. Why is that necessary? A number of my colleagues, including my learned colleague the member for Castle Hill, have set out the reasons.

The former Labor Government's fiscal record is a litany, or rollcall, of shame. Highlights include the Rozelle metro—no-one can forget the hundreds of millions of dollars that were squandered on that project—some \$70 million squandered on the Tcard project, and the Solar Bonus Scheme. Yesterday we heard that in its dying days the Labor Government came up with a scheme to introduce a rock and roll commissioner. The schemes simply got better, such as the midnight power deals, and the list goes on. The Labor Government was shameful. It masked its expenditure with Federal stimulus money. For example, in 2009-10 the actual deficit was \$895 million but the Federal stimulus bumped the budget into surplus. A year earlier, in 2008-09, the actual deficit was more than \$1 billion, which was made a little easier with the Federal stimulus money.

Let us talk about that Federal stimulus money because it is another example of Labor's waste and mismanagement. Who can forget the Building the Education Revolution scheme? Under that scheme, schools were forced to accept buildings they did not want or need. There are many examples. I remember a country school in the Riverina that wanted a sports shed. The school was told that it had to have a library so it accepted a library and tacked a sports shed on the side of it. Tradespeople in my electorate came to my office and told me that their tenders for projects were lower than the winning tenders that were awarded to Sydney builders who delivered expensive projects that did not suit the needs of schools. It was a litany of shame.

The member for Mount Druitt, in his contribution, was critical of this Government and ungracious to members of The Nationals. I could not work out why. Anyone would have thought the O'Farrell Government had sought to introduce a new tax or levy on sports jackets. But that is not the case. For the information of the member for Mount Druitt, I can confirm that there are no plans to introduce an excise tax or levy on sports jackets, sports blazers or any form of men's mix-and-match apparel. The Government simply will not do that. So the member for Mount Druitt should be happy with the way we are handling the budget. In terms of fiscal responsibility, the budget has delivered for people in my electorate of Orange.

For example, in this financial year some \$22 million will be spent to provide contemporary accommodation for residents as part of the redevelopment of the Riverside Centre, which is a large residential centre in Orange. That is an important facility. That is one example of building work being undertaken by this Government. The member for Mount Druitt wanted concrete examples of building projects. Some \$500,000 has been allocated for the construction of a five-bed group home on Nile Street, Orange, and \$400,000 has been allocated in the budget to purchase land for a five-bed villa in Orange. There are other notable achievements in the budget for Orange. First and foremost, this budget will deliver the second linear accelerator to the Orange Health Service and provide ongoing funding for that radiotherapy service in the Orange electorate. That will make a real difference to the lives of many people across the Central West.

Western Care Lodge, which is located next to the Orange Health Service, provides accommodation for people throughout the Central West to enable them to undergo cancer treatment. As a result of this announcement in the budget Western Care Lodge will be expanded. As I said, people from the Central West—Dubbo, Forbes, Parkes, Bathurst, Cowra and Mudgee—stay at the lodge. That is one example of the Government delivering life-saving services to the people New South Wales, and the people of the Orange electorate in particular. It does not stop there. For example, in this financial year \$6.9 million will be spent on the Gulgong multipurpose service project. That will provide a marvellous new facility for the people of Gulgong. We all know why Gulgong needs a multipurpose service. The member for Mount Druitt should pay heed to these words. It is because the Labor Government closed Gulgong Hospital. We all remember that day in 2010. This Government has literally just opened the health service at Gulgong.

Ms Carmel Tebbutt: What did you promise to do? You said you were going to reopen the hospital.

Mr ANDREW GEE: Gulgong Hospital was closed on the watch of the member for Marrickville. This Government is opening a new multipurpose service. Labor closes; we open. That is the way it works under this Government.

Ms Carmel Tebbutt: Which we started.

Mr ANDREW GEE: No. Labor was shamed into making a promise during the last election campaign.

Mr Jai Rowell: The day before.

Mr ANDREW GEE: Yes, in the eleventh hour. If it had been left to members opposite, Gulgong would not have a multipurpose service. I was in Gulgong recently. The good news for the citizens of Gulgong is that demolition work on the old part of the hospital has started and construction of the new multipurpose service is ready to begin. I have seen the plans and I have spoken to the project managers. We are on track—that multipurpose service will open next year. It is a credit to the energy of the O'Farrell-Stoner Government that we are able to deliver such projects—and it is not only in my electorate. Across western New South Wales, in the Central West and on the North Coast we are seeing building works like that project. These are very difficult times but, through financial and fiscal responsibility and good economic management, we are getting New South Wales back on track. An excellent example is the public housing works that were stalled under the previous Government.

The Minister for Finance and Services, the Hon. Greg Pearce, has those projects up and running, and we look forward to their completion. The preliminary work for the new bridge and roadworks on Cargo Road is another exciting development. That project, which is managed by Cabonne Council, is well underway. There are other works such as the completion of the Burrendong Dam upgrade. We also look forward to the fishways project downstream from Burrendong Dam. The Government is managing other good works, including the traffic blackspot project between Orange and Molong. Minister Gay has managed to secure more than a million dollars in funding for that project, which will please residents who live along that very dangerous stretch of road. We are making it happen while members opposite hark back to the glory days—such as they were. The public has passed judgement on those glory days. We are getting on with the job of rebuilding this State. I commend the bill to the House.

Mr ANDREW CORNWELL (Charlestown) [5.20 p.m.]: It gives me great pleasure to speak in debate on the Fiscal Responsibility Bill 2012. It encapsulates what this Government is about: fiscal responsibility and delivering better services and the State infrastructure that each and every one of our electorates deserves. I take this opportunity to inform the House about the fantastic projects delivered in my electorate. I commence with the local schools. Some \$150,000 was made available to Belair Public School through the Public School Upgrade Program. Although it is one of the finest schools in my electorate, every time there is heavy rain it unfortunately leaks like a sieve and the school floods. All the gutters and roofs need replacing. Through this program we can deliver new roofs, new gutters and improved drainage for the school, which will result in improved amenity for staff and students.

There is a longstanding problem with one of the toilets at Kahibah Public School—which I note is Mr Assistant-Speaker's old primary school. For some inexplicable reason one toilet block has a door that faces out to the street. It is fantastic if members of the public want to supervise the kids but not much chop for the teachers. In excess of \$90,000 has been committed not only to upgrade the toilet but to improve the way it is located on the block. This will not only create better amenity for students but improve teachers' ability to provide adequate supervision, thereby enhancing student safety. Another school to benefit from this program is Mount Hutton Public School. Graffiti and malicious damage is a problem at the school and \$150,000 was spent to completely fence the large site. The program will result in reduced levels of malicious damage and graffiti and prevent the school being vandalised and schoolwork being damaged. That is a good result for the community.

Another school to benefit from capital works this year is Warners Bay Public School, which has enormous maintenance issues. This year we are committed to rebuild all four toilet blocks at the school, resulting in vastly improved amenity. It is a great result for the kids and a credit to the hard work of the parents and citizens association, which has lobbied for this project for some time. The school still requires fencing. It has some \$391,000 in its bank account and I encourage the parents and citizens association to work with the principal to release funds to complete a school fencing program, the balance of which will cost about \$40,000.

I turn now to roads in my electorate. My electorate is predominantly a large urban area with four or five major and some minor central business districts. The road network is not adequate for modern needs and requires upgrading. One road that has received substantial funding is Ocean Street, Dudley. The work on this road is now complete. The potholes were so deep that motorists almost disappeared into them and had to honk their horns to warn oncoming traffic. Local amenity is vastly improved. Works have also been completed on the dangerous intersection at Crockett Street and Hillsborough Road. Through the Hunter Infrastructure Fund we have built a left-turn slipway that enables traffic to flow safely and stopped long queues at the intersection during peak times. As a fiscally responsible Government, we are working towards improving the right-hand turn lane as well. That is another great improvement for the long-suffering residents of Cardiff South.

Another project that has received funding under our \$15 million commitment is Pennant Street Bridge at Glendale. This project will create thousands of jobs. It will allow the back half of the Cardiff industrial estate to develop properly and enable heavy vehicle access. Vehicles that currently cannot travel under the Cardiff viaduct will have a shorter route into the industrial estate. It will also unlock land at Glendale that Lake Macquarie City Council has identified for some years as being strategically important. This issue has been a political football for 20-odd years and hopefully it will be resolved by creating an adequate road network. Former governments committed to the project but did nothing about it. Our \$15 million commitment has created the impetus for this project and now local government and Federal funds have been allocated to get it off the ground.

