

LEGISLATIVE ASSEMBLY

Wednesday 24 September 2008

The Speaker (The Hon. George Richard Torbay) took the chair at 10.00 a.m.

The Speaker read the Prayer and acknowledgement of country.

AUDITOR-GENERAL'S REPORT

The Speaker tabled, pursuant to section 38E of the Public Finance and Audit Act 1983, a performance audit report of the Auditor-General entitled "Delivering Health Care out of Hospitals: Department of Health", dated September 2008.

Ordered to be printed.

PARLIAMENT HOUSE EDUCATION TOUR GROUP AND VISITOR PROGRAM

The SPEAKER: I acknowledge a special occasion today and welcome to the public gallery nearly 50 students, teachers and community members from five small schools in the beautiful Bega Valley and foothills of the Snowy Mountains on the far South Coast—Bemboka Public School from the Monaro electorate; Candelo, Towamba, Wolumla, and Wyndham public schools from the Bega electorate. I am sure that the member for Bega and the member for Monaro are very pleased to see you here today, and we are delighted to have you with us. It is important that we acknowledge how many people, and schools in particular, come through the Parliament as visitors. Today you make up the 5,000th education tour group to visit the Parliament since the current tour booking system was established in 2001. Altogether, about 200,000 students have visited the Parliament, and I congratulate the parliamentary staff that facilitate the very successful education tour group and visitor program.

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

WATER (COMMONWEALTH POWERS) BILL 2008

WATER MANAGEMENT AMENDMENT BILL 2008

Agreement in Principle

Debate resumed from 23 September 2008.

Mr KEVIN HUMPHRIES (Barwon) [10.08 a.m.]: I lead for the Opposition on the Water (Commonwealth Powers) Bill 2008 and the Water Management Amendment Bill 2008, introduced by the Minister for Water yesterday. I acknowledge that there has been an agreement in principle to split the bills. I acknowledge also that the intergovernmental agreement that delegates powers from each of the States to the Commonwealth to administer water was tabled in the South Australian Parliament yesterday. The Opposition and the Government agree that serious water reform needs to be undertaken across the Murray-Darling Basin. Indeed, that reflects the attitudes of the constituents of my electorate of Barwon, which extends across 225 square kilometres in the northern part of the Murray-Darling Basin. The basin is the lifeblood of my electorate and that of the member for Murray-Darling, as well as of our neighbours in Queensland and to the south.

As to the intergovernmental agreement, there is a unanimous belief not just in the basin but also throughout the country that we must manage our resources far more wisely. Therefore, we must adopt a unified approach to managing the basin, which extends across five States. This legislation has been in the pipeline for some time, and I am glad that power will now be vested in one authority. We can no longer manage valuable

resources such as water on a sectional basis—whether that management is vested in States, regions, districts or separate authorities. Therefore, the Opposition does not oppose the bills or the delegation of powers to the Commonwealth—in fact, we reinforce that this is necessary. The speed at which the bills have been introduced and the brief consultation time are separate issues. I will refer shortly to the Commonwealth agreement.

I acknowledge that the Minister for Water has agreed to deal separately with the Water Management Amendment Bill 2008 and the Water (Commonwealth Powers) Bill 2008. I will discuss that issue in more detail later as the Opposition believes there is a need for quite a deal of consultation with industry players, the community and members of Parliament. Although we are delegating and ceding powers to the Commonwealth, New South Wales and the other States will be responsible for much of the management and the regulatory compliance issues with regard to the Act's implementation. We believe it will benefit government, the industry and the credibility of the Act to engage with stakeholders as some legislative issues are yet to be thought through fully. I certainly believe the industry will welcome meaningful engagement in that regard, and I acknowledge that the Minister has agreed to allow a period of consultation.

We need a far more rigorous basin approach to water management and a far more authentic and engaged regulatory approach to water management across the Murray-Darling Basin. The current situation is unprecedented. For the past six or seven years my electorate and many others have experienced significant difficulties. I refer specifically to water storages. The first 50 years of the past century were very dry. There was the Federation drought and then in the 1940s an extremely significant drought affected much of the country—certainly the Murray-Darling Basin. Climate change is a natural phenomenon and an ongoing event. Does human interaction affect climate change? Yes, it does. It is about intensity. The second 50 years of the past century—particularly the 1960s, 1970s and 1980s—were by comparison significantly wet. At that time the last round of water infrastructure—dams and water storages—were built in this country. As storages were constructed along the Murray, the Darling and other rivers in my constituency from Queensland to the Central West of New South Wales, water licences were allocated.

An interesting historical fact, which not too many people have investigated, is that water licences were handed out to irrigators and developers along our systems mainly during wet times when the storages and other water infrastructure were being constructed. It is for history to judge whether we were able to measure the full impact and can say truthfully that we allocated within a sustainable yield in those valleys or that an overallocation occurred. Some would say that it is a mixture of both. This is a new century, and current conditions reflect those of the years following Federation to 1950. We are experiencing dry times and a new paradigm as far as managing our resources are concerned. At the same time we are experiencing a global financial crisis. This legislation is being introduced at a good time—it has certainly been on the table for a while. However, I believe we require more in-depth consultation about implementation of the Water Management Amendment Bill 2008.

The purchase of Toorale Station highlights the way in which we make decisions regarding water. I do not intend to comment at length about the property, but I will raise several related issues. I visited Bourke last week, and I am aware of the due diligence undertaken regarding the purchase under the guise of procuring water for the system. I am aware also of the timeliness of the purchase and the information sought by the bureaucracy. The on-ground assessment was quite minimal. The basin community is more than a little sceptical and concerned about the amount of due diligence and due process undertaken in purchasing that property. The previous Federal Government, rightly or wrongly, recognised the need to address two issues that are very important to the Murray-Darling Basin. That is why it allocated \$10 billion in savings to work in conjunction with the States in addressing the problem of overallocation in our valleys and water catchments across the basin. Some \$3 billion was advanced to enable water buybacks to take place. In addition, more than \$6 billion was put into a basket of funding to allow the examination of water efficiency issues and technology improvements.

I am concerned—I am sure that the Minister will appreciate this point—that a significant policy swing has led to the virtual sidelining of the funding package designated for water efficiency projects across the Murray-Darling Basin. Those projects could be urban or regional infrastructure projects, or involve the buyback of regulated water and purchase of infrastructure, as occurred at Toorale Station—the licences there are not necessarily water licences but are built around infrastructure that has existed for some time; or those projects could involve other buyback strategies. They should all be in the mix. At present there seems to be undue pressure on Federal and State governments, particularly from our southern neighbours and the media, to be seen to be doing something. I believe the Toorale Station purchase was very much a knee-jerk reaction to this pressure and the sale was not examined critically in the context of water buybacks and returning water to the system.

Why do we need an evidence-based approach? Any Act or regulation is only as effective as those who implement it. It will achieve its desired outcomes only if there is commitment on the ground and at administrative and government levels. The Warrego, Paroo, Bulloo and Nebine rivers flow across the border from Queensland. The Queensland Government engaged with the community about its water resource plan. For the past five years Queensland has had a water resource plan for those cross-border rivers. So when it comes to buybacks, allocations or development approvals, Queensland has an instrument on which it can establish an evidence-based approach. I will read an extract from a letter written two weeks ago by the Queensland Natural Resources and Water Commission:

The Department of Natural Resources and Water is seeking community views on the implementation of the Warrego, Paroo, Bulloo and Nebine Water Resource Plan to contribute to a five-year assessment and report on the Plan to the Minister.

I am contacting you because of your involvement in one of the four Community Reference Panels established to provide advice during the developing of the Water Resource Sharing plan (approved in December 2003) and the Resource Operational Plan (approved in January 2006).

In other words, under the Queensland Water Act the Minister must prepare an annual report on the implementation of the water resource sharing plans. In short, the Queensland water resource sharing plans are designed to achieve support for the economic activity and the promotion of efficient water use in those valleys, provide more secure water entitlements, maintain a healthy riverine environment, introduce the opportunity for water trading, and finally, provide consistency with the Murray-Darling Basin agreements and water sharing agreements, which is what we are concerned with today. I will provide to the Minister a copy of the letter from the Queensland Natural Resources and Water Commission. Meetings between the commission and community representatives will take place in Hungerford today, and yesterday meetings took place in Charleville and Cunnamulla. The local community is involved in that consultation process.

In response to that, a river scoping study has recently been done on the Warrego River, where the property was purchased. The New South Wales Western Catchment Management Authority conducted the study, and I will provide the Minister with a copy of its report. The study was based on the following matters. The Queensland portion of the Warrego is managed under the Warrego, Paroo, Bulloo and Nebine Water Resource Sharing Plan, as I said, and the Resource Operation Plan 2006. At present there is no planning instrument in New South Wales. As such, there was concern in the community that available information be consolidated and assessed for usability for the purposes of supporting the development of a plan in New South Wales and for future reviews of the Queensland plan. There was also concern that an assessment be undertaken of current hydrologic impacts due to water resource development and potential future impacts.

The study, which was recently released by the Western Catchment Management Authority, was pretty much based on the Warrego River. In short, the study says that not a lot of measurement or assessment has been going on in respect of those rivers. Whilst we have a planning instrument in Queensland, now is the opportunity for New South Wales to address in far more detail how we measure and gauge our rivers, how we meter our rivers, and how we are able to make far more informed decisions when it comes to purchasing properties. It is not known whether the property was purchased under a water buyback scheme or under a land agreement, but I suspect the latter. The measuring and estimates based on the Warrego River in terms of water that will come back into the Murray-Darling system has been grossly exaggerated. I would like to think otherwise, but in reality I do not think that is the case.

I refer to another document that was completed not so long ago, undertaken by the Darling River Action Group. The document basically highlighted that the Warrego contributes virtually minimal amounts to the Murray-Darling Basin system. What does that mean for our river communities? What does that mean for issues concerning water buyback, land purchasing, structural adjustment and for some issues we know will be faced by our communities?

During that week I worked with Bourke Shire Council, and I believe that representatives of the shire council will meet with the Deputy Premier tomorrow. Over that week we tried not to complain about what governments were doing, because people in country areas, particularly those who live in irrigation-based communities, know water buybacks are taking place. They know that there needs to be adjustment, but if any adjustment is to be undertaken it needs to be done on a scientific basis; it needs to be in terms of the environmental outcomes we are seeking to achieve, and the community impacts that will be felt. We should not take a scattergun-based approach, with a \$10 billion cheque-book—just as people in Coleambally got frustrated a few weeks ago and said, "You can buy the whole town for \$3.5 billion!" That is the general feeling that potentially can permeate throughout our rural areas.

The Murray-Darling Basin produces about \$10 billion worth of agriculture, depending on the season. Indeed, the basin sustains a large proportion of the people in rural Australia, and it is integral to our food and fibre chain. When one takes out a property like Toorale, which is a large-scale food and fibre factory, it is an interesting scenario. According to a report that was undertaken locally, and produced only yesterday, the annual inputs of the property are at least \$4.7 million excluding labour. Bourke Shire Council has put together a report based on what the property contributes to the local community. The report indicates that the property contributes roughly 10 per cent to the local economy. When governments look at the decision-making process, whilst there are obviously commercial in-confidence issues around purchasing land and water, this is step one. If we are to get it right all the way through the Murray-Darling Basin, we need to set out a template that is legitimate and stacks up across all fronts, taking into account the social, environmental and economic impact. We need to address all those issues.

Overlaying issues in our rural communities need to be addressed, as well as cultural heritage issues. We also need to respect our indigenous brothers and sisters with regard to these purchases. I will table the report prepared by Bourke Shire Council, which I believe will be discussed tomorrow with the Deputy Premier. Basically we believe that when there is a difficult situation in many of our rural communities, which is basically right across the Murray-Darling Basin, we need to be very careful about how we impact on the communities. When you take 10 per cent out of the economy of the community, I liken it to taking BHP out of Newcastle. I also liken it to saying to a person, "You live in a four-bedroom house, but now you can only live in a three-bedroom or two-bedroom house." That is the message we are sending to city people. It does have an impact. The dynamics of it are intricate, but at the end of the day if we want people living in these communities their needs have to be taken into consideration.

With regard to the purchase, in conclusion I will refer to a letter from members of the Louth community. "Toorale Station" is located at the junction of the Warrego and Darling rivers. You can walk across most of the water storages. Most of the due diligence on that purchase was done by air. You cannot tell how deep a storage facility is from the air; you have to get on the ground. The National Parks and Wildlife Service conducted a 40-minute visit to the site on the purchase of 91,000 hectares. It takes almost 40 minutes to drive through the gate to the house! The National Parks and Wildlife Service drove to the shed and ticked a few boxes. We must do better than that. In effect, it is a \$30 million purchase, \$19 million from the Federal Government, \$5 million from the State Government, and the Clyde Agricultural Group will basically take out \$6 million to \$7 million worth of stock and grain between now and the end of December. So, in essence, it is a \$30 million purchase, not a \$24 million purchase.

Historically, a fellow called Samuel McCaughey was very much responsible for the Murrumbidgee Irrigation Area and also, I believe, the establishment of Lake Burley Griffin—which is an interesting scenario if we are going to pull the plug on some of those pieces of infrastructure. I will do a little more research on that. The Warrego River splits into two. Why is it an issue? Spreading banks were built along the Warrego where it split. Sand hills run down the middle of it, and no doubt a large amount of water spills to the west. That is the issue.

Over the past 100 years it has sustained a 30,000-acre lignum-based wetland—one of the largest wetlands in western New South Wales. I suspect that the Government will engage in further due diligence processes in relation to this wetland. If it is interested in putting more water into the Darling River it could do so by taking out some of that infrastructure, but at what cost? It could result in considerable conservation loss, a potential environmental disaster, and a reduction in the biodiversity of that property.

Those floodplains are the largest floodplain grazed areas in New South Wales, if not in eastern Australia. I am not talking about a scrub block at the back of a mountain range; I am talking about a large area sustaining significant biodiversity. We must be careful in the decision-making process and we must be mindful of the structural and community adjustments. I believe that the Government is sympathetic to that approach and that it will take on board those issues. I have a message from members of the Louth community—from Jenny Turner, the school principal, Annabelle Strachan, and Mrs Debbie Nielsen, one of the local landholders. They state:

As members of the Louth community surrounding "Toorale Station" we feel directly affected by the Federal Government's decision to purchase and change the industry status of this property. We ask you to request:

1. The Ministry for Climate Change and Water to publicly disclose the data justifying the excessive expenditure involved in the purchase of "Toorale" on Wednesday 10th September 2008.

We ask this data to be a true report without media influence.

2. Furthermore, having bought "Toorale" we ask for the Ministry to appreciate the uniquely complex environmental/socio-economic web of life that has made up this station for one hundred and seventy years.

"Toorale" is a substantial property that has shown evidence of its ability to produce food and fibre at a low-cost, operating in harmony with our fragile environment. We believe that by terminating this arrangement, the government would be *"throwing the baby out with the bath water"*.

We have an opportunity to change the way in which we work. We believe that there will be significant purchases of water and land in rural communities right across the State to manage those lands traditionally, without taking into consideration lost productivity, which we believe potentially is negligent. I ask the Government to be mindful of that process.

Referring to the Water Management Amendment Bill, I thank the Minister for alluding to the fact that there will be wider consultation. Opposition members have no problem in supporting an intergovernmental agreement. We welcome an opportunity to help better regulate the management of water in New South Wales. However, we would like to discuss further this Government's priorities and how they will be implemented. I again emphasise the gains that could be made through better infrastructure, water transfer and delivery. The Minister rightly said that New South Wales was the first State to separate land and water. In the early stages I was involved in many of the discussions between Minister Knowles and Federal Minister John Anderson. I suspect that the relationship between those two people at the State and Federal level created more of a balance for water management in this State, introduced property rights for landholders and water holders, and introduced a trading regime that enabled water to be transferred to the highest end user.

New South Wales was the first State to corporatise its irrigation districts and it was the first State to implement water-sharing plans. Referring to water-sharing plans, I note that the Water Management Amendment Bill 2008 acknowledges those water-sharing plans, and no decisions have yet been made to dismantle them. One of the issues that needs to be discussed—an issue that was just pointed out to me—relates to proposed amendments to schedule 1. Proposed section 60A will make it an offence for someone to take water without an access licence. In many cases we have a pretty good system for monitoring our regulated water, but a lot more work must be done on regulating and monitoring unregulated water in systems such as the Warrego River.

We have a good framework for those wishing to access supplementary water, but at the moment we do not have—and this issue is presently being discussed—the appropriate rules and framework for floodplain harvesting. There are no access licensing arrangements or agreements in the floodplain harvesting rules—an area that must be tightened in the Water Management Amendment Bill, and an issue about which we would like to talk to the Minister. In the Gwydir Valley, the area in which I live, most of the industry is built around general security water. It is able to access supplementary water, or what we used to call high flows, but no framework is in place for it to access or monitor floodplain harvesting, which is an ongoing issue.

I refer next to that section of the bill that deals with offences and fines. No-one wants water theft. Sometimes water theft is confused with the effects of the inappropriate infrastructure that is still present in some of our valleys. In many of our valleys—Macquarie Valley is a good example—there are a number of earthworks that were licensed under the Soil Conservation Act many years ago. Those earthworks have been maintained and in some cases they have been improved, but there is some confusion about the licensing of earthworks, how they originated and their status today.

No-one in the irrigation industry wants new developments in our valleys. Former Ministers held a meeting at which it was said that the irrigation industry did not support any new developments, as that would undermine existing water security in our valleys and our communities. This Government will not have any problems regulating in this area and helping people to meet their compliance and infrastructure responsibilities. Over the past five years State Water support staff, or staff in the old Department of Water and Energy, have dissipated. Over the past seven years there have been five changes. I hope that we will get some continuity at the ministerial level.

It is important to get right this compliance issue, and we are prepared to do anything we can to help the Government. The Government must take seriously its responsibility. It must put people on the ground that can monitor and regulate what is there. If there are difficulties in delineating whether or not pieces of infrastructure are legitimate it can work its way through that. In many of our valleys—and I have walked in most of them—there are a number of difficulties. People want a clear set of rules with which to work, not just from an investment perspective. People genuinely do not want to be seen to be taking more than they are entitled to.

Many, if not all, of our water users have a realistic commitment to environmental outcomes. We do not want an "us" and "them" mentality. We must be mindful of the fact that, with the restructuring of State Water, potentially we are taking out the last layer of genuine human knowledge and social capital that could be used to advise Ministers.

The previous Minister for Water Utilities, the Hon. Nathan Rees, said that some allocation be made for metering. Many of our water extractors, whether in regulated or unregulated valleys, are not monitored effectively. I have been aware of issues regarding off takes from meters where the meters have not been maintained properly. Who is responsible for the maintenance of the meters? In fact some of the off takes from meters have been moved. The pipeline that runs just west of Warren from the Gunningbar Creek, that supplies water along the Albert Priest channel, is a fantastic piece of infrastructure that I love to hate. As one drives in from Nyngan there are open waterways that run 75 kilometres into a weir pool and that water is then pumped from Nyngan to Cobar. That sort of project we need to get right.

Issues have always surrounded water allocation entitlements and many communities still argue over them. We need to get the metering infrastructure right. Minister Costa, there is probably at least a 10,000 mega-litre potential saving that could be made and contributed back to the environment and communities on a negotiated basis. Whilst the penalties for water theft are severe, I do not believe it is an issue that will affect the legitimate irrigator and water extractors, but it is something that we do need to take seriously and combat. I am sure the irrigation associations will have no issue with that and nor will there be any issue of water wastage. I believe the answer to a lot of water wasting is getting better technology.

As to enforcement powers, the Opposition would suggest—and we will discuss this later—that the irrigation and rural communities be educated and made aware of the role that both the compliance officers and the landholders and extractors of water are to perform. Much of the breakdown in the system—and we certainly saw it in native vegetation—involved the role of the compliance officers and how they were basically inflicted rather than introduced to the community.

It is incumbent on all governments to increase water efficiency. We have a very good cap and pipe program that we need to get up to speed to match the incentives that our Queensland counterparts provide to landholders who are extracting subartesian water from aquifers. Pressure is increasing as the cap and pipe program is introduced but it is a fantastic program that supports and reinvigorates our aquifers, and that is something the Government should also recognise.

There are a number of piping programs around New South Wales. A joint agreement between New South Wales and Queensland was called Piping New South Wales. It has been stalled but we need to get on with it. I urge Minister Costa to take on board that there are significant water transfer programs—and I am not just talking about desalination plants or town and water sewerage schemes—sitting in his office as we speak. Those programs need to be unlocked from the bureaucracy. In fact, I am meeting in Cobar on the piping project out west that we have discussed, and I am aware of two or three other projects that should be placed into the hands of developers. Much of the work has already been done.

If it were not for the series of weirs and locks along the Murray River one would be able to walk across the river now. There has not been a full review of, or serious commitment to looking at, the State's water storage infrastructure. A couple of years ago, prior to the last election, Sydney panicked when water supplies were running low in urban areas. The desalination plant was one response. In times of difficulty what sustains communities, and what will sustain the Murray-Darling Basin, is a far greater commitment to water storage infrastructure. In the Murray-Darling Basin the Government has relied on private water storage but now it is saying there is probably too much private water storage and it needs to return to public hands. We need a mixture of both if we are to achieve better water storage.

Some years ago New South Wales made a commitment to help local entities by providing resources for flood management studies to be undertaken. I have received numerous calls requesting the State Government to reinstate that funding, which seems to have dropped off. It will be very hard to instigate a flood-harvesting framework when we do not have full knowledge of the flood management issues within each catchment. That is another issue to be taken up by the Opposition in the discussion process with the Government.

To date there has been significant restructuring, especially with the groundwater issues in the Namoi and the Gwydir, which started back five years ago. I acknowledge the work that has been done in the Gwydir and the Namoi, where many of the water restructuring programs were instigated. It highlighted the importance

of the government of the day being able to work with irrigators and communities. In most cases, particularly in the Namoi, the average cutback of groundwater was up to 50 per cent, which equated to \$40 million of annual production. Whilst the irrigators did not have a problem in looking at the hydrology of the area on an evidence-based approach, they were largely being left out of the system. That cannot be allowed to happen again as State and Federal governments look at embarking on significant water purchasing and potentially land buybacks.

If you want to assist people to reclaim water—I am not talking about new water because you cannot make it rain—you need to improve the health of the rivers. The difficulty with the health of our rivers has been the ability of the rivers to obtain medium flows. We are missing out on the medium flows. Water purchasing and land buybacks are one strategy to rectify that situation but there are others. We need better infrastructure along the river systems. If we had not had weirs along the Darling River it would have been dry, except for the recent summer rain, for the last four or five years. We appreciate that a mixture of strategies and working with communities does achieve better outcomes, and the Opposition will also take that up with the Minister in due course.

The Opposition supports the intergovernmental agreement, and to the members who represent a significant part of the Murray-Darling Basin—the Hon. John Williams and I represent about 61 per cent of the State—water is a huge issue. We appreciate that it is a huge issue for the Government and we are committed to working with the Government on it. The Opposition is committed to maintaining the property rights of people and conservation and environmental outcomes in helping our neighbours. There is room in the Murray-Darling Basin for everyone. The politics of water need to be dissipated. We need our proper water-sharing operational plans to be tidied up, as the Queensland Government has done. Maybe our new entity, the Murray-Darling Basin Authority, will have the foresight—now that it can take a holistic view—to look at some of the issues surrounding things such as infrastructure.

The Opposition would also like to discuss with the Minister the issue of off-allocation schemes. I am aware that the Australian Competition and Consumer Commission is presently looking at how to unbundle schemes. I urge the Department of Water and Energy to take a precautionary approach. Last Sunday I met with Narromine water users about their scheme—I think there are 70-odd users in a scheme that extends for about 230 kilometres. Once you start unbundling those schemes by allowing people to transfer and extricate themselves on an individual basis without going through the collective strength of the schemes it has the ability to weaken the scheme. Having worked in this industry for quite some time, I know it is very difficult to extract yourself from a scheme. There is a good reason for that. If people start extracting themselves from schemes it puts more maintenance issues back onto other people involved in the scheme and weakens the ability to maintain the scheme.

We need more resources to make closed schemes more efficient. With some of the schemes, such as the Trangie-Nevertire scheme, some of the end users will want to exit, and that is where efficiency gains can be made. However, if exiting those schemes is made too loose and too easy we will have a problem. This is at a time when many irrigators in those schemes have not had an income for four or five years with zero allocation. They are vulnerable at the moment and we need to be mindful that we do not throw the baby out with the bath water. We can make some of our irrigation schemes, particularly the off-allocation schemes, much more efficient, particularly in the Central West and some southern parts of the State. We certainly have some evidence on that.

I could talk about water all day, but I will not. I know other members also want to speak. I think I have exhausted most of the issues. On behalf of the Opposition, I appreciate the Minister's offer to negotiate further on this. There were people in New South Wales today closely reading yesterday's reports and the phones ran hot in some places this morning with people wanting some sort of response and engagement in the process. If the Minister helps facilitate that he will get a good outcome. People want better standards and improved ways of working. We will do anything we can to help facilitate that. With regard to purchasing properties and water, my last wish is that people should be very mindful of the impact it will have in rural areas. It will be extremely significant.

I will not go on about the difficulties the bush has had in the past five or six years. That will turn around. I am extremely optimistic about agriculture and the way we do business. At the end of the day we will be feeding and clothing a large number of people. We in the bush are at the pointy end and we are usually the first affected when it comes to implementation of government policy, particularly on natural resources. We are usually affected by a multiplication factor that tends not to be recognised in the larger urban areas. It is not a

little ripple when we start taking out some of the major production areas in the bush; it is a bomb. It is something we need to be mindful of. We will back the evidence-based approach every time and back the good science and the conservation outcomes, but please do not leave the communities behind.

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

COMMITTEE MEMBERSHIP

Motions, by leave, by Mr John Aquilina agreed to:

Public Accounts Committee

That, pursuant to section 54 (5) and (6) of the Public Finance and Audit Act 1983, Grant Anthony McBride and Peter Ross Draper be appointed to serve on the Public Accounts Committee in place of Jodi Leyanne McKay and Robert James Murray Oakeshott.

Committee on Children and Young People

That:

- (1) pursuant to section 1 of schedule 1 of the Commission for Children and Young People Act 1998, Geoffrey Corrigan and Robert Darcy Coombs be appointed to serve on the Committee on Children and Young People in place of Andrew Dominic McDonald and Carmel Mary Tebbutt; and
- (2) a message be sent informing the Legislative Council.

Committee on the Health Care Complaints Commission

That:

- (1) pursuant to section 68 of the Health Care Complaints Act 1993, Matthew James Brown be appointed to serve on the Committee on the Health Care Complaints Commission in place of Andrew Dominic McDonald; and
- (2) a message be sent informing the Legislative Council.

Committee on the Independent Commission Against Corruption

That:

- (1) pursuant to section 66 of the Independent Commission Against Corruption Act 1988, Diane Beamer and Ninos Khoshaba be appointed to serve on the Committee on the Independent Commission Against Corruption in place of Jodi Leyanne McKay and Lylea Anne McMahon;
- (2) Gregory Eugene Smith be appointed to serve on the Committee on the Independent Commission Against Corruption in place of John Harcourt Turner, discharged; and
- (3) a message be sent informing the Legislative Council.

Committee on the Office of the Ombudsman and the Police Integrity Commission

That:

- (1) pursuant to section 31D of the Ombudsman Act 1974, Kerry Arthur Hickey be appointed to serve on the Committee on the Office of the Ombudsman and the Police Integrity Commission in place of Angela D'Amore; and
- (2) a message be sent informing the Legislative Council.

Legislation Review Committee

That:

- (1) pursuant to section 6 of the Legislation Review Act 1987, Noreen Hay be appointed to serve on the Legislation Review Committee in place of Lylea Anne McMahon; and
- (2) a message be sent informing the Legislative Council.

Standing Committee on Parliamentary Privilege and Ethics

That Gerard Francis Martin be appointed to serve on the Standing Committee on Parliamentary Privilege and Ethics in place of Phillip John Costa, discharged.

Standing Committee on Public Works

That Alan John Ashton and Marie Therese Andrews be appointed to serve on the Standing Committee on Public Works in place of David Lawrence Borger and Karyn Lesley Paluzzano, discharged.

Standing Committee on Broadband in Rural and Regional Communities

That Paul Bernard Gibson be appointed to serve on the Standing Committee on Broadband in Rural and Regional Communities in place of Phillip John Costa, discharged.

Standing Committee on Natural Resource Management (Climate Change)

That David Robert Harris be appointed to serve on the Standing Committee on Natural Resource Management (Climate Change) in place of Michael John Daley, discharged.

Standing Orders and Procedure Committee

That Tanya Rachelle Gadiel be appointed to serve on the Standing Orders and Procedure Committee in place of Anthony Paul Stewart, discharged.

STANDING COMMITTEE ON NATURAL RESOURCE MANAGEMENT (CLIMATE CHANGE)**Membership**

The Clerk, in accordance with the resolution of the House of 21 June 2007, announced receipt of correspondence nominating Gregory Michael Piper as a member of the Standing Committee on Natural Resource Management (Climate Change) in place of Robert James Murray Oakeshott, resigned.

WATER (COMMONWEALTH POWERS) BILL 2008**WATER MANAGEMENT AMENDMENT BILL 2008****Agreement in Principle****Debate resumed from an earlier hour.**

Mr GEOFF CORRIGAN (Camden) [10.56 a.m.]: I support the Water (Commonwealth Powers) Bill and the Water Management Amendment Bill. The Water Management Act was introduced in 2000 by the Carr Government. It fundamentally overhauled water rights in New South Wales, creating a system of property rights in water, which had the effect of greatly increasing the security and value of water rights in this State. At the same time it recognised the rights of the environment to its share of the water as a valuable resource. As a result the Act provides the means for the protection and sustainable management of our State's water resources. The water sharing plans that have been implemented under the legislation are the key water management tool for achieving that aim.

The Act has increased the security and therefore the value of the rights of both water users and the environment. This means enforcement of those rights must also now be stepped up to be as effective and efficient as possible. Let me be clear: most people in the community do the right thing. Those people have nothing to fear. This bill is aimed at the minority who do the wrong thing. As we know, the higher the value a commodity has, the more incentive there is for theft. This is especially the case during the current severe water shortages across much of inland New South Wales. Currently in the southern valleys in inland New South Wales there is only sufficient water to meet essential human and industry needs.

At times of such severe shortage any water that is illegally extracted from our rivers or groundwater systems is directly putting these critical needs at risk. That is why I support the Minister's proposal that the Government put a stop on water thieves. The bill is needed to make this possible. The bill does a number of things: it introduces tougher penalties, incorporates stronger offences and includes more robust investigation and evidence provisions. These improvements are particularly timely as the drought in New South Wales continues and as many of the people of New South Wales wonder whether climate change means the current drought conditions will become the norm rather than the exception across the State.

At this time it is critical that the House supports the Government's efforts to do everything possible to sustain our inland rivers and the communities they support. It is also critical that the House supports the Government's efforts to reel in water thieves. I am particularly pleased that the bill introduces increased fines for

water theft by individuals and corporations. In 2008 water is a very valuable commodity. This is not only due to drought-induced water scarcity, but because the water reforms so vigorously pursued by this Government have made water access licences secure, tradeable assets. This increase in the value of water means the rewards for water theft are higher. It also means the impacts on water theft victims are worse. Therefore, it is appropriate that penalties under the Act are increased to deter water thieves from stealing water.