We have also made a commitment to upgrade Cardiff railway station. This project has been promised for some 20-odd years. The residents of Cardiff and surrounds have had to negotiate a treacherous set of stairs to reach the station. There is also poor access from the car park to the overbridge. This \$14 million project is now underway. The platform will be lengthened to accommodate an eight-car set and access for people with limited mobility will be improved. Under the old arrangement wheelchair-bound passengers at the back of the train could not reach the appropriate carriage to get off the train. By installing lifts to enable access from the platform to the overpass and by lengthening the platform to take an eight-car set we will ensure that a major railway station serving the western suburbs of Newcastle and the northern suburbs of Lake Macquarie has true disabled access. That will be a great benefit to my constituents and to people in the surrounding electorates. It is a fantastic commitment of which I am immensely proud. The community should be proud also because residents have fought long and hard for this upgrade.

Cardiff is a neglected part of my electorate. The main street has not had a dime spent on it in the past 50 years. We hear about Tidy Towns projects. If we had a most dilapidated footpath in New South Wales competition Cardiff's main street would certainly make the finals. The \$2.5 million committed from the Hunter Infrastructure Fund for Cardiff's main street upgrade will benefit small business and long-suffering residents. At least once a fortnight an ambulance is called for someone who has tripped on an enormous crack in the footpath. This upgrade will make an enormous difference to the community.

It is also fantastic for community pride, because it is a community that has a great sense of identity. Having a town centre and main street of which they can be proud is not quantifiable and it will be fantastic for the community overall. That is another of the wonderful outcomes that our fiscal responsibility has enabled us to deliver. We have also been able to deliver an additional 22 police to the Lake Macquarie Local Area Command. In terms of police per head of population, Lake Macquarie has been under-strength for some time. I note that the member for Lake Macquarie identified this problem previously. Since we came to government the command has received an additional 22 officers. This is important because it enables proactive policing rather than officers simply reacting to problems. That will make a real difference to crime in our area, and I am immensely proud of that achievement.

I note also that the Government has committed to rebuilding the three major stations within the Lake Macquarie Local Area Command: Belmont, Toronto and Morisset. This will enable police to be dispersed evenly around Lake Macquarie, which is a large convoluted waterway with about 220 kilometres of shoreline. This will vastly improve response times throughout the entire command. I commend the work of local police. They wanted these changes, they spoke to their local members and now they have what they wanted. That reflects positively on the Government, which in terms of policing responds to the advice of officers, not of political spin doctors. My speaking time has expired. I could go on all day about the fantastic outcomes delivered in my electorate, but I appreciate this opportunity to outline those that I have today.

Mr JAI ROWELL (Wollondilly) [5.30 p.m.]: The Fiscal Responsibility Bill 2012 is important to the future financial health of the State and to the residents of Wollondilly. Fiscal responsibility is a hallmark of good governance and is an area where the Liberal-Nationals have a proud history of achievement. The Government has worked tirelessly to improve the current financial status of our State. Unfortunately, we inherited a black hole of more than \$5 billion—

Ms Anna Watson: That's not true; you know that's not true.

Mr JAI ROWELL: And we have had our GST windfall reduced by approximately \$5.2 billion as a result of our Federal colleagues' incompetence. I acknowledge the interjection. Labor allowed this State to run down on its watch. The current state of affairs means that greater emphasis must be placed on funding priorities, with strategic infrastructure spending at the forefront of our plan to restore New South Wales to number one. At

the heart of this bill is the objective to retain our triple-A credit rating. This is of the utmost importance if we are to prevent the associated increase in servicing the State debt. Just one notch down from the triple-A rating would see the State's debt increase to a total of approximately \$375 million over the first four years. That is where we were heading under Labor.

This amount of funding could be better spent helping to ease the cost of living pressures on the average family, creating incentives for tourism to stimulate regional economies, and connecting sewerage schemes to towns and villages struggling to pay pump-out fees. The primary objective of the bill is to retain this credit rating to ensure our fiscal health into the future. We make these decisions because good governance means spending, budgeting and policy making not just for the short term but for the long term—something those opposite failed to do. They failed to plan for the future, and it appears they forgot about Wollondilly altogether. For too long, my region has missed out due to the deals done by the Labor Party, whose interests seemed to reside only in its once safe seats.

The residents of Wollondilly were promised vital infrastructure projects to assist them in their daily lives only to see the goalposts shifted, creating a severe infrastructure deficit. Thankfully, bills such as this aim to ensure our financial health now and into the future by living within our means, investing wisely, and restoring sense and accountability to the State Treasury. The State must live within its means, just as the average family does. We must prioritise, budget accordingly and make tough decisions when necessary. We must also spend on vital projects now to ensure that we are not crippled by another 16 years of idle governance. Already we have seen many benefits in my electorate due to this Government's focus on western Sydney, with significant spending in the Wollondilly, Camden and Campbelltown regions.

Mr Chris Patterson: Hear, hear!

Mr JAI ROWELL: I note that the member for Camden is in the Chamber and I certainly look forward to his contribution. No doubt he will outline the many wonderful projects that have got a start due to his hard work. Careful consultation with the community and open dialogue about regional priorities between all three local State members representing our area have seen over a billion dollars allocated to the Macarthur region, with Wollondilly receiving significant funding. During my first year in office I was able to secure funding for the long-awaited sewerage connection scheme for rural towns, suburbs and villages, which had been promised for more than a decade by those opposite. Planning has begun for sewerage connections to towns such as Bargo, Buxton, Douglas Park, Wilton and Yanderra. Appin was recently connected to the scheme, with an approximate take-up rate of 95 per cent already. A couple of weeks ago I joined the Federal member for Macarthur, Russell Matheson—

Mr Chris Patterson: Great member.

Mr JAI ROWELL: A great, hardworking member. We were at Appin when it was connected to the sewerage system. People said that they had been promised that connection for more than a decade and had bought in the area because they believed that promise and thought they would have to wait only a short time. Unfortunately, Labor did not deliver on its promises and it took a Liberal-Nationals Government to get on with the job some 10 years later. A number of other great things have occurred in our area. We created Dharawal National Park in our first year of government—something that former Premier Bob Carr promised but never delivered. Barry O'Farrell went out for a look, together with the member for Camden, the member for Campbelltown, the member for Heathcote and me. The Premier realised the importance of creating a national park on that site and we are getting on with it. We have allocated \$1 million to create entrances and facilities for children and families—a fantastic opportunity almost missed because Labor failed to deliver on its promises.

The Government has also installed numerous flashing lights to improve the safety of local school zones; we have distributed hundreds of thousands of dollars to local community groups and organisations; and we have assisted local councils with tens of millions of dollars in funding to fix local and regional roads. I note that Campbelltown and Wollondilly councils were recipients of major funding allocations under a Treasury scheme and they are thankful for the infrastructure projects that they would not otherwise have had. Under Labor, local government was doing it tough. Under this Government, councils are getting on with the job and building infrastructure projects above and beyond what they originally thought they would be able to do. That is fantastic news for our community.

The Government has upgraded Warragamba Dam and the auxiliary spillway. We have funded the \$150 million upgrade of the Elizabeth Macarthur biosecurity facility at Menangle in the electorate of

Wollondilly. The Premier, the member for Campbelltown, the member for Camden and I visited that facility. It is doing some fantastic work—including research into myrtle rust and other diseases that affect our agricultural industry—thanks to this Government living within its means and allocating dollars to vital projects rather than wasting money on its mates. We have delivered \$139 million for the upgrade of Campbelltown Hospital, which is also in the Wollondilly electorate. The Government has upgraded train stations and improved public transport services. We have started widening Narellan Road and the M5. We have installed life-saving median barriers on Picton Road and delivered millions of dollars to upgrade local roads, just as we promised we would.

In Wollondilly the Coalition has delivered much more than we promised at the election because we have been able to live within our means and ensure that the dollars go where they are most needed. We do this because we are a Government that is responsible and accountable. That is why the Treasurer will be required to include in each year's budget papers: a statement on the Government's fiscal strategy; a report on the Government's performance against the bill's objective, fiscal targets and principles; an assessment of the impact of the budget measures on the State's long-term fiscal gap; and the reason for any departure from those targets, together with planned remedial actions.

We are committed to restoring faith in the State's finances. This bill is part of that commitment. I thank the Treasurer for his hard work and dedication. When we took office just over a year ago the situation was extremely dire and things were going downhill. Within 12 months the Treasurer has been able to do the hard work, do the hard yards, and ensure that we are able to deliver for our communities. That applies not just to the electorates of those on this side of the House but to all electorates across New South Wales. That is because our Treasurer is working hard and getting on with the job. I thank him for his dedication. I commend the bill to the House.