The increased penalties ensure the punishment fits the crime. They also get the message out to the community at large that those who steal water will potentially be subject to a substantial fine. These fines have been designed to deter individuals and corporations from stealing water. Thieves want to use water for their own selfish motives, namely, to make profits. The bill introduces new maximum penalties for offences under the Act so that thieves know they are taking a big risk if they steal water. The new maximum penalties for individuals found guilty of intentional offences under the Act, including water theft, are up to \$1.1 million or up to two years imprisonment. A further maximum penalty of \$132,000 will apply for each additional day the offence continues. Corporations will be subject also to new maximum penalties. The bill provides that the maximum penalty that may be imposed on a corporation for an intentional offence against the Act is \$2.2 million and \$264,000 for each day the offence continues. These new maximum penalties send a strong message to offenders that there is a new reality: Water is a valuable resource and taking more water than your legal entitlement is property theft, just like any other theft, and will not be tolerated by the community or the courts.

The Act contains various offence provisions that find their genesis in the Water Act 1912. The bill seeks to update these offence provisions to improve the ability of the State's water watchdog, the Department of Water and Energy, to police and regulate the use of water in New South Wales. The bill contains provisions dealing with intentional and negligent behaviour. The bill contains also provisions addressing behaviour such as water meter tampering and harming aquifers. The Department of Water and Energy is aware of situations where individuals and corporations have tampered with their water meters, in some cases on numerous occasions or over a period of weeks or months, for the purpose of obtaining water illegally and dishonestly. The bill strengthens the meter tampering offences in the Act, meaning that meter tamperers are now on notice that if they are caught they will be subject to the new maximum penalties.

This demonstrates the commitment of the Government to addressing the concerns of individuals, farmers, environmentalists and industry that water must be shared fairly and equitably. The Department of Water and Energy will continue to work with the community to improve voluntary compliance. Community education is an essential part of water management. However, improved enforcement tools are necessary where people continue to flaunt their community obligations. The bill and the improved enforcement tools are critical to the ongoing water management in New South Wales and to safeguarding the future of our rivers and river communities. In order to support our irrigation industries and our riverine environments I urge the House to support the bills.

Mr JOHN WILLIAMS (Murray-Darling) [11.03 a.m.]: It gives me great pleasure to speak to the Water (Commonwealth Powers) Bill 2008 and cognate bill. I represent an electorate with probably the greatest extent of river frontage in New South Wales, so water is an important issue in my electorate. For the past two years the Murray-Darling Basin has faced a knife-edge situation. State Water has done a magnificent job in managing the resource. I am happy to speak in my electorate in support of its actions and initiatives to manage this resource and to see that the critical needs of communities throughout the Murray-Darling Basin are met. One situation that is faced by communities in the irrigation area is the demonising of irrigators. The press portrays irrigators as creators of the drought and the current situation, and they talk about the health of the Murray River, which has probably never been better than it is now. If the Murray River had not been regulated and managed, it would be dry from the Hume Weir down to South Australia. We have done a good job managing this finite resource, as it exists today.

The irrigating communities are concerned about the protection of their rights under the Commonwealth takeover. We must communicate to them that their rights are guaranteed and protected. They are concerned that Federal Minister Penny Wong goes to a meeting and says, "I don't want to hear that water is not over-allocated. I don't want to hear about 'no climate change'." That is how she starts a meeting. She has been misled and she does not understand the history of our irrigation developments, particularly in New South Wales. The history of irrigation settlements in New South Wales has been predicated on State Government initiatives. State Government has taken the opportunity to flood mitigate, to regulate water, to put the water to good economic use and to develop close communities within the southern areas of New South Wales, particularly the southern Riverina. The history is there. It has been a Government initiative to develop irrigation.

Today we face drought and shortages, and everyone wants to write off the history and say it never existed. As to the history of the Commonwealth Government's management of water resources, the first move taken by the Federal Government was to introduce the National Water Initiative, which was a Council of Australian Governments agreement. That initiative recognised the need to review aspects of water management—how to better manage water resources, how to determine the value of the resource, and how to measure the resource as a value item. As a consequence of that initiative, our water resources will be better managed.

Most irrigators throughout the valleys had a 40 per cent reduction in their allocations, and they were told that now they had less they had to manage it better. In most cases, they have done so and we have seen dramatic changes in the way that water is distributed throughout the irrigation areas. In particular, Western Murray Irrigation went from a channel system to a fully piped system that is pressurised to the door of the irrigators, and the management of the resource has never been better. It is metered, so we know what goes in and what goes out to the irrigators and they are charged accordingly. It is a magnificent structure that demonstrates that we can put water back into the river. It has created a saving of 65,000 megalitres of water. This clearly demonstrates that we are moving in the right direction. With the financial support of government, we have seen the introduction of many changes in most of the valleys in New South Wales that have improved the methods of irrigation.

We have not seen the benefit of a reduction in allocations because we have had an average river flow. But certainly there will be a benefit. We have not derived any benefit from the National Water Initiative. Many irrigators were concerned about the separation of water and land. I believe it has given them more value—it had to be done. Another area of concern for most irrigators is the use of groundwater. They argue that the science is not complete and that it is based on guesstimates. The department and the Commonwealth have a responsibility to provide irrigators with conclusive information as to whether there has been a depletion of water in the aquifer. The irrigators say that the level of water in the aquifer has stayed the same. Obviously, the Government wants to manage the resource and remove the ability of irrigators to access it.

Along the Murray River, particularly, corporations generally are bulk water purchasers and they manage the resource once it comes into their hands. Water theft is a concern for them. Irrigators that I talk to tell me they want to challenge those who are stealing water. Given the penalty that currently applies to stealing water, the outcomes that an irrigator can achieve by using that stolen water are so beneficial that the fines are insignificant. There is no doubt that this initiative has the support of the irrigators and I believe that the irrigators who are complying with the rules will support it.

As I look around my irrigation area I realise that we must look at some of the trust areas that operate out of channels. One irrigation trust has a 55 per cent loss. Obviously it has created opportunities for people to siphon water out of those channels and access more water than they are entitled to. The sooner we move to pipe that water around those irrigation areas the sooner we will have better controls and we can start managing that resource by measuring what comes in at the front end and what is distributed through the system. I believe we have a long way to go to support initiatives to save water, but this will save water. An irrigation trust in my area is prepared to sell off 50,000 megalitres of general security water to provide the money to put in a pipeline. People out there are working towards returning some water to the system and getting some benefits out of the water saving that piping will create.

The auspicing by the Commonwealth is of concern to most irrigators. We must find a way to have our State interests represented. I will work with Minister Costa, our new Minister, to ensure that everyone is clear on how the Commonwealth versus State system will work with the overarching body. There are some concerns that representation on the committee be fair and equitable, and that irrigators be fairly represented. Irrigators are not quite the demons that people make them out to be. In fact, most of the irrigators have had no allocation for three years, and in some areas five years. They feel they need some representation on the Commonwealth auspicing body and the overarching committee to provide some balance, and to ensure that people are not misguided. As I said earlier, I do not think people understand the history of how irrigation areas were developed, and I think they should.

Another challenge is that a Federal Senator—a new boy on the block—decided recently that he would make himself a hero in South Australia by providing some water for the lower lakes. He decided to identify 300 gegalitres of water in Lake Menindee to be released, but he has no understanding of how we manage releases of water and how we regulate water in the lower Darling. He has no respect for community needs, the critical needs of those below the Lake Menindee area, the processes that we apply to dilution flows particularly and some of the things that we support in the Murray River. [*Extension of time agreed to.*]

I will put on record a little bit of history so that people can understand how people got water rights in the Lachlan Valley. Wyangala Dam is situated on the Lachlan River, almost 50 kilometres upstream of Cowra, close to the junction of the Abercrombie and Lachlan rivers. The dam was named after Wyangala Station, one of the properties that were flooded by the waters of the dam when its construction was completed in 1935. The head of the Lachlan River was discovered in 1815. Settlement of the Lachlan Valley began soon after that.

With the discovery of gold in the region in the 1860s, many gold seekers, who eventually settled in the valley, were attracted to the area. By the early 1900s development in the region was significant. However, it was restricted by variable and uncertain river flows. The Water Conservation and Irrigation Commission of New South Wales decided that a dam was needed to regulate the river flow. In 1928, following the completion of Burrinjuck Dam on the Murrumbidgee River, work commenced on the original Wyangala Dam. The current Wyangala Dam can hold more than 1.2 million megalitres—more than twice the water held in Sydney Harbour. But the dam was not always so large. The initial dam had a storage capacity of 374,860 megalitres and a surface area, when full, of 2,520 hectares.

The original Wyangala Dam was built for three main reasons: to supply water to people and stock covering an area of 500,000 hectares; to irrigate 15,000 hectares in the upper sections of the Lachlan River; and to open up 250,000 hectares west of Euabalong for settlement. Today, the increased capacity of the Wyangala Dam provides water for a far larger area. Although it was designed and built to the highest standards of the time, the original dam had a number of shortcomings by today's standards.

There were commonly held fears that the dam could be subjected to unacceptably high levels of stress by floods that reached higher than those the spillway was designed to cope with. Engineers investigating the possibilities showed that raising the crest level of the dam by 23.5 metres would increase the storage capacity by almost four times. This worked out to be cheaper at the time than building alternative storages on a Lachlan River tributary, as the enlargement work was carried out at the same time as the strengthening of the Wyangala Dam original structure. This enlargement work began after an Act of Parliament in 1961 and was completed in 1971. The new embankment was built just downstream of the original dam wall and the accompanying new spillway was capable of withstanding a very severe flood.

Today, Wyangala Dam has a storage capacity of 1,218,000 megalitres, a surface area of 5,300 hectares, a catchment area of 829,000 hectares and an annual regulated flow of 490,000 megalitres. When the existing dam was constructed, regular flooding of the Lachlan Valley occurred due to its limited capacity. With no flood on a fully regulated river, such as that which occurred as a result of the expanded Wyangala Dam project, irrigation allocations were awarded to farmers in the region by way of compensating them for the arable floodplain land that was lost in the construction and filling stage of the dam expansion. These people were receiving water allocation as a form of compensation but today they are demonised. These water rights are not something the irrigators of the Lachlan Valley would easily or willingly give up as they were given an entitlement to them.

With the Federal Government currently offering to buy backwater allocations, this has brought to the fore water rights in the Murray-Darling Basin. People who were allocated irrigation water with the expansion of the Wyangala Dam are now being condemned for the compensation that is their right. The legislation that was passed by the New South Wales Parliament clearly stated that the Wyangala Dam was an irrigation facility. It was originally designed with five weirs to be constructed down the river to facilitate the valley as its irrigation development was undertaken. Only two weirs were ever constructed and various governments since the 1930s have been lacking in not abiding by that enabling legislation.

Part of the problem with the Lachlan River is that while it is geographically located within the Murray-Darling Basin, it does not contribute to the Darling or Murray rivers on a regular, or even semi-regular basis. It has only three times reached the Murray River because it fills into the Quambone swamp before doing so. Additionally, the Government has applied translucent flows to the Lachlan system. That means the environment always takes precedence over any other water users, apart from domestic and stock users. There are about 800 water licences to extract Lachlan water, mostly belonging to family farms.

One of those irrigators was interviewed by Ticky Fullerton of the ABC for a book entitled *Watershed*. In it, fourth generation farmer Robert Caldwell stated how he had spent 30 years building his farm around water, only to lose it. Mr Caldwell believes that the National Competition Policy, full cost recovery and water reforms have made his modest sized irrigation farm unworkable and unviable. His allocation in a good year was halved without compensation, which effectively halved his ability to generate income and reduced the value of his farm by 30 per cent.

He said that, to add insult to injury, the department planned to release up to 350,000 megalitres from Wyangala Dam—29 per cent of the dam's capacity—under the pretext of environmental flows. He believes that the purpose of this release was to deny irrigators half of their rightful entitlement and so implement the Murray-Darling Basin cap. He said that the fact that irrigators diverted only 13 per cent of the 19 per cent of the resource had been ignored and that it meant in non-wet years the reliability of the remaining half of his water allocation had fallen from one year in 50 with a zero allocation of water to 20 years in 50 with a zero allocation. Water prices have risen threefold in the past four years and more multiples are expected. Mr Fullerton said:

Full cost recovery and water to its highest value use will see me priced out of production.

All of my water at Forbes will go to Hillston for cotton growing within two years.

The fact that the delivery efficiency to Hillston is only 25 per cent compared with the 90 per cent at Forbes is not considered.

Water efficiency is not taken into consideration as a major bugbear for some irrigation farmers. At this time when farmers are doing it tough enough they do not need another bugbear or a community that is uneducated on the facts about water allocation and condemns them for wanting what is their right. That is why I say it is very important for the Government to be mindful of the history of water allocation, how irrigation areas were developed and how people were given water rights. They were given a right and an entitlement, and we must respect their right to use that water how they want to use it. Obviously, the condemnation of cotton and rice growing is not for the public to decide. What irrigators grow is a decision for them. The irrigator gets an allocation of water and he needs to get the best economic outcome from using that water.

Mr FRANK TEREZINI (Maitland) [11.23 a.m.]: I support the Water (Commonwealth Powers) Bill and cognate bill, because they provide critical support for the July intergovernmental agreement on the Murray-Darling Basin reforms, which was a key step in continuing the reform of the Murray-Darling Basin. In the face of the mounting challenges posed by drought, shifts in agricultural land use patterns, changing demographics and climate change, there are few more important challenges facing our State. A healthy Murray-Darling Basin is required to support the continuation of community life in towns throughout the basin as well as economic growth and, importantly, the survival of the western rivers that are home to such iconic species as the red river gum and the Murray cod.

As the drought continues unabated and the spectre of climate change grows ever more real, maintaining a healthy basin is immensely challenging. It requires management that balances economic and human needs with the long-term needs of our rivers. New South Wales, Victoria, South Australia and Queensland are all in the same boat. We all depend on the Murray-Darling Basin. That is why it is so important that the agreement being implemented through the referral bill we are considering today has been negotiated by each of these jurisdictions. This agreement ensures that workable mechanisms are in place to govern the ongoing sustainable and secure use of the basin's resources involving all the jurisdictions that depend upon it. The referral bill is necessary to establish these arrangements and I support them for that reason.

The main thing I wish to bring to the attention of the House is that these are real-world bills that will have a real impact. There are few more important issues of good governance than the provision of drinking water, and that is a key feature of these bills. The Murray-Darling Basin meets all critical human water needs in New South Wales, Victoria, South Australia and Queensland to some degree. These bills and the new Murray-Darling Basin agreement recognise that and they make critical human water needs a top priority. These needs relate not only to water required for human consumption in urban and rural areas but also to water required for essential economic and social processes that are fundamental to rural and regional communities.

The referral bill provides that under circumstances of adequate water supply, the New South Wales Government will continue to be responsible for managing its share of available water to meet the State's critical human needs. However, the agreement also recognises that, in the event that the prolonged drought continues, there may be a requirement for more centralised management of this fragile resource. The agreement therefore allows the jurisdictions to depart from normal water sharing arrangements to ensure that critical human water needs can continue to be met in times of severe drought, such as southern New South Wales has been experiencing for many years.

However, current climate change predictions suggest that the affected towns might cop these conditions more often in the future than they have in the past. That is why these new arrangements are so valuable. Given the complex linkages between one jurisdiction and another, the actions of a single jurisdiction can have far-reaching consequences in another State. That means central management is needed at times and that powers must be referred, as these bills propose.

It is a credit to our federation that we have been able to come together on the critical issue of human water needs for human consumption and other vital social and economic processes. I also note that this agreement is in no way starry-eyed or unconditional. It includes appropriate limitations to protect New South Wales' interests. For example, under the agreement, South Australia may store water in upstream storage if that storage does not affect water availability for New South Wales and Victoria. New South Wales' water availability is therefore protected and cannot be compromised by the exercise of another Government's rights under the agreement. Similarly, the agreement provides for particular trigger points when the ministerial council may intervene to ensure that critical human needs in all jurisdictions are met. The referral bill allows New South Wales to suspend its referral of powers at any time if necessary.

Finally, if a decision might affect State water shares, the Commonwealth's Murray-Darling Basin Authority is required to refer the issue to the States for consideration through the basin officials committee. Jurisdictional interests are therefore protected, but at the same time there is provision for more centralised forms of governance when required. The agreement therefore represents a balanced approach to managing the various demands that are placed on the Murray-Darling Basin. For all those reasons, I am happy to commend the bills to the House.

Mr ANDREW FRASER (Coffs Harbour—Deputy Leader of The Nationals) [11.29 a.m.]: I congratulate Minister Costa, the Minister in the chair, on his appointment. I hope that he will listen to the concerns that we have raised already in the debate and those that I am about to raise. I will stray off the focus on New South Wales for a moment and point out one of my concerns about the federal approach that the Rudd Government is taking. It is supporting projects such as the South Australian proposal to flood lakes with saltwater. I believe that will ruin the ecosystems of those lakes. Water is also being taken from the Goulburn Valley, down the Goulburn pipeline and into Melbourne.

One of the concerns I have in relation to water issues—as do many people across New South Wales I have spoken to—is that under this legislation we now transfer water from valley to valley. That is very dangerous. What is New South Wales getting out of this legislation? I heard the member for Maitland say that we can regain our powers at any time because of clauses in the legislation, but even when the Howard Government introduced the concept of a Commonwealth takeover of water New South Wales jumped at it far too quickly because it saw the water issues as being too hard to solve, especially in the Murray-Darling Basin. It was far easier for the State Government to walk away from it and take a \$3 billion rescue package from the Federal Government—and then it could say that this is not its problem, that it is a Federal Government problem. It is a Federal Government problem but it could have been solved quite easily by the Council of Australian Governments and by cooperation between New South Wales, Queensland, Victoria and South Australia.

Only about 10 days ago I had a meeting with John Cobb, the Federal shadow Minister for Water Security, and the shadow water Ministers from Victoria, South Australia and Queensland. One should see the anomalies between those States. For example, a water right is still tied to a property right. It is a bit premature when one talks about having to buy land. Toorale Station is an excellent example. I commend the member for Barwon for the work he has done in Bourke in pulling that community together. The Government has bought some very good grazing and farming country for the water held in the weir. I have no trouble with returning that water to the system. In other words, taking away the irrigation rights that Toorale had on that water. But to turn that property into a national park, which is non-productive, is a great kick in the guts for agriculture and, I suggest, to the New South Wales economy because of the production that that property brought into the towns of Bourke and Louth and other nearby areas.

Where is the structural adjustment in the Federal Government's plan? Under the Howard Government, \$1.5 billion was for buyback and \$1.5 billion was for structural adjustment. Structural adjustment means that the 100 people who are losing their jobs in Bourke and Louth and other areas will have some future in those towns. Killing agriculture kills not only the farm but also the community that is reliant on the business that that farm brings in, be it purchases or jobs on the farm itself. People living in those outback communities rely greatly on agriculture. This legislation is premature. We are not going to vote against it but a lot of the problems that have been flagged have been ignored purely for an environmental benefit. What is that benefit?

We get water in the Murray-Darling system when there is a decent flood. I know the complaints. Some 12 or 18 months ago I attended a water meeting at Lightning Ridge with people from Bourke and the member for Barwon, the Leader of the Opposition and the Leader of The Nationals. We had great concern about the allocations across the border into Queensland. Whether our concerns are justified we do not know because it is a different regime over there, so one needs uniformity. At the same time, if we had major flooding as we have in

years past, I feel sure that stresses on the system would not be nearly as apparent as they are at the moment. We all understand the need to ensure that these river systems are viable into the future, but let us do it rationally and not emotionally. Let us make sure that the allocations that are providing the jobs in those towns remain.

Where is the on-farm assistance under this legislation? Why is some assistance not given to the farmers to use their water more effectively and more efficiently, something I have said for a long while? We need more efficient and effective use of water on farms. In 2002 I had discussions with Pratt Water about what it was proposing for the Murrumbidgee and that neck of the woods. That was saving water from the system by assisting farmers, by piping irrigation channels, by looking at new types of irrigation or by upgrading irrigation rather than flood irrigation, such as T-Tape, and other ways that mean a far more efficient and effective use of the water than has been done in the past.

Water licences have been allocated in times of high flood. People should not think this is the only drought we have ever had or are likely to have. One only has to read the early explorers' explanations and descriptions of rivers out west, where they found blue-green algae when they first explored them. Why? Because it was drought time. It was not man-made. We have recognised as a society the great potential of those areas and we probably have overallocated, but we need to give some assistance to those farmers and those communities to ensure that maximum possible use is made of the water that can be drawn off the system. Unless we do that we will find ourselves importing foodstuffs for the tables of the people in Sydney. We do not want to do that. We all saw the loss of jobs at Leeton because of a lack of water for rice. I may be corrected, but something like 200 jobs were lost. Someone has to stand up for agriculture in this State and recognise that it not only gives a great economic kick for the State and Australia but it also puts food into the stomachs of the people in Sydney.

Let us look at what has happened to Warragamba Dam and the effects of the drought in Sydney over the past couple of years. We have had severe water restrictions here. I do not believe that is drought induced. That was induced because this Government planned massive growth in Western Sydney without providing the infrastructure for the much-needed water and without educating people that when they turn on a tap it costs them. Someone like me who lived on a property until recently—and I will be moving back there shortly—knows that every time I turn on the tap I am using my own resource. It is costing money for electricity because it is driven by a pump. That is the sort of mentality required to reinforce to city dwellers and to make them understand that water is a precious resource. It is not something that one hoses the leaves off the driveway with each morning. It is something we need to live. We have to manage the system far better. I do not believe we will get that under the current Federal system.

We have made a plea to the Minister, and I ask him to confirm it in his reply to this debate, that he will consult on the Water Management Amendment Bill 2008. While we recognise these are cognate bills, we believe that there has not been the concentration required in relation to the effects of fines and compliance with flood plain management. The people who utilise that water need to have some input. If the Minister wants a result out of this he needs to have that consultation. We also need to look at what the Government has done to farmers over the past few years in relation to water charges. On a regular basis the shadow Minister, the member for Murrumbidgee, and other members on this side of the House receive complaints that people are paying between \$70,000 and \$100,000 a year for their water licences, but no water is being delivered.

The Government is imposing huge costs on drought-affected communities to no advantage. It is purely propping up the budget bottom line in New South Wales. I implore the new Minister to go out and talk to these farmers so he will understand that they are paying these huge amounts of money while they are getting no production and receiving no money. In these drought times they are sowing on a shower of rain and hoping like hell that the weather forecasts are right, as they were last year. At the end of the day they have costs of anywhere between \$100,000 and \$500,000 and no money to irrigate. They lose that money and at the same time pay water licence fees. This is appalling, unAustralian and should not be done. We have an obligation to ensure that our farming sector remains viable west of the Great Divide.

Although over the past couple of years coastal areas have received significant rainfall, especially on the North Coast, and we are a long way from drought, basic crops such as wheat, rice and vegetables produced in the Murrumbidgee Irrigation Area cannot and will not be produced in those coastal areas. The coastal areas have the water but not the productivity of those magnificent farming areas out west. Someone needs to stand up for the farmers out west and say, "Let's hasten slowly. Let's acknowledge the problems we have with western rivers and with water, but at the same time let's look at ways to make farms more productive with less or no water and ensure that those communities out west remain viable."

The former Federal Government allocated two amounts of \$1.5 billion: one for structural adjustment, community and farmers, and one for a last resort buyback. Buying water, which is non-existent in many cases, will not improve the health of rivers. Mother Nature will do that eventually, but we do need management. Although the bills are cognate, the Opposition would like to vote against the second bill, unless the Minister can give an assurance that when the legislation is enacted and the regulations are set in place he will consult with farming groups and the peak industry bodies to ensure that they can work within the regulations. It is essential they can do that. We cannot turn a blind eye to the great production that is export bound and bound for our markets on the east coast. We must ensure continued productivity of our farming sector. I trust that the Minister will take my comments on board and talk to the relevant parties.

Mr PHIL KOPERBERG (Blue Mountains) [11.42 a.m.]: I make a brief contribution in support of the Water (Commonwealth Powers) Bill 2008 and the Water Management Amendment Bill 2008. The Carr Government introduced the Water Management Act in 2000. It fundamentally overhauled water rights in New South Wales and created a system of property rights in water that has had the effect of greatly increasing the security and value of water rights in this State. At the same time, it was recognised that the rights of the environment were also important in getting a share of the valuable water resource. As a result, the Act provides the means for the protection and sustainable management of our State's water resources. The water sharing plans, which have been implemented under the legislation, are the key water management tool for achieving that aim.

The Act has increased the security and, therefore, the value of the rights of both water users and the environment. This means enforcement of those rights must also now be stepped up to be as effective and as efficient as possible. It is important to understand that most water users in the community do the right thing but, unfortunately, from time to time there are those who do not. This legislation, in part, addresses water theft and will act as a major deterrent to this particular activity. As I said, it is not widespread, but it is sufficiently widespread to warrant something being done about it. As we know, the higher the value a commodity has, the more incentive there is for theft. This is especially the case during the current severe water shortage across much of inland New South Wales.

Under the Water Management Act 2000, 40 water-sharing plans have now been commenced. These plans continue to be an important management tool for regulating the extraction of water in New South Wales. They detail rules for water use, allocation and trading for roughly 90 per cent of water used in New South Wales and ensure that water is properly shared with the environment. This is a great achievement and these reforms have led Australia and the world in water management. New South Wales was the first State to separate land and water rights and to allow water to be traded to higher value uses. New South Wales was the first State to corporatise our irrigation districts. New South Wales was the first State to allocate a share of water to the environment.

However, in order to continue to succeed in this area, the water management framework in New South Wales must continue to evolve. These bills are another step in that evolution. This is a significant reform that will improve arrangements for enforcement and compliance under the Act. These improvements are being made to prevent water theft. They will ensure that our farmers and our precious riverine environments get the water they are legally entitled to. This is particularly important as the severe drought conditions continue to affect large parts of inland New South Wales. I am particularly pleased that the legislation includes improved powers for investigators, improved arrangements for presenting evidence and new sentencing provisions. Without the ability to properly investigate potential breaches and bring offenders to justice, there is a risk that the Act will come to be seen as a toothless tiger. In times of climate change, record droughts and record water prices, obviously we cannot let that happen.

To address this concern the legislation standardises and consolidates the powers of authorised officers in checking compliance with the provisions of the Act and investigating suspected non-compliance. For example, authorised officers will now be able to serve a notice on a person suspected of breaching a provision of the Act, requiring them to produce information or records that will assist in the investigation. Such information may include electricity meter readings, which can be used to demonstrate how long a river pump has been illegally taking water from a river. This is an important step as it allows the authorised officer to gather evidence of a potential breach that could lead to a prosecution. These improved powers will ensure that authorised officers have the ability to properly investigate potential breaches. This in turn will give the community greater certainty that breaches will be detected and successfully prosecuted.

These powers are very similar to those in other New South Wales legislation, including the Protection of the Environment Operations Act 1997, another Act that aims in part to protect important natural resources

such as water. The legislation also assists the department to successfully take action against people suspected of breaking the rules by introducing a number of changes to the Act. The changes relate to the use of evidentiary certificates and rebuttable presumptions. It allows the use of evidentiary certificates that can be used in legal proceedings. The certificate can be used to prove matters that are of an administrative nature only. For example, evidentiary certificates will remove the need for a departmental officer to attend court to give evidence about simple matters such as the date on which a licence was granted.

The bill also builds on the existing common sense evidentiary provisions contained in the current Act. For example, it is reasonable to presume that the construction and use of a water pump located on a person's land has been constructed and is being used by that person to pump water. Similarly, it is reasonable to presume that if a controlled activity, such as excavating a riverbed, or aquifer interference activity under the Act is being carried out on a landholder's land, the activity is being carried out by the landholder. These presumptions make no change to the existing requirement that the prosecution must prove beyond reasonable doubt that an offence has occurred.

In addition to improving investigator powers and the arrangements for presenting evidence, the bill introduces important reforms in relation to sentencing. The bill will give the courts greater flexibility in sentencing a guilty party by introducing a wider range of sentencing options. By introducing a wider range of sentencing options, the courts can impose sanctions that better fit the crime. For example, the courts will now have the power to order an offender to restore or make good any environmental damage that has resulted from the commission of the offence. This is a key tool in ensuring that our precious riverine environments are properly rehabilitated.

The bill sets out new matters that the courts are required to consider when imposing penalties for breaches of the Act. Water is now a valuable tradeable asset for individuals, farmers and industry. It is only fair that the penalties for the theft of water properly reflect the value of the water taken and the impact it has had on other users. When imposing penalties, the courts will now be required to take into account matters such as the impact of the offence on other water users and the market value of any water that has been illegally taken. These changes will ensure that the sanctions imposed by the courts properly reflect the severity of the offence and take account of the impacts that the offence may have had on both the environment and other users. Compliance is only one aspect of water management. However, it is an important aspect. Preventing water theft protects the amount of water available to the environment and to other users, those who are legally entitled to it. The bill introduces a number of significant changes that will safeguard the water needed by our rivers and river communities from water theft. I commend the bill and cognate bill to the House.

Mr ADRIAN PICCOLI (Murrumbidgee) [11.52 a.m.]: Mr Acting-Speaker, I congratulate you on surviving the rushes that have occurred in New South Wales politics in the past couple of weeks. I speak to the Water (Commonwealth Powers) Bill and the Water Management Amendment Bill 2008. First I express my disappointment that the Opposition, the crossbenchers and, most importantly, the stakeholders within water management in New South Wales have had less than 24 hours to consider this legislation. Whilst I understand that the Water (Commonwealth Powers) Bill is the codification of the intergovernmental agreement that was signed a few months ago, it is important to give all stakeholders—and particularly the lower House members of Parliament who represent their constituencies—the opportunity to have a look at legislation that passes through the Parliament.

I note the terrific contributions made by the member for Barwon, the member for Murray-Darling and the member for Coffs Harbour on behalf of the Opposition. I note that the member for Wagga Wagga is also in the Chamber. The Murrumbidgee River runs resplendently through his electorate. I note that the member for Albury is absent from the Parliament today for very good reason. I am sure that he would have loved to have the opportunity to consider this legislation because obviously it affects his constituents in and around Albury. I am very disappointed that members of Parliament in the lower House have not had an opportunity to consider this legislation properly. The Legislative Assembly's standing orders are steeped in history and are there for very good reason. I am always concerned when the suspension of standing orders is moved in a situation like this, with an abridged time between the introduction of the legislation, debate on it, and its passing through the Parliament.

I believe those concerns are warranted in this case, particularly given that the Commonwealth powers legislation is significant in that it affects the constitutional relationships between New South Wales and the Commonwealth regarding an important issue such as water in the Murray-Darling Basin. Water, by its very nature, is a political issue. In January last year John Howard commented that he wanted to take politics out of

water. I am sorry to say that that is impossible. You cannot do something with a megalitre of water in Wagga Wagga and it not have an impact on Moree, or on Berri, in South Australia. Everything you do with water in the Murray-Darling Basin affects somebody else in the basin. Water is essentially political.