Mr JAMIE PARKER (Balmain) [5.39 p.m.]: We have heard a lot today about the object of the Fiscal Responsibility Bill 2012: to maintain the State's triple-A credit rating. In order to achieve certain objectives it sets out some fiscal targets and provisions for budget reporting. The interesting aspect is the challenges the Treasurer faces. All members who spoke on the bill referred to how much money they have spent: "We have spent money on this project and that project." I feel sympathy for the Treasurer who has to battle members wanting to spend money when we are talking about fiscal responsibility. Obviously, it is important to consider the role that the triple-A credit rating should play. In my view, this is set out in quite an elevated manner in the bill. One of the problems with the triple-A credit rating as a measure is that it does not in fact measure the underlying economic health of the State, let alone the social and environmental performance of New South Wales.

It also is important to recognise who actually determines the triple-A credit rating. It is Standard and Poor's and Moody's, and it is important to note that the record of these agencies is not particularly illustrious. I know many councillors here have experienced the impact of the ratings of collateralised debt obligations. They were given very high ratings, in particular by Standard and Poor's, and those catastrophic miscalculations have now impacted globally and on our local communities. I note also that Standard and Poor's acknowledged recently it made a \$2 trillion error when it was calculating the United States' credit rating at the time of the downgrade. I also note it was Standard and Poor's that was hanging on right to the end and maintaining the rating on Lehman Brothers until, of course, the bitter end came.

The rating decisions of these agencies are made by company employees who are not accountable for the decision-making process. There is no appeals process against a credit rating decision. I make the general observation that when we are talking about credit ratings there needs to be an increased level of accountability and transparency in these agencies because decision-making processes can have huge impacts on what happens locally, nationally and internationally. It is important because governments are all about improving accountability and openness and we would like to see that reflected in the agencies that are making such critical decisions about the creditworthiness of sovereign debt and debt in New South Wales.

While the focus of the bill is on the triple-A credit rating, it is an opportunity to develop a framework that this Government should grasp. That framework should reflect the real performance of this State. One way to quantify these broader and more relevant criteria for the people and the environment of New South Wales is to adopt a triple bottom line framework. This framework is important if we are to measure a broad range of economic variables as well as environmental and social measures. This type of approach can provide us as local members and the broader community with a real view of the State's performance in a holistic manner. We see the financial performance of the State as being one very important part of the picture. Of course, that is critical, but it cannot be divorced from the social and environmental context.

I heard recently that an economist said that divorce is great for economic growth. Lawyers involved, people's houses are sold and other houses are bought. But would we be encouraging divorce? Of course we would not because while it might promote economic growth and can be measured in growth terms, there is no recognition of the social and community value that is reduced by divorce and often conflicting personal relationships. So it is an opportunity for us to look at not just the triple-A credit rating but also the integrated matrix of social, economic and environmental issues. I draw members' attention to one of the principles in part 2 of the bill. Clause 7 (4) states that:

Principle No 3 is achieving intergenerational equity, including ensuring that:

- (a) policy decisions are made having regard to their financial effects on future generations...

That is very important. Financial effects on future generations are important but so are environmental effects and social effects. The call I am making here today is that while we welcome these principles there needs to be a more integrated framework for us to more fully understand the economic, social and environmental impacts. I know the people from the department will say that a triple bottom line framework is tough to implement and a big issue. How do you measure it and what do you include? I am here to say that these things do need to be incorporated in a more sophisticated way in order for us to better understand the performance of our State. This State could well maintain a triple-A credit rating, but it could have very poor social and environmental outcomes.

It is important to target measures that are developed to holistically measure our progress in the triple bottom line context. Today we have heard Opposition members attacking the Government and the Government attacking the Labor Party's record. The issue is not really the objective or the principle; the issue is how the performance criteria will be met. Will they be met by cutting wages and entitlements? Will they be met by overexploiting natural resources? Will they be met by additional revenue measures? That really is the test of this Government. While there may be many laudable principles and objectives, the test is how they are met and the political decisions that are made on a day-to-day basis.

One of my concerns, and I have raised it previously, is the erosion of the tax base that has occurred under this Government. The payroll tax rebate was an issue about which I have expressed concern. An amount of \$400 million was put towards helping the largest 10 per cent of businesses in the State. A tax on employment is not optimal and there needs to be broader scale tax reform. But as business in New South Wales said, feedback from its members indicated overwhelmingly that the current scheme is ineffective and is not providing employers with any significant incentive to take on additional staff. The policy has not really worked. The Government has increased the payroll tax threshold slightly but the policy has not worked. The regional relocation grant has not really worked either. It is a good idea; it is a positive step to try to take people into rural areas, but the take-up has been very poor. An amount of \$46 million a year was allocated to that. The original forecast was that up to \$300 million would be allocated.

Another issue I have expressed concern about is the gaming machine tax amendments, which reduce the tax on gaming machines and ensure that registered clubs remain addicted to gambling revenue. That is another \$300 million. That adds up to a billion dollars worth of expenditure in a tight fiscal environment and on poorly targeted programs that have not really performed. Even if we took out the money going to registered clubs there is still \$500 million that has been poorly targeted. Where should that be invested as a matter of fiscal responsibility? It should not be in multibillion-dollar tollways for the middle of Sydney, as Nick Greiner tells us, which would destroy the place. It should be in education and infrastructure.

As the Mayor of Leichhardt and as someone who has been involved in local government for the past 14 years, I have been proud that in the past four years the absolute focus of our Greens-led council has been on basic infrastructure. We have had a 25 per cent increase in basic infrastructure spending—roads, stormwater drains and footpaths—and our debt service ratio has actually declined. How does the State Government measure financial performance? It is by the debt service ratio. Our performance was 4.4 per cent under the former council and 2 per cent under the present council. Debt as a proportion of revenue has halved under the stewardship of The Greens in our local community. There needs to be a focus on fiscal responsibility locally, at a State level and also federally.

Let us talk about investment. I will refer briefly to TAFE. If I had that \$400 million I would not give it to the 10 per cent of the biggest companies in this State that are headquartered in Sydney. I would invest in TAFE. That would have a regional impact and also impact on Sydney. Let us not forget that in 2006 the Allen Consulting Group found that every dollar invested in TAFE generated \$6.40 in long-term economic benefits,

including improved productivity, higher wages and greater employment. Yet we see State and Federal governments taking money away from vocational education. When it comes to investment in infrastructure, every member here stands up and talks about its importance to their community. I do not mean megabillion-dollar projects promoted by Nick Greiner and his mates that just give more fat cat contracts to the big end of town but investment in public transport, which transport Minister Berejiklian may well be supporting. We know about the Rozelle metro and other projects that have been failures, but this Government and the community have an opportunity.

In fact, we are looking to this Government not to make the mistakes of the past that were made under the former Labor Government but to ensure that three things happen: First, that we have a fiscally responsible State but one that takes into account social, environmental and financial factors. There is a responsibility on the Government to look at ways to integrate that into the fiscal responsibility of the State. Secondly, we must make sure we do not erode the revenue base of this State. Thirdly, when money is poorly targeted, as we have seen in regional relocation and payroll tax rates, it should be switched immediately to invest in long-term infrastructure, in particular in education and health. I commend those issues to the House and I appreciate having the opportunity to address them. I look forward to working with the Treasurer and the Minister for Finance and Services in the future to ensure the Government follows through on the commitments it is making.

Mr CHRIS PATTERSON (Camden) [5.49 p.m.]: I support the Fiscal Responsibility Bill 2012. Being fiscally responsible is vital when governments are looking after taxpayers' money. Governments at all levels must understand that the only money they have is taxpayers' or ratepayers' money and that the public expects them to manage it well. Governments at all levels have wasted your money for far too long. As a Camden councillor who will finish 12 years of service to the Camden local government area next month, I have seen ratepayers' money wasted. As the member for Camden, I am aware of the Labor Government's misuse of taxpayers' money. In fact, that was not only the norm, it was expected. The Federal Government continues this trend of wasting taxpayers' money at every opportunity. The one thing that all my experiences have in common is that wastage occurs under Labor leadership. At a Camden local government level I cannot go past the example of the Labor mayor siding with the so-called Independents last year to reintroduce ratepayer-funded junkets.

I, my Liberal colleague councillors Dewbery and Symkowiak and genuine Independent councillor David Funnell fought tooth and nail to ensure that if any Camden councillor wanted to go to any local government conference he or she would be required to cover the cost. As mayor, I attended local government conferences in Albury and Tamworth and covered the expenses out of my own pocket. When Labor Mayor Greg Warren obtained the balance of power last year he could not have reintroduced ratepayer-funded junkets more quickly. We saw the same occur at the State level under the Labor Government at every opportunity. It promoted itself and wasted taxpayers' money because it believed government was all about self-promotion and members making up for their shortcomings rather than good governance. The Federal Government is a basket case and spends our money shamelessly to cover up its incompetence. I encourage Treasurer Swan to pick up the phone and ring Treasurer Baird to get a few tips about being prudent and delivering a budget that benefits the people he has been elected to serve.

The ASSISTANT-SPEAKER (Mr Andrew Fraser): Order! The member for Shellharbour will have an opportunity to contribute to the debate. She should give the member for Camden the opportunity to address the House without interruption.

Mr CHRIS PATTERSON: Measures designed to ensure that we retain our triple-A credit rating in the current financial situation must be addressed. This is necessary given the level of State debt the people of New South Wales were left with—and although I hate saying this, I will—after 16 years of Labor's mismanagement. That is exactly what has occurred and that is the reason this bill should be passed. The O'Farrell Government will not take its eye off the ball. This Government will not spend without considering the source of the funds. That means it will make the tough decisions. Not committing to spend money simply to pursue a populist agenda means saying no to some projects because, quite simply, we have no money because we were left a huge budget black hole by members opposite.

New South Wales needs to grow and to encourage business investment, which leads to employment and confidence. Our premier State was allowed to lose its once highly respected reputation by the Labor Government and it is this Government's job to restore its status. Maintaining a triple-A credit rating requires sound fiscal and financial management. All levels of government need a reality check to alert them to the fact that spending money they do not have will eventually see their credit rating reduced until debt becomes so

overwhelming that their budget spins out of control. This Government inherited a debt level that must be addressed. Only the Coalition's good financial management, which has been demonstrated by legislation already introduced, will allow New South Wales once again to be the pride of Australia. We must all live within our means, including governments.

With GST revenues falling, the funds coming into the State's coffers are not as generous as they once were. This bill will allow the Government to address the current financial situation. Infrastructure investment is needed to get the State moving again. In my electorate of Camden, one of the fastest-growing areas in New South Wales, infrastructure projects were non-existent under the Labor Government. It continued to allow development to progress without any consideration being given to the provision of roads, water and electricity—the three main ingredients for sound development. Under this Government, infrastructure projects are once again being undertaken in my electorate. The member for Wollondilly mentioned the \$139 million upgrade of Campbelltown Hospital. That much-needed infrastructure project is fantastic.

Camden Valley Way will also be completed by 2015. When I arrived in this place more than 12 months ago that road was a goat track, but it will now be the road it should be. That never would have occurred under the Labor Government. The upgrade of Narellan Road is well underway and the \$2.1 billion South West Rail Link will be completed by 2016. Members opposite announced that project 10 times, but never delivered it. This Government has made a commitment to build it by 2016 and it will deliver. The people of Camden can rest assured that this Government is aware of the lack of infrastructure provision in the past and is working to redress it. The Camden electorate will see its population grow from about 70,000 to more than 250,000 people in the next couple of decades. It is only now with infrastructure being provided by this Government that we can be confident that that growth will be progress smoothly.

However, we still have a long way to go. The people of this State know what was not achieved by the Labor Government. Population growth leads to financial growth because people need goods and services, and that encourages local business growth. Without the infrastructure provision and planning that is now occurring that growth would not be possible and the community would have no confidence in the future. Housing construction slowed to a trickle because of a lack of confidence by all sectors. Last November after the announcement of the release of the Leppington East precinct in my electorate by the Minister for Planning and Infrastructure, major developer Stocklands made it clear that it came back to New South Wales to do business again only because a Coalition Government had been elected. Like so many other groups, Stocklands left this State because of the regime established by the former Labor Government.

Councils and businesses were not generating income and the Government had shut up shop. It is a priority of this Government to ensure that the people of this State, Australia and the world know that New South Wales is open for business and that once again it will be the premier State. They will be encouraged to invest in New South Wales and as a result of that investment we will have job creation and certainty. This Government is committed to increasing jobs and providing ongoing employment opportunities for the people of New South Wales. Liberal governments have a proven track record of sound and effective fiscal management. This legislation will ensure that our State's triple-A credit rating is preserved. It will not be lost as it would have been under a Labor government. This Government is committed to being financially responsible. The people of this State should once again be proud of New South Wales. I commend the bill to the House.

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

[The Assistant-Speaker (Mr Andrew Fraser) left the chair at 6.00 p.m. The House resumed at 7.00 p.m.]

PRIVATE MEMBERS' STATEMENTS

BORDER REGION OLYMPIANS

Mr GREG APLIN (Albury) [7.00 p.m.]: Australians love a good reality television series and nothing brings reality home any more powerfully than the sports extravaganza of the Olympic Games. Today our athletes returned from London and we again rejoiced in our love of the Olympic Games, and overlooked the controversies and the crippling financial demands of a festival where the best and worst of human nature can be taken quite naturally to extremes. Still, we are all winners if we focus instead on the athletes we know from our

home communities. We may have seen them train, or even at some point, early in their careers, trained with them. We might bump into their parents in the supermarket. Perhaps we went to school with them and endured the same physical education classes, little realising they were destined for the Olympics.

I want to recognise six sportsmen and women from the border region who have made the trip to the London Olympics to represent Australia. Last October I spoke in this place of the renaming of Albury's major basketball stadium after Lauren Jackson. In one of the world's great international sports, basketball, there is no-one who stands taller, figuratively speaking, than Lauren. Appearing in her fourth Olympics with the Opals, Lauren was chosen to carry the Australian flag in the opening ceremony. She said, with characteristic humility, "When Nick Green asked me I thought 'Why?' It is a great honour. But there are a lot of people I have grown up with, who I have played with and this is for you."

The Opals conquered Great Britain before they lost narrowly to France and bounced back to beat Brazil, Canada and Russia. During the Brazil game Lauren achieved further glory by becoming the highest scorer in women's Olympic basketball history, and ended the competition with 575 points and a bronze medal. Mulwala's Tom Swann made the London Olympics perched in the middle of a boat. Tom Swann landed a berth as a member of Australia's men's coxed rowing eight. Powering along on the wide river at Eton Dorney is a long way from the family farm outside Mulwala—a river community on our side of the world, down the Murray and at the far western end of my electorate. Tom's crew made it to the final, won with grit by Germany.

Discus thrower Scott Martin from Wodonga had to deal with a back injury in his preparations for London. Although competing in the discus, Scott is perhaps best known for his feats with the shot-put. It was in competition in Hawaii that Scott qualified for the Olympic Games with a discus throw of more than 65 metres—a personal best. Scott has been performing at an elite international level for many years, having won gold in the 2006 Commonwealth Games. In London Scott finished his competition in nineteenth position. Belinda Hocking represented Australia in the 100 metres and 200 metres backstroke. Belinda gained two fourth places at the 2010 Delhi Commonwealth Games and won silver in the world championships in Shanghai last year. It is always an epic achievement to represent Australia in the pool.

The border is represented at the Paralympics this year by Jodi Elkington who is running in the T37 400 metres and the 4 x 100 metres relay. This is her first Paralympics. Jodi has been training at the Australian Institute of Sport and will compete on 6 September, and hopefully in the finals a couple of days later. If Lauren Jackson is, if you like, the Queen of the Olympics, then another border representative, Andrew Hoy, is the king. Our man from Culcairn has now competed in his seventh Olympic Games—what an amazing feat. In London he finished the competition with an individual placing of thirteenth and a team result of sixth. This was a tremendous effort, particularly for the team after two members failed to complete the cross-country stage. Andrew has been an elite equestrian for well over a quarter of a century. It is hard to imagine the level of discipline and outstanding athleticism that creates a record of such endurance and substance. In comparing his sport to success in other spheres, Andrew noted:

Any Olympic athlete has to prepare for the second and that is where it is a little different to the top level of business.

Andrew's first trip to the Olympics was in 1984. Along the way he has won Olympic gold on three occasions and carried the flag for the Australian team at the 1996 Olympics. Andrew has presented himself on the national stage with supreme grace and dignity. I am sure he will continue to provide leadership and inspiration for many years to come. So it is with great enthusiasm that I acknowledge the border's contingent of Olympians and thank them for their years of dedication and hard work. A few weeks in August or September is simply the most prominent aspect of this, but in no way is it the whole picture of their sporting lives. Their chosen career is one of ups and downs, of injury and sacrifice. We celebrate their wins but, most importantly, it is their competitive spirit, constrained by genuine humility, that earns the nation's pride. Finally, I send my encouragement and best wishes to Jodi Elkington as she prepares for her debut in the Paralympics in September.