When we make changes to such as this, it is important that everyone has the opportunity to consider them. Having said that, the intergovernmental agreement was signed a few months ago following a number of Council of Australian Government meetings. There was an opportunity for comment back then, and comments were made by me and by others. We are in taking it on good faith in the Government and in the new Minister—whom I congratulate on his appointment—that the intergovernmental agreement is accurately reflected in this legislation.

At the time, some issues were raised about that in the intergovernmental agreement, particularly the role of the Australian Competition and Consumer Commission [ACCC] in setting water prices. I have always been concerned about the ACCC's involvement in the entire water trading issue, particularly given the financial meltdown that has occurred in the United States. We hope not to see too much of it here in Australia. However, if only the ACCC would take as much interest in other sections of the economy as it has in water. Many of us would say we wish the ACCC would use more of its extensive powers to control grocery prices and petrol prices, given the substantial market domination that a couple of companies have in both of those sectors. It surprises me that the ACCC is so keen to be involved in addressing water trading, yet it tells us how little power it has in those other areas.

As a representative of a large irrigation community in the Murrumbidgee and having formerly represented Murray Irrigation along the Murray River, I have had problems with the way the ACCC has dealt with water trading. In many respects I have questioned the commission's understanding about the consequences of some of the things it has imposed on irrigation communities in terms of the regulation of water, particularly with respect to exit fees and the like. Irrigation corporations, particularly in the area where I live, have argued strongly about the need to protect their integrity. They have argued that water is not a commodity like stocks and shares, and that when you shift water away from an area there are consequences for the area that the water is moving away from. It is not just that you lose a farm or a family; there are also flow-on consequences for the local community and for the local infrastructure. When you take people out of an irrigation area it leaves fewer people to pay for the same amount of infrastructure.

So there are a number of issues of concern regarding the ACCC. I do not necessarily suggest that the Independent Pricing and Regulatory Tribunal [IPART] has done a much better job. The IPART recommendations for water charge increases that were issued a couple of years ago also received sustained criticism because of the lack of information the tribunal received at the time from the Department of Infrastructure and Natural Resources and from State Water. I understand that State Water has a new chief executive officer, George Warne, who is well known to me and to other members of this place. I am sure he will do a terrific job in improving the transparency of that organisation. Many issues need to be carefully considered and stakeholder groups should have had an opportunity to examine the legislation.

The other issue—I appreciate that it is slightly outside the leave of the two bills—is fixed charges. The Lachlan Valley is probably the most affected. In the last four years irrigators in the Lachlan Valley received a small allocation of about 7 per cent for one year. I am not exactly sure of the percentage, but certainly for three out of the last four years Lachlan Valley irrigators have had zero allocation, yet they have been required to pay 100 per cent of their fixed charges. That is extraordinary and people in the valley are hurting badly. The Government was good enough to waive the fixed charges for one year and on a number of occasions since then the Opposition has asked for the charges to be waived again.

Unfortunately, the drought has extended to most valleys in New South Wales. General security allocations in the Murrumbidgee, the Murray, the Macquarie, the Namoi and most other regulated rivers remain at zero. For most of those valleys it was zero last year and again farmers have been forced to pay fixed charges on the general security allocations. I ask the Minister, as I asked the previous Minister, to consider whether the fixed charges can be waived or whether something can be done to ease the financial pressure on irrigators. In the past couple of weeks people have rung my office saying that their crops were surviving from the little rain that had fallen but that irrigation water was needed to produce the crop. Rain does not appear likely in the next few days in my part of the world, which will add to the financial strain on those irrigation farmers. Waiving the fixed charges for the general security irrigators would go a long way toward making their life a little easier.

The Water Management Amendment Bill deals mainly with water theft and increases the penalties and powers in respect of that. No member in this Chamber or person in New South Wales would oppose such a

measure. The Opposition, too, wants a reliable system to ensure that everyone involved in the system acts prudently and lawfully. When a commodity is in short supply, the theft of that commodity becomes an even bigger issue. The Opposition supports strengthening the law in respect of water theft. However, some of the irrigator groups have expressed concerns about this bill—the member for Barwon has referred to some of them—such as the language used and people without a water access licence using water, and the confusion that may create. I hope the Minister will clarify those issues in his reply.

I understand the urgency of the Water (Commonwealth Powers) Bill, but the Water Management Amendment Bill 2008 is not urgent and it would have been more appropriate to adjourn debate on that bill to enable stakeholder groups to consider it in more detail. I congratulate Minister Costa on his appointment and I look forward to working with him in the interests of all the people of New South Wales, including the irrigators of the Murray-Darling Basin and the people who rely on them. The last line of a media release from the Minister's office states:

The answer to the problem in the Murray-Darling Basin is rain.

I am constantly annoyed and disappointed by some of the frenzied comments made by green groups, unfortunately picked up by the mainstream media, which suggest that there is a vast amount of water sitting somewhere that can be suddenly plucked from the sky, so to speak—that is where we do need to pluck it from—and somehow irrigators have this vast storage of a couple of million megalitres of water somewhere: one need only open the door and all of the problems of the lower lakes and Riverina environment will be cured. That is not true. Storages are at record lows or very close to record lows. I know that the storages of the Snowy Hydro system are at record lows. Let us hope that when the ski season is finished the good snow pack will find its way into those storages.

The problems of the Murray-Darling Basin, the lower lakes of South Australia, the red gums along the Murrumbidgee River and the lower Darling River can only be solved by significant amounts of rain. No amount of money can solve the problem, only significant amounts of rain. Getting rid of the barrages and allowing some seawater to enter for a period could solve the problems in the lower lakes region, but significant amounts of rain are needed. Unfortunately, 90 per cent of the general public believe vast acreages of rice and cotton are being planted at the moment, and have been for the last two or three years. That is completely wrong. Last year's rice crop was 18,000 tonnes, most of which was grown from groundwater, not water from the Murray-Darling system—18,000 tonnes compared with an average crop of 1.2 million tonnes. The highest crop of rice ever was 1.8 million tonnes, so 18,000 tonnes represents about 1 per cent of the highest rice tonnage ever. The rice crop is at record lows. Essentially, no-one is growing rice. The cotton crop last year was one of the lowest ever. Some cotton corporations, particularly in Barwon and Murray-Darling, have been suffering multimillion-dollar losses as a result of the drought.

The suggestion that irrigators are irrigating and flooding areas whilst rivers and lower lakes are dying is rubbish. The sooner the mainstream media reports the situation correctly the better. Everybody is hurting as a result of the drought: the environment, the irrigators, and communities that rely on irrigation. The member for Barwon spoke of the impacts on the town of Bourke. This situation can only be solved by substantial amounts of rain in the right places. I understand why environmental groups have taken up the lower lakes issue: they seek to use the media to manipulate State and Commonwealth politicians. I have confidence in the new Minister. Minister Costa is a practical man who can sift the wheat from the chaff. I look forward to working with him, together with my colleagues who represent that part of the Murray-Darling Basin situated in New South Wales, to achieve the right solutions to the problems.

Mr PHILLIP COSTA (Wollondilly—Minister for Water, Minister for Rural Affairs, and Minister for Regional Development) [12.07 p.m.], in reply: I thank all members who have contributed to the debate. I agree with the member for Murrumbidgee that the solution to the situation in the Murray-Darling Basin is rain. That is as simple as it gets. However, the Government has a responsibility and I look forward to working with all stakeholders, including Opposition members, in appropriately sharing the water we do have. We have to be mindful of our water and very careful as to how we manage it. We must ensure that all members of the community receive the water they need for their identified needs. As a person from an agricultural family background I am very mindful that enterprise depends on water. I thank the member for Barwon, the member for Camden, the member for Murray-Darling, the member for Maitland, the member for Coffs Harbour, the member for Blue Mountains, and the member for Murrumbidgee for their contributions.

The member for Murray-Darling raised the issue of groundwater. The Water Management Amendment Bill proposes to strengthen local impact rules for groundwater use. Local access rules and restrictions are an

important tool for the management of groundwater to protect water levels and water quality where localised impacts occur. The management of impacts—for example, the complex interaction between bores in close proximity to each other—can be difficult. As I have experienced in my part of the world, groundwater access is difficult to manage. When my neighbour down the road turns on his bore my bore slows down. The same effect occurs throughout western New South Wales. The current water sharing plans provide for the making of local rules and restrictions, but they do not provide a framework as to the making or publication of these local access rules and restrictions. The rules and restrictions concerning water users' rights should be transparent and easily identifiable and searchable. Therefore, it is proposed that the bill will require the Minister to publish such orders in the *Government Gazette* and in an appropriate newspaper.

I thank the member for Barwon for his contribution. I share many of the concerns he raised. I can advise the House that, by working cooperatively with the Commonwealth Government, New South Wales was able to secure an in-principle agreement for funding for water from the Future Fund valued at \$1.358 billion. That funding is in addition to the existing commitment to Menindee Lakes and will allow works to modernise the irrigation infrastructure and install water meters. In relation to the draft flood plain harvesting policy, I can advise that targeted consultation has taken place with stakeholders on the draft policy and that submissions are due by the end of this month. I have been informed that the key issues at stakeholder meetings have been the tenure of the flood plain harvesting licences, the process for environmental assessment, the extraction limit, the impact of climate change and trading arrangements. The process is continuing as I speak.

The member for Murrumbidgee referred to the role of the Australian Competition and Consumer Commission. The referral of water charge rules to the Commonwealth will streamline the process for reviewing and setting regulated charges across the Murray-Darling Basin. I am informed that the commission is likely to use a method for calculating water charges under the National Water Initiative that is similar to the method used by the Independent Pricing and Regulatory Tribunal. A number of members asked about consultation. As this is my first speech as Minister for Water I put on record that I come from a background of consultation.

I want to speak to as many stakeholders as possible to ensure that we get this right. We must work together as a group to ensure that the water that is available is shared equitably amongst all users and the environment. Many of the changes proposed in the Water Management Amendment Bill will be welcomed because they will provide improved security for water users and protect legal entitlements. I give the assurance that I will consult on the bill during its passage through the Parliament. I understand the importance of bringing people along. We must engage the community, stakeholders and the public and train staff in our organisations to ensure that we move this process forward. I give that assurance as the new Minister for Water.

The Water (Commonwealth Powers) Bill 2008 and the Water Management Amendment Bill 2008 are practical and considered responses to an urgent concern, that is, safeguarding the future of our rivers and river communities. The referral bill establishes the arrangements needed to implement the historic 3 July 2008 Intergovernmental Agreement on Murray-Darling Basin Reform. This agreement establishes new institutions and new processes to manage the water of the basin, in particular, to ensure that critical human needs can be met in dry times and that water market and charge rules are uniform across the basin. Similarly, the amendment bill introduces new rules and processes to manage our scarce water resources. The focus of the bill is on improving compliance with the Water Management Act 2000. In plain language, that means catching thieves. The bill strengthens offences, introduces tougher penalties and improves the investigation and evidence provisions to ensure both lawful water users and the environment get the water they are legally entitled to.

The Parliament should support the referral bill because it will bring into force the new Murray-Darling Basin agreement. I appreciate the Opposition's comments on this matter. The agreement will bring many benefits to New South Wales. Chief among them are eliminating duplication and confusion about the roles of the new Murray-Darling Basin Authority and the old Murray-Darling Basin Commission by transferring much of the commission's powers to the authority, and having uniform water charge and water market rules. To reap the benefits the bill proposes that New South Wales refer some powers to the Commonwealth, but this referral is clearly limited in the bill. New South Wales successfully negotiated the inclusion of safety provisions within the bill and the agreement to ensure that the interests of New South Wales are protected. In my role as the Minister for Water I do not apologise for ensuring the protection of the needs of the people of New South Wales.

Most importantly, river operations and maintenance functions will continue to be undertaken in New South Wales by State Water, unless New South Wales agrees otherwise. New South Wales will not be exposed to any additional costs as a result of the agreement and the Commonwealth is responsible for any compensation payments that may arise from cuts it imposes. In addition, the bill allows New South Wales to suspend its

referral powers at any time if necessary. They are excellent protections. In this way the bill and the agreement protect jurisdictional interests but at the same time provide for more centralised forms of governance when required. Therefore, the agreement represents a balanced approach to managing the various events within the Murray-Darling Basin.

As to the amendments to the Water Management Act, all the improved planning and management arrangements created by the new Murray-Darling Basin Agreement and referral bill will be undermined if there is a lack of compliance with the rules for water management. All members would agree with that. This bill aims to improve compliance with the rules to ensure our farmers and our precious riverine environments get the water they are legally entitled to. In this sense the amendment bill is a manifestation of the referral bill in the real world by providing for day-to-day compliance with the rules for water management in the years and decades to come.

The key changes contained in the bill are: improved enforcement arrangements, including improved powers for investigators and improved arrangements for presenting evidence; stronger penalties for offences under the Act, including increased fines for water theft by individuals or corporations and the ability to rely on civil penalties as well as criminal penalties; new definitions of offences under the Act and new alternatives for sentencing; improved options for water sharing planning during drought; and amendments to ensure irrigation corporation licences are consistent with the National Water Initiative, basic landholder rights to stock and domestic water are exercised reasonably and announcements about water restrictions can be made more easily. As I said earlier, I am more than pleased to meet with stakeholders during the passage of the bill through Parliament.

Mr Kevin Humphries: Point of order: I appreciate the Minister's comments about the consultation process, which will ease the minds of some of our constituents. Will the Minister elaborate on how he will consult and whether it will occur during the passage of the bill through the upper House?

Mr PHILLIP COSTA: That is not a point of order.

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

Mr PHILLIP COSTA: I will take all necessary steps to consult. I cannot give details at this point. I will work with my staff to arrange that consultation as soon as possible. Both bills are critical, and we all agree that the Commonwealth bill is critical. I have mentioned that it is time sensitive, and I appreciate the support we are receiving for it. This legislation is critical for the ongoing reform of water management in New South Wales and for safeguarding the future of our rivers and river communities. I urge the House to support the bills to support our irrigation industry and our riverine environments.

ACTING-SPEAKER (Mr Thomas George): I congratulate the member for Wollondilly on his appointment as Minister for Water, Minister for Rural Affairs, and Minister for Regional Development, and on overseeing the passage of his first bills.

Question—That these bills be now agreed to in principle—put and resolved in the affirmative.

Motion agreed to.

Bills agreed to in principle.

Passing of the Bill

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

MINING AMENDMENT (IMPROVEMENTS ON LAND) BILL 2008

Agreement in Principle

Debate resumed from 23 September 2008.

Mr JOHN TURNER (Myall Lakes) [12.20 p.m.]: The Opposition will not oppose the Mining Amendment (Improvements on Land) Bill 2008. However, we have some reservations about the manner in

which the bill was brought into the House late yesterday afternoon and it's being forced through the debating process today without the normal courtesies given to the Opposition and to stakeholders. I understand that the New South Wales Minerals Council has received advice on the bill and that stakeholders such as New South Wales Farmers may be affected also. We will contact those organisations to discuss the bill. We reserve our right to decide on a final position on the bill when it is dealt with in the upper House.

We do not oppose the bill but it is always a dangerous precedent to overturn a decision of the Court of Appeal or of any other part of the legal system. Unfortunately, the Government seems to be introducing a steady stream of bills to reverse court decisions, as in this case. As has been stated, the bill arises out of a Court of Appeal decision that, in layman's terms, the provision of a 28-day notice of objection was not necessary when an objection is made about some substantial property on a proposed mining lease area. The upshot of that decision is that any number of people could object retrospectively on the basis that there is no requirement for 28-days notice. As I said, it is always a difficult situation when we are dealing with a Court of Appeal decision.

The Court of Appeal judgement by Justice Hodgson clearly outlines the case. I do not intend to bore the House by reading all 32 pages. The judgement has far-reaching effects for the mining industry and has caused uncertainty. As I said, the New South Wales Minerals Council has been consulted, and I will refer to its comments in due course. The council's concerns centre on the proposed inclusion in the legislation of the words "significant improvement" and their definition. At first blush I had some difficulties too with the definition of "significant", particularly when in the definitions section of the bill the words "significant improvement" are said to mean "any substantial building, dam, reservoir, contour bank, graded bank, levee, water disposal area, soil conservation work or other valuable work or structure".

That is the wording contained in the Act at present. Whether the word "significant" changes the thrust of the previous Act I am not certain, and I will take some further advice in that regard. I note, for instance, that it is proposed that we change section 31 (c) by inserting the word "significant" in front of the word "improvement". I can see that in future significant legal action may turn on the word "significant". If nothing else, we want this legislation to provide certainty for the industry. Whilst I do not have an answer to the possibility of future legal action, I flag it is an issue that may arise. The word "significant" is also added to section 49 and section 62. This amendment is a major change to the Act in the sense that it puts a different emphasis on what is going to be the catch in objecting to a mining lease over a particular piece of land.

I hope the Parliamentary Secretary Assisting the Minister for Energy and the Minister for Mineral Resources will ensure that during the period between these sittings and the next the Minerals Council will be given an opportunity to discuss and debate the proposed amendments with the Government. I will not move amendments here—in fact, I have not seen the New South Wales Minerals Council's amendments at this stage—but we will look at them in the intervening period and, if they have merit, in the upper House we may move to amend the bill. In the interim I would like an assurance that the Government will give consideration to what the New South Wales Minerals Council is raising. The council consists of experts in the field and they realise that the Court of Appeal judgement is a significant problem for the industry.

Mr Steve Whan: What do you mean by "significant"?

Mr JOHN TURNER: The definitional problems are there. Much of the industry could be affected by latent claims. Two members of the New South Wales Minerals Council gave rise to the court case that was decided in the Court of Appeal, and the uncertainty that arose out of that will be remedied by these amendments coming through. That is as far as I want to take the debate in this House. I repeat that we are a bit disturbed that this bill has been brought before the House so quickly without adequate consultation with the peak groups and the general public. We will consult with those groups and organisations and make known their feelings and thoughts in the upper House debate.

Mr STEVE WHAN (Monaro) [12.28 p.m.]: I support the Mining Amendment (Improvements on Land) Bill 2008. The bill restores certainty to rights conferred by New South Wales mining leases by validating the practical process currently used for the granting of mining leases under the Mining Act 1992. I will provide some background, but before I do I will respond to comments about the significant urgency of this legislation, which the Parliamentary Secretary probably mentioned in her agreement in principle speech. The Court of Appeal decision means that a number of issues have been put on hold in the mining industry, which could cause significant blockages in the industry. All members would be well aware that the mining industry is New South Wales' biggest earner and that it is vital to employment in many parts of country New South Wales. It is a very important industry in the area; indeed, significant, as the Opposition has said. This issue must be resolved so that the industry can go ahead and decisions can be made.

Mining leases are one of several different titles available for exploration and mining in New South Wales. Under the Mining Act, the Minister for Mineral Resources can issue exploration licences, assessment leases, mineral claims and opal prospecting licences as well as mining leases. All exploration and mining activity in New South Wales must be conducted under the authority of titles that are issued by the Minister for Mineral Resources and administered by the Department of Primary Industries. One of the Government's important roles in mining is to provide a stable and secure licensing and titles management regime. Titles provide a mechanism for government to enforce operating and environmental conditions for mines. Titles also give titleholders exclusive rights to explore and mine for minerals. Importantly, they provide the certainty required for investment in minerals exploration and mining development.

Mining leases give individuals or companies the right to mine for specified minerals in a defined area for the duration of the lease. Mining leases are granted for up to 21 years. Before a mining lease is granted, a mining proposal is subject to a rigorous assessment and approval process under the State's comprehensive planning and mining legislation. This includes development consent under part 4 of the Environmental Planning and Assessment Act, or an approval under part 3A of that Act. It is only when this planning assessment and approval has been completed that the assessment and approval occurs under the Mining Act.

Applications for mining leases must specify what minerals will be mined. An application must also include a description of the land over which the lease is sought, an assessment of the mineral-bearing capacity of the land and details of the program of work to be carried out on the land. In addition, the applicants must demonstrate that they have the financial and technical resources to carry out mining in a responsible manner. The applicants must also demonstrate that they are committed to agreed rehabilitation and environmental outcomes. Once an application for a mining lease is lodged, the applicant is required to serve notice of the application on any landholders affected by the application. This notice must include a description of the land affected. The landholder has 28 days to object to the mining lease application. The Department of Primary Industries also publicly advertises mining applications in the *Land* newspaper and relevant local newspapers.

There are certain situations in which a mining lease cannot be granted. For example, mining leases cannot be granted over exempted areas such as national parks. They also cannot be granted over land that may be subject to native title without going through strict processes. Importantly, a mining lease may not be granted over the surface of any land on which there is a primary residence or a garden, or within a certain distance of those features unless the landowner has consented to the mining lease. The Mining Act also prohibits the granting of a mining lease over land that contains other kinds of improvements, which may include a substantial building, dam, reservoir, water disposal area, soil conservation work or other valuable work or structure.

Under the Mining Act, a landholder has 28 days from the date of notification of the proposed lease in which to claim the land contains an improvement. If that 28 days passes without such a claim being lodged, the mining lease is issued on the understanding that there is no improvement on the land. This recent court decision calls that process into question. That is why the legislation is urgent. The main change that this bill makes is to restore that certainty.

Obviously, as members and anyone in the industry would be well aware, if there is no longer a 28-day criterion and if, as the court has effectively said, there is an unlimited time for someone to object, that throws the process of granting a lease into chaos and means that there is no certainty about people going ahead with very important projects for the minerals industry and the economy of New South Wales. The 28-day time limit for objecting to the issuing of a mining lease strikes a balance between the rights of landholders and the need to provide the industry with clarity and certainty. That is the key point. I note the Opposition's comment that it will look further at some of these issues. Members opposite stated that the Minerals Council is concerned about the definition of "significant".

Mr John Turner: Point of order: That was my interpretation, not the council's.

Mr STEVE WHAN: I take the point raised by the Opposition that it was its interpretation and not the Minerals Council's. I understand that the council preferred different wording in that section of the legislation. Surely that would then raise concerns on the part of farming communities. I suspect that the definition in the bill strikes a good balance and ensures that we have that balance. There might well have been an argument about the definition of "improvements" on land in the old legislation. That is obviously open to people to do. The importance of this legislation is that it gives a landholder the opportunity to object to a proposal over his or her land and to ensure that significant improvements on the land are taken into account in any approval of a mining operation. In most cases that seems to work well and it is important.

I understand that the Government is undertaking broader reviews of some of these issues, which will enable more work to be done. This urgent legislation is necessary. Members opposite have said that it is a dangerous precedent to overturn a decision of the Court of Appeal. The significant point is that if this legislation is not passed a number of projects will be held up. That means they will not produce the employment benefits for local communities and New South Wales overall. That is very important.

I know that the Parliamentary Secretary will respond to a number of these issues, and I will leave it to her to address them. The mining industry is a very important part of the New South Wales economy, and we all know that mineral activity is critical to rural and regional communities. As the chair of Country Labor, I want to see development in those regional communities to ensure that we have employment opportunities. Of course, balanced with that, as this Government always tries to do, is the preservation of important natural features and the minimisation of environmental impacts. Once again, this Government has taken great strides in that area. The bill amends legislation that was originally introduced by the Greiner Government, I think with bipartisan support. This Government looks forward to bipartisan support for the bill. I commend the bill to the House.

Ms LYLEA McMAHON (Shellharbour—Parliamentary Secretary) [12.39 p.m.], in reply: I thank members for their contributions to the debate. The bill contains sensible and practical amendments to address an issue that would otherwise erode confidence in the security conferred by mining leases or other authorities issued under the Mining Act. The Mining Amendment (Improvements on Land) Bill 2008 amends the Mining Act 1992 to ensure the process set out in the legislation and reflects the existing practice in relation to mining lease applications. The bill ensures that this process delivers a clear and certain determination regarding the existence of improvements on land that is subject to a mining lease application.

The bill validates existing leases and reinstates the arrangements understood by all parties to have existed prior to the Court of Appeal judgement. For existing titles and applications that are pending, failure to lodge a claim within the required 28-day period is taken to constitute the landholder's consent for the purposes of issuing a mining lease under section 62. This means all leases granted up to and including 7 August 2008 and leases granted after that date where the 28-day claim period expired before 7 August are deemed to have been granted in compliance with section 62 and their validity cannot be challenged on that basis.

For pending applications where any part of the 28-day claim period fell on or between 8 August 2008 and commencement of the amendment Act, the 28-day claim period will restart when the Act commences. This avoids penalising any landholder who elected in good faith, based on the Court of Appeal judgement, not to lodge a claim. For new and pending applications where the claim period begins after the amended Act begins, the requirement for consent under section 62 will only apply where a claim has been lodged in relation to an improvement.

The member for Myall Lakes requested an assurance that the Minerals Council will have an opportunity for input in the definition of significant improvement. I can advise that the Department of Primary Industries plans to undertake a comprehensive consultation process with stakeholders and relevant agencies to improve the relationship between mining and planning legislation as well as the definition of significant improvement and compensation arrangements.

The member for Monaro raised some very important points, particularly in relation to the urgency in providing certainty for an industry that employs more than 20,000 people in New South Wales and makes a significant contribution to the New South Wales economy. It is important that we provide a balance between the interests and rights of the farmers as well as provide certainty for the industry. The bill restores certainty to the process of granting mining titles in this State without unnecessarily interfering with existing arrangements. This certainty is absolutely essential if we are to secure future investment for New South Wales. I commend the bill to the House.

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

Motion agreed to.

Bill agreed to in principle.

Passing of the Bill

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

**PORTS AND MARITIME ADMINISTRATION AMENDMENT (PORT COMPETITION AND
CO-ORDINATION) BILL 2008**

Bill introduced on motion by Mr Joseph Tripodi.

Agreement in Principle

Mr JOSEPH TRIPODI (Fairfield—Minister for Finance, Minister for Infrastructure, Minister for Regulatory Reform, and Minister for Ports and Waterways) [12.42 p.m.]: I move:

That this bill be now agreed to in principle.

As trade continues to grow, substantial pressure is being placed on New South Wales ports and the supply chains servicing them. The 2003 New South Wales ports growth plan outlined the strategy for increasing port and trade capacity in New South Wales. Projects under the ports growth plan include a new container terminal at Port Botany bringing port capacity to 3.2m 20-foot equivalent units [TEU] per annum; new container and coal terminals at Newcastle; and relocating the car import trade to Port Kembla with three times the storage capacity. However, increasing port capacity is only one part of the solution. Just as important is enhancing the efficiency of port operations and the supply chains that transport goods to and from the ports. This is why the Rees Government is undertaking major port reforms to improve efficiency at the ports and along their port supply chains. These reforms are essential to ensure the continued growth of trade and the New South Wales economy.

In developing the reforms embodied in the bill, the Government has been guided by two major public reviews recently conducted into the regulation and operation of New South Wales ports. PricewaterhouseCoopers on behalf of the New South Wales Government conducted a review of port competition and regulation in New South Wales. This review was conducted to fulfil a commitment under the Council of Australian Governments [COAG] Competition and Infrastructure Reform Agreement [CIRA]. The CIRA review made a number of recommendations in relation to improving port services, price oversight, and lease and access arrangements. For example, this review recommended that port corporations should work with stakeholders to identify capacity constraints and facilitate the improvement of landside infrastructure; port charges should balance cost recovery and facilitate trade; and long-term lease conditions should be subject to greater transparency and reviewed to ensure they reflect current Government policy.

The need for reform was also shown by the recent review of Port Botany's links with inland transport conducted by the Independent Pricing and Regulatory Tribunal [IPART]. This review highlighted the need to reform the landside interface at Port Botany and for Sydney Ports Corporation to lead and facilitate the reform. Key themes arising from IPART's review included the need for greater transparency in performance reporting and access arrangements; performance standards and systems to drive improvements; and measures to drive 24-hour-seven-day-a-week operation at the port to reduce peak-hour congestion. In response to these reviews and the changing commercial environment confronting our ports, the port reforms in this bill seek to ensure port corporations' decisions balance commercial and policy objectives; enhance the role of the port corporations in facilitating improvements in the port-related supply chain; and provide regulatory powers for government to act should voluntary industry action fail to improve the efficiency of the port logistics systems.

Port corporations current objectives require them to operate as a successful commercial enterprise, promote trade, manage port facilities and ensure port safety functions are carried out. Recent reviews have clearly shown these objectives should be updated to better reflect the role of a modern port in a global commercial environment. Modern port corporations should foster competition and act as independent facilitators to reduce congestion and inefficiencies along the supply chain. This includes a leadership role in facilitating improvements in the supply chains that transport goods to and from the port. New South Wales port corporations are in a unique position to take on this role, however their current statutory functions and objectives do not support this.

This bill amends the statutory objectives of the port corporations to support their standing as powerhouses of the New South Wales economy in the twenty-first century. Port Corporations will be provided with additional objectives to promote and facilitate a competitive commercial environment in port operations; and to improve productivity and efficiency of the port-related supply chain. These objectives will have equal status with the existing statutory objectives so that no one objective is more important than another.

In leasing reforms, the CIRA review found current stevedore leases maximise rents but fail to encourage competitive commercial behaviour. The new objectives will allow port corporations to look beyond

simple rental returns and landlord style lease structures. The new objectives will provide the ability and the responsibility for the board to give equal consideration to the impact of the lease on investment and efficiency. The bill makes provisions to enable the Minister to provide direction to a port corporation if tension arises between the new policy objectives and the existing commercial objectives in making a decision. This will allow transparent management of potential tensions between public policy and commercial considerations.

Directions could be made at the request of the port corporations or on the Minister's initiative. In the case of major leases, for example, the Minister will be able to direct the port corporations to adopt certain leasing practices to foster competition, investment and productivity. This could include directions for Port Corporations to include in leases shorter terms of duration; productivity and performance targets; enforceable capital expenditure schedules; incentives and penalties for meeting targets; and end-of-term handover provisions. The bill provides a system of reviews, checks and balances in relation to issuing a ministerial direction. The port corporations' shareholders must be informed of any ministerial directions and the Treasurer's approval must be received for any direction affecting a port corporation's approved financial outcomes. The direction-giving power will not extend to directions to rail agencies, authorities or operators beyond their interface with supply chain facilities.

New Principle Function: No port works in isolation. Each port is connected to producers and consumers through complicated supply chains that include many port users and service providers. For example, the port-related supply chain at Port Botany is comprised of two—soon to be three—stevedoring terminals; more than 200 different road carriers; four rail operators; two rail track owners; six metropolitan intermodal terminals; and thousands of warehouses, importers and exporters. The Hunter Valley coal supply chain, which transports coal from the mines to the Port of Newcastle, is just as complicated with 16 coal producers; more than 20 load points or coal intermodals; two rail track owners; two train operators with 26 trains; five dump stations; and two coal terminals supplying approximately 1,000 vessels per year.

Port Kembla is already Australia's leading steel export port and the second largest for grain. The recent dismantling of the single desk for wheat grain exports will increase the complexity of the supply chain by increasing the number of New South Wales exporters involved. As car imports are transferred to Port Kembla from Sydney in late 2008, the complexity of the supply chain that serves the port will continue to grow.

This bill directly addresses the management of the complex supply chains servicing our ports. It provides a clear and comprehensive definition of the port-related supply chain to include cargo transport, handling and storage operations—and coordination of those operations—in connection with a port. Supply chain facilities are defined as providing storage, handling and distribution of cargo in connection with a port. These are vital links where bulk goods, containerised commodities, or empty containers are staged, stored temporarily and/or transferred. This can also include moving from one mode of transport to another.