EDUCATION WEEK

Ms TANIA MIHAILUK (Bankstown) [7.05 p.m.]: I inform the Chamber about some of the great events that were held in my electorate to celebrate Education Week 2012, which started on 30 July and finished on 2 August. This year's theme was "Creating the Future". Education Week is an opportunity to celebrate the strengths and achievements of our schools and broader school community. It is also a chance to showcase the tireless efforts of teachers, staff, students, parents and citizens associations, parents and volunteers. I was delighted to attend a number of events throughout my electorate. I attended the Bass Hill Public School open

day, where I had the pleasure of presenting school achievement awards. I particularly enjoyed the performance by the school's Wakakirri troupe, which performed the story of Peter Pan. I understand this weekend the Wakakirri troupe will be performing at Castle Hill. I thank principal Tony Piggott for having me as a guest.

I also was able to attend the open day at Banksia Road Public School where I presented the Good as Gold citizenship awards as part of the school's ceremony. These awards acknowledge students' citizenship as well as their public speaking skills. I thank the principal, Jenny Eggins, for having me as her guest. I also had the opportunity to attend the presentation for the regional Ambassadors for Public Education. This event awards those students who are chosen to represent the best qualities of public education. Only one student is chosen from each school and it is a great honour for those students. They are considered the future leaders of their communities and are a perfect example of the strengths of the public school system.

I acknowledge all the principals in my local area. Since becoming the local member I have had the chance to meet all of my local principals and have enjoyed the opportunity to work closely with my local schools. It is always a rewarding experience to visit schools and to see firsthand the future of our community. Children have the capacity to amaze and inspire, and seeing students excel in their learning environment is a worthwhile experience. Two-thirds of all students in New South Wales attend public schools. Events such as Education Week serve as a reminder of the importance of public education. Since becoming the member for Bankstown I have taken the opportunity to visit my local public schools to see firsthand the need for infrastructure investment and to bring these issues to the attention of the Minister for Education. Public schoolteachers do an incredible job, often with limited resources and limited public recognition.

As the local member, I have worked to secure infrastructure improvements for my local schools. The needs of schools in Bankstown vary in nature and severity. Some schools need repainting or resurfacing of the playground turf or upgrading of toilet blocks and facilities. Many schools in my area continue to rely, unfortunately, on demountable classrooms. Some of these are also in poor condition and need to be repaired or replaced. I have brought these issues and other issues to the attention of the Minister. I look forward to having these matters resolved to ensure that our public schools remain in the future the great institutions that they are today. Our public schools support many generations of young people through what is the most important part of a young child's life, that is, the education that they receive.

There is no doubt that both sides of the fence here are proud of their schools. I take the opportunity to again acknowledge the wonderful work of our parents, teachers and volunteers in the parents and citizens associations. The associations rely entirely on parents to volunteer and, of course, the support of the wonderful teachers and principals who give up a great deal of their own personal time to assist in educating our children. I again acknowledge Education Week and pay tribute to my local schools, particularly those that had the opportunity to hold those ceremonies.

RURAL HEALTH SERVICES

Mr JOHN WILLIAMS (Murray-Darling) [7.10 p.m.]: Last Thursday night I attended a crisis meeting in Hay with members of the local community, who yet again face the prospect of a community without a general practitioner. Most people who live in cities and regional towns have never been confronted with not having access to a general practitioner or a regular medical service. Unfortunately, Hay and a couple of other communities in my electorate have experienced the absence of a general practitioner. Hay is a very proud community of about 2,500 people. The hospital and medical services have served the community of Hay very well in the past but the situation now is critical. I do not need to remind people in this House about the work that has been done with the Rural Doctors Association in trying to attract doctors to rural areas.

The situation is so bad that today I put in writing to the Federal Minister for Health, Tanya Plibersek, exactly what we face. In the past, the Federal Government has provided incentives for doctors to go to regional areas and has identified areas of need. Unfortunately, many general practitioners have taken advantage of the incentives without going to the areas of real need. Some areas have critical needs. Unfortunately, the doctors have been able to cherry pick the best location, get an incentive to go there and take advantage of what is provided. The result is that we now face a very grim future. A lot of work has been done to get doctors to consider moving to the bush, but so far we have not met with success.

It was timely that when I arrived back in Broken Hill the head of the local area health network, Dr Steve Flecknoe-Brown, a prominent doctor in the area, had written an article about a research paper that had been carried out by Melbourne University. The research paper was titled "Getting Doctors Into the Bush" and

the university surveyed 3,700 doctors on how they could hypothetically run a rural practice. Unfortunately, it came down to dollars and cents: an additional \$237,000 would be needed for those doctors to consider a rural practice. That is the sort of compensation they would need, combined with elements such as housing, a clinic, education facilities and other requirements relating to an individual's lifestyle.

The Hay shire has invested a great deal of money to provide a house and a clinic and has done everything it possibly can to attract a general practitioner to the area. It is now time for the Federal Government to address this critical issue. It can do one of two things: provide the necessary incentive to attract a doctor, or give nurse practitioners the ability to write prescriptions that people need on a regular basis. I also wrote to Jillian Skinner attaching a copy of the letter I sent to Tanya Plibersek urging her to have the Council of Australian Governments consider the issue as a matter of priority. There is no doubt that we in the bush are totally and utterly disadvantaged by the lack of general practitioner services. Members talk about primary health care but primary health care does not exist in the bush. Our rural areas need a commitment from the Federal Government.

KUAN YIN GODDESS OF MERCY TEMPLE

Mr NICK LALICH (Cabramatta) [7.15 p.m.]: On 5 August I was privileged to attend with my parliamentary colleague the wonderful member for Fairfield the ribbon-cutting ceremony of the new great hall at the Kuan Yin Goddess of Mercy Temple in Canley Vale. It was a glorious morning and the temple was packed with families, worshippers of the Buddhist faith and many leaders of the community. The gathered crowd was entertained by lion dances and martial arts performances before official proceedings got underway and the great hall was opened. The day of the event was significant as on the Chinese calendar the Buddhist religion celebrated that date as the anniversary of the enlightenment of the Goddess Kuan Yin, the Goddess of Mercy, one of the most revered of all the Buddhas and Bodhisattvas. We also consecrated three new statues that day. The first was of the Goddess of the Sea, Tian Hou, who is worshipped by fishermen and sailors for safety on the waters. She is invoked as the patron deity of all South-East Asian Chinese, as many who left China for South-East Asia did so by boat.

The other two Buddhist statues that were consecrated that day were of Manjusri Pusat, who is associated with wisdom and equality of all beings, and Samantabhadra Pusat, who is associated with Buddhist practice and meditation. We were then treated to a delicious vegetarian lunch and the hall was opened for all to worship. The Kuan Yin Goddess of Mercy Temple in Canley Vale is run by one of the strongest and most well-known associations in Cabramatta, Canley Vale and south-west Sydney, the Australian Chinese Chin Lien Association. Led by their inimitable leader Mr Michael Chan, and ably assisted by his committee, which I shall acknowledge further on in this speech, both the association and the temple continue to grow from strength to strength. The Chin Lien Association was established in 1992 by descendants of those originally from the border between China, Guang Xi province, and Vietnam, Quang Ninh province. It was formed to provide care, services and support for migrants in their new homeland, Australia.

With membership numbers swelling to well over the thousand mark, the Chin Lien Association continues to keep both the culture and spirit of the Chinese community strong. The association supports multiculturalism and helps bring harmony to what is one of the most culturally diverse communities in Australia. The Chin Lien Association provides worthwhile activities and programs such as: free vegetarian meals twice a month, primarily for the benefit of seniors; scholarships to students whose families suffer financial hardship; a mutual aid fund for elderly members and assistance for funeral services; organising birthday and Chinese opera performances for the senior members of the association; kung fu lessons for the young; tai chi for the elderly; fundraising activities for charity and natural disasters; English classes for new migrants, as well as activities such as table tennis, mah jong and karaoke; and, of course, administering and maintaining the fantastic Kuan Yin Goddess of Mercy Temple.

My community is blessed to have active leaders who really care about their community and do real work to improve people's lives. I acknowledge some of the leaders of the Australian Chin Lien Chinese Association for their hard work in the upkeep of the Kuan Yin Temple and their deep commitment to the local community: Mr Michael Chan, President of the Chin Lien Association; Lysang Loc, Committee Supervisor and Finance Auditor; Hienh-Phoong Duong, Honorary President; Phillip Lam, Vice President and Public Officer; A Cau Ly, Vice President, Food Department; Thomas Hien, Vice President and Treasurer; Simon Pho, Vice President for Temple Affairs; Van Minh Hoang, Vice President; Son Ha Long, Vice President for Members Welfare; Luong Kiet, Vice President for Social Activities; and Frank Dzi Wong, Secretary in Chinese. The list is by no means exhaustive and I acknowledge all the other hardworking committee members I have not

mentioned. I also acknowledge the countless volunteers and staff who make the Kuan Yin Temple the great place of worship that it is. The collective work of the Chin Lien Chinese Association is truly inspiring to the community. I publicly acknowledge and thank the association for putting the community first.