Port corporations will be provided with a new statutory function to facilitate and coordinate improvements in the efficiency of the port-related supply chain. This will enable industry to lead the required efficiency improvements, with the ports providing coordination, support and independent facilitation where it is needed. The ports broadened functions will enable them to provide firm and impartial oversight of initiatives to enhance competition and meet performance standards. For example, port corporations may work with industry to encourage stevedores to look beyond crane rates and ship-side performance to deliver a fast and consistent turnaround of trains and trucks.

The Government understands that each port user and supply chain service provider will have different objectives and often competing commercial priorities. Rather than having a coordinated approach to moving goods along the whole port supply chain, at times we end up with a detuned supply chain optimised for individual links but performing well below par as a whole. With their new principal function to facilitate and coordinate supply chain improvements, port corporations will be in a position to help resolve issues arising from commercial tension between operators to help achieve outcomes to benefit the entire supply chain. These changes are expected to help to reduce costs and to improve the reliability of cargo movements between warehouses and the port. This will make export businesses more competitive and imported goods cheaper, giving extra benefits to New South Wales producers and consumers.

Should voluntary action and facilitation prove insufficient to improve supply chain performance, this bill will provide powers to initiate regulatory actions to boost supply chain performance. These powers will be used if voluntary industry initiatives are shown as ineffective in improving port productivity and efficiency. This approach is consistent with the recommendations of the Independent Pricing and Regulatory Tribunal report.

IPART recommended that improvements be led by industry, with Government stepping in only if industry efforts failed to deliver the desired results. As recommended by the tribunal, Sydney Ports Corporation will take a lead role in facilitating and coordinating the industry-led response in the first phase of implementation. Should industry initiatives fall short of improving transparency and performance, the Government will progress to phase two and may step in to mandate measures to deliver the required improvements.

The bill provides for the making of regulations to support this, including the power to require provision of information to monitor performance and investment in port facilities and the supply chain; sets mandatory standards for the operation or provision of supply chain facilities and services; requires supply chain facilities and providers to keep records and provide information for monitoring compliance with mandatory standards; provides independent audits and inspections to ensure compliance with mandatory standards; provides penalties for non-compliance with mandatory standards with incentives for meeting standards; and determines charges and the mechanism to set charges for supply chain facilities and services.

This will provide for new standards to be introduced relating to access, performance, and transparency, along with the incentives and disciplines to enforce compliance. In the event of industry initiatives failing to achieve improvements at Port Botany this would enable the Government to act to improve performance. For example, it would enable the Government to set standards for allocation such as the minimum number of truck slots available to access Port Botany. Standards could also be applied for the terms of access to require trucks to have an e-tag or transponder to use their slot booking. On rail, it could be a requirement to have a contract for a rail path to access the terminal at the port. The bill provides the power to put in place fixed charges or auction mechanisms for the allocation and pricing of charges along the supply chain. This would support either the off-peak incentive scheme endorsed in the Government's response to the IPART report or the IPART report's recommendation for a Dutch auction system for pricing access to the stevedore terminals.

Mandatory standards for performance would allow the setting of standards for maximum truck turnaround times, and for the punctual arrival of trucks for their slots. The IPART report proposed a system of matched penalties and compensation for non-compliance with these performance standards where the party that failed to meet the standard compensates the other party. This would result in payments from stevedores to truck operators for failing to meet a truck-turnaround standard or a payment from the truck operator to the stevedore for being late to a booking time. These types of penalties are expected to deliver significant alignment between the actions of supply chain participants and the economic consequences.

Regulatory powers will exist to require supply chain participants to record and provide information sufficient to check compliance with these standards and allow for enforcement. Information regarding port and supply chain performance may be published to provide greater transparency. This will introduce public accountability, which will provide a non-economic incentive to improve performance and comply with any new standards or requirements. The bill also provides for audit powers to verify the accuracy and completeness of this information.

To ensure regulations are appropriate in their scope and application, the bill does not allow regulations to be made with respect to the operation of any railway outside a port or supply chain facility or on the seaside interface of the stevedore terminals. The Treasurer will also be consulted in relation to the scope of specific regulatory proposals. All proposed regulatory action will of course be subject to impact assessment and consultation to ensure the Government's actions are required, reasonable and proportionate to the issue. Action to improve supply chain performance is needed now. The proposed regulation-making powers will ensure the Government can step in quickly if industry cannot deliver the improvements needed by ramping up its voluntary efforts.

It is clear that the forecast strong growth in trade through all New South Wales ports will require renewed efforts and innovative arrangements to improve the efficiency of our ports and their associated supply chains. The costs of the proposed reforms are minimal and will deliver long-term benefits to all participants on the port supply chain and the New South Wales economy as a whole. The initiatives in this bill will provide a platform for promoting a competitive environment in port operations and for ensuring efficiency and productivity gains along the port supply chain. This is necessary to ensure that a competitive port environment and efficient port supply chains support the growth of New South Wales. I commend the bill to the House.

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

**ROAD TRANSPORT (DRIVER LICENSING) AMENDMENT (DEMERIT POINTS SYSTEM) BILL
2008**

Bill introduced on motion by Mr Michael Daley, on behalf of Mr David Campbell.

Agreement in Principle

Mr MICHAEL DALEY (Maroubra—Minister for Roads) [12.58 p.m.]: I move:

That this bill be now agreed to in principle.

The primary purpose of the Road Transport (Driver Licensing) Amendment (Demerit Points System) Bill 2008 is to introduce a demerit points scheme for learner licence holders. The measures within the bill will encourage compliance with the driving laws from the very first stage of the licensing system. They will ensure the timely application of licence sanctions for irresponsible driving behaviour and poor driving practices. They will also ensure that New South Wales is aligned with other Australian jurisdictions that have already adopted demerit points schemes for their learner drivers. Most importantly, the changes will build on the Government's initiatives to help to further reduce the road toll and better equip young and novice drivers on our roads. The provisions within the bill have undergone extensive community consultation.

In November 2004 the New South Wales Government released the discussion paper "Improving Safety for Young Drivers" in an effort to identify workable solutions to the overrepresentation of young people in road fatalities. The paper detailed 11 road safety initiatives, which included an initiative to modify the demerit point structure of the New South Wales Graduated Licensing Scheme, to further encourage safer driving by young people. The consultation process identified community support for tougher penalties on novice drivers who do not comply with their licence conditions and the road rules. The demerit point scheme for learners outlined in the bill meets these community expectations.

Demerit points have proven to be an effective contributor to road safety outcomes in New South Wales. The demerit point scheme involves the allocation of penalty points for certain driving offences. When the allowable number of points has been reached or exceeded, the driver's licence is suspended. Licence suspension has a dual effect in that it removes irresponsible and potentially dangerous drivers from our roads while also creating the incentive for drivers to comply with the road rules to avoid the loss of a licence. Drivers are currently introduced to the demerit point scheme when they are issued a provisional licence. Drivers then progress through the licensing system knowing that unacceptable driving habits and repeat offences will result in the accumulation of demerit points and licence suspension.

Unlike provisional drivers, New South Wales learner licence holders currently are managed under a discretionary enforcement scheme. This involves the Roads and Traffic Authority monitoring the number of offences committed by each individual learner and cancelling the learner's licence if four or more offences are committed within a 12-month period. There are limitations with the current administrative arrangements for learner licence holders. For instance, the current process tends to lack immediacy. There may be some time between the date the first offence is committed and the date cancellation action is applied. There is concern also that some drivers who have committed fewer than four offences, but otherwise dangerous offences, are not being deterred from reoffending and possibly continuing this poor driving behaviour into the provisional licence stage.

Introducing a demerit point scheme for learners will go a long way towards addressing these issues. The clear benefit that a demerit point scheme will provide for learners is that it will encourage compliance with the driving laws from the very first stage of the licensing system. It ensures the timely application of licence sanctions for irresponsible driving behaviour and poor driving practices, which, if left unchecked, often can lead to tragic road fatalities and injuries. The bill introduces a demerit point scheme for learners similar to that currently applied to New South Wales provisional P1 licence holders. It introduces the following main provisions. A learner licence will be suspended for a period of three months if the holder of that licence incurs four or more demerit points. The three-month suspension is considered to be an appropriate period of time because it allows the novice driver to re-enter the licensing system quickly so that their driving skills can be maintained. It is consistent with the period of time provided to P-plate holders who are suspended.

The bill also includes the introduction of a power to refuse to renew a learner or provisional licence if the holder has reached or exceeded his or her demerit point threshold and action has not been taken to suspend the licence. This provision currently is applied to unrestricted licence holders. Learner licence holders, just like

provisional licence holders, will have the right of appeal if they are suspended or refused for demerit points. The four-demerit-point threshold for learner drivers strikes a balance between ensuring the appropriate leniency is extended to learners while still requiring a high standard of driver competency. To a large degree, the way in which demerit points currently are allocated to offences supports a four-demerit-point threshold.

The majority of fundamental driving offences carry from one to three demerit points. This means that a minor transgression of the law may not automatically lead to suspension. Of course, serious offences committed by learners, such as speeding, certain safety-related offences committed in operating school zones, and in double demerit point periods, will lead to licence suspension. The offences that will carry four or more demerit points are any speeding offences committed by a learner driver, driving with one or more unrestrained passengers, and riding a motorbike with a power/capacity in excess of the allowed limit.

The Government makes no apologies to learners who commit these serious offences. There can be little argument put forward by a learner driver that committing these types of offences was an unintended mistake. This is the rationale currently applying to provisional licence holders. It is only fair that learners receive demerit points for offences that they have committed from the commencement of this legislation, and therefore demerit points will not be retrospectively applied to learners. The scheme outlined today ensures a greater consistency of practices and principles across all New South Wales licence types. It also ensures that New South Wales is aligned with other Australian jurisdictions that have already adopted demerit point schemes for their respective learner drivers.

Members will recall the measures introduced by this Government in July last year to address the sudden increase in road deaths of young drivers. One of those measures was the zero tolerance to speed whereby a provisional P1 driver will lose their licence for at least three months for any speeding offence. Evidence based on crash data for 2007 has shown that the initiative already is delivering road safety benefits. Advice from the Roads and Traffic Authority is that preliminary data of fatal crash involvements of P1 drivers in 2007 has declined by 35 per cent compared with 2006. The bill builds on those earlier initiatives. It will see the zero tolerance to speed initiative currently applying to provisional P1 drivers being extended to include learner drivers through the adoption of the learner demerit point scheme.

The bill also includes additional amendments to road transport law to provide greater clarity in applying licence sanctions when the licence holder holds different licence classes. For example, a driver who holds a licence to drive a car and is subject to a pending suspension action should not be afforded the opportunity to obtain a learner rider licence. The law currently allows for licences to be held in any combination of an unrestricted, provisional or learner type, depending on the individual's progression through the licensing processes. In these circumstances, the current provisions are unclear as to whether there is a requirement to apply a licence suspension under different sections of the Road Transport (Driver Licensing) Act. In order to give clarity, the bill introduces the new concept of primary and subordinate classes for the purposes of demerit point suspensions.

The practical effect of the proposed measures is that where a person holds both an unrestricted and provisional class and reaches or exceeds 12 or more demerit points the law will clarify that both classes can be suspended under the demerit point scheme that applies to the unrestricted or primary class. The same concept will apply where a provisional class is held in combination with a learner class. In this case, both licence classes will be suspended when the demerit point threshold is reached or exceeded for the provisional class, being the primary class in this case. The bill also clarifies that the subordinate class can be suspended only if the demerit point threshold is reached or exceeded on that licence class only.

This practice has sound road safety principles in that a person who exceeds their demerit point limit on the most superior licence type held does not have the opportunity to avoid a demerit point licence sanction by continuing to drive or ride on the subordinate licence type. Alternatively, reaching or exceeding the demerit point threshold on the subordinate licence type does not necessarily deny the licence holder the opportunity to continue to drive on the superior licence type. The measures I have detailed today are sensible policies that will help to further reduce the road toll and better equip young and novice drivers on our roads. The Government is committed to young driver safety and the bill continues that commitment. The arrangements proposed in the bill will not impact in any way on law-abiding citizens and will allow for efficiencies in enforcing the principles of the current legislation. I trust that members will lend their unreserved support to the Government's proposal. I commend the bill to the House.

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

HOME BUILDING AMENDMENT BILL 2008

Agreement in Principle

Debate resumed from 23 September 2008.

Mr MICHAEL RICHARDSON (Castle Hill) [1.09 p.m.]: Yesterday when debate was interrupted I was speaking about the fact that in the five years to 2007 there were 564 money orders issued by the Consumer, Trader and Tenancy Tribunal that have not been enforced because it has been prohibitively expensive to do so. The bill provides a new incentive for a contractor to comply with tribunal and court orders. New section 42A suspends a home-building licence 28 days after the date on which an amount of money is to be paid under such orders—a pretty solid incentive for a builder to comply. Existing legislation covers disciplinary action for non-compliance with a tribunal order but not court orders. Proposed section 48V provides for the requirement to notify the Director General of the Office of Fair Trading of a court order to pay money in relation to a building claim.

With any court order there is always the possibility of an appeal. The Minister stated that if an appeal were dismissed, the suspension would take effect immediately the court's decision was confirmed—in exactly the same way if a tribunal order was not met. We all know of cases where the appeal process has taken years to be finalised and I am not the only person who considers that to be a problem. Yesterday an article in the *Sydney Morning Herald* entitled "Improvements don't go far enough, say experts" stated:

... construction law specialist, Robert Riddell, said even if the fourth trigger was introduced, builders could easily secure a stay on their suspension pending the outcome of an appeal.

"The fourth trigger will be academic in many if not most instances," he said. "The bar to be cleared by the builder has not been set high. As a result home owners will be kept waiting for one or possibly more cascading appeals to be determined before they can claim under their policies. That of course also depends on the home owner having the financial capacity to see out years of litigation."

So problems similar to those I have detailed already regarding homeowner Mr Robert Seibert involving tens of thousands of dollars without a satisfactory outcome will continue. The good news is that as soon as a builder's licence is suspended for non-compliance with a money order, whether by a tribunal or court, the consumer will be able to make an insurance claim. That is the additional trigger that the committee and Steve Griffin recommended should be introduced. It is all very well to say that the builder's licence will be suspended and, obviously, he does not want that to happen, but the builder might have another six or eight great houses under construction. What are those customers who will be left completely in the lurch supposed to do?

The Government is relying on existing section 47A of the Home Building Act to allow the director general to appoint someone else to supervise the work in those circumstances. However, those customers still will have no right to make an insurance claim and will have to lodge individual proceedings against the builder, placing them significantly out of pocket as a consequence. Other amendments are consequential on the Court of Appeal decision in the case of *Honeywood v Munnings and Anor* but this additional trigger mechanism is the key provision of the legislation. [*Extension of time agreed to.*]

As other members have pointed out, the Government has failed also to provide a solution for literally hundreds of people which have dragged on through the courts for years at a cost of thousands of dollars trying to get the insurer to pay their claims. The Government has acknowledged that it is saddened by those cases, but that is cold comfort to those in that unfortunate situation. I will be interested to hear what the Minister proposes to resolve those matters.

While the bill unquestionably improves the Act, the proposed scheme remains inferior to the Queensland scheme: a first-resort government scheme supported in evidence before General Purpose Standing Committee No. 2 by the Builders Collective of Australia and the Master Builders Association. Phil Dwyer, National President of the Builders Council of Australia, described the Queensland scheme as "transparent, accountable and cost-effective ... delivering genuine and timely first resort protection to consumers." The builders are saying the Queensland scheme is an improvement. Although Steve Griffin, General Manager of the Home Building Services, said the additional trigger would mean the two schemes were not vastly different, I still think that under the Government's flawed model consumers face considerable expense while builders may continue to be unfairly blacklisted for allegedly defective work that is not defective at all.

I draw the attention of the House to another article in yesterday's *Sydney Morning Herald* entitled "Queensland system better, says builder who fled north". The article refers to former western Sydney builder

Colin Greville, who was forced to move to Queensland to continue to operate his business. Mr Greville had been asked to provide insurance with a \$50,000 bank guarantee, which he could not do. He said:

In Queensland I don't need to sign guarantees to insurance companies to work as a builder.

He was able to operate in Queensland under the cover of its insurance scheme. The article also mentions another unnamed Sydney builder who had taken out a policy with HHH just weeks before it collapsed in March 2001. That policy is now worthless but the liquidators of HHH kept his bank guarantee of \$100,000, which cost the builder a further \$5,000 per year to service. The article states:

To keep his business going, he had to find another insurer, and provide a second \$100,000 bank guarantee but then the second insurer dropped out of the home warranty market.

One can understand why builders regard the current scheme as being flawed. The bill proposes a band-aid solution. To use another analogy, the Government is papering over the cracks and those cracks will continue to spread in the future. The bill will not resolve the core problems of the existing scheme. No doubt the Queensland model ultimately works better than the New South Wales scheme and the Government should consider it as an alternative. I note also Fair Trading Commissioner Lyn Baker's claim that the Queensland system is basically a replication of the old Building Services Corporation.

Mr Daryl Maguire: The one from which they robbed \$75 million.

Mr MICHAEL RICHARDSON: That is true. The member for Wagga Wagga reminds me that \$75 million was robbed from the old Building Services Corporation, which is why there was no money in the system. This band-aid solution is an amended scheme that will not benefit consumers or the building industry. The Government needs to take a cold hard look at home warranty insurance because what is proposed is a dog's breakfast that will not work much better than the current scheme.

Mr DARYL MAGUIRE (Wagga Wagga) [1.18 p.m.]: The Home Building Amendment Bill 2008 is one of many amendments brought before the House to deal with a homeowner's warranty. The bill is one of many amendments that attempt to rectify a fundamentally flawed plan implemented by then Minister Faye Lo Po' under the Bob Carr-Michael Egan Government. When the plan was implemented, as I earlier interjected, some \$75 million was ratted from the fund into consolidated revenue with the promise of new and better administration for homeowners. When the reality of what had occurred became evident, homeowners and builders were concerned, quite rightly, that they were not buying insurance. Call it what you like, but ultimately it is not insurance as consumers understand.

I shall place on record an example of the understanding of consumers of the insurance system that has been presided over by this Government. On many occasions I have spoken in the House about the fundamentally flawed policy that the Government continues to pursue. A number of Ministers have presided over this portfolio. I congratulate Minister Judge on her appointment and wish her well. But I advise her that to implement good policy she needs to understand, root and branch, how the system works. Former Minister Aquilina was invited to Wagga Wagga to meet with builders who were being forced out of the industry by this policy.

They were good builders who had been in the trade for many years and never had a complaint made against them: If there were building problems, they were rectified. These builders were cast from the housing industry to build pergolas and barbecues below the cost of about \$12,000. They were lost to the industry. All their expertise and corporate knowledge was lost to new apprentices and others coming through the field. For a long time it was difficult for young people to get into the industry. That situation has been rectified slightly, but much damage was caused during that period. I shall refer now to what consumers understand they are getting from a builder. Correspondence I have received states:

Collapse of Excellence Development Pty Ltd

I am writing this letter in the hope that someone can do something to rectify a major wrong that has happened to several others and us.

In April 2007 we signed a contract to have four units built by Excellence Development Pty Limited. We were told at the time that we had nothing to worry about and our units would be built, the correct insurances would be taken out to protect us (not that anything would happen).

On June 20th 2008 the company went into voluntary insolvency. We have since discovered that the insurance we have is the compulsory home warranty insurance with CGU, which covers the end consumer for faulty workmanship and incomplete work.

Which leaves us the owners with no cover what so ever. The housing industry act states that if there are more than three dwellings being built we are considered developers. This then places us in the same category as builders such as Mirvac etc.

We feel that the legislation needs to be changed to look at the individual developers as opposed to large company developers who can afford to have no insurance or pay for specialized insurance. We now hold insurance certificates—

I can provide copies to the Minister—

which are useless because if the builder becomes insolvent the responsibility is on us.

We read in the paper about housing affordability being so high and the rental market is in crisis, no wonder when it is so hard to get dwellings built. We started this in 2002, hoping to become self funded retirees but now we will be baby boomer pensioners just like many others.

The builders who transfer funds to spouses or other company accounts must be held responsible and funds must be traceable to reclaim monies that don't belong to them. They have been let become untouchable under the guise of company law and its time the Government altered legislation to stop these acts of common theft and protect us the tax payer. It has been let go for far too long. It is time the powers that be did something.

This consumer is expanding their view about what should happen. My point is that these people invested in four units and confirm in their correspondence that insurance was purchased. They believed they were covered. The correspondence from the Housing Industry Association clearly states:

Home warranty insurance products protect your investment and give you better security in the knowledge that the insurance policy is in your name.

There are four policies for four units, as well as the attached certificates. This consumer now is \$200,000 in the red and needs to spend another \$200,000 to complete the building. They have lost their investment money and the insurance policy has not protected their investment. Last week a former builder constituent, who had moved to Queensland, rang my office in a blind panic. He had been made aware that in absentia tribunal orders had been made for rectification work to take place on a property he had built. It was the first time he had heard about these orders, yet his contact details are readily available in the telephone book and he is a registered builder. No contact was ever made with this very reputable builder. He was alarmed to learn that rectification work was to take place at his cost. He said that he should have had the opportunity to do the work. The point I make is that the tribunal is not perfect. We often hear of cases where not enough effort has been made to locate builders and a builder or applicant is not advised within a reasonable time about a tribunal hearing.

I understand the intention of the bill, but there is nothing in the bill that gives me confidence that the obscene profits being made by insurance companies—yes, you heard it from a Liberal—are being checked or managed in a way to enhance the prospects of homeowners who have contracted a builder to build their home. In all the years of legislation or policy that has been part of the State Government's mantra I have seen nothing that has led me to believe that consumers have benefited. This bill does not bring insurance companies to heel. Insurance companies still can refuse two-thirds of a claim. We have heard in our electorates of people being bullied into bankruptcy in order to access insurance. Fundamentally, this legislation is wrong, and has been wrong from the day Faye Lo Po' introduced it into this place. The amendments have been cobbled together to try to plug the holes, but they are substandard and the proposal needs to be completely reworked. We need the system proposed by Kevin Jubilin, a bureaucrat in a previous administration.

Yesterday during this debate a member said that only a small number of contractors behave in this way—about 100 contracts a year. He also said that an automatic suspension of licence would act as an incentive for recalcitrant contractors. Noone wants dodgy builders in the industry. The building industry wants those builders out and it is working hard to ensure that builders comply. I do not want them in the industry, nor does the Minister. However, an automatic cancellation of licence would create a major problem. The process must be more thorough before taking that step. Cancelling a builder's licence must be the last resort. I ask the Minister to address that issue in her reply because if a builder whose licence is cancelled has a number of contracts in place, the result will be a nightmare. Those problems will end up on the desks of local members—Labor, Independent, The Nationals and Liberal members. We will have tears in our office from homeowners who have contracted builders and been duded.

Recently, all across the State, people who attended meetings with the Minister were promised all sorts of things. They are still suffering. I know a lady, recently widowed, who paid her deposit, using her savings, and was left with a half-built house. She had to deal with those tragedies and then go through all that garbage with the builder. Once these amendments are passed through the Parliament, I implore the Minister to get out and meet the builders in order to understand the industry. She could come to Wagga Wagga, where I will introduce

her to the local builders. They are a great bunch of people who want the industry to prosper. That has been very difficult under this administration, because of the implementation of outrageous development costs, stamp duty and vendor duty.

The Government has done everything possible to belt the building industry around the ears and tax it to the hilt. That tactic has worked, as can be seen from the gross domestic product figures and from the fact that New South Wales is suffering because fewer houses are being built now than were built in the post-war years. Our figures are minus 0.1 per cent compared to other States. All these costs have had an effect on the industry. The Government must visit areas, such as Wagga Wagga and Broken Hill, and talk to the builders. The Coalition will assist in this regard, but the Minister must bring to this place a policy similar to that in Queensland, which actually works. She must get rid of the impediments and enormous costs that the building industry must comply with in order to keep this deficient legislation as New South Wales policy.

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

[The Assistant-Speaker (Ms Alison Megarrity) left the chair at 1.30 p.m. The House resumed at 2.15 p.m.]

BEN MIKIC FOUNDATION

The SPEAKER: I remind members that tomorrow there will be a relaxation in the dress code to enable members to show their support for the Ben Mikic Foundation by wearing the foundation's wristbands. If members have not already purchased one may I suggest they see the member for Macquarie Fields or the member for Goulburn, who will be able to help them in supporting this wonderful charity?

BUSINESS OF THE HOUSE

Notices of Motions

Government Business Notices of Motions (for Bills) given.

BUSINESS OF THE HOUSE

Routine of Business

[During notices of motions to be accorded priority.]

The SPEAKER: Order! The Minister for Planning will cease interjecting. The House will come to order, including the Minister for Finance.

QUESTION TIME

NORTH WEST METRO

Mr BARRY O'FARRELL: My question is directed to the Premier. Given the disastrous impact of the Government's developer levies and charges on Sydney's property market, will the Premier rule out any new or increased charges on homebuyers and developers to pay for the proposed North West Metro?

Mr NATHAN REES: I have said repeatedly that we are not ruling anything in or out in the preparation of the mini-budget.

The SPEAKER: Order! The member for Willoughby will cease interjecting.

[Interruption]

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

Mr NATHAN REES: We did commit to reducing payroll tax in line with previous commitments to preserve business community confidence in our administration. I would have thought that was a worthy aim. We are not ruling anything in or out other than that in the mini-budget process. We have significant challenges on the domestic front and international volatility in financial markets.

The SPEAKER: Order! The Leader of the Opposition will cease interjecting.

Mr NATHAN REES: We will take the time to get this right. This will be a robust response to the challenges we face and we will not be rushed. Nor will we make policy on the run.

Mr Barry O'Farrell: You said you would not make promises you could not deliver.

The SPEAKER: Order! The Leader of the Opposition will remain silent. He has asked his question and he will resume his seat.

Mr NATHAN REES: I could run through the Leader of the Opposition's record on budgets.

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

Mr NATHAN REES: The response to the fiscal challenges we face will be robust and it will be delivered on 11 November.

STATE ECONOMY

Ms LYLEA McMAHON: My question is directed to the Premier. What is the latest information on the Government's commitment to strengthening New South Wales' economic position, and related matters?

Mr NATHAN REES: I thank the member for her question and her longstanding interest in this matter. The term "related matters" strikes fear into the hearts of members opposite. Yesterday I reported to the House that cuts to the payroll tax regime in the June budget would go ahead. I also said that I wished thereby to send a strong message to the business community that my Government will prioritise initiatives that will encourage investment and protect jobs. I am pleased to inform the House that the business community has heard our message on this loudly and clearly. These are some of the things that were said in response to yesterday's announcement. The New South Wales Business Chamber Chief Executive Officer, Kevin MacDonald, said—

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

Mr NATHAN REES: He said:

This is a victory for commonsense and we congratulate the government for holding its nerve.

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

Mr NATHAN REES: The Executive Director of the Sydney Chamber of Commerce, Ms Patricia Forsythe—known to members opposite—said—

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

Mr NATHAN REES: She said:

This decision sends a strong and positive message to the business community.

The Premier's announcement prior to the November mini-budget demonstrates the necessity to reassure business during a period of substantial global instability.

The Managing Director of the Tourism and Transport Forum, Mr Chris Brown, said—

Mr Thomas George: It is still dearer than Queensland.

Mr NATHAN REES: I would have thought stability—

[*Interruption*]

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

Mr NATHAN REES: For the benefit of the gallery, on occasion there are good interjections. As I was saying, the Managing Director of the Tourism and Transport Forum, Mr Chris Brown, added this:

Premier Nathan Rees has signalled very early on that he is willing to work with the business community in promoting jobs and encouraging growth, and this is very welcome in a time of economic instability.

Business expects the Government to take a robust and responsible approach to the NSW economy in a difficult global environment.

This will cut costs for business and will especially give small operators the confidence to move forward.

He was not talking about members opposite. It must be hard for the Leader of the Opposition to hear these words when his credibility with the business sector is at an all-time low—very hard indeed. Yesterday I reported to the House that growth in the New South Wales economy, whilst forecast as slow in 2008-09, is still expected to grow at 3.75 per cent in line with similar international economies. This slowing has been concentrated in consumer spending and housing investment. That is to be expected in the face of interest rate increases, rising petrol prices and global financial market instability. While the economy is behaving much as most commentators anticipated, credit growth, and as part of that housing turnover, has been weaker than expected. That has led to a fall in stamp duty revenue in recent months. I will summarise the State's economic position for the Leader of the Opposition: unemployment, 4.9 per cent, which is a 25-year low; and inflation, 4.3 per cent. Business confidence in the Leader of the Opposition is zero. The respected commentator Ross Gittins—

The SPEAKER: Order! The Leader of the Opposition will cease interjecting. His behaviour is most unparliamentary.

Mr NATHAN REES: Mr Gittins makes an important point in today's *Sydney Morning Herald*. He says:

...talk of recession is premature... The economy is managed primarily by the Reserve Bank and secondarily by the Federal Government.

...you can be sure Nathan Rees will do whatever is necessary to ensure the AAA rating is safe.

To emphasise this, whilst the State Government does not control macroeconomic policy, it does control a good few microeconomic levers, such as efficient delivery of services, market regulations and State taxes. These things influence and help to shape the long-term structure of the State's economy and our productivity. Consequently, one area in which we can influence economic cycles is our demonstrated ability as managers of the State's finances. That is why fiscal responsibility will be the cornerstone of my premiership.

Mr Barry O'Farrell: The last time a Premier said that debt trebled.

Mr NATHAN REES: The Leader of the Opposition has a good memory. That is why fiscal responsibility will be the driving force behind the mini-budget in November. This is indeed the message that the Treasurer and I will take to Standard and Poor's when we talk to them in Melbourne on Friday. While it is true that our economic environment is challenging, and it will not stop being challenging for a while, it is also especially true given the turmoil in international markets. At the same time our economy has demonstrated great resilience and sturdiness against the current economic downturn. Ultimately, this is not just my opinion, because actions will speak louder than words.

Mr Barry O'Farrell: Point of order: My point of order is relevance. If the Premier wants to talk about Mr Gittins, he ought to talk about Mr Gittins saying he stuffed up services—

The SPEAKER: Order! The Leader of the Opposition will resume his seat. The Leader of the Opposition knows that that is not a point of order.

Mr NATHAN REES: Last night I was glad to launch the Sydney branch of the Industrial and Commercial Bank of China. The Industrial and Commercial Bank of China is one of the largest banks in the world by market capitalisation, with more than \$US1.3 trillion in assets—and members opposite are laughing.

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

Mr NATHAN REES: I am reminded of the other comments about China and its importance to the Australian economy. Its choice of Sydney as location for its first branch in Australia is an endorsement of our

honoured place in global finance. It will also enhance and strengthen the investment and trade relationship between China and New South Wales—already strong and growing, and mutually useful. Let us not forget that Sydney is, and has been for the past quarter of a century, Australia's financial capital, ranked tenth worldwide and fourth in Asia. We are host to 53 of the 55 authorised deposit-taking banks in Australia, all of the 10 foreign subsidiary banks and all of the 31 local branches of foreign banks in Australia. Sydney is where financial innovation happens. Most of Australia's finance sector research and development also happens here.