GOULBURN ELECTORATE INFRASTRUCTURE

Ms PRU GOWARD (Goulburn—Minister for Family and Community Services, and Minister for Women) [7.20 p.m.]: It has been a particularly cold winter in my electorate. The winds have felt as if they were coming straight off the snow—

Mr Stephen Bromhead: I can attest to that.

Ms PRU GOWARD: Yes. I have been extremely grateful for the protection of my feral fox coat. But those bitter winds were tempered by a number of winter wins in the community that will see vast improvements to infrastructure and services. Back in late June I welcomed my colleague Andrew Constance, the Minister for Disability Services, to Goulburn. Together we officially opened the first Abbeyfield disAbility House in New South Wales. This newly built home will provide supported accommodation for 10 young adults and give them the opportunity to live as independently as possible. I am sure all members know of families in our electorates who are deeply concerned about the long-term care of their loved ones with a disability.

The Abbeyfield model accommodates a live-in carer who provides two meals a day and ensures that the residents are coping, whilst allowing them as much independence and responsibility as they can achieve. This project was inspired and driven by concerned parents. I acknowledge Tony and Karen Egan—who have become good friends—and Anne Williams for their vision and enthusiasm, and the redoubtable Annemarie Althea for her leadership. The State Government contributed \$1.8 million towards this project and it will use the financially self-reliant model in future projects across the State. I have spoken previously about Goulburn Base Hospital, about its historic and architectural worth and how, despite its solid structure, it needs refurbishment.

I am therefore pleased to report the activity at Goulburn Base Hospital that will produce new preparation rooms and extensions to the operating theatre, a power upgrade and a new 20-bed rehabilitation unit that will be operational by mid-2013. Work is also underway to provide an extra 12 beds at the Chisholm Ross mental health facility. This will create an opportunity for seven extra staff members to join that hardworking and caring team. The new unit, which also services the Mittagong and Bowral end of the Goulburn electorate, is due to open in the spring. This will improve the capacity of the southern New South Wales local health district to provide high-quality inpatient care to individuals experiencing mental illness.

Upper Lachlan Shire Council received an \$830,000 grant towards the Taralga water treatment plant as part of the Country Towns Water Supply and Sewerage Program. This is excellent news for the town's residents, who have raised concerns about water quality and who will now be provided with a safe, secure and reliable water supply. It will also mean additional work for local contractors. Local schools also benefited from the winter wins in the Goulburn electorate, with funding awarded towards minor capital works for Goulburn and Mulwaree high schools, Bundanoon and Mittagong public schools and The Crescent School. Joint funding was also announced for Bowral and Mulwaree high schools to assist with long-needed capital expenditure.

I was particularly pleased to announce this winter that Anglicare Canberra and Goulburn was named as one of the 38 non-government organisations providing foster care services across the State. Anglicare received \$5.4 million to help implement foster care services across their area. Simon Bennett, the Southern Tablelands general manager, was delighted with their share of this pool and he hopes to encourage families to welcome into their home a child who, because of circumstances, cannot live with their birth parents. I know how important this work is and I recommend it to the House. I was disappointed that I was unable to attend the opening of the new Wingecarribee Aboriginal Centre in Mittagong in July. My colleague Victor Dominello, Minister for Aboriginal Affairs, kindly officiated at the opening, which has created a final destination for the local Aboriginal community after years of temporary accommodation. Tribute must be paid to Aunty Val—a cricket fan—and her team, and the Wingecarribee Shire Council for their dogged pursuit of a permanent and suitable site.

Both the Goulburn and Mulwaree Council and the Wingecarribee Shire Council benefited from the announcement of low-interest loans to fast track some much-needed infrastructure projects in the area. The bush

setting of the Mittagong swimming pool is a much-loved gem in the shire. It is such a natural scene that ducks often land amongst the swimmers thinking they have come across a shady waterhole. Unfortunately, the ageing pool has been leaking for years and the council has struggled to find the funds to do anything other than patch it up. A low-interest loan of \$2.5 million will enable the pool to be restored. It will continue to be used for water polo matches, school swimming carnivals and swimming during the summer months.

Further loans will see upgrades to the wastewater treatment plant and the recreation centre in Goulburn and they have been a major additional element to a \$2.64 million grant to upgrade Douglas Road and the Moss Vale Enterprise Zone. I also congratulate our local Olympians Kaarle McCulloch, from Bowral, who was in the women's sprint track cycling, and Goulburn boy Glenn Turner, from the Kookaburras men's hockey team, who both won bronze medals in the London Olympics. My electorate has definitely been a winner this winter and I congratulate all.

MID COAST CARE

Mrs LESLIE WILLIAMS (Port Macquarie) [7.25 p.m.]: Tonight I inform the House about a great organisation that gives hope to so many people in the Port Macquarie area. Mid Coast Care is a voluntary not-for-profit organisation that opened its doors in 2002 with a vision to champion the spirit of family in our local region and to bring life, love and practical support to those in need in our local area. That vision included a place for people to gather in a relaxed and safe environment at the Hope Cafe and Hope Op Shop. Last Friday I enjoyed a great lunch at the cafe, where I met the wonderful volunteers and saw firsthand the tremendous work they are doing by raising funds and assisting people in our community. The Hastings Women and Children's Refuge is the priority beneficiary for their great work and fundraising.

Every day of the week Mid Coast Care helps with food vouchers, furniture and clothing, as well as financially assisting Access Community Education Services [ACES]—a disability support service whose members work in the cafe. Other services include the emergency relocation of women and children in crisis, furnishing temporary premises during crisis, education and coaching in household family budgeting, as well as drug and alcohol counselling. All donations and money raised from the cafe and op shop are given back to the community through emergency relief projects and local support networks for disadvantaged community groups identified to be in the greatest need of support. Last year the Mid Coast Care Hope Op Shop provided \$46,000 to 377 local families and individuals. Understandably, its work and dedication are greatly appreciated in our community.

Another way that Mid Coast Care raises money is through unwanted clothing—clothing that is not suitable for the op shop. About every two weeks from across the mid North Coast a semitrailer load of unwanted clothing is collected, bagged and sent to Sydney-based organisations that freight the clothing to Africa to help the needy. This not only raises funds but it also reduces waste. By banding together, the more than 80 volunteers who work at Mid Coast Care, in association with the Honour Church, which founded the organisation 10 years ago, are bringing hope to so many people in our region. Last Sunday morning I joined with the worshippers at the Honour Church to celebrate this milestone. The service was dedicated to acknowledging those who had played a significant role in the development and growth of Mid Coast Care since its inception 10 years ago, including volunteers past and present. It was a privilege to be a part of the celebrations, to cut the huge birthday cake and to enjoy the fabulous coffee with this amazing group of people. I give credit to the team headed by manager John Parer and assistant manager Kate Hutten, as well as the volunteers, who clearly get so much enjoyment out of the work they do to help others in the community.

A highlight of the Mid Coast Care's fundraising calendar is the annual Masquerade Charity Ball, which is being held this Saturday night at Rydges Hotel in Port Macquarie. Mid Coast Care is aiming to raise \$25,000 on the night, and I am looking forward to joining it to do what I can to reach this goal. The ball is a chance to dress up, have fun and raise much-needed dollars to assist the Hope Shop to continue its great work. To everyone involved with Mid Coast Care, whether it be at the op shop, the recycling depot or the cafe, I thank you for your extraordinary efforts and for playing such a significant role in improving the lives of people across the electorate. I know the hundreds of people you help each year appreciate the work you do and the hope you bring.

Private members' statements concluded.

ACTING-SPEAKER (Mr John Barilaro): It being before 9.30 p.m. and there being no Government business, the House will now consider the matter of public importance.

VICTORY IN THE PACIFIC DAY

Matter of Public Importance

Ms LINDA BURNEY (Canterbury) [7.31 p.m.]: Probably one of the most iconic images in Australia of 15 August 1942 is the dancing man. Today, 15 August, is Victory in the Pacific Day. At 9.00 a.m. on 15 August 1942 thousands of Australians gathered in Martin Place to celebrate the end of six years of war. The image that most captures that celebration is that of the dancing man. People believe it was Frank McAlary. On Radio 702 this morning people were speaking of that day. Earlier today I was speaking to someone in my office, Lee, whose grandmother was in Sydney on the day peace was declared—victory in the Pacific at the end of World War II. Lee's grandmother, Doreen Maunder, remembers being on a trip to Luna Park that day. She remembers being on the ferry and the sirens blaring, and then not knowing what was happening. Of course, the sirens were marking the end of that terrible war.