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

Mr NATHAN REES: We are determined to expand Sydney's role as an Asian financial hub. It is a reflection of the ongoing commitment of successive Labor Premiers to encourage international investment in the New South Wales economy. That is a commitment that I will continue and expand because, ultimately, it is a commitment to enhance employment opportunities for our children and us. We are living in extraordinary economic times. It is for this reason that I want to have access to the best possible advice on the impact of turmoil in the international financial markets on our economy. That is why I have asked not Andrew Fraser but Bernie Fraser and Mr Ian Mcfarlane to help my Government meet the current challenges developing abroad.

The SPEAKER: Order! I call the member for Murray-Darling to order. Opposition members will cease interjecting. Their behaviour is appalling.

Mr NATHAN REES: There is no more important challenge to us than getting this right. Mr Fraser and Mr Macfarlane are two of the finest economic minds in this country. Two past Governors of the Reserve Bank of Australia, they are in a unique position to advise the Government on the present situation. Mr Bernie Fraser joined the Commonwealth Public Service in 1961, spending time in Treasury, interspersed with postings in London as a Treasury representative, three years in the Department of Finance and three years as Director of the National Energy Office. He was then appointed Secretary to the Treasury and, five years later, the Governor of the Reserve Bank of Australia, from 1989 to 1996. He is on the boards of several industry superannuation funds and has held the position of President of the Industry Superannuation Funds Association and Chairman of the Government Superannuation Office of Victoria. He has received honorary doctorates from the University of New England and Charles Sturt University. He is also an honorary Professor of Economics at the University of Canberra.

Mr Macfarlane was Governor of the Reserve Bank of Australia from 1996 until 2006. He has held several senior positions within the Reserve Bank of Australia since joining it in 1979. Prior to the Reserve Bank of Australia, he worked in the economics department of the OECD in Paris and at the Institute for Economics and Statistics at Oxford University. He has been a Director of ANZ Banking Group Limited since February 2007, Leighton Holdings since June 2007 and of the Lowy Institute for International Policy since 2004. He is a member of the International Advisory Board of Goldman Sachs International. He was appointed a Director of Woolworth's Limited in January 2007. Mr Fraser and Mr Macfarlane will be appointed as capital market expert advisers to my Government. They will report directly to the Cabinet and will be given full access to Treasury briefings to assist them in their task. They will advise the Government until international economic conditions have stabilised.

In reporting to Cabinet, they will assess the impact of international capital market volatility on New South Wales—on its economic growth, its employment, its investment, its asset prices, its future prospects—and they will advise on strategies to limit further exposure. I will also ask them to identify opportunities for encouraging business investment in New South Wales. I extend my appreciation to Mr Fraser and Mr Macfarlane for accepting their appointments. Their appointment is a measure of our determination that we will get through this, and we will not be daunted by uneasy times. This is a Labor Government and now, as always, the betterment of the lives of ordinary people is our unwavering objective. For those hardworking families across New South Wales and their small businesses, we are in your corner.

The SPEAKER: Order! I place the member for Wakehurst on two calls to order.

MEMBER FOR WOLLONGONG PROMOTION

Mr ANDREW STONER: My question is directed to the Premier. How can the public believe his claims for higher standards when he has sacked that bloke for inappropriate behaviour involving the member for Wollongong, yet today he has allowed her to be promoted to a senior position in his party?

Ms Diane Beamer: Point of order: The Leader of The Nationals is aware that he must address members by their proper titles.

The SPEAKER: Order! I uphold the point of order. Members should be addressed by their correct titles. I will allow the Leader of The Nationals to rephrase his question.

Mr ANDREW STONER: My question is directed to the Premier. How can the public believe his claims for higher standards when he has sacked the member for Kiama for inappropriate behaviour involving the member for Wollongong, yet today he has allowed the member for Wollongong to be promoted to a senior position in his party?

Mr Andrew Fraser: Do you have another point of order? The Left is upset.

Mr NATHAN REES: I welcome any questions on the issue of appointment on merit. On the opposite side all the talent is up that end—the member for Manly, the member for Goulburn, the member for Epping, the member for Lane Cove, the member for Bega and the member for Willoughby. I could go on. It is an open secret in the Parliament of New South Wales, if not across Australia, that the Leader of the Opposition's A-team sits as far away from him as he can get them.

The SPEAKER: Order! Government members will come to order, including the Minister for Finance and the Minister for Planning.

Mr Adrian Piccoli: Point of order: My point of order is under Standing Order 129. While I appreciate the accolades the Premier is giving to the Opposition—

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

Mr Adrian Piccoli: The question had nothing to do with the Opposition. The question was about the member for Wollongong and her appointment to a senior position, despite some of the shenanigans—

The SPEAKER: Order! That is not a point of order. The Leader of The Nationals asked his question twice. It was a broad-ranging question, which invited some of the debate that is now occurring.

Mr NATHAN REES: It is inviting some of that debate. I could go on. The fact is we have a refreshed team—

The SPEAKER: Order! I call the member for Hawkesbury to order. I call the Leader of The Nationals to order.

Mr NATHAN REES: Sixty years of ministerial experience plus fresh faces, enthusiasm, courage, talent, ideas and work ethic.

The SPEAKER: Order! I place the member for Coffs Harbour on two calls to order.

Mr NATHAN REES: In contrast, when the Leader of the Opposition had the opportunity to promote some of his talent, the member for Myall Lakes came along the bench. He has not asked one question this term. The truth has not changed: he has not asked one question this term—and he got a tick, he got the promotion.

Mr Adrian Piccoli: While the question may have been broad, the answer did not go anywhere near it. There was no reference to why the member for Wollongong has recently been promoted, despite the promise of increased standards within the Labor Party. Sure, you have given the Premier and Ministers the right to be pretty liberal in their answers, but there has to be at least some effort to answer the question. The Premier should refer to the member for Wollongong.

The SPEAKER: Order! The member for Murrumbidgee will resume his seat. The question asked of the Premier related to standards and was a broad-ranging question. Has the Premier concluded his answer?

Mr NATHAN REES: Yes.

MURRAY-DARLING BASIN SUSTAINABILITY

Mr PHIL KOPERBERG: My question is addressed to the Minister for Climate Change and the Environment. Will the Minister advise the House on what developments have taken place, in cooperation between the State and Federal governments, to improve sustainability in the Murray-Darling Basin?

The SPEAKER: Order! The member for Wakehurst will stop wandering around the Chamber. Members will not clap. I call the member for Wakehurst to order for the third time.

Ms CARMEL TEBBUTT: There is no doubt that the New South Wales Government is committed to working in partnership with the Federal Government. Many of the environmental challenges that we face require a national response, a partnership between State and Federal governments.

The SPEAKER: Order! I call the member Murray-Darling to order for the second time.

Ms CARMEL TEBBUTT: The most recent example of this is the purchase of Toorale Station near Bourke at the junction of the Warrego and Darling rivers.

Mr Andrew Stoner: Toorale.

Ms CARMEL TEBBUTT: It is not pronounced like that. I know you think you know about all things rural, but that is not the case and you rarely ask questions about rural issues.

The SPEAKER: Order! The Leader of The Nationals will resume his seat and cease interjecting. The Deputy Premier has the call.

Ms CARMEL TEBBUTT: The purchase of Toorale Station, near Bourke at the junction of the Warrego and Darling rivers, is a great opportunity to return water to the stressed Darling River. At the same time it offers the opportunity to add underrepresented western New South Wales lands to our reserve system and protect significant cultural and ecological assets. Many of our reserves are along the coast and we have an underrepresentation of western New South Wales lands. This provides an opportunity to address it.

The Department of Environment and Climate Change purchased the property from Clyde Agriculture in mid-September this year, but contrary to what has been said by some, the Department of Environment and Climate Change has had a long association with Toorale Station. We have been aware of the conservation value of the property for some 25 years. In fact, in 1983 nearly half of the property was dedicated as a wildlife refuge, so the relationship with Toorale Station goes back some time. In 2004 independent experts carried out a biodiversity assessment.

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

Ms CARMEL TEBBUTT: This also confirmed that the important remaining values of the land could be restored if the land was managed for conservation into the future. From this Toorale has already been identified as a priority reservation within the national reserve system. Toorale straddles two of the State's largest bioregions—the Darling riverine plains and the mulga lands—and, as a result, it has a wide variety of vegetation communities. Under the agreement with the Commonwealth, the land will be managed by the State as a protected area.

This is a significant step towards conserving the unique ecosystems and opening up the outback and its interesting history to local people and visitors from further afield. Our governments have received strong support from environmental groups for the purchase of the land, including the Australian Conservation Foundation, the Inland Rivers Network, the Australian Floodplain Association, RecFish Australia and the local Aboriginal community.

I understand there are local sensitivities in the Bourke community over the sale and that many members of the local community would like to see Toorale continue as a working property. I have spoken with the mayor and I am meeting with him tomorrow about these issues. However, Toorale is considered a priority for conservation because of the combination of conservation values, wildlife, water entitlements and its strategic location at the intersection of two ecosystems. Nonetheless, I make it clear that the Government is committed to working with Bourke Shire Council and the community in planning the future tourism and recreation uses of the property.

When the sale of Toorale settles at the end of 2008, we will focus on the necessary changes to the water infrastructure to ensure that when it rains, water from Warrego River will flow into the Darling River, and the flow of water across the flood plains will be unimpeded. A joint State-Australian government steering committee has been established and will meet for the first time today. A full plan of management process will

involve the community in shaping the future management of the park. We understand that the local community has legitimate aspirations about the land that we need to hear and take into account as we develop the plan of management.

The Department of Environment and Climate Change aims to use local contractors wherever possible, including Bourke Shire Council. Similarly the department will use local suppliers for the supply of goods and services, wherever possible. I know the Bourke Shire Council and other operators are already involved in the neighbouring Gundabooka National Park, and I expect that sort of arrangement will continue.

The SPEAKER: Order! I remind the member for Coffs Harbour that he is on two calls to order.

Ms CARMEL TEBBUTT: I am also advised that the Department of Environment and Climate Change is presently talking to Toorale's full-time employees about future employment opportunities in park management. The Government has worked closely with the Australian Government on this issue. We believe that it provides a unique opportunity to address two very important issues: first, to return water to the stressed Darling River; and, second, add underrepresented western New South Wales land to our reserve land. It is an example of how State and Federal governments can work together. We are committed as well to working with local government—the Bourke Shire Council—to address the concerns of the local community. But this is an exceptional partnership; it is an investment in the future. Although I understand there are sensitivities at the moment, the reality is that future generations will thank us for having the foresight to invest in our ecological future.

EMISSIONS TRADING SCHEME

Ms PRU GOWARD: My question is directed to the Minister for Climate Change and the Environment. Does she stand by the Government's April submission that the Emissions Trading Scheme is an "economic shock" whose consequences are "very uncertain with substantial risks for the economy" or by her submission yesterday, which refused to quantify that risk for New South Wales families and businesses?

Ms CARMEL TEBBUTT: Since I have been the Minister for Environment and Climate Change there has been one submission to the Commonwealth Government's green paper on the carbon pollution reduction scheme and I stand by that submission. We know that the green paper sets out options and preferred approaches on the design of the scheme, such as which industry sectors will be covered and how the emission caps will be set. I already set out to the House yesterday how this Government is committed to working with the Federal Government on the carbon pollution reduction scheme.

It is critical that we get this right. We know the damaging impact that climate change is having on New South Wales, on Australia and, of course, on the planet. We also know that there are significant challenges to reducing the impact of climate change, to reducing greenhouse gases and, particularly, in designing a carbon pollution reduction scheme that is effective, efficient, reduces greenhouse gases and has a minimum impact on the community that we represent. That is why our submission makes it very clear that we are a strong supporter of the carbon pollution reduction scheme. Prior to the election of the Rudd Government we were a key driver of the work that led to the formation of a task group that was looking at this issue. We commenced the first carbon trading scheme in 2003. The Rudd Government has embarked on fundamental economic reforms.

The SPEAKER: Order! The member for Lane Cove will cease interjecting. Members will cease interjecting.

Ms CARMEL TEBBUTT: The Rudd Government is addressing some of the most pressing environmental issues the world faces. It is doing that after years of neglect under the Howard Government. I did not see the member for Goulburn or any other Opposition member advocating very hard for a carbon pollution reduction scheme when their colleagues were on the Government benches federally. There is no doubt that bringing in such a scheme is a complex process.

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

Ms CARMEL TEBBUTT: Our submission makes the obvious point that putting a price on something that has been unpriced will have an effect on the large carbon-emitting industries in New South Wales. Some of these industries, such as those involved in paper or steel production, are competing with overseas companies that face no carbon price, and clearly we have to take that into account. We are not economic vandals; we have

to take that into account. That is why New South Wales has given support to the adjustment mechanisms proposed by the Commonwealth Government and we have offered to help in their detailed development. The New South Wales Government is committed to bringing about a profound transition to a low carbon future.

PRIORITY ACTION SCHOOLS PROGRAM

Mr FRANK TERENCE: My question is addressed to the Minister for Education and Training. Will the Minister update the House on the Government's initiatives to support the Priority Action Schools Program, and related matters?

Ms VERITY FIRTH: New South Wales schools and students are leading the nation. Our education standards are second to none in Australia and among the best in the world. This was clearly demonstrated again earlier this month with the release of the results for the first-ever National Assessment Program on Literacy and Numeracy [NAPLAN]. The results were wonderful. The NAPLAN tests saw students in years 3, 5, 7 and 9 right around Australia sit common exams in reading, writing and maths. New South Wales students scored well above the Australian average in every subject and for every year group tested. This is a great result and a real testament to our teachers and principals, as well as parents and students. In fact, New South Wales outperformed every other State, coming first in the nation in spelling in years 3, 5 and 7.

Mr Chris Hartcher: We heard this yesterday.

The SPEAKER: Order! The member for Terrigal will cease interjecting. I call the member for Terrigal to order.

Ms VERITY FIRTH: I do not think members opposite listened very well yesterday. Indeed, I do not expect the Opposition to listen to what we have to say in this House. They are not interested in running the State, in finding real solutions, or in delivering services to the community. They are not interested in those matters; they are more interested in talking down the very real achievements of our teachers, principals and students. These results deserve a hearing in the House.

The SPEAKER: Order! The Leader of The Nationals will resume his seat.

Ms VERITY FIRTH: The results bear testimony to the exceptional dedication of our principals and teachers and the quality of our curriculum in New South Wales. These results are a good sign that programs such as the Priority Action Schools Program, which are designed to improve the literacy and numeracy of students, are really working in New South Wales. While these national results demonstrated that New South Wales also had the lowest proportion of students not reaching the minimum standard in all strands for literacy and numeracy, we cannot be complacent. We can never afford to be complacent when we are talking about our children.

We need to keep targeting the students and the schools that need extra help. I am pleased to inform the House today that we will provide funding of \$16 million for the Priority Action Schools Program over each of the next four years. Seventy-four schools will receive grants of between \$60,000 and \$270,000 under this program. The funding will be allocated to 48 primary schools, 4 central schools and 22 secondary schools. Again, it does not surprise me that members opposite are not interested in hearing about schools from a low socioeconomic background and the sorts of extra support we are providing them.

The Priority Action Schools Program funding makes a real difference for students. For example, one central school on the North Coast is using Priority Action Schools Program funding to run learning centres for both primary and secondary students. These centres deliver individual learning plans for targeted students and provide smaller classes in high school to improve literacy and numeracy for Aboriginal students and students with learning difficulties. Another school in Western Sydney is using intensive training and professional learning for classroom teachers and parents focused on literacy and numeracy. Two extra teachers are employed for students with learning difficulties to give them extra intensive support, particularly in literacy. The funding also supports strategies to engage parents in their children's learning, which is so important.

The member for Maitland will be pleased to know that Woodberry Public School will receive new funding under the program. The decision about which schools receive funding is taken very seriously. The Department of Education and Training allocates the funding based on a rigorous and robust survey. The survey looks at the socioeconomic status of the families at each individual school, which, unsurprisingly, can change

over time. This means that while new schools are receiving funding under this round, others will see their funding finish. Schools no longer included in the Priority Action Schools Program, however, will still receive half of their previous funding next year, so they can continue to give their students extra support. Many schools remain part of the larger Priority Schools Funding Program, which allocates \$21.5 million in grants to 588 schools and \$28 million in additional staffing resources.

We know that the socioeconomic status of families has a major influence on how a child performs at school. That is why the funding is targeted based on a survey of parents. The process is transparent and objective and has the input of the New South Wales Teachers Federation, the Federation of Parents and Citizens Associations of New South Wales, the Aboriginal Education Consultative Group, the Ethnic Communities Council, the Primary Principals Association, and the Secondary Principals Council. The New South Wales Teachers Federation online journal describes the survey as "highly regarded as statistically rigorous and reliable".

More than 90 per cent of parents at each school participate in the survey, and the survey is translated into more than 30 languages to help families from non-English speaking backgrounds. The profile of a school community can change for a variety of reasons. These include the closure or opening of major employers in the local area; in country areas, the effect of drought; an increase in the numbers of migrants or refugees; and the narrowing of a school population as a result of the opening of another school nearby.

Mr Adrian Piccoli: Point of order: I draw your attention to the length of the Minister's answer. I do not wish to diminish the importance of the question or the answer, but the Minister's answer has been going on for some time. A priority motion has already been moved today in relation to this matter. If the Minister wants to provide more information, I am sure the member for Penrith will give her the opportunity to speak in the debate on motions to be accorded priority.

The SPEAKER: Order! I ask the Minister to consider concluding her answer.

Ms VERITY FIRTH: The Priority Action Schools Program is just one of the important ways the New South Wales Government provides extra support to our school communities. By giving our teachers and principals extra resources to help students who need it most, we are investing in our future. The results of the recent NAPLAN tests give a great indication that these programs are working, and we will continue to evaluate their success.

MILTON ORKOPOULOS CRIMINAL INVESTIGATIONS

Mr ANDREW STONER: My question is directed to the Premier. In reference to Milton Orkopoulos' drug use, first the Premier said he did not know anything; then he said he only knew about his drug use before he became a Minister, and now from jail Orkopoulos says the Premier knew that as Minister he was doing drugs. Can the Premier finally explain what he knew, without being so loose with the truth?

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

Mr NATHAN REES: I have been very clear in my public comments on this matter. As I have said previously, the former Minister conceded to me in my early days of employment with him that he had in the past used cannabis. I said to him at the time, "If that is ever raised, and you do not have a clean drug test and someone can verify that you have used cannabis as a Minister of the Crown, you will be dropped like a stone and there is nothing that I will do or the Premier will do to help you." That is what I said to him in the first week of my employment with him.

PLANNING INITIATIVES

Ms DIANE BEAMER: My question is addressed to the Minister for Planning. Will the Minister update the House on recent planning initiatives and how the community will be informed about them, and related matters?

The SPEAKER: Order! Opposition members' support for the member for Rockdale is noted.

Ms KRISTINA KENEALLY: I thank the member for Mulgoa for her longstanding interest in these matters. The Rees Government is getting on with the job of delivering the essential services and infrastructure

that the people of this State want and need. On Monday the Government announced an initiative to make the planning system in the delivery of infrastructure for our schools work better, particularly school halls and gymnasiums.

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

Ms KRISTINA KENEALLY: In some cases the delivery—

The SPEAKER: Order! There is still too much audible conversation in the Chamber.

Ms KRISTINA KENEALLY: The old system had development applications sitting on council desks for up to 200 days awaiting approval and delays of that length are simply not good enough. The sensible reforms of the Government will see the approval process cut back to as little as 10 days in some cases. School halls and gymnasiums are essential infrastructure but they are not overly complicated and do not require a complicated approval process. Let us be clear that this is not about blaming councils at all. We have had an overly complex system and the Government wants to simplify it where it can. The Government wants to ensure that essential infrastructure is not held up by complex approval systems. How will it work?

The SPEAKER: Order! Members will cease interjecting, including the member for Baulkham Hills.

Mr Adrian Piccoli: Nice brown suit, by the way.

Ms KRISTINA KENEALLY: I bought mine before you bought yours, and I will not wear mine two days in a row!

The SPEAKER: Order! Members have had their fun and will come to order. The Minister has the call.

Ms KRISTINA KENEALLY: I am sure that all members of the House, including Opposition members, want to know how the reform will work. The Government will develop a complying code for school halls, gymnasiums and other infrastructure on school sites. Where the proposed building fits the complying code it can be approved within 10 days. That code has been developed in consultation with councils and schools—in fact I met with the Local Government and Shires Associations this morning. The code will be developed in a matter of weeks, not months, and buildings will be going up as soon as possible. But plans for proposed school halls and gymnasiums will have to go through the merit development application process.

If a council takes longer than preferred to process the development applications then the Government will develop a memorandum of understanding [MOU] between the Department of Education and Training and the Department of Planning. That MOU will say that after a certain period of days—say 40 days—a school can trigger a mediation and resolution process with the Department of Planning. It is a sensible reform that is all about putting facilities in place for the communities that want and need them. The changes were warmly welcomed. The President of the New South Wales Federation of Parents and Citizens Associations, Mrs Dianne Giblin, said:

This is a bold and brave move and shows great leadership by the New South Wales Government. It is a P and C priority to provide the best facilities—

Mr Andrew Fraser: Bold and brave after 200 days of waiting!

The SPEAKER: Order!

Ms KRISTINA KENEALLY: Opposition members are laughing at the advice provided by the New South Wales Federation of Parents and Citizens Associations. I continue:

It is a P and C priority to provide the best facilities and resources for students of New South Wales and we welcome the New South Wales Government showing commitment to achieving that.

It will come as no surprise to members of the House that the only people who did not welcome this change was the New South Wales Opposition. The member for Wakehurst, Brad Hazzard, said on radio:

The real delay is that this State Labor Government simply won't put the money into school halls. They keep promising them [the halls] and they don't appear. Councils are almost irrelevant to that process.

Mr Brad Hazzard: Point of order: My point order is that the Speaker has pointed out that the members on the other side must be quiet. I think that was an excellent quote but I could not hear it properly. Will the Minister read it again?

The SPEAKER: Order! The member for Wakehurst will resume his seat. That is not a point of order. I thank the Minister for provoking the member for Wakehurst!

Ms KRISTINA KENEALLY: I am happy to continue quoting the member for Wakehurst who circulated a press release describing the New South Wales "Lalbor" planning debacle. Perhaps the member for Wakehurst would like to go back to school. But let me provide a few facts for the member Wakehurst. I am advised that the Government is currently either building or is in the final stages of planning 20 school halls and gymnasiums around the State, with another 24 to come over the next 2½ years. The Government will be able to provide facilities to students and teachers without unnecessary delay consequent on the changes.

The planning reforms undertaken by the Government will be best implemented when the community has a good understanding of them and is able to make an input. In particular, part 3A of the Environmental Planning and Assessment Act has been the subject of commentary since its introduction in 2005. That is why I have instructed the Department of Planning to embark on a mobile roadshow throughout New South Wales in the month of October. I want the Government planning people out there to talk to council officers and the community about part 3A of the Act. I particularly want them to talk to the newly elected councillors of the State, as it will provide the opportunity to learn about the planning and assessment system and provide the Government with feedback.

The roadshow will take place across both metropolitan and regional New South Wales, including Parramatta, Wollongong, Newcastle and Grafton, from early October. I want the roadshow to be a forum for forthright and open discussion. I have already spoken with major stakeholders in the planning portfolio and I want our public servants to work with the community to deliver a transparent, open and fair planning process in New South Wales.

LICENSED PREMISES SMOKING AREAS

Mrs DAWN FARDELL: My question is directed to the Minister for Gaming and Racing, and Minister for Sport and Recreation. Justice Peter McClellan handed down a landmark judgement against Dubbo RSL Club that has adversely affected licensed premises across New South Wales. Will the Minister advise the House if the Government is prepared to consider retrospective legislation to protect licensees who are operating in good faith?

Mr KEVIN GREENE: The issue of smoking in clubs and licensed venues is covered in the provisions of the Smoke-Free Environment Act and is therefore the responsibility of the Minister for Health but I am prepared to answer the question. I have already had meetings with representatives—

The SPEAKER: Order! The member for Upper Hunter will cease interjecting. The Minister has the call.

Mr KEVIN GREENE: I did not understand what the member for Upper Hunter said.

The SPEAKER: Nor did the member for Coffs Harbour.

Mr KEVIN GREENE: It is called mumbling. In the last week I have had meetings with representatives of Clubs NSW and the Australian Hotels Association to discuss the matter. I have also had discussions with the Minister for Health, the Hon. John Della Bosca, and the Minister Assisting the Minister for Health, the Hon. Tony Stewart. The Government is analysing the judgement that was brought down last week and looking for a way forward. It is important that the issue is looked at sensibly. I thank the member for Dubbo for raising this issue in regards to her constituency but it is also a matter that impacts on the broader New South Wales community and it is being addressed.

PUBLIC HOUSING TENANTS WATER SAVINGS

Dr ANDREW McDONALD: My question is addressed to the Minister for Housing. Will the Minister inform the House what the New South Wales Government is doing to encourage public housing tenants to save water?

Mr DAVID BORGER: I thank the member for Macquarie Fields for his question and his interest in the important issue of water conservation. With 71 per cent of New South Wales still in drought it is more important than ever to be conservative with the way water is used. That is why the New South Wales Government has introduced a range of initiatives to help public housing tenants save water. Housing New South Wales is one of the largest landlords in the world and easily the biggest in this country.

Housing NSW owns or manages more than 140,000 properties, or 5 per cent of all homes in New South Wales. We therefore are well placed to take a leading role in encouraging people to be water wise. As a testament to this, I was delighted when Housing NSW won a major award at the national 2008 savewater! awards. I also recognise Sydney Water and congratulate it on its efforts. The savewater! awards, which are now in their sixth year, highlight water conservation achievements across Australia. I am informed that the 14 individual award category winners were shortlisted from over 800 entries. That is a huge win for public housing tenants. I congratulate them on that achievement. Before the Government introduced initiatives to reduce water usage public housing, tenants were using an average of 50 kilolitres more water per household a year than private renters. I am very pleased to say that public housing tenants are now leading the way in water savings and over the past year have reduced their water usage by an average of 9 per cent, or 20,000 litres per household.

To get to this point the Government had to implement major reforms. In 2005 we asked public housing tenants to take responsibility for the payment of their water usage charges. This simple change has had a profound effect and was a major step forward in saving water. However, the challenge of protecting our water supply and improving attitudes towards water usage meant that this was ultimately a choice we had to make. This initiative has significantly increased awareness of water conservation by Housing NSW residents. The Government has committed that any money saved will be reinvested into the public housing system to help the Government to build, acquire or substantially upgrade 30,000 homes over the next 10 years.

To assist tenants to reduce their usage the Government is progressively installing water-saving devices in Housing NSW properties. To date approximately 88,000 dwellings have been retrofitted in the Sydney metropolitan area, on the Central Coast, in the Hunter region, and in a number of drought-affected towns in regional New South Wales. This program is being expanded to other areas of the State and, when complete, will include approximately 128,000 properties. Residents have received a fact sheet with a range of tips on saving water in areas such as the bathroom, kitchen, laundry and garden. Housing NSW strongly and regularly encourages people to report water leaks so they can be fixed. I am pleased to advise that Housing NSW residents are saving 2.5 billion litres of water a year: the equivalent of 2,500 Olympic-size swimming pools of water being saved every year as a result of these important reforms.

Mr Andrew Fraser: How many megalitres is that?

Mr DAVID BORGER: I am not surprised that Opposition members are not interested in this important issue. As everyone knows, their record on addressing environmental concerns is dismal. In fact, Opposition members have ignored the plight of public and social housing. I do not think they have asked a question on public housing in the last few years. Why? Because their one and only plan is to sell off all the State's public housing and put 340,000 people out on the streets. It is a cold and heartless plan from a cold and heartless Opposition.

Question time concluded.

STANDING COMMITTEE ON NATURAL RESOURCE MANAGEMENT (CLIMATE CHANGE)

Report

Mrs Karyn Paluzzano, on behalf of the Chair, tabled Report No. 54/02 entitled "Conference Report, 13th Annual Conference of Public Works and Environment Committees of Australian Parliaments 2008", dated September 2008.

Ordered to be printed on motion by Mrs Karyn Paluzzano.

PETITIONS

Isolated Patients Travel and Accommodation Assistance Scheme

Petition objecting to the criteria for country cancer patients to qualify for the Isolated Patients Travel and Accommodation Assistance Scheme, received from **Mr Steve Cansdell**.

Breast Screening Funding

Petition requesting funding for breast screening to allow access for women aged 40 to 79 years, received from **Mr Steve Cansdell**.

Hornsby Area Haemodialysis

Petition asking that a public haemodialysis centre be established in the Hornsby area, received from **Mrs Judy Hopwood**.

Ambulance Rescue Function

Petition opposing the recommendation of the Head Report to disband the rescue function within the Ambulance Service of New South Wales, received from **Mr Daryl Maguire**.

Broken Hill and District Hearing Resource Centre

Petition requesting a one-off grant of \$50,000 to assist the Broken Hill and District Hearing Resource Centre to improve facilities, received from **Mr John Williams**.

South Coast Correctional Centre

Petition asking that the South Coast Correctional Centre not be constructed in the Shoalhaven, received from **Mrs Shelley Hancock**.

CountryLink Pensioner Booking Fee

Petition requesting the removal of booking fees charged to pensioners on CountryLink services, received from **Mrs Shelley Hancock**.

Pensioner Excursion Bus Tickets

Petition requesting that South Coast pensioners be able to access the \$2.50 pensioner excursion ticket for bus travel, received from **Mrs Shelley Hancock**.

South Coast Rail Services

Petition opposing any reduction in rail services on the South Coast, received from **Mrs Shelley Hancock**.

Hawkesbury River Railway Station Access

Petition requesting improved access to Hawkesbury River railway station, received from **Mrs Judy Hopwood**.

Bus Service 311

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

Pymont to Town Hall Bus Service

Petition requesting a 10-minute bus service between Pymont foreshore via Broadway to Town Hall, received from **Ms Clover Moore**.

TAFE Fees

Petition asking that TAFE fees be frozen at the 2007 level until 2011, received from **Mr Steve Cansdell**.

Greenwell Point and Goodnight Island Development

Petition requesting the approval of the Greenwell Point and Goodnight Island development application in its entirety, received from **Mrs Shelley Hancock**.

Barangaroo Planning Guidelines

Petition opposing the Sydney Harbour Foreshore Authority proposal to modify Barangaroo planning guidelines, received from **Ms Clover Moore**.

Drought Relief Worker Job Protection

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

Queensland Fruit Fly Eradication

Petition requesting funding for local councils to conduct Queensland fruit fly eradication programs in the Albury electorate, received from **Mr Greg Aplin**.

Shoalhaven River Water Extraction

Petition opposing the extraction of water from the Shoalhaven River to support Sydney's water supply, received from **Mrs Shelley Hancock**.

Pet Shops

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

Sow Stalls

Petition requesting a total ban on sow stalls, received from **Ms Clover Moore**.

Shoalhaven Local Area Command

Petition requesting additional resources for the Shoalhaven Local Area Command, received from **Mrs Shelley Hancock**.

Culburra Policing

Petition requesting increased police numbers in the Culburra area, received from **Mrs Shelley Hancock**.

Shoalhaven Police Station

Petition requesting funding for the establishment of a new police station in the central Shoalhaven area, received from **Mrs Shelley Hancock**.

Shoalhaven Mental Health Services

Petition requesting funding for the establishment of a dedicated mental health service in the Shoalhaven, received from **Mrs Shelley Hancock**.

Wymah Ferry Service

Petition requesting the continuation of the Wymah ferry service, received from **Mr Greg Aplin**.

Broadwater Traffic Arrangements

Petition requesting the installation of speed cameras, flashing lights and a 40 kilometres per hour sign at Broadwater Public School, received from **Mr Steve Cansdell**.

Grafton Bridge

Petition requesting the construction of a new bridge over the Clarence River at Grafton, received from **Mr Steve Cansdell**.

Berowra Traffic Noise Abatement

Petition requesting that noise levels be reduced on the F3 Freeway at Berowra, received from **Mrs Judy Hopwood**.

BUSINESS OF THE HOUSE

Reordering of General Business

Ms GLADYS BEREJIKLIAN (Willoughby) [3.15 p.m.]: I move:

That the General Business Notice of Motion (General Notices) given by me this day [Commuter Car Parking] have precedence on Thursday 25 September 2008.

My notice of motion reads:

That this House oppose the introduction of any new fees, charges and taxes on commuter car parking.

As members know, this is a major issue in all our electorates. Yesterday when the Minister for Transport disclosed information about a commuter survey he neglected to adequately address the fact that 42 per cent of people who use the railway network are concerned that finding a car parking space is the worst aspect of the service. It is a major issue. What is the Government's response? We had a hint of that yesterday in the other place when the Treasurer said:

The Government has made it clear that it will not rule anything in or out to ensure the importance and integrity of the mini-budget process.

That statement was in relation to whether or not the State Government would introduce any new fees, charges and taxes on commuter car parking. The Government has now put on the table the proposition that every commuter who struggles every day to get a car space in this city in a rundown car park—often not more than a mound of earth—will have to pay taxes and charges on those car parks. That is a potential outcome as the Government has not closed that loophole. I argue vigorously that the House debate this motion so that the Government can outline its support for commuters and we can ensure that commuters will not have to pay extra for these services. I know that many Government members would be interested in this issue, particularly the Minister for Fair Trading, whose electorate of Strathfield has 23 car spaces for 10,700 commuters; the Minister for Small Business, whose electorate of Bankstown has 170 car spaces for more than 4,000 commuters; and the member for Kogarah, whose electorate has 330 spaces for more than 6,000 commuters. This major issue affects so many commuters across New South Wales.

The Coalition is concerned that the Treasurer yesterday and the State Government on 10 September did not rule out applying taxes, fees and charges on commuter car parks when the mini-budget is handed down late in November. I bring to the attention of the House that an NRMA report released in February this year revealed that 40 per cent of motorists who drive to work would rather drive to their nearest station and catch a train if they were able to find a car spot. How can we encourage people not to drive to work when they cannot get a spot, and if they do they will have to pay for it? The Government position on this issue is outrageous. Yesterday the Government ruled in payroll tax cuts, but it did not rule out commuter car park taxes. The Premier ruled in payroll tax cuts but neither he nor the Treasurer will rule out taxes on commuter car parking.

I also bring to the attention of the House a report by the Auditor-General last year on the effectiveness of transport interchanges. The Auditor-General noted that "nobody regularly reports on interchange and car park adequacy and performance" and that the Government needed to "provide better information to the public on park and ride facilities". This area of public transport use is inadequately resourced. This is a major issue for commuters but the Government's response is to ask commuters to pay for its incompetence. Commuters already pay for the State Government's incompetence in the area of public transport. Rail commuters are already being asked to pay 30 per cent more for rail fares in the next four years.

A submission to that effect, supported by the Government, is currently before the Independent Pricing and Regulatory Tribunal. Not only will rail commuters have to pay 30 per cent more over the next four years for fares, they also will have to pay for their car parking because neither the Treasurer nor the Premier have the guts to rule it out. Yet on the other side of the ledger we see how much money the Government is wasting in relation to public transport: \$95 million on a Tcard project which never happened and \$23 million to deal with corruption within RailCorp. The Government always turns to the commuters—those who are doing it tough—to pay for its incompetence. This is a very important issue, and I urge every member who cares about public transport and cares about commuter parking to support debate on this motion.

The SPEAKER: Order! Government members will remain silent.

Ms GLADYS BEREJIKLIAN: The member for Penrith may be interested in this matter because in her electorate commuters are being fined up to \$189 because they cannot find vacant car parking spaces and they are having to park on the side of the car park. This is happening in electorates all across New South Wales.

Mr Steve Whan: Point of order—

The SPEAKER: Order! Opposition members will remain silent.

Mr Steve Whan: I have been listening for quite a while—

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

Mr Steve Whan: My point of order is that the member has to justify why this matter should have priority tomorrow. This has been a discussion on the subject matter of the motion.

The SPEAKER: Order! The speaking time of the member for Willoughby has expired, but I will rule on the point of order. As the member for Monaro knows, I always allow a little latitude in relation to these debates.

Mr JOHN AQUILINA (Riverstone—Leader of the House) [3.20 p.m.]: The member for Willoughby always gets excited about transport issues, and today she has been terribly excited about funding issues. But she gets excited about the wrong things. What the member for Willoughby ought to get excited about is the \$660 million package that this Government announced in November 2006 to upgrade and provide new and accelerated initiatives to address Sydney's present and future transport needs. There was not a word from her about that. The member for Willoughby did not say a word about the \$45 million strategy that has been provided by the Government to improve the commuter parking facilities at key locations in Sydney. Did we hear a single comment about that? It is there in the budget.

Mr Adrian Piccoli: Point of order: The Leader of the House is entitled to make a five-minute contribution on the veracity of the argument of the member for Willoughby that her motion should take priority. If the Leader of the House wants to enter into the debate he should acknowledge that perhaps the shadow Minister was going to mention in the debate all of the things he has raised.

The SPEAKER: Order! As I have already ruled, I allow latitude to members on both sides of the House during these debates.

Mr JOHN AQUILINA: The member for Willoughby spent her five minutes arguing her case and trying to put holes in what the Government is doing in relation to commuter car parking, but ignoring the very essential elements that are an important aspect of commuter car parking and the commuter car parking facilities that the Government is providing. Had the member wanted to debate the issue about the timely response of the Government in providing car parking facilities at Seven Hills, St Marys and Blacktown by 2011, we would be happy to accept here acknowledgement of the Government's contribution in that regard.

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

Mr JOHN AQUILINA: The Government is providing 400 car parking spaces at Glenfield, 250 spaces at the new Edmondson Park station, and 1,000 spaces at the new Leppington station. All we heard about was the inadequacy of commuter car parking. The member for Willoughby wants to debate this matter tomorrow, yet since 2006 the Government has outlined publicly its program and agenda in very, very specific terms. Also, the new commuter car parks at Revesby, Schofields and Quakers Hill, in my electorate, are being examined, as outlined in the urban transport statement.

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

Mr JOHN AQUILINA: The member for Willoughby also neglected to mention the provision of 350 car parking spaces at Holsworthy station by the end of 2009 that will meet the community's needs for expanded facilities. The member for Willoughby talked about the lack of provision of car parking spaces but she said nothing about what the Government is doing to provide them. The Government's strategy is available to everybody—it has been known since 2006—and it was reiterated in the budget again this year.

The member for Willoughby quoted what the Treasurer stated in another place yesterday. As has been stated time and again by the Premier over the past two days in this Chamber in relation to the issue of fees, we cannot rule anything in or out. The Government will hand down a mini-budget on 11 November and we should wait until that time to see what the appropriate economic measures will be. The Opposition will not get away with these tawdry tactics. The community has been told to be patient and wait for the mini-budget on 11 November. The Opposition should not pre-empt what the Government will do in the overall budget by bringing these sorts of motions to the House for political gain.

The SPEAKER: Order! The member for Lismore will cease interjecting.

Mr JOHN AQUILINA: All the Opposition has succeeded in doing is wasting the time of the Parliament this afternoon. The motion is opposed.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 37

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

Noes, 46

Mr Amery	Mr Greene	Mr Morris
Ms Andrews	Mr Harris	Mrs Paluzzano
Mr Aquilina	Ms Hay	Mr Pearce
Ms Beamer	Mr Hickey	Mrs Perry
Mr Borger	Ms Hornery	Mr Sartor
Mr Brown	Ms Judge	Mr Shearan
Ms Burney	Ms Keneally	Mr Stewart
Mr Campbell	Mr Khoshaba	Ms Tebbutt
Mr Collier	Mr Koperberg	Mr Terenzini
Mr Coombs	Mr Lynch	Mr Tripodi
Mr Corrigan	Mr McBride	Mr West
Mr Costa	Dr McDonald	Mr Whan
Mr Daley	Ms McKay	
Ms D'Amore	Mr McLeay	<i>Tellers,</i>
Ms Firth	Ms McMahan	Mr Ashton
Ms Gadiel	Ms Megarrity	Mr Martin

Pairs

Mr Aplin	Ms Burton
Mr J. H. Turner	Mr Gibson

Question resolved in the negative.

Motion negatived.

LIQUOR AMENDMENT (SMALL BARS AND RESTAURANTS) BILL 2007

Discharge of Order of the Day and Withdrawal of Bill

Order of the day discharged on motion by Ms Clover Moore.

Bill withdrawn on motion by Ms Clover Moore.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Routine of Business

Mr JOHN AQUILINA (Riverstone—Leader of the House) [3.31 p.m.]: I move:

That standing and sessional orders be suspended:

- (1) At this sitting:
 - (a) to permit the sitting to be extended for the consideration of Government Business and the motion of no confidence in the Government;
 - (b) to permit the motion of no confidence in the Government to be considered following the conclusion of Government Business;
 - (c) to postpone the matter of public importance until Thursday 25 September 2008;
 - (d) to not call on private members' statements; and
 - (e) for the House to adjourn on motion.
- (2) On Thursday 25 September 2008 to permit the following routine of business to be conducted prior to 2.15 pm:
 - (a) at 10.00 am (Speaker takes the Chair);
 - (b) General Business Notices of Motions;
 - (c) introduction of two Government bills, notice of which was given on 24 September 2008;
 - (d) private members' statements;
 - (e) at 11.15 am, the postponed matter of public importance; and
 - (f) general business.

This procedure has been proposed because an important motion is before us today. It is the Government's intention—and I suppose it is the Opposition's intention—to dispatch the censure motion. I have therefore moved for the suspension of sessional orders to enable us to continue that debate to its conclusion rather than proceed with the automatic adjournment, which would normally occur at 7.30 p.m. It is acknowledged that the matter of public importance will not be debated and there will be no time for private members' statements today. It is the Government's intention, at the expense of Government business tomorrow, to allow additional private members' statements to be heard as well as the debating of the matter of public importance that was listed for today. I move this motion to facilitate the process, procedures and business of this House.

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

Motion agreed to.

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY**National Assessment Program on Literacy and Numeracy**

Mrs KARYN PALUZZANO (Penrith—Parliamentary Secretary) [3.36 p.m.]: This matter should be accorded priority because the recent results of the National Assessment Program on Literacy and Numeracy tests should be applauded. This motion should be accorded priority because we should be able to congratulate the classroom teachers, the support teachers, the reading recovery teachers, the teacher librarians and the principals on those results. The motion should be accorded priority because of the support given by parents and parent volunteers. The reading helpers in New South Wales should also be commended. The motion should be accorded priority because of the education funding and resources provided by the Rees Government. This Government's education initiatives should also be commended. This matter should be accorded priority because the Rees Government—

ACTING-SPEAKER (Ms Diane Beamer): Order! There is too much audible conversation. Members who want to conduct private conversations will do so outside the Chamber.

Mrs KARYN PALUZZANO: The motion should be accorded priority because the Rees Government supports programs in New South Wales schools, in particular the Premier's Reading Challenge and the Premier's Spelling Bee. Those programs have been instrumental in the excellent results achieved in the recent National Assessment Program on Literacy and Numeracy tests.

State Leadership

Mr ANDREW STONER (Oxley—Leader of The Nationals) [3.38 p.m.]: My motion deserves priority because the latest reincarnation of Labor's leadership is just another Labor trick right out of the Hawker Britten playbook. When the opinion polls look bad the faceless men of Sussex Street step in. Not only did they select the new Premier; they selected his entire Cabinet—not on ability or talent but on factional allegiances and backroom deals. This motion deserves priority because Morris Iemma was stabbed in the back because for the first time in his career he tried to do the right thing and sack Joe Tripodi.

Ms Linda Burney: Point of order: There is no need to be insulting or to say things that are untrue. I take great umbrage at those assertions.

Mr ANDREW STONER: That is not a point of order.

Ms Linda Burney: Withdraw your statements.

Mr ANDREW STONER: The Minister can take as much umbrage as she likes. I was not referring to her anyway.

ACTING-SPEAKER (Ms Diane Beamer): Order! There is no point of order.

Mr ANDREW STONER: Who was waiting in the wings like a vulture? It was a man of relentless political ambition. That man was revealed last weekend to have put his ambition ahead of his public duty to protect children. That man so wanted to be Premier that he stabbed his former boss and mentor, but sold out every bit of integrity by letting Karl Bitar pick his Cabinet. This motion deserves priority because the finances of this State cannot be trusted to the dodgy brothers of State politics—Joe Tripodi and Nathan Rees.

Mrs Karyn Paluzzano: Point of order: The Leader of The Nationals should be explaining why his motion deserves priority, and not debating the motion.

ACTING-SPEAKER (Ms Diane Beamer): Order! The Leader of The Nationals is speaking to his motion. However, in the past Speakers have allowed latitude in these sorts of debates.

Mr ANDREW STONER: This motion deserves priority because the State is in financial crisis and we need to talk about who has been entrusted with getting us out of this crisis. I will tell the House who has been entrusted—the dodgy brothers, Joe Tripodi and Eric Roozendaal. Members should not take my word for it; this is what the journalists think about the likes of Eric Roozendaal and Joe Tripodi. The *Sydney Morning Herald* of 9 September 2008 stated:

Mr Roozendaal, who is not a talented public performer, did not distinguish himself, to put it mildly, as roads minister.

The *Sydney Morning Herald* had this to say on 26 June 2008:

And the Government's incompetence does take some beating: its Roads Minister Eric Roozendaal cannot even tell the time. Yesterday, in an interview on Radio 2GB, Mr Roozendaal seemed not to know that 1400 on the 24 hour clock is 2pm.

And this bloke is the Treasurer! A further quote about Eric Roozendaal is:

The minister, stuck fast in his own intellectual traffic jam, appears unable to imagine an alternative to the gridlock around him.

Mr Alan Ashton: Point of order: I understand the Leader of The Nationals is reading from the *Sydney Morning Herald* but he is not attributing it to anyone. Is it a journalist, is it the editor or is it his own comment? The member needs to specify that.

Mr Thomas George: What is your point of order?

Mr Alan Ashton: That is my point of order. I will make it again. The point of order is the member is talking about the *Sydney Morning Herald*. He should name the person to whom the comments are attributed. Are you happy now?

ACTING-SPEAKER (Ms Diane Beamer): Order! The member for East Hills will resume his seat. I have heard enough of his point of order. The member is quite correct: Members should fully attribute any newspaper article that they read in the House.

Mr ANDREW STONER: I will send the member a copy of the press clippings. Now on to Joe Tripodi, the personification of shady Labor Ministers.

Mr Alan Ashton: Madam Acting Speaker, you have just made a ruling and he has completely ignored you. You said clearly he has to identify the article.

ACTING-SPEAKER (Ms Diane Beamer): Order! The member for East Hills has taken his point of order and I have ruled on it. He will resume his seat. The Leader of The Nationals is obliged to attribute the newspaper articles he is reading to the House.

Mr ANDREW STONER: I will send the member the press clippings.

Mr Alan Ashton: I take a further point of order.

ACTING-SPEAKER (Ms Diane Beamer): Order! The Leader of The Nationals and the member for East Hills will resume their seats. The Leader of The Nationals may resume his speech, but he should fully attribute any comments he brings before the House.

Mr ANDREW STONER: I have quoted my source, which is the *Sydney Morning Herald*. I have said I will send the member the press clippings. [*Time expired.*]

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

NATIONAL ASSESSMENT PROGRAM ON LITERACY AND NUMERACY

Motion Accorded Priority

Mrs KARYN PALUZZANO (Penrith—Parliamentary Secretary) [3.43 p.m.]: I move:

That this House:

- (1) congratulates New South Wales students on the excellent test results in the recent National Assessment Program—Literacy and Numeracy;
- (2) congratulates teachers, principals and parents on their support of New South Wales students; and
- (3) congratulates the Government on its ongoing funding for programs to improve literacy and numeracy in our schools.

Today I will inform the House about the success of New South Wales students in the recent National Assessment Program—Literacy and Numeracy [NAPLAN] test. Before doing so, I acknowledge that the new Minister for Education and Training is present. I know she will take the many schools and TAFEs in New South Wales into the future with great initiative, drive and ideas. I look forward to working with her. At a recent Cabinet visit to Maitland a resident told me how well the Minister handled a meeting in a previous role and how fair she was in dealing with a local matter. I know she has the skills, the attributes and the drive for her new portfolio.

NAPLAN tests were first conducted in May 2008. Tests were held in reading, writing, spelling, punctuation, grammar and numeracy for all students across Australia in years 3, 5, 7 and 9. These tests replaced the previous State- and Territory-based assessments. Earlier this month the Ministerial Council on Education, Employment, Training and Youth Affairs released the results of these first national tests. The main measures used to compare the performance of States included average scores and the percentage of students who are at or above the minimum standard each year.

By all these criteria, New South Wales performed very well. New South Wales is significantly above the Australian average in all tests. New South Wales is also in the top three in 15 of the 16 tests. Comparing the percentages of students who were at or about the minimum standard, New South Wales always ranked in the top three. In 15 tests more than 90 per cent of students were at or above the minimum standard. Using this comparison, New South Wales has outperformed the Australian result for every one of the 16 tests. This is a great tribute to the students who performed so well. It is also a great tribute to the principals, teachers and parents who support our students.

These strong results also show that the New South Wales Government has been on the right track. We have been focusing the curriculum, particularly in primary schools, on the fundamental areas of literacy and numeracy. Teachers now allocate more than half of their classroom time to literacy and numeracy activities. We are investing in professional development and raising teacher standards so that the teachers in our schools are focused on quality teaching and professional excellence. We have great support programs like Reading Recovery, which enable teachers to intervene and provide intensive support to children who are struggling with literacy, and the Learning Assistance Program provides additional support for children with learning difficulties.

We also have statewide challenges to encourage and inspire more children to read and improve their literacy through the Premier's Reading Challenge. Yesterday I visited Blaxland East Primary School in my electorate. Children at the school are encouraged to participate in the reading challenge. For many years I have been giving out certificates. One year I gave every single student at that school a certificate for completing the Premier's Reading Challenge—a 100 per cent commitment. Yesterday I gave out more than 60 gold certificates to students who have been participating for more than four years in the Premier's Reading Challenge. I congratulate the school and in particular I congratulate Mrs McDonald, the teacher librarian, on promoting such an admirable challenge to her students and improving literacy outcomes.

It will interest members to know that New South Wales student NAPLAN participation rates were also high. Participation is a key factor. In years 3 and 5, participation rates were above 97 per cent, the highest of any State. In year 7 the participation rate was 96 per cent of students. New South Wales participation rates are high because of the professionalism of our teachers. Our teachers know that these results are particularly important to help students who are struggling. Parents, teachers and principals have cutting-edge technology in the form of the School Measurement, Assessment and Reporting Toolkit [SMART]. They can use this technology to drill down into their school's NAPLAN results. New South Wales is the only State in which schools have access to such a sophisticated analysis tool to look at student performance data.

A few years ago at Cranebrook High School I met with teachers in literacy and numeracy, who were meeting with teachers from their feeder primary schools, looking at the State-based results of students and working out what plans they could have in the transition between year 6 and year 7. Teachers are using these results to work out the best way forward to promote the educational experience for students. I commend those teachers from Cranebrook High School and the feeder schools. Teachers were analysing the results of the students and groups of students across the test, which is quite admirable.

Teachers using the SMART data can also analyse students' results across performance bands. Schools can access information concerning the performance of individual students or groups of students on particular questions and can easily determine patterns of student responses. A unique feature of SMART is the capacity to identify areas in which students are struggling and to access strategies to address need. The 2008 version of

SMART even has teaching strategies linked to the questions in the NAPLAN tests. By looking at the trends in the test it can provide schools with an overview performance over time and demonstrates a shift in overall school performance. Schools can look at their performance by literacy and numeracy or even by subject.

Schools can easily identify particular skills in which students demonstrate they need support. They can review their programs, their teaching strategies and the need for additional support. They can review strategies that help improve results. In numeracy, added information is provided, detailing the reasons why students might have chosen particular answers to questions. An important component of the State-national test is that it has a common reporting scale. Students' progress can be mapped in year 3, year 5, year 6 and year 7. By providing extra tools such as SMART, we are giving more information about literacy and numeracy in our State. I congratulate principals on a fantastic job and students on fantastic results.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [3.50 p.m.]: This is a self-congratulatory motion from the Government.

Ms Verity Firth: It is congratulating our pupils.

Mr ANDREW STONER: Paragraph (3) congratulates the Rees Government—that is self-congratulatory in my book—on an achievement that was reported two weeks ago on which the Opposition publicly congratulated teachers, students and families. We all agree on that. It is interesting to note that the Government's motion actually ignores students. It mentions teachers, principals, parents and the Rees Government but not kids. I think the kids worked pretty hard for these results and they deserve congratulations too.

ACTING-SPEAKER (Ms Diane Beamer): Order! The member for Penrith will come to order.

Mr ANDREW STONER: Given the bipartisan support for these great results achieved by New South Wales students, and that their achievements were reported on two weeks ago, the reason for this motion being accorded priority is a little unclear, other than to obviate debate on some of the other important issues in education that must be addressed if these results are to be replicated. However, I know this Government has a tendency to look backwards and pat itself on the back, without taking on board the challenges that have to be addressed if we are to deliver the right kinds of services to the people of New South Wales, be they education, transport, health or whatever.

One worrying issue is that the gap between the haves and the have-nots in our society is increasing. Although many New South Wales schools have high achievers, the glaring inequities between students and schools are of great concern. Sadly, it is still the case in New South Wales that an indigenous student, a student from the country or from a non-English speaking background is far less likely to meet national benchmarks for literacy and numeracy than other children. This Government can sit here and wax lyrical about how well it has performed in education, but I have visited schools from Brewarrina to Blayney; I have been to schools in Walgett, Wilcannia, Bourke and many other parts of country New South Wales and I know the extent of the problem with retention rates and academic achievement. It is unacceptable in this day and age that so many kids are falling through the cracks. When it comes to kids from indigenous backgrounds, kids from non-English speaking backgrounds or low socioeconomic groups, the key to their hopes and aspirations later in life lies in education. We have to do better at closing that gap.

Another area that the Government seeks to overlook in its self-congratulatory motion is school maintenance. The Government probably will provide the latest figures on enrolments in government schools that reflect the fact that, because parents are doing it very tough at the moment due to the incredibly high cost of living, many parents are sending their kids back to government schools rather than to non-government schools. However, the long-term trend has been a clear and marked drift away from public education. One of the reasons that I see wherever I go—and I am shown examples of it by parents and citizens associations around the State—is school maintenance. After 13 years of financial mismanagement, schools across the State have substandard facilities, including classrooms with leaking roofs, threadbare carpets and trip hazards. Those problems are not going away.

Despite more than a decade of promises, students, teachers and parents in the 2,240 schools across the State are affected every day by an approximately \$83 million backlog in school maintenance. Despite the new Premier's promise to cut the spin, one of his first forays into the education portfolio was to make a big announcement about rewriting planning laws because eight schools in Sydney have had their planning

applications held up. But what about the other 2,232 schools in New South Wales that cannot get the necessary funds for their school hall, covered outdoor learning areas, covered walkways or safety upgrades to their playgrounds? They cannot get funding for those improvements under this Government. Premier Nathan Rees claimed that local councils are responsible for some schools having waited for up to 10 months for upgrades.

The Public School Principals Association cites that a number of schools have waited 10 years for upgrades under this Labor Government. Meanwhile, in a less than brilliant start in her portfolio, the new Minister for Education and Training, who is at the table, started off in the job by not realising that the State Government is responsible for funding State government schools. She thought it was a 50:50 deal with the Federal Government. After sitting around the Cabinet table for 10 months, she should go back to school on that.

Ms Verity Firth: Did you ever talk to your counterparts in Canberra about more funding for State schools?

Mr ANDREW STONER: I have long advocated a Council of Australian Governments meeting on education funding. I will send the Minister a copy of the press release.

Ms Verity Firth: So did I.

Mr ANDREW STONER: I hope both the Minister go down there together and ram this home.

ACTING-SPEAKER (Ms Diane Beamer): Order! The Leader of The Nationals will be heard in silence.

Mr ANDREW STONER: Yes, students, teachers and parents must be congratulated on their recent results but if we expect those results to be replicated, there are clear signs that Labor needs to lift its game in this State on education. If it is fair dinkum about our children's future then inequity and school maintenance—just to name two—must be addressed immediately. If these things are left to fester, we will almost certainly see a decline in the welfare of, and academic outcomes for, our students. Unfortunately, delivering results, not promises of improvement, has always been, and will continue to be, the State Labor Government's greatest failure.

Mr MATTHEW MORRIS (Charlestown) [3.57 p.m.]: I respond to the comments of the Leader of The Nationals on the motion and thank the Lord that he did not participate in the test because he would have failed literacy dismally, given that the first paragraph of the motion congratulates New South Wales students. I join my colleagues in congratulating New South Wales students, teachers and principals on their outstanding success in the recent National Assessment Program—Literacy and Numeracy [NAPLAN] test. Students will be pleased to see the results and parents will have a good chance to see how their kids have performed in the tests.

As well, parents and teachers receive a breakdown of how every student answered each question. That is one of the important reasons that the NAPLAN test results are so useful for teachers in New South Wales. One of the other factors was the extremely high participation rate among New South Wales students in these tests. So many children participating in the tests gave a clear picture of how our education system is working, and the needs of each individual student. We can be sure of the accuracy of this with so many children being tested.

It is important to acknowledge the incredibly good work of the students who sat the tests and achieved such impressive results, but it is also important to acknowledge the wonderful work of New South Wales teachers and parents, who ensured we achieved such high participation rates among students. To give the House an idea of these impressive participation rates, New South Wales achieved the highest percentage of eligible students sitting the test in year 3 and year 5; highest or second highest with South Australia in year 7; and second highest after Queensland in year 9.

New South Wales participation rates are high because of the professionalism of our teachers and a statewide understanding of the importance of these tests. This is particularly important for helping students who are struggling. Parents also value the accuracy of these test results, and have played a critical role in encouraging students to participate. All parents want their children to get the best out of their education, to achieve their full potential. An important component in this is a full understanding of areas of good work and areas that need improvement.

The other impressive element is the exemption rate in New South Wales. The exemption rate is the percentage of students who were exempted from the test on the following grounds: a parent request that the child not participate; a profound disability; or a student of non-English speaking background who has been in Australia for fewer than 12 months. I am pleased to note that the New South Wales student exemption rate was less than 1 per cent at all year levels and was the lowest of all States and Territories. [*Time expired.*]

Mrs SHELLEY HANCOCK (South Coast) [4.00 p.m.]: I have a great deal of respect for the member for Penrith. I know that at all times she has acted with integrity in this place and she shows commitment to her electorate. Anything I have to say about the motion is not a reflection on her. Of course we would support this motion.

Mr Steve Whan: You're not going to congratulate the students?

Mrs SHELLEY HANCOCK: If the member would just give me a chance: Of course we support this motion, and of course we congratulate New South Wales students. Whether it is regarding the results of the National Assessment Program—Literacy and Numeracy or any other test, of course we congratulate our students. We also congratulate our teachers and principals. I join with the Government today in doing that. That is my message to the member for Penrith. However, I hope the Government is not implicitly taking any credit for those results, because its record for more than a decade has been to underfund public schools in this State, and the Minister for Education and Training knows that. The schools have heard those messages coming through their parents and citizens associations. Let us have a look at the reality in this State regarding teachers. As we speak, teachers are on rolling strikes throughout the State.

Mr Thomas George: Why?

Mrs SHELLEY HANCOCK: Why are they striking? Because a former Minister said that no changes would be made to the teacher transfer system in this State. And what happened? Without consultation, without discussion, the changes were made. Already those changes have resulted in teachers who have fairly accrued transfer points under an old system now being denied the ability to transfer. As recently as last week a pregnant teacher was denied that opportunity. The Minister for Education and Training can yell and shout as much as she likes. She should go out to schools and talk to teachers. The Minister should have more than just the cursory meeting she had with teachers. She must understand why there is such a depth of feeling among teachers in our public school system. And there is—teachers are concerned at every level.

Let us look at how TAFE teachers are feeling at the moment. They feel that their professional status is now being downgraded, and they are mounting their own campaign. So, yes, there are significant problems apart from the rolling strikes. The infrastructure issues go on and on. Despite what members opposite, including the Minister, say, those issues continue to plague the State's schools as we speak. Due to the current Federal Government cut to the Investing in Our Schools Program, we are going to have significant problems in our schools. Like it or loathe it, we will have to get used to those problems because they exist. If the Minister does not listen to the teachers in this State they will leave the teaching profession in droves. Indeed, they are already leaving. Teachers are already so disillusioned that they are now leaving the State system for the private system, or seeking work elsewhere. My message to the Minister is that she must support teachers and she must listen to the issues raised about the transfer scheme. It is extremely important to teachers in this State.

Mr STEVE WHAN (Monaro) [4.03 p.m.]: I wish to add my congratulations to New South Wales teachers, students and parents for the outstanding results in the National Assessment Program—Literacy and Numeracy [NAPLAN] tests. I was delighted to receive my daughter's year 9 test results in the mail on Monday this week. I thought the results provided an excellent layout of how my daughter compared not only with the rest of the State's students but also with other students at her school, as well as extra information for parents. The New South Wales Department of Education and Training has done a great job in that area. I will not embarrass my daughter by telling the House about the results she achieved. Suffice it to say, I think her spelling mark would be a lot better than that of the shadow Minister for Planning, who in a press release recently issued in Queanbeyan spelt "Labor" "Lalbor".

The House would be interested to know, in contrast to what members opposite have said, that the Government is spending a record \$11.8 billion on education this year, which is a fantastic investment in education. We are seeing many important initiatives. Earlier the Opposition spokesman on Education spoke about disadvantaged schools. Yet, in question time today the Minister advised the House that \$16 million has been allocated for the Priority Action Schools Program over the next four years and that 74 schools will receive

that funding. One of those schools is Queanbeyan South Public School, in the Monaro electorate, which has a large number of Aboriginal students and students from ethnic backgrounds. That is an important contribution to that school, and I am pleased that it is happening.

We have seen some really important things happening in education. Yet, again today the Opposition's only contribution is to whinge and whine. The only contribution to policy we have seen from the Opposition spokesman on Education, the Leader of The Nationals, was when he backed the former Federal Government in its attack on the New South Wales curriculum. The former Federal Government said the New South Wales curriculum was Maoist, and the Leader of The Nationals backed it up with a press release saying that he thought a black armband view of history was being taught, and a whole range of other ridiculous comments. We have heard no positive comments from the Opposition spokesman on Education.