What stays with the Australian ethos and psyche are places where our soldiers, nurses, airmen and sailors exemplified what the war meant for Australia—places such as the Burma railway, Kokoda and the terrible death marches of Sandakan through to Ranau. Indeed, last weekend at Burwood Park I went to a memorial of the Sandakan death marchers. More than 2,000 Australian soldiers who served in that part of the Pacific went through dreadful ordeals—unspeakable things—and only six of them survived. That was the horror of war in the Pacific. Many members of the House probably have family connections, grandfathers and grand-uncles who fought in the Pacific. My stepfather was an airman during the Pacific war. I remember him talking about being in Papua New Guinea and being part of the cleanup brigades that went in after the terrible way the Pacific war ended.

Australia made an enormous sacrifice. We must remember that the war ended on 5 and 6 August when the United States of America dropped the atomic bombs on Hiroshima and Nagasaki. That bomb was new to the world and caused great hardship to the residents of Hiroshima and Nagasaki. I remind people that the American President at the time was Harry Truman and the Australian Prime Minister was the great Labor Prime Minister Ben Chifley, who declared that the war in the Pacific had finished. The Emperor of Japan at the time was Hirohito. As a child in the 1950s and 1960s I remember not being taught the full history of the Second World War and particularly that part of the war that happened in our part of the world, in the Pacific. I was not taught that Australia experienced many raids. Indeed, it was believed that between February 1942 and November 1943, during the Pacific war, the Australian mainland was attacked 97 times.

We know about the air raids on Darwin but not so much about the raids on Broome and north Queensland. Indeed, as I said, there were many raids. The air raid on Darwin resulted in more than 200 deaths. That was not common knowledge to many of us growing up at that time in this nation. It was probably news to many people at that time that Japanese submarines sat off Port Hacking and sent three midget submarines into the harbour not far from here. Commemoration of Victory in the Pacific is an important time for all Australians to reflect on the horrors and challenges of war. [*Time expired.*]

Mrs ROZA SAGE (Blue Mountains) [7.36 p.m.]: I am pleased to talk about Victory in the Pacific Day. Today, 15 August, marks the sixty-seventh anniversary of the end of hostilities in the Pacific region during World War II—also known as Victory in the Pacific or VP day and sometimes referred to as VJ, Victory over Japan Day. On 15 August 1945 the Emperor of Japan accepted the allied forces' demand for unconditional surrender. The then Prime Minister of Australia, Ben Chifley, announced the end of the war against Japan and gazetted a public holiday, as one does. Part of the Prime Minister's address on that day was as follows:

Let us remember those whose lives were given that we may enjoy this glorious moment and may look forward to a peace which they have won for us.

In the ensuing years we have remembered those who lost their lives and we reflect on the peace that we do have in this nation. Almost one million Australians served in World War II; 40,000 Australians lost their lives, and 17,000 Australian troops died while fighting the Japanese in places such as Malaya, Borneo, The Philippines, Timor and New Guinea. This Pacific war was the culmination of a war that began in Europe in 1939 with Germany and its allies. Australia had joined the war effort earlier, as part of the British Empire, not long after Germany invaded Poland. This war was a long way away from Australia until the Japanese entered on the side of the Axis powers on 8 and 9 December 1941 in Malaya. The Japanese advance in the Pacific represented a great threat to Australia.

Importantly, war came to Australian shores on 19 February 1942 with the bombing of Darwin. When I was in the Royal Australian Air Force I did relief manning in Darwin, and in the old buildings on the air force

base were the original bullet holes from that bombing. Just four days after the bombing of Pearl Harbour Darwin was attacked. Not only was Darwin bombed, Broome and Townsville were also bombed. Then the unthinkable happened: Japanese midget submarines entered Sydney Harbour. They torpedoed and destroyed the accommodation ship HMAS *Kuttabul* at Garden Island, killing 22 sailors. Newcastle was also attacked. A ship was torpedoed just off Nambucca Heads. These were dark days indeed. The war was at Australia's doorstep. Lines of defence were drawn up.

There was a triangle drawn over the Sydney area—an area of strategic importance, and the area to be defended in case the Japanese invaded Australia. The area extended from Newcastle, Sydney and Wollongong with the apex over the Blue Mountains and out to Lithgow. It was little known that in and around the Blue Mountains were areas of manufacture and storage of weapons, including chemical weapons. Lithgow had a substantial munitions and firearms factory with areas close by at Marangaroo manufacturing parts and storing weapons. Glenbrook, in the old tunnel, was a centre for the storage of mustard gas should that be required. These were difficult times. The Japanese landing in Papua in July caused great alarm amongst Australians.

The ensuing battles along the Kokoda Trail were some of the fiercest and most desperate encountered by Australian troops during the Second World War. The recapture of Kokoda stands with Gallipoli as a defining moment in our nation's psyche. The long, slow process of forcing the Japanese surrender culminated in the dropping of two atomic bombs on Hiroshima and Nagasaki. On 15 August it was announced that Japan had accepted the Allied nations' terms of surrender, just nine days after the American bomber *Enola Gay* dropped the first atomic bomb on Hiroshima. This ended six continuous years of hardship, distress and sacrifice on the battlefield and on the home front.

On 2 September 1945 the Supreme Commander of the Pacific Fleet, General Douglas MacArthur, signed the surrender document along with Australian General Sir Thomas Blamey on the *USS Missouri* in Tokyo Bay. VP Day is a sombre day of remembrance. The war ended. Many lives were lost. Many returned home scarred by the battlefield both physically and emotionally. Broken families, disability and mental health issues abounded. Today we remember both the glory of victory and the tragedy of young lives lost and families left to bear terrible grief. Australia must remember and honour the courage and sacrifice of its war veterans and an entire generation who endured the Second World War. Lest we forget.

Ms TANIA MIHAILUK (Bankstown) [7.41 p.m.]: I am pleased to have an opportunity to make a brief contribution to the discussion of this matter of public importance. I commence by acknowledging all veterans, those who are still with us and those who have since passed on. In particular, I acknowledge my local RSL clubs: Bankstown RSL, the Bass Hill sub-branch, Chester Hill RSL, Panania Diggers and Padstow RSL. I also pay my respects to the nearly 40,000 Australians who were killed in the Second World War in Europe and in the Pacific. The Pacific war was the first time that Australia as a nation was threatened by a foreign power, the empire of Japan. The battle of the Kokoda Track became a defining moment in our history and continues to be a place of real emotional and historical importance to contemporary Australia. The Pacific war was one of the bloodiest theatres of war in history. More than 20 million people perished in the Pacific theatre alone, 18 million of whom were civilians. They included not only the victims of Nagasaki and Hiroshima, who perished in the first act of nuclear warfare, but many ethnic Chinese who were executed, starved and used for slave labour by the Japanese.

Like many Australians, my family was personally affected by the war in the Pacific. While hostilities between the British Empire and Japan did not commence until 1941 with the invasion of Thailand and the subsequent invasion of Malaysia, for many other nations the Pacific war began much earlier. In 1931 Japan signalled its ongoing desire for territorial expansion by invading Manchuria. At that time my family lived in Manchuria, having fled Russia after the revolution in 1917. My father was born during the Japanese occupation in 1932. The invasion of Manchuria was followed by the invasion of the rest of mainland China in 1937, a theatre of war where some of the worst war crimes in history would be committed. Six days before Japan surrendered, and on the same day that the United States dropped the second atomic bomb—this time on Nagasaki—the Union of Soviet Socialist Republics [USSR] finally entered the Pacific war by invading Japanese-held Manchuria. The decision by the Japanese Government to surrender was taken in the aftermath of the dropping of the atomic bombs, first on Hiroshima and then on Nagasaki. The Japanese Instrument of Surrender was the agreement that officially ended the war with Japan. General Thomas Blamey signed the document on behalf of Australia. Blamey would later become the first and last Australian general to be made a field marshal, in 1950.

Today celebrates the end of the war with Japan's formal surrender to the Allies. Our contribution, while not as large as those of the great powers of the time, was important and significant. After all, Australians

delivered the Japanese their first defeat in a land battle. The war was also a landmark, demonstrating the importance of our relationship with Asia. The Pacific war marked the first time that Australians took a leading role in our region. Australians are proud of our role in ending the hostilities in the Pacific, and that is appropriate. However, the Pacific war affected millions of people outside our borders: many continued to suffer the effects of the war for many years and decades later. In remembering our success we must also remember the terrible cost of this conflict to Australia and to the rest of the world.