The member for South Coast spoke about the teacher transfer system. I would like her to tell a teacher who taught for 10 years in a regional school as a casual why she could not get a permanent job in that school, even though the school wanted her, under the system that the member for South Coast wanted to keep. The teacher transfer system needed to be reformed. In the Monaro electorate we have seen trade schools opened. Last week I had the pleasure of announcing the allocation of the new science laboratories tender for six new laboratories at Karabar, four at Monaro, two at Bombala, and two at Braidwood. That is an important initiative. Karabar High School was recently announced as one of the first schools outside Newcastle, Sydney and Wollongong to be partially selective. That is an important contribution to ensuring that students are able to reach their full potential. I am very pleased to say that my children attend Karabar High School and that they are benefiting from the extremely good teaching they receive at the school. More trade schools are planned. It is a great investment in New South Wales education. [*Time expired.*]

Mrs KARYN PALUZZANO (Penrith—Parliamentary Secretary) [4.06 p.m.], in reply: The New South Wales Government, through the Department of Education and Training, has continued to provide excellent support for teachers and schools. The support it provides has been outlined in just one national test, the NAPLAN test. The results of the students would not have been as high if the Government, which runs New South Wales schools, had not allocated that support and guidance to the Department of Education and Training. We are proud of our record, and we are proud to acknowledge the teachers, students, parents and parent volunteers. We are also proud to acknowledge the education record in New South Wales. We are proud to acknowledge the \$11.8 billion that has been allocated for our schools and vocational training in this year's budget, with 89 per cent being provided by the New South Wales Government and only 11 per cent being provided by the Federal Government.

Members opposite have slightly misled the House. The Leader of The Nationals totally misled the House by saying he would not congratulate students, which is totally outrageous. He failed the test miserably. The Leader of The Nationals showed that he, as a person at a senior level in the Opposition, has no ideas, no plans, and no policies. I was refreshed by the member for South Coast, whom I thank for her endorsement of my work in the Parliament and in the electorate of Penrith. As the Parliamentary Secretary Assisting the Minister for Education I would like to meet the member for South Coast, because I know she is passionate about teaching and learning both in her area and in New South Wales generally. I look forward to meeting her, because I believe her comments are to the point.

The Opposition referred to school maintenance. It should be noted that \$4.4 million a week, or \$630,000 per day, is spent in New South Wales schools on maintenance, including painting and playground improvements. Recently I visited Braddock Primary School, which has a magnificent covered outdoor learning area and improved playground. Just one school in one electorate demonstrates that that expenditure has been extremely valuable. In light of the teacher transfer procedures it is important that I make the point that the system for priority transfer has remained unchanged. I can assure those concerned that the initiative and capacity of nominated transfers remain available and are not affected by the new system. Also, despite the claims of some to the contrary, schools in country communities have exactly the same incentives to attract top-quality teachers, including transfers for those teachers to other schools after a period of service.

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

Motion agreed to.

ACTING-SPEAKER (Ms Diane Beamer): Order! Debate on the motion accorded priority having concluded, the House will now consider Government business.

HOME BUILDING AMENDMENT BILL 2008

Agreement in Principle

Debate resumed from an earlier hour.

Mr JONATHAN O'DEA (Davidson) [4.09 p.m.]: The Home Building Amendment Bill 2008 amends the Home Building Act 1989 to make further provision with respect to the suspension of building licences, the taking of disciplinary action and the requirements for home warranty insurance. Consistent with the relevant recommendation of both the Home Warranty Insurance Scheme Board and a Legislative Council general purpose standing committee in 2007, the bill introduces an additional trigger to enable consumers to access insurance without having to pursue a builder's bankruptcy or insolvency. It is good to see strengthening of consumer protection in the area of home warranty insurance, albeit only minor. However, I would be interested in the Minister's response to the observations of construction law specialist, Robert Riddell of Gadens—whom I coincidentally spoke with on the train home last night. He stated in yesterday's *Sydney Morning Herald*:

... in many, if not most instances ... The bar to be cleared by the builder has not been set high. As a result, home owners will be kept waiting for one or possibly more cascading appeals to be determined before they can claim under their policies. That of course also depends on the homeowner having the financial capacity to see out years of litigation.

It is also worth noting that the proposed legislation would provide no relief for consumers holding existing homeowners warranty insurance, which under the current New South Wales last resort scheme is activated only if a builder dies, disappears or becomes insolvent. The Opposition again asks why more significant reform is not being undertaken by the Government in the face of obvious problems with the system, as outlined by previous speakers in the debate. All relevant parties should work together to improve arrangements in New South Wales and introduce elements of the Queensland system as appropriate. However, in the interests of balanced debate, I note that home warranty premiums in New South Wales are significantly lower on average than in Queensland.

I understand from a Housing Industry Association [HIA] media release issued today that in New South Wales the all-inclusive warranty premium on a new home with a contract price of \$300,000 ranges from \$450 to \$3,500. In Queensland the premium is set at \$2,326 for all builders, regardless of their capacity and performance, and that has increased substantially in recent years. We need improved consumer confidence in new home building and renovating at a time when investment in new residential construction by owner-occupiers and investors remains at a record low in New South Wales. However, the last-resort nature of homeowners warranty insurance does not inspire confidence and appears to be unparalleled when compared with other types of insurance. Perhaps it can be compared to death insurance, at least in terms of the extreme measures needed to establish a claim.

A number of residents in the Davidson electorate have experienced significant difficulties with builders. In recent months I have raised examples of local building disputes. For example, I called upon the previous Minister to undertake reform in the area of cost plus building contracts and to better address issues following the Beechwood Homes collapse. I congratulate the member for Strathfield on her promotion to Minister for Fair Trading and I trust that she will demonstrate more political will than her predecessor to undertake reform and corrective action in areas such as home builders warranty insurance and cost plus building contracts, rather than talk around the issues.

One affected constituent recently wrote to me suggesting the need for an independent rating system, overseen by an impartial body, providing ratings for builders in New South Wales. Based on such a rating system, further additional insurers might be expected to enter the market for homeowners warranty insurance. I would be interested in the Minister's comments on that suggestion. In any event, there appears to be a need for greater availability of information on the record of each builder so people can make more informed decisions on engaging builders. Finally, I note that pursuing more meaningful reform in the area of home warranty insurance would also provide an ideal opportunity to work towards a greater harmonisation with other State legislative regimes. As in many other areas of business regulation and consumer protection, greater consistency between the States is sorely needed.

Ms VIRGINIA JUDGE (Strathfield—Minister for Fair Trading, Minister for Citizenship, and Minister Assisting the Premier on the Arts) [4.15 p.m.], in reply: I thank all members who contributed to the debate of the Home Building Amendment Bill 2008, including the member for Maitland, the member for Bega, the member for East Hills, the member for Castle Hill, the member for Wagga Wagga and the member for

Davidson. I thank my predecessor, the member for Canterbury and the new Minister for Community Services, who introduced the bill to the House. I also thank my ministerial staff and the hardworking staff of the Office of Fair Trading for their efforts and many hours of dedicated work in preparing the bill. I remind members that this is a straightforward bill. The main purpose of the bill is to enhance the home warranty insurance scheme and to automatically suspend the licence of any contractor that fails to comply with a court or tribunal order to pay compensation.

At this point I would like to respond to some of the issues raised by members in the debate. First, I would like to respond to the comments expressed by the member for Baulkham Hills that the home warranty scheme operated by the Building Services Corporation [BSC] worked better than the current scheme. I inform the House that the previous Fahey coalition Government commissioned the Dodd inquiry in 1993. That inquiry recommended the disbandment of BSC and a move towards private home warranty insurance. Second, I would like to respond to the comments of the member for Castle Hill, who criticised the Government in relation to the previous government-run scheme. May I remind the good member that the privatisation plan was conceived under a Liberal-Nationals Government and passed with bipartisan support! The former Liberal-Nationals Government decided to strip millions of dollars out of the BSC, leaving taxpayers to foot the bill for continuing claims under the old scheme.

Third, I would like to respond to the comments of the member for Baulkham Hills that precontract payments made by consumers are not covered by home warranty insurance. The good member did refer to deposits that are regulated under the Home Building Act 1989 whereby a maximum amount that a builder can demand is 5 per cent of the contract price. The deposits are covered by home warranty insurance. However, the member is correct in that any payment made for predatory work prior to entering into a building contract, such as the drawing up of plans and lodging them with councils, is not covered by home warranty insurance. I have asked the chair of the Home Warranty Insurance Scheme Board to examine how the scheme can be improved to ensure protection of the precontract payments by consumers.

A number of members mentioned the issue of Beechwood Homes. I can advise the House that following the sale of Beechwood to a new owner in July, three homes have been fully completed and handed over to the new owners and work has recommenced on a further 190 homes. As to the 580 people who made precontract payments, the new owner is moving forward to enter into contracts with many of them to build their homes. Members spoke about concerns following reports that insurers are making large profits from the scheme. There has been a great deal of misinformation about this. I will take this opportunity to clarify the matter. Home warranty insurance, unlike other forms of insurance, provides cover for six years from the date that construction is completed.

Experience with the former government-administered scheme showed that claims may be lodged with insurers as long as 10 years after the issue of the policy. It is only possible to make an assessment of the financial performance of the scheme by comparing premiums collected with all the relevant costs of insurers over the full life of the scheme. It is also expected that the claims experience of home warranty insurance may vary greatly from year to year, depending on the economic conditions in the home building market and in the community generally. Since the new scheme commenced, the New South Wales economy has performed reasonably well and conditions have generally been favourable for home builders. However, the nature of insurance is that there are good years and bad years. So a snapshot over a shorter period of time may not accurately reflect the situation.

It was also claimed that insurance companies refuse two-thirds of claims. This is further misinformation spread by detractors of the scheme. The number of claims fully declined or refused is less than one in five. This includes owner-builder claims. When limited to claims involving builders only, 16 per cent of claims have been fully declined. As at 31 March 2008, 1,343 claims against licensed builders had been received by insurers, of which 223 had been fully denied. The majority of those matters that were fully declined were as a result of the builder being located and made to return to rectify the work or pay for the work to be fixed. Some members mentioned the allegation that consumers are being forced to sign inadequate insurance settlements. In New South Wales consumers who are not satisfied by a settlement offer made by their home warranty insurer have access to the Consumer, Trader and Tenancy Tribunal to review those offers to ensure that an equitable settlement is made.

The Opposition and the media have suggested that a number of builders have found it difficult to obtain cover. It should be noted that the options for builders have changed considerably over the past five years. With the assistance of the Home Warranty Scheme Board, the Government has created conditions that have seen

more insurers enter the market, rising from two insurers in 2003 to five today. As a result, competition in the market has increased markedly. I am advised also that builders no longer face the same problems obtaining home warranty insurance cover. In fact, many builders now have cover with more than one insurer. The Home Warranty Scheme Board has monitored the use of bank guarantees, securities and sureties. The data obtained on the scheme has shown that the use of such securities by insurers has declined and occurs only in 11 per cent of cases. Some insurers do not require any security or indemnities at all, and builders are now free to shop around to get the best deal for themselves and their clients.

In response to the member for Castle Hill and the member for Wagga Wagga, it is not true to suggest that builders are fleeing the State because of the Home Warranty Insurance Scheme. In fact, since 2004 the number of licensed builders in New South Wales has risen by 21 per cent. So the number of builders who have home warranty insurance cover has also increased by 20 per cent. The issue of consumers being forced to navigate an expensive legal maze was also raised. One of the key aims of the bill is to prevent this situation by making it easier and faster for consumers to make claims. But assistance for homeowners who fall into a dispute with the builder is already available and a clear process for consumers to follow is in place.

When consumers have a dispute with their builder, they are able to lodge a complaint with the Office of Fair Trading. Fair Trading inspectors will conduct site visits and issue rectification orders to builders to fix defects or complete unfinished work. Builders face the risk of losing their licence if they fail to comply with a rectification order issued by a Fair Trading inspector. Home building inspectors are able to resolve over 80 per cent of home building disputes in this way. Where mediation is not successful and the consumer lodges a claim with the Consumer, Trader and Tenancy Tribunal, the Home Building Advocacy Service, run by the Macquarie Legal Centre, can provide assistance and advice on tribunal processes.

In relation to decisions made by the Consumer, Trader and Tenancy Tribunal, I can happily inform the House that these decisions can be appealed only on a point of law and are limited in number. Last financial year the tribunal determined 3,610 home building claims. Only 12 decisions were appealed and only one appeal was successful. These figures suggest that the tribunal is getting it right in 99 per cent of cases when it comes to home building matters. Earlier this year the Government moved the jurisdiction for the hearing of appeals to the District Court. The District Court system is a less costly alternative than the Supreme Court and it is expected that appeals will be dealt with more quickly.

The Opposition suggested that the Office of Fair Trading has not been supervising the scheme. The State Government grants licences to insurers to operate and provide home warranty insurance in New South Wales. Insurers are required to abide by market practice and claims handling guidelines. The Home Building Act 1989 gives the Minister the power to discipline insurers for non-compliance with these guidelines. The Minister may censure, fine up to a maximum of \$50,000 or revoke an approval to operate in New South Wales. The Office of Fair Trading handles complaints about insurer compliance with the market practice or claims handling guidelines. Fair Trading has received and dealt with 24 complaints since 2006.

In 2003 the Government established a Home Warranty Insurance Scheme Board, which comprises insurance industry experts. Its role is to monitor the operation of the scheme and report to me on potential enhancements or changes to the scheme as it operates in New South Wales. As part of its role, the board collects premium claims and complaint data from insurers on a quarterly basis and makes this data publicly available on the Fair Trading website. Members may want to check it out. The board has published five such reports on the operation of the scheme since mid 2007. New South Wales is the only jurisdiction in Australia that has a governance system that monitors and regulates the operation of insurers in the marketplace.

The member for Wagga Wagga raised concerns about the potential impact on consumers upon the suspension of a builder's licence. I can confirm that in the event of a suspension, amendments previously introduced by the Government in 2004 allow the Commission for Fair Trading to appoint another builder to complete the homes of a suspended or disqualified builder. The member for Bega proposed the establishment of a special commissioner to deal with cold case claims. I am advised these cases have been reviewed and considered by two upper House inquiries chaired by Opposition members. The report of these inquiries, which was handed down last December, did not recommend a special commissioner to review these cases. In response to the member for Bega, this is real reform. As I have stated, the Home Warranty Insurance Scheme Board established by the Government is examining a number of further possible enhancements to the scheme, particularly arising from the recent Beechwood collapse. Since 2003 the Government has made numerous changes to the scheme and it stands ready to make more changes to further enhance the scheme. I thank all members for their consideration of this very important bill. I commend the bill to the House.

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

Motion agreed to.

Bill agreed to in principle.

Passing of the Bill

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

CHILD PROTECTION (OFFENDERS REGISTRATION) AMENDMENT BILL 2008

Agreement in Principle

Debate resumed from 29 August 2008.

Mr GREG SMITH (Epping) [4.29 p.m.]: The Opposition does not oppose the Child Protection (Offenders Registration) Amendment Bill 2008. The bill amends the Child Protection (Offenders Registration) Act 2000 to allow for the freer exchange of information between agencies involved in child protection. This is achieved by an exemption for certain agencies from the Privacy and Personal Information Protection Act 1998 and the Health Records and Information Privacy Act 2002. In 2003 the Government made an election announcement of establishing multiagency child protection watch teams. One team was established on a trial basis in 2004 in south-west Sydney to manage high-risk offenders, that team becoming fully operational in 2005.

The team consists of members of the New South Wales Police Force, Corrective Services, Juvenile Justice, Community Services, Health, Housing, Ageing, Education, Disability and Home Care representatives. Following this trial, external consultant Jan McClelland recommended that the program be expanded throughout New South Wales and, to ensure the free exchange of information between agencies, that the Act should be amended. This is achieved by inserting a new provision, section 19BA, into the Act, which will now allow prescribed organisations in schedule 1 to collect and use personal information about a registrable person—a child sex offender—and to disclose such information to other scheduled agencies in accordance with a written authorisation given by a senior officer of the agency.

That authorisation must specify the period for which it has effect and the agencies to which personal information may be disclosed. The senior officer must be satisfied that there is a risk of a substantial adverse impact on the registrable person if the information is not collected and that the collection, use or disclosure of such information is likely to assist in developing or giving effect to a case management plan for the registrable person. "Substantial adverse impact" is defined as including serious physical or mental harm, sexual abuse, significant loss of benefits or other income, imprisonment, loss of housing or the loss of a carer.

The bill will allow for a more coordinated interdepartmental response to managing sex offenders and the sharing of information on sex offenders. It will allow government agencies to be more proactive in managing sex offenders and gathering relevant legislation. In argument against the legislation, this means that more government departments have the information and there is more chance of information being leaked. Nevertheless, those disadvantages do not seem to override the need for improvement in the Act. It is very appropriate that the child sex offender register legislation be tightened up and that the police and other agencies take a more proactive attitude.

It is a pity that the Neighbourhood Watch scheme seems to have largely faltered in areas where child sex offenders seem to exist. I note that yesterday the media reported that the number of paedophiles and other sex offenders on the child protection register caught flouting their reporting obligations has nearly doubled in the past year. In 2007, 68 registered persons were prosecuted for breaching register conditions, including the obligation to notify a change of address, and even getting tattoos. That increase in breach convictions, up from 38 in 2006, comes as public concern grows over stranger-danger incidents. Recently there have been a number of attempted child abductions, including in Eastwood last week in the electorate of Ryde—an electorate currently under close examination. Also, in my electorate, at North Rocks Road, Carlingford, earlier this week a predator tried to pick up a child going home from school. This area, like other areas, has lots of children, and children are vulnerable.

There is not enough being done to protect children. We need to have more police out there patrolling the streets at times when children are going home from school to make sure that predators are not watching young people and targeting ones who are on their own walking through remote areas, through areas that are not heavily populated or through areas where there are not a lot of people around. We need to do more. We need to get the community more involved. Perhaps senior citizens centres and clubs could provide havens or places where young people can wait if they have to be picked up, rather than just waiting out in the street. The buses that are available in some of these clubs and other centres perhaps could be used to transport children. I do not blame the police—the police are working very hard in many areas—but I wonder about the priorities of the Police Force when it comes to protecting children. There are too many incidents of children being threatened by predators and sometimes abducted, and that must stop.

Mr DAVID HARRIS (Wyong) [4.35 p.m.]: New South Wales has always led the nation in protecting our children from sexual crimes. The New South Wales Labor Government has passed a number of tough, new laws, has lifted the policing focus and has organised new specialist squads. Today I emphasise the importance of the Child Protection (Offenders Registration) Amendment Bill 2008 for the operation of the Child Protection Watch Team. One of the key benefits identified in the evaluation of the watch team trial was enhanced facilitation of interagency information exchange. This benefit requires this amendment to become fully realised.

The watch team currently obtains consent from each offender to be managed by the team and for their information to be exchanged between the agencies involved. However, some of the highest risk child sex offenders do not consent to being managed in this way. The evaluation has shown that close offender management is positive for the community, and in many cases for the offender. Currently, the watch team cannot manage non-consenting offenders. This amendment is crucial so that they can be, and so that all of our high-risk offenders can be managed in the most effective way possible.

I will talk more generally about the Child Protection Watch Team, which is now going to be expanded from a trial in south-west Sydney to operate across the whole of New South Wales. The evaluation conducted by Jan McClelland clearly identified significant benefits to the interagency management of these high-risk offenders. In addition to the information exchange benefits already mentioned, these were enhanced skills and expertise in managing high-risk child sex offenders; enhanced interagency cooperation and collaboration on other matters; early warnings of inappropriate behaviour, associations and living arrangements; early detection of breaches of reporting requirements; successful applications for child protection prohibition orders; identification of possible children at risk, and minimisation of that risk; and reduction in the risk of recidivism.

There are currently seven people being managed by the trial watch team in south-west Sydney in a trial area covering eight local area commands. The evaluation report estimated that about 100 referrals could be made statewide as the watch team progressively expands, and that around 50 of those referrals would be likely to be accepted for management. These 50 would be the child sex offenders identified as being at the highest risk of re-offending—people who require not only close supervision and monitoring but also significant assistance in re-integrating into the community.

The coordinated approach taken by the watch team means that an offender can be assisted in obtaining appropriate housing, developing job skills through a TAFE course, or accessing counselling. Research, while not conclusive, strongly suggests that these types of interventions can reduce recidivism as an offender becomes more comfortable living a normal life. It is this coordinated approach that is underpinned by today's amendment, as coordination is not possible without exchange of information. I also note that Justice Wood, who is currently leading the Special Commission of Inquiry into Child Protection Services, supports the watch team as an example of effective interagency engagement.

Mr NINOS KHOSHABA (Smithfield) [4.40 p.m.]: A key benefit of offender management by the watch team identified by the evaluation is the ability to get early warnings of any inappropriate behaviour and associations in living arrangements and to successfully obtain a child protection prohibition order where necessary. Since 2005 police have been able to apply for child protection prohibition orders. These orders can restrict the behaviour of offenders who pose an unusually high risk to our children. The orders allow police to put extra, specific restrictions on child sex offenders such as banning them from going near a playground or a shopping arcade or from approaching children. Police have successfully applied to the courts for more than 25 orders since the legislation commenced.

Trial data used in the evaluation report showed that offenders being managed by the watch team were twice as likely to be issued with a child protection prohibition order as those who are being managed by a police

local area command. This confirms the benefits of the closely coordinated offender management provided by the watch team. Moreover, it lends support to the amendment, which will remove the need to seek the consent of the offender to be managed by the watch team.

This bill will enable the exchange of information on registrable persons, which will assist associated agencies in managing high-risk offenders. The bill is primarily based on the draft privacy codes of practice prepared by the Parliamentary Counsel for the children's protection watch team. Minor diversions from the draft codes have been made. One includes changing the threshold for which an authorisation may be given for collecting or using personal information about the offender. The threshold was changed from "reasonable belief" to "reasonable suspicion" that there is a risk of substantial adverse impact on the registrable person or some other person or class of person if the collection or exchange of information does not occur, or that the exchange of information is likely to enhance the case management plan for the registrable person.

The rationale for this change is simple. It is a test of reasonable belief that already exists in the Privacy and Personal Information Protection Act. That Act allows personal information to be exchanged if the disclosure is necessary to prevent or lessen a serious or imminent threat to the life or health of an individual concerned or another person. The test in the Privacy and Personal Information Protection Act is set deliberately high to promote the protection of all individuals. However, the offenders we are talking about are not the average law-abiding citizens; they have committed some of the worst offences against society's most vulnerable members. I strongly believe that applying the less stringent test of reasonable suspicion is appropriate for such offenders.

The authorisation not only applies when there is suspicion of a substantial adverse impact on the registrable person or class of persons. We would not want to wait until suspicion of that risk is elevated to a belief. For example, do we want to wait until community vigilantes are standing outside the offender's door waving pitchforks and torches before exchanging information between agencies about the risk of such actions, or do we want to wait until an offender has reoffended before providing information to another agency about various suspicions? The shift from reasonable belief to reasonable suspicion is a measured and sensible response.

I refer members to the information that will be exchanged under this exemption and what it does. This exemption relates to the exchange of personal information about a registrable person; that is, a person whom a court has at any time, whether before, on or after the commencement of this section, sentenced in respect of a registrable offence and who is therefore eligible to be on the child protection register. "Personal information" is defined in the bill as per current definitions in the Privacy and Personal Information Protection Act or the Health Records and Information Privacy Act. That legislation provides that "personal information" means any information or an opinion about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion, and includes such things as a person's fingerprints and DNA samples. Various exclusions are then listed. It is the intention of this bill that the information should be able to be exchanged as broadly as possible when necessary.

The draft codes of practice required the authorisation to specify the classes of information that could be exchanged. This requirement was removed to simplify the process because it can be difficult to predict what types of information will be required in advance. The tests required for an authorisation, which are that if the information is not exchanged substantial adverse impacts will occur or a case management plan will be disadvantaged, will ensure that only the necessary information is exchanged. The Child Protection Amendment Bill 2007 resulted in a review of the Child Protection (Offenders Registration) Act 2000 conducted by the NSW Police Force in November 2007. The bill was passed by the Parliament in 2007 and is scheduled to commence in October 2008. This bill contains several key changes that I have already outlined, but I will go through a couple of them again.

I refer first to the increase in the penalties for breaching the Act—from a maximum of two years imprisonment to a maximum of five years imprisonment; the requirement for a registrable person to provide their email addresses and other electronic identifiers to police; the power for police to take and retain DNA samples from registrable persons; the extension of the circumstances under which the police can apply for a child protection registration order; placing a person on a register when they are found guilty of an offence that is not a registrable offence; and exempting the child protection register from the Freedom of Information Act. The bill also broadens the term "registrable persons" to include those convicted of a single class 2 offence, such as possession of child pornography, and it reduces the period that a registrable person can live with a child without telling the police from 14 days to 3 days.

This is a sensible bill and I strongly support it. It will provide more tools for the men and women of the Police Force and it will give the community greater peace of mind with regard to child sex offenders. The Rees Government is committed to protecting children from sex offenders and takes this commitment very seriously. There are several ways in which offenders are managed, both while they are in jail and when they are released.

Child sex offenders in our prisons who meet the appropriate criteria are offered two voluntary treatment programs by the Department of Corrective Services based at Long Bay jail. The custody-based intensive treatment, known as CUBIT, is targeted at those offenders thought to be at the highest risk of reoffending. Last financial year 40 men completed the program, which is designed to be undertaken immediately prior to their release. The core program is for low to moderate risk offenders. Last financial year eight men completed the program. Sex offender management programs are also available post release as part of parole conditions. Parole officers have an ongoing role in monitoring high-risk offenders in the community during their parole period.

We fully support the Department of Corrective Services in its efforts in this crucial and challenging area. Last year legislation was introduced to allow the most serious sex offenders to be detained past their release date for the safety and protection of the community. Ten men have been detained under these continuing detention orders since the law was introduced. Extended supervision orders are also available to allow an offender to be conditionally released into the community with intensive monitoring and support by Department of Corrective Services staff.

Mr Thomas George: You said that before.

Mr NINOS KHOSHABA: The Opposition keeps interrupting, yet what is its policy? It has no policy and had no speakers on this bill. Members opposite are not too concerned. The member for Lismore should not walk away.

Mr Barry O'Farrell: Point of order: I take the obvious point of order, and I do so reluctantly. I heard the member say earlier that he commended the bill to the House. He is now repeating his speech. We understand what this is about. Labor does not want to bring the no-confidence motion on before the 6 o'clock news. That might be the sort of stunt this Government is prepared to engage in but it is not what the people of New South Wales deserve. Members on the Government side should bring on the no-confidence motion, get their colleagues into the Chamber and defend the incompetents, the crooks and the rotten people who sit on their front bench.

Mr NINOS KHOSHABA: It is obvious from that contribution, as I was saying earlier, that the Opposition has no concern about this bill. It has not even put up a speaker on the bill, so obviously it has no policy when it comes to child sex offences. [*Quorum called for.*]

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

The Opposition called a quorum because it only had one speaker and it does not have much interest and does not have a policy when it comes to these issues. Members opposite call a quorum and then leave the Chamber just to slow down the process. I congratulate the Minister on this bill and I commend it to the House.

Ms ANGELA D'AMORE (Drummoyne—Parliamentary Secretary) [4.54 p.m.], in reply: I thank members for their contributions to this debate, in particular the member for Epping, the member for Wyong and the member for Smithfield. The Child Protection (Offender Registration) Amendment Bill 2008 amends the Child Protection (Offenders Registration) Act 2000 to enable specified government agencies to collect and use personal information about a registrable person and to exchange such information with other specified government agencies. The bill will improve the exchange of information between agencies in the job protection arena and ultimately contribute to the safety of our children.

The member for Epping agreed that the bill will allow more coordination between agencies, so it is good that the Opposition sees the benefits this bill will bring towards safeguarding our most precious—the children in our community. He commended the police for the work they do. I was happy to see the Opposition speak well of our Police Force in the often very difficult task they have dealing with child protection matters. They are difficult issues. I note also the member for Epping referred to recent coverage of incidents of children being approached. That shows the importance of such legislation, the importance of child protection registration and the bill. While he somehow tried to portray the incidents as a negative thing by the media, it reminds parents to be diligent in telling children about some of the dangers they face—in particular younger, more vulnerable children.

The media can play an influential role. While legislation is important, the media can often play an effective role in reminding all parents that they have an obligation to talk constantly to their children about how to protect themselves in the community. Long gone are the days when children could go out into the community without our fearing that they would be approached. The more often these matters are brought up in the media the better it is for us as parents. The worst fear of anyone who has responsibility for children is that they will be approached while they are out of our care. The registration provisions will go a long way towards protecting them. The media have an important role in alerting us to be constantly vigilant about reminding our children of the dangers they face when they are alone.

I am glad the Opposition is supporting the bill. It is a valuable bill. The member for Epping also made some negative comments in relation to Neighbourhood Watch. He failed to identify the community-based job protection programs that are in place. The Minister for Police in the other House referred to the good program we have, the Keeping Me Safe Program. It is important to put on record in this place some of the comments made by the Minister in the other House. The member for Epping failed to recognise the program that is in place. The Keeping Me Safe Program provides children with strategies to help them ensure their personal safety, especially in situations involving strangers or where there is no immediate adult supervision.

The program was developed as a replacement to the Safety House program to ensure there are safe adults in every location in their lives and communities that children can recognise and remember. Children are encouraged to say no when they are asked to do something they do not like; to develop confidence to tell an adult what is going on regardless of who is harming them; and never to go with someone, whether known to them not, without their parents permission. It is important to place that program on record. The Opposition must acknowledge that the Government has tailored programs to assist our children in modern times. Youth liaison officers present this package of information in schools and other locations.

The Government should be commended for providing the necessary resources to those youth liaison officers to assist children to find safe places, whether in their own home or with people in the community. They reinforce the message that it is not safe to go with anyone unless their parent, guardian or carer has given permission. It is important to highlight the availability of those programs to the community so that parents can have confidence that they are part of the everyday school curriculum. The New South Wales Police Force supports these programs as part of the children protection syllabus in schools. Presentations are given on Staying Safe at Schools.

Cybersafe crime prevention workshops deal with Internet and chat room safety, for children and their parents, to manage Internet usage. This is targeted at children from years 2 to 6. Computers are a modern way of life. They are in all schools to help children learn and communicate but they have opened up a whole new world to people who wish to access children for less reputable purposes. I commend the cybersafe crime prevention workshops and programs that discuss mobile phone bullying, harassment and etiquette, again targeted at children in years 2 to 6. Mobile phones give parents the security of being able to contact the children. We did not have that ability when I was at school but times have moved on and nowadays all schoolchildren have a mobile phone. However, harassment can occur and I am pleased that the Government has programs to deal with those issues.

Community members wishing to assist are encouraged to become volunteers in policing, which is a fantastic program. They participate in the program by spreading the message in other events and venues. In this way children can be protected, a responsibility we all share. Specialised child protection police provide training to youth liaison officers at the Institute of Early Childhood Learning at Macquarie University. The training covers how to deliver the program to children and how to respond to children who disclose any negative incidents in their lives.