Ms LINDA BURNEY (Canterbury) [7.44 p.m.], in reply: I thank the member for Blue Mountains for her contribution and for reminding us of the glory and the tragedy of war. That is an important point worthy of reflection. As a member of the armed services the member for Blue Mountains obviously possesses knowledge that perhaps some of us do not. I recognise also the contribution of the member for Bankstown, who educated members about her personal connection with Manchuria and her family's journey from Russia to Australia. We have heard in this debate recognition of and respect for those who served in the Second World War, what it meant for us as a nation and how it moulded us as a nation, not forgetting the point made by the member for Bankstown about the many civilians who lost their lives in the Pacific. War affects not just those in the armed services but civilians who must live with its legacy.

A couple of years ago I visited Vietnam and saw many parts of the country that cannot be propagated because of the effects of Agent Orange. As the member for Blue Mountains said, we must remember the glory and the tragedy of war as well as the long intergenerational effects that war has on people in those countries where war was fought, to which the member for Bankstown alluded. Symbolism is important and every little country town in Australia has a war memorial. That is appropriate and reflects our appreciation of history. In closing, on this very important day, 15 August, it is appropriate to say: Lest we forget.

Discussion concluded.

PRIVATE MEMBERS' STATEMENTS

GRAFTON CUP

Mr CHRISTOPHER GULAPTIS (Clarence) [7.48 p.m.]: I acknowledge the wonderful contribution that the Clarence River Jockey Club has made to Grafton and the Clarence Valley through its staging of the premier regional racing event in New South Wales, the Grafton Cup. The Clarence River Jockey Club at Grafton was founded in the same year as the first Melbourne Cup was held and only one year after the Australian Jockey Club opened its racecourse at Randwick. Grafton is a beautiful track with a golf course at its centre and wonderful facilities for patrons. Everyone has a great vantage point. The Grafton Cup is one of the biggest non-metropolitan events on the Australian racing calendar. Grafton, on the New South Wales North Coast, gets horseracing fever for the listed \$150,000 event that is run over 2,350 metres and provides a genuine staying test for a group of top quality horses. Held annually in July, the Grafton Cup is the highlight of the two-day Grafton Cup Carnival that traditionally takes place midweek, on Wednesday and Thursday.

Given its timing in July, the Grafton Cup always draws a quality field, with horses typically travelling from both Sydney and Brisbane to chase the lucrative prize money. It serves as a great flow-on event from the Queensland Winter Carnival, with stayers that succeed at the Ipswich and Caloundra cups generally going on to compete for the Grafton Cup. The biggest trainers in the sport generally have runners in the Grafton Cup, with the likes of Chris Waller, Gai Waterhouse and Peter Snowden often entering horses in the exciting event. Hosted by the Clarence River Jockey Club, the Grafton Cup Carnival also includes the \$150,000 Ramornie Handicap and the \$50,000 Grafton Guineas. The Grafton Cup Carnival is a hugely popular event, with bumper crowds flocking to the track for an action-packed two days of horseracing action. Success in the Grafton Cup can be a springboard to success in bigger events, with horses often going on to compete at group level following a Grafton Cup win. The 2012 Grafton Cup was won by Sharmadashing.

It was a real privilege to have the Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts, the Hon. George Souris, at the event supporting a wonderful regional race meeting. I acknowledge the committee and staff of the Clarence River Jockey Club, who have worked so hard over many years to promote the Grafton carnival and racing in Grafton, and I recognise the value of their contribution to the local economy and local tourism. They are chairman Graeme Green, vice-chair Stephen Haines, treasurer Bob Pavitt, and committee members Brian Ferrie, Walter Green, Mrs J. A. Hutchings, John Kenny, Gary McCormick, Graeme Rickwood and Rowan Wicks. I also acknowledge the staff members who do a fantastic

job on course—the former chief executive officer, Bradley De Martinorosaroll, Drew Cookson the racecourse manager, Wayne Phillips the hospitality and events manager, and Trish McNally the administration supervisor. I invite members to come to next year's carnival, which I believe is the 100th anniversary of the Grafton Cup.

IRRAWANG PUBLIC SCHOOL

Mr CRAIG BAUMANN (Port Stephens—Parliamentary Secretary) [7.52 p.m.]: Tonight I advise the House of a tremendous school achievement story in my electorate. Irrawang Public School is one of four primary schools in Raymond Terrace and is located in a residential area, much of which is designated as public housing. In 1997 the school was placed on the disadvantaged schools program and the resultant additional funding has greatly assisted in the delivery of effective literacy programs. The school's website says that its prime purpose is to provide every student with the opportunity and encouragement to achieve their personal best in all areas of learning in order to maximise their choices for the future. The students' future has never looked brighter in recent years thanks to a passionate and hardworking staff led by the principal, Eve Field, and an incredible parents and citizens group.

I was fortunate recently to help officially open the new playground and garden in the Thou Walla Learning Centre, which is nestled in the grounds of Irrawang Public School. The Irrawang Parents and Citizens Association, in cooperation with Gina Ascot Evans, Thou Walla's coordinator, and Melissa Beasley, the community liaison officer, applied for \$30,000 in funding for the work under the Government's Community Building Partnership program. Taking a lead from the program's objective to provide vital infrastructure within the community for the benefit of residents through local community participation, this group took community involvement to a whole new level. The garden is not just the final result of \$30,000 in grant funding put to good use but the culmination of cooperation and true community spirit. As parents and citizens association president Julia Mather from Raymond Terrace articulated at the opening, the thought process behind the playground was more than just building a structure. She said:

It started with a plan, an excursion to other playgrounds, an outline was drawn up and everyone could add something that they thought would look great in our playground, keeping in mind the natural and environmental aspects. From this decisions were made and construction started.

To say a lot of hard work went into the project is underestimating the blood, sweat and I am told a few tears that went into it. The end result is nothing short of outstanding. That \$30,000 grant delivered a \$100,000 result. The garden is symbolic of the change the school has undergone in the past few years. A 2010 review at the school indicated that the school would benefit from becoming involved in Positive Behaviour for Learning, or PBL, part of a Hunter Central Coast Department of Education regional initiative implementing Positive Behaviour for Learning in a number of schools. In term two of 2010 the school adopted what are known as the Aussie Five rules. These rules are taught to the children in a series of lessons, and signs reminding the students are in every part of the school.

As change was occurring the school community voted to make a tangible change and a new uniform was introduced. Parents moved quickly to outfit their children in the new uniform and the supported the lower-income families through the change. A visit to the school reveals that the children look bright in their blue-and-gold uniforms. They look healthy and they are obviously happy. Visitors repeatedly report a calm, quiet, safe and happy school with a positive atmosphere and engagement in the playground and increasingly in the classrooms. Attendance has increased by almost 4 per cent in the past two years and there is an increased presence of parents and carers in the school. Many parents continue to report that they use the Aussie Five rules in their homes. One parent said:

As far as my child is concerned, well it was a lot of rocky road and lots of patience from school staff. One thing I have learnt is that without the support of the school the job becomes a whole lot harder. My child learnt all the values of PBL and what it stood for and slowly but surely throughout the last 2 years his behaviour has dramatically improved. He has learnt to be safe in the playground, a responsible learner and above all respectful. I truly believe that if our school hadn't been so involved with PBL my child would have been another statistic of those likely to fail.

He continues to improve academically and socially and most importantly within the school boundaries. I am proud to say that I have been involved in the process of PBL that helped not only improve my family's outlook, but the outlook for all families within our school and its community.

So impressed was I with the garden and the school that I invited the Minister for Citizenship and Communities, and Minister for Aboriginal Affairs, the Hon. Victor Dominello, to take a look at what this remarkable school community has achieved. I am also pleased to say that the parents and citizens association president, Julia Mather, is to receive a Hunter-Central Coast Region Education Week Award for outstanding contribution by a

school community member. It is a well-deserved award. What was once a disadvantaged school is a living demonstration of what every school can be. I look forward to bringing the Minister for Education, Adrian Piccoli, to the school to see what can be done for the benefit of not only the schoolchildren but the whole community. Congratulations to staff, parents, citizens and students of Irrawang Public School. You have certainly lived up to the school motto: We play our part.

Private members' statements concluded.

**The House adjourned, pursuant to standing and sessional orders, at 7.57 p.m. until
Thursday 16 August at 10.00 a.m.**