The Government looks forward to the ongoing success of this fantastic program and the opportunity to share it with our colleagues in other States. The member for Wyong noted the success of the child protection watch team, which has expanded from a trial to being statewide, a measure of its success. It is important to implement proactive measures for children because the trauma of being assaulted, violated or intimidated can have psychological effects. It is important for governments to be proactive in helping police and support groups by implementing the appropriate programs and protections. This bill will go a long way towards doing that. It is important to allow our Police Force and other agencies to exchange and gather information and the bill is a large step forward in that regard. Child protection is often a difficult area, not a very nice area.

Mr John Williams: You're just wasting time.

Ms ANGELA D'AMORE: The member for Murray-Darling had more than ample time to contribute to the debate.

Mr Thomas George: So did Government members. You only had two speakers out of 50.

Ms ANGELA D'AMORE: If you would like the call come to the podium.

Mr John Williams: You are only filibustering. We certainly do not oppose it; we support the bill.

Ms ANGELA D'AMORE: The member for Murray-Darling should have shown his support for the bill and the impact it will have on his community. He might even have taken the opportunity to put out a media release in his local community advising parents and schools of the good programs the Government has in place. We would have been more than happy for the member for Murray-Darling to contribute to the debate. Indeed, I would like to have heard his comments in relation to the cybersafe crime prevention workshops. He could have discussed those and given his views because he has many primary schools in his electorate; indeed, probably the bulk of the schools there are primary schools. He could have highlighted the program in his local media or in his up-and-coming newsletters. I will keep an eye on his newsletters to see if he supports this issue. I am glad he interjected because it gave me an opportunity to make those comments.

Mr John Williams: This is only spin.

Ms ANGELA D'AMORE: I do not think this legislation is spin.

ASSISTANT-SPEAKER (Mr Grant McBride): Order! The member for Murray-Darling and the member for Drummoyne will not engage in banter across the table. They will confine their remarks to the leave of the bill.

Ms ANGELA D'AMORE: I note your comments, Mr Assistant-Speaker, and thank you for drawing me back to the leave of this important bill rather than interjections. I look forward to the amendments being adopted and place on record the Opposition's support for the bill. I thank members for their contributions. We look forward to more progressive measures in this area. I commend the bill to the House.

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

Motion agreed to.

Bill agreed to in principle.

Passing of the Bill

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

RAIL SAFETY BILL 2008

Bill introduced on motion by Mr David Campbell.

Agreement in Principle

Mr DAVID CAMPBELL (Keira—Minister for Transport, and Minister for the Illawarra) [5.08 p.m.]:
I move:

That this bill be now agreed to in principle.

The Rail Safety Bill 2008 implements national model rail safety legislation developed from an intergovernmental agreement for regulatory and operational reform in road, rail and intermodal transport. The intergovernmental agreement, to which New South Wales is a signatory, tasked the National Transport Commission with developing reforms to improve and strengthen the co-regulatory system for rail safety across Australia. The bill builds on significant rail safety reforms that this Government has introduced in New South Wales since 2002 in response to the special commissions of inquiry into the Glenbrook and Waterfall rail accidents.

The Council of Australian Governments has also committed to this reform priority to harmonise rail safety regulation to achieve a nationally consistent approach to interstate rail safety regulation. The New South Wales Government has committed to do this by 31 December 2008. The nationally consistent approach to rail safety regulation will mean reduced regulatory burden for the rail industry. Through participation in the national rail safety reform process, the New South Wales Government has been able to shape the national processes and to secure improved safety outcomes for New South Wales. The bill also represents an important step in cooperative federalism whereby jurisdictions are able to work together to reduce regulatory inefficiency while improving rail safety outcomes, irrespective of State borders.

The New South Wales Independent Transport Safety and Reliability Regulator [ITSRR] has taken an active role in the national reform process, consistent with recommendation 120 of the Waterfall inquiry. The ITSRR's involvement has ensured that any proposals lead to improved safety management, and are consistent with safety reforms already adopted in recent years to strengthen the regulation of rail safety in New South Wales. The ITSRR's chief executive has chaired a national steering committee, comprising senior transport officials and rail regulators from the Commonwealth, the States and the Northern Territory, as well as senior representatives of the Australasian Railway Association and the Rail, Tram and Bus Union [RTBU], charged with providing policy advice to the National Transport Commission in relation to the development of the rail safety reforms.

Through participation in the national reform process, the New South Wales Government has been able to ensure that the more stringent safety requirements promoted by the special commission of inquiry into the Waterfall rail accident are extended nationally, as well as to secure improved safety outcomes for New South Wales. I am pleased to inform the House that the adoption of national model rail safety legislation will enable all jurisdictions to work together to improve the standard of safety on railways throughout the country. There has been significant consultation with the RBTU and Unions NSW, and those on this side of the House believe that unions are instrumental in providing important advice on safety issues. That is why, I am pleased to inform the House, this bill has the support of both the RBTU and Unions NSW.

Turning now to the provisions of the bill, I advise the House that the main changes introduced by the Rail Safety Bill relate to channelling the requirements of accreditation to rail infrastructure managers and rolling stock operators, who are defined as rail transport operators, and introducing general duties to ensure public safety in relation to railway operations. The rationale for limiting accreditation to infrastructure managers and rolling stock operators is to funnel accountabilities and responsibilities for safety back to the accredited party. This approach is consistent with the principle that safety cannot be contracted out. In practice, this will mean that infrastructure managers and rolling stock operators need to be able to demonstrate that their contractors' practices fit with, and form part of, their safety management systems. It will also be an offence for a contractor not to comply with the safety management system of the rail transport operator.

The Rail Safety Bill also provides new criteria under which applications for accreditation will be considered. An application for accreditation will not be granted unless, among other requirements, the ITSRR is satisfied that the applicant has the competence and capacity to manage risks to safety associated with the railway operations and has the competency and capacity to implement the proposed safety management system. The remaining process for granting accreditation is much the same as under the current Rail Safety Bill. Accreditation may be granted subject to conditions or restrictions imposed by the ITSRR, and other conditions and restrictions may be imposed by regulations. The ITSRR may also revoke or suspend accreditation with reason.

Importantly, the bill provides a mechanism to achieve nationally consistent outcomes in decisions on applications for accreditation and related processes, where the applicant operates, or is applying to operate, in two or more jurisdictions. The rail safety regulators in each jurisdiction must consult with each other prior to determine the application, with the aim of coordinating decision making between jurisdictions. Rail safety regulators must also take into account guidelines issued for the purposes of this provision. These guidelines are intended to facilitate nationally consistent outcomes in decisions, and to improve the transparency and timeliness of decision making in relation to such applications. If the rail safety regulator does not act consistently with the guidelines, the rail safety regulator must provide the applicant with reasons for not doing so.

The introduction of general duties in the rail industry, similar to general duties provided in the Occupational Health and Safety Act, will provide a positive duty on those carrying out railway operations to ensure, so far as is reasonably practicable, the safety of rail operations. It will be an offence to fail to discharge

that duty. The extension of general duties to cover the providers of rail infrastructure and rolling stock, such as those who design, commission, manufacturer, supply, install or erect rail infrastructure or rolling stock, will ensure sufficient powers and safeguards to regulate all parties in the supply chain. Duties of care will also apply to rail safety workers carrying out rail safety work. The inclusion of general duties will also complement and clarify the function of the system of accreditation in the rail industry by making it clear that gaining accreditation is a threshold requirement only, and not a certification of safety.

The granting of accreditation simply indicates that, in the opinion of the rail safety regulator, the operator has demonstrated to the ITSRR the competency and capacity to manage risks associated with those railway operations. It will also mean that the ITSRR will be able to enforce the general duty to ensure safety in relation to railway operations, and not just the obligations to develop and implement documented safety and risk management systems. General duties will further provide the necessary regulatory reach for the ITSRR in relation to other persons who carry out railway operations, such as those who may not otherwise be required to be accredited. To ensure national consistency, the Rail Safety Bill will introduce complementary duties of safety in relation to railway operations based on the national model rail safety legislation. That is, the general duties of safety in the Rail Safety Bill will have the element of "reasonable practicability" in the body of the general duty offence.

Consistent with the national model rail safety law, clause 6 of the New South Wales bill will include guidance on what is required by a duty holder to ensure safety so far as is reasonably practicable. Under the New South Wales bill it will be for the defendant to prove, on the civil standard, that they did everything reasonably practicable in eliminating or minimising risks to the safety of their railway operations. The New South Wales occupational health and safety law will continue to apply to New South Wales rail operators, including in relation to their duties around workplace safety. However, where there is any overlap or conflict between the occupational health and safety provisions and the Rail Safety provisions the occupational health and safety legislation will apply. The ITSRR and WorkCover will continue to have arrangements in place to ensure that the most appropriate agency leads any investigation into breaches of safety obligations that overlap occupational health and safety legislation.

I now turn to the provisions of the Rail Safety Bill that set out requirements for rail transport operators to have and review safety management systems. These provisions are largely consistent with current requirements in New South Wales for a safety management system. In implementing a safety management system, rail transport operators will need to comply with requirements to be prescribed in regulations, to identify and assess risks to safety arising from railway operations, and to specify controls and monitor procedures relating to those risks.

The safety management system is also to include a number of other important matters, including interface agreements to manage risks to safety between two or more rail transport operators and between rail infrastructure managers and roads authorities, a security plan, an emergency plan, a health and fitness management program, a drug and alcohol program and a fatigue management program. The bill provides for new obligations on rail infrastructure managers and roads authorities to jointly manage risks arising from rail or road crossings, such as level crossings, road over rail bridges and rail over road bridges. This obligation extends the current obligation on railway operators to enter into interface agreements for managing risks to safety with other railway operators. A transitional period will apply to these requirements.

To address concerns raised by councils during consultation the bill clarifies that the protection for roads authorities provided by the Civil Liability Act 2002 remains. It is important to note that, unlike the National Model Rail Safety Legislation, New South Wales intends to maintain regulations providing for the random testing of a person who is carrying out rail safety work for the presence of drugs or alcohol. New South Wales also intends to maintain existing fatigue management provisions prescribing the outer hours of work for train drivers in a schedule to the Act. The Government has a longstanding policy in relation to drug and alcohol testing and fatigue management in the rail industry and does not intend to impose reduced rail safety outcomes in New South Wales by removing these requirements.

Before establishing, reviewing or varying a safety management system, a rail transport operator is required to consult with a range of persons likely to be affected by the safety management system, including trade unions, or other employee organisations, representing any such person. A rail transport operator is also required to ensure that each rail safety worker who carries out rail safety work has the competence to do so and to keep records of competence. In addition, the bill sets out procedures for assessing the competence of rail safety workers. Rail transport operators will be required to provide rail safety workers with a form of

identification sufficient to enable the worker's competence and training to be checked by a rail safety officer. It will be an offence for a worker, without reasonable excuse, not to produce the form of identification on request by a rail safety officer.

Turning now to the issue of private sidings, the bill exempts rail infrastructure managers of private sidings from accreditation, the requirements of a safety management system, unless required to comply by way of regulation, and certain notification requirements. However, managers of private sidings will be required to register the private siding with the Independent Transport Safety and Reliability Regulator [ITSRR] and to comply with any conditions imposed by ITSRR, as well as to have systems and processes to meet the general safety duty. As there is currently no requirement in New South Wales to register private sidings, it is intended to provide a two-year transitional period in which to manage the implementation of this provision.

The bill builds on the range of compliance and enforcement powers currently included in the Rail Safety Act, such as the power to issue improvement and prohibition notices or to bring prosecutions for contraventions of the Act. For example, the proposed sections 141 and 142 set out a scheme whereby ITSRR may accept an undertaking from the alleged offender as an alternative to prosecution. Such undertakings, if not complied with, are enforceable by a court of law. Similarly, the bill includes additional court-based sanctions. For instance, it will be possible for a court to make a commercial benefit order requiring the person to pay, as a fine, an amount not exceeding three times the gross commercial benefit that the person received from the commission of the offence.

For systematic or persistent offenders against rail safety laws, a court will be able to make a supervisory intervention order requiring the person to take specified actions for a specified period not exceeding one year. The specified actions a court may ask a person to undertake include actions to improve compliance with rail safety laws, to carry out specified practices and to appoint persons with specific compliance responsibilities. If a supervisory intervention order is not appropriate the bill provides that a court may make an exclusion order prohibiting a systematic or persistent offender from carrying out particular or all railway operations, or from being involved in the management of a corporation involved in managing rail infrastructure or operating rolling stock. It will be an offence to contravene such orders.

These provisions will provide the ITSRR with a useful tool with which to remove recalcitrant operators from the rail industry, and thus in conjunction with general duties, will provide the regulatory reach required to ensure all persons carrying out railway operations, whether or not they are accredited, will be subject to sanctions should they operate unsafely. These provisions will further improve the hierarchy of sanctions and enforcement powers currently available to the ITSRR, providing not only improved compliance incentives to the rail industry but also greater regulatory effectiveness.

Proceedings for offences under the bill are to be brought in a Local Court constituted by an industrial magistrate and the Industrial Relations Commission in Court Session. This court currently has jurisdiction to hear matters arising under the Occupational Health and Safety Act. The referral of proceedings to this jurisdiction will ensure consistent judicial treatment of safety matters in the railway context. Similarly, the bill provides for appeals against the ITSRR's decision to review an improvement notice or prohibition notice to be made to a local court constituted by an industrial magistrate.

The current provisions of the Rail Safety Act relating to the functions of the chief investigator of the Office of Transport Safety Investigation, including provisions directed at investigations and rail safety inquiries will be retained in this bill. I advise honourable members that National Model Rail Safety Regulations have also been developed. The model regulations address a range of matters, including the accreditation requirements and the requirements for a safety management system. This will mean that all existing regulations will need to be remade consistent with the national model regulations. The Government has already commenced the task by releasing late last year draft New South Wales rail safety regulations for public consultation.

As I said at the outset, the bill builds on rail safety reforms that the Government has introduced since 2002. Through participation in the national rail safety reform process the New South Wales Government has been able to shape the national processes and to secure improved safety outcomes for New South Wales. The bill also represents an important step in cooperative federalism whereby jurisdictions are able to work together to improve rail safety outcomes irrespective of State borders. I commend the bill to the House.

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

NEW SOUTH WALES LABOR GOVERNMENT**Motion of No Confidence**

Mr BARRY O'FARRELL (Ku-ring-gai—Leader of the Opposition) [5.30 p.m.]: I move:

That this House no longer has confidence in the Government due to:

- (1) the trebling of the State's debt from \$15 billion to \$42 billion—\$6,000 for every person in New South Wales—despite repeated Labor Government claims of being "fiscally responsible";
- (2) the claimed breakdown in the State's balance sheet and the Labor Government threat to delay or cancel essential infrastructure projects despite repeated pledges to improve services across New South Wales;
- (3) the Premier's refusal to detail the State's actual financial position or its causes despite promising the public "honesty, transparency and accountability";
- (4) the Premier's decision to hand to Australian Labor Party General Secretary Karl Bitar the right to choose his Ministers, including the promotion of the incompetents Joe Tripodi and Eric Roozendaal to the key Treasury and Finance portfolios despite his promise of merit selection to Cabinet; and
- (5) the Labor Government's failure over 13½ years to deliver on its repeated promises to improve the services available to, or the quality of life enjoyed by, families across New South Wales.

This Government is based on a lie. This Labor Government is based on the lie that it is a new Government. Not only is it a lie but also it is the second time it has tried this tactic on the people of New South Wales. We have seen it, we have heard it, and we have lived with it for the past three years. Three years ago it plucked an obscure unknown Minister and put him into the Premiership. Three years ago there were promises of fiscal responsibility and focusing, finally, on services. Three years ago there was the promise that we would finally get an accountable, responsible government in New South Wales.

In reality, we have ended up with the same rotten, corrupt and incompetent Government we have had for the past 13½ years. It is a Government that is focused on itself, not the families of this State. It is a Government that is big on promises but fails time and again to deliver. It is a Government that lacks standards and integrity. It is a Government that lacks any solutions to the problems that the people across this State confront on a daily basis. We need look no further for evidence of that than today in question time when the Premier referred to an article by Ross Gittins in the *Sydney Morning Herald*. He referred to it in a way that supported his and his Government's position in view of the State's current financial situation. Did he show a lack of standards and integrity? Absolutely. The Premier sought to quote every part of that article except the first paragraph, which reads:

With the state Labor Party now imploding after having done such a poor job over the years on health, public transport and schools, it's not hard to believe these geniuses have also stuffed up the state's economy and taken the Government's finances to the edge of bankruptcy.

Rather than an endorsement of Labor's financial mismanagement over 13½ years, it is a telling criticism. Today in question time what we heard from the Premier, who on day one promised to end the spin, was spin from start to finish. "Spin" in parliamentary language is a polite term for "lies". This is a man who on his first day in the job promised honesty, transparency and accountability. Three weeks into the job he has done everything possible to avoid and deny those things. This is a Government based on the pretence of being a new Government. But it is as old as a bag of prawns left in the sun: It stinks to high heaven. The public can have no trust in it.

That is why we decided that it was important to move this motion of no confidence. That is the only way under our fixed four-year terms that an early election can be called in this State. Our communities are demanding an early election. The public across New South Wales is sick and tired of this Labor Party running the State as though it is a family company. It decides when it will change Premiers and ministries. It decides when it will shove members out of Parliament at taxpayers' expense, instead of allowing those decisions to be made in a democratic way by the people of the State. The support of this motion today will ensure that the people get what they want from this State Government, for a change—that is, an election where the public can decide who will govern this State.

One of the telling reasons why the public will not be fooled about Nathan Rees's attempts to present himself as new is, of course, Mr Rees's own curriculum vitae. Nathan Rees does have some experience to be a

Labor Premier, having worked with two former Labor Premiers who got the State into this mess. He knows precisely how, in the terms of Ross Gittins, to stuff up the State. This is a man who advised two former Premiers and sat around a Cabinet table for the past 18 months, but then apparently forgot everything, from warnings about appropriate behaviour to the state of New South Wales finances. As Premier he has surrounded himself with the same team that for 13½ years has delivered New South Wales a very poor outcome and has seen us miss out on a decade of national economic growth. How incompetent is a Government to be in office at a time of record revenues and at the end of it have a State with poorer infrastructure, poorer services and poorer quality of life than when it started? Its answer is: Keep voting Labor. I am confident that if we get the election that this motion will trigger and that the community wants that will not be the result, and the public will have some hope of an honest, accountable and responsible government in New South Wales.

Yesterday the Premier talked about raising standards. He offered bipartisan support to raise standards. I will respond to that offer and I will ask for time limits to be imposed on ministerial answers, as they apply elsewhere. I am concerned about the Premier's phoniness. He is a phoney. He says one thing and does another. He says it is the end of spin, but the spin continues. He says it is the end of the soap opera, but we have since seen the reality television show, the science fiction show, and on it goes. On the very day he promised to raise standards he raised no objection to the member for Wollongong taking on a senior position in the parliamentary Labor Party. He sacked the woman a week ago as Parliamentary Secretary for Health. He would never admit it, but it was because of her inappropriate behaviour in June. Yet he raised no objection last night when the Hon. Eddie Obeid—and I use the word "honourable" very loosely—and the Minister for Finance decided that a Premier who had promised to raise standards would reward the member for Wollongong. It demonstrates again how phoney Nathan Rees is.

Nathan Rees is a phoney because he said that he would pick his Cabinet on integrity, but he promoted the dodgy brothers, Joe Tripodi and Eric Roozendaal, to key economic portfolios. Nathan Rees is a phoney because he said that the dire state of New South Wales finances, despite having sat around the Cabinet table for 18 months, surprised him. Nathan Rees is a phoney because he said he received a message from Reba Meagher that she was going to resign. Of course, it was later revealed that he did not. Nathan Rees is a phoney because he said he is new but he has worked for this Labor Government, including for two former Premiers and, interestingly, a convicted former Minister, since 1997. Nathan Rees is a phoney because he said he would end the spin but he trots out the same lines, the same lies and the same tired rhetoric as his predecessor did.

The motion is framed in five parts. It raises an issue that is critical to not only those who sit in Parliament today or those who have children but also those who will follow us into public life. As I said yesterday, New South Wales residents will be very afraid to hear for the second time the Premier talk about fiscal responsibility and speak in Kevin Rudd-like terms about being a fiscal conservative. The last person to utter those words in this House was the former Premier, a man who has now left the Parliament and has given the people of Lakemba the opportunity on 18 October to have a say. This motion is not about allowing people in one electorate or four electorates to have a say; it is about giving the entire State an opportunity to have a say in 93 electorates to determine the future of the Government.

Three years ago almost to the month Morris Iemma came into the House and promised fiscal responsibility. What did we see? We saw a debt blow-out from \$14.7 billion to \$42 billion. Is that fiscally responsible? Is that fiscally conservative? This is a mob that says one thing and does another. I have said before that if they were subject to fair trading laws they would be sitting behind bars or would be out of business.

Total State sector net debt has gone from \$14.7 billion to \$42 billion—that is \$6,062.26 that every person has to repay, based on the population of this State. It is a debt that has been accrued despite the Government's own legislation, which sought to put some constraints upon how much debt New South Wales could have. In May 2005 this State Government introduced its Fiscal Responsibility Act. That is not an Act that has been set for the Government by anyone else, and we know that the Labor Party in 13½ years has never imposed any strenuous standards upon itself; it has never set any bars that required jumping over. This is the Labor Party's own debt bar and it has failed.

There are three indices in relation to the Fiscal Responsibility Act. The first is to keep general government net financial liabilities at or below 7.5 per cent of gross State product by June 2010 and below 6 per cent by June 2015. It is now projected that the level of general government debt will rise to 8.1 per cent by June 2010 and 9.1 per cent by June 2012. I repeat: It is the Government's legislation. Its own law says keep general government net financial liabilities at or below 7.5 per cent by June 2010, and the estimate in the budget papers this year indicates it will be 8.1 per cent by June 2010 and 9.1 per cent by June 2012—well above the

7.5 per cent target—and that is despite revenue growing in this State by 5.4 per cent since 2004. This Government cannot live within its means. This Government ratchets up debt on the credit card knowing that it is not going to be the Government, it is not going to be the taxpayer, who ultimately has to pay.

The second measure in the Government's own proposal on fiscal responsibility is to keep general government sector net debt as a share of gross State product at or below the June 2005 level of 0.8 per cent. The New South Wales Government has not kept general government sector debt as a share of gross State product at or below the June 2005 level since June 2007. We have been above that level for more than a year and it is estimated in the forward estimates that it will rise to a level of 1.7 per cent. In other words, the Government set for itself a target of 0.8 per cent, it is about to double that and it does not care. The Government does not care about the other problems that families have to confront across this State on a daily basis. It does not care about the families who are going to have to pay the bill for Labor's debt binge—a debt binge that has come off the back of record economic growth, record revenues and the irresponsible use of those revenues by those opposite.

The third measure in Labor's own Fiscal Responsibility Act is to maintain a four-year average annual growth in the net cost of services and expenses at or below the long-term average revenue growth. Over the four years to 2006-07 expense growth exceeded revenue by one percentage point per year. Forward estimates anticipate that this imbalance, this inequality, will continue with expenses and revenues both expected to grow around 4.5 per cent in the four years to 2011-12. If any small business across the State ran its finances in this way it would not be in business. If any family across the State tried to budget in the same way this Labor Government does it would be in bankruptcy. Yet, for the third time in their 13½-year lifetime, this mob pretends to be fiscally responsible and fiscally conservative. There is no doubt that because of the record of debt over the past three years alone—a record that will continue to haunt families across this State for years to come—this motion should be supported.

What is remarkable in terms of the second part of this motion is Michael Costa's outbreak of honesty on his way out of Parliament—which would have been the first and, I suspect, the last time that a Labor Treasurer during whatever length of period he or she was in office has been honest with the public of New South Wales. Michael Costa blew the whistle, not just on the lies told over energy privatisation but, more importantly, on Labor's financial mismanagement over what he described as the previous 12 years. Before I even get to the comments he made about the State's finances I note that in his farewell speech to the press gallery over an extended period he laid into his predecessors as Treasurers and Ministers in Labor governments for their failure to tackle the fundamentals.

People ask me, people ask my colleagues and no doubt people ask those opposite, "Where has all the money gone?" The reality is Michael Costa gave that answer at his final press conference: it has been wasted. It has been caught up in inefficiencies because those opposite—those in his own party—were unable, incapable or unwilling to tackle the inefficiencies that exist within State government in this State, including the featherbedding that goes on with unions. That featherbedding is not only costing taxpayers; it is getting in the way, in many cases, of delivering better services to them.

The former Treasurer, the former Legislative Council member, also blew the whistle on what he said was the financial crisis facing the State. We know that Michael Costa was regarded as a climate change sceptic. Apparently, the new Minister for Climate Change is not such a sceptic, and presumably that accounts, as the member for Goulburn highlighted well today, the difference between the April submission to the Federal Government on emissions trading and, as the new Minister and Deputy Premier said, the only submission that has been submitted since she has been Minister—which, given she has been in the position for only a week, is not surprising. Michael Costa might have been a climate change sceptic; at this stage I am a sceptic about the state of New South Wales' finances.

As those opposite know, and as those who had the fortune or misfortune to sit in the Cabinet with him know, Mr Costa was always one to make the best possible case for his position. He said at his farewell press conference that he had been advised that the Department of Health was already \$300 million in excess of its recurrent budget. He said that State stamp duties were down something like \$90 million. What I know about stamp duties is that over the course of a year they go up and down. Notwithstanding this State Government's best efforts to kill Sydney's property market stone dead, we do not know where stamp duties will end up at the end of the year. But what we do know is that over the previous 12 months, when Labor deigned to give us the figures—as it is meant to do on a monthly basis—we saw fluctuations.

Trying to predict the total stamp duty for a full year on the basis of two months is just as fraught, as I suspect the member for North Shore would say, in relation to Health. Those of us who have observed Health

over many years know that in the last quarter of a financial year those who run our health system seek to screw down every possible cost in order to try to come in as close as is humanly possible on budget. Most years they fail and they require supplementation. But that cycle that has been going on almost every year that that mob has been in government means that in the first quarter of the new financial year there is an explosion of funding that relates to the necessary expenditures that should have been made the previous quarter but could not be because of some ill-conceived budget discipline—an explosion of expenditure on operations and other things that have been shoved off into the next quarter.

So even in Health I recognise that the claim of a \$300 million first two-months overstatement is not yet proof of the sorts of figures that the Premier has been bandying around. The only serious figures I have seen put forward were by the member for Manly, who highlighted investment bank estimates of a \$200-million deficit. He said that a day or two after Mr Costa made his comments. The Premier then seized on that and said it might have been \$500 million or \$1 billion. The Premier has not been honest and open with the public. Just as this Labor Government lied when it came to electricity privatisation, it has now gone around the State and threatened essential infrastructure projects that communities in rural, regional or city New South Wales need and have been waiting for for years.

I was delighted to see on the Channel 10 news this evening—and I thank members opposite for ensuring that I could see it—that the second story related to traffic growth in this city. It featured a fabulous man from Ryde—Victor Dominello—who reflected on what he described as the mess of Lane Cove Road and the traffic congestion that commuters experience each morning. As Victor Dominello said, it is the result of 13 years of Labor government. That is the reality. The congestion is not limited to the famous Epping Road, which runs through the electorates of the member for Lane Cove and my good friend the member for Epping—and I do not encourage him to sing! The congestion is not limited to Victoria Road, with which the member for Drummoyne has some passing relationship. It is affecting Victoria Road, Lane Cove Road, Epping Road and Blaxland Road, and that is only in that part of the world. Roads across this city are failing and are being turned into parking lots.

The Government does not believe there is a commuter parking problem, but that is probably because most of our roads become parking lots during peak hour. This is because time and again this State has deferred, cancelled, delayed or scrapped infrastructure projects that this community deserves. We have had significant population growth in the time that Labor has been in power. The population has increased by almost 500,000 people. However, our infrastructure and services have not kept pace because of the laziness of those opposite. They try to look as though they are governing only in the last year of a four-year term. They have frittered away record revenues instead of investing them in the infrastructure and services that business needs, that investment requires and that the people of this State deserve.

Members opposite have many things for which to be called to account. The failure of this State to perform as it should is perhaps their most lasting legacy. We have an old government and a new Premier—or the new head, dead fish, same smell. This Government—new head, dead fish—has promised honesty, accountability and transparency, and an end to spin. However, the Premier said today, "Isn't it great! Unemployment in New South Wales is 4.9 per cent." Mr Speaker, as you know, that is the worst unemployment rate in the country. The former adviser to Bob Carr and Morris Iemma, the former Minister who sat at the Cabinet table but apparently did not listen, thinks that the worst unemployment rate in the country is something of which to be proud. It demonstrates that he is a phoney. He has not dealt with any of the issues that he has raised.

Members on this side of politics have been watching a range of things for a few months. Over the past three years members opposite have tried the same trick of vaulting someone into the premiership to pretend the Government is new. We have seen the same trick that was attempted with the State's finances and infrastructure now being played out with electricity. We remember the State budget, the State infrastructure strategy and the promises made in this Parliament and outside it that the capital works program, the 10-year forward program, and the budget program were not dependent upon the sale of the State's electricity assets. Yet, when this Government failed to get its own members to support the sale of those assets, what was the first response? Once again, it was to threaten vital capital works, including those planned for disability and health services. Those areas should be above and beyond politics; there should be bipartisan support in this House to deliver the outcomes that the community expects of us. Give this mob opposite an opportunity to spin, dissemble, confuse and confound, they will take it every time. Cheap politics always wins out.

I say this honestly and openly: It is not as though members opposite have not had solutions to the State's problems. We have seen them trotted out at regular intervals. The member for Willoughby can recount

the 1998 Action for Public Transport program and others can talk about the program announced in the late 1990s that was designed to secure Sydney's water supplies into the future. We have heard time and again about projects in community services. The Deputy Premier knows about the so-called \$1.5 billion improvement program. After that program we had worse outcomes. More babies were dying and that led to a commission of inquiry. Members opposite have outlined proposals that, if implemented or followed through, may well have produced a better outcome. However, because of their preference for politics over public interest on each and every occasion, the public has been sold down the river.

I am very concerned that the claimed breakdown of the State's balance sheet is being used as the latest excuse to put off essential capital works. It is being done for no other reason than to allow this State Government the opportunity to rejig the capital works program. I am talking about some of the projects, which the Labor had finally been forced to commit to but which probably would not have been delivered until after 2011. They are now seeking to free up capital works funding to deliver some quick fixes. They are taking the Scully approach to politics. They are pretending through the announcement and delivery of small projects that things are getting better. It is not the way to fix this State, it is not the way to deal with this State, and it is not the way to treat the public. The third part of my motion relates to Nathan Rees' refusal to detail the State's actual financial position, despite promising on day one of the job that he would deliver honesty, transparency and accountability.

Mr Mike Baird: He does not have the time.

Mr BARRY O'FARRELL: As the member for Manly says, he does not have the time. The former Premier seemed to have all the time in the world to do everything except the job. We now have a Premier who does not seem to have the time to do the critical things that he should be doing on day one, day two and day three. At his first press conference the Premier said, "Today we work on fixing these problems." We do not have to list those problems because everyone knows what they are. He went on to say that the Government was interested in making sure the services are delivered for the working families of New South Wales. Has anyone met a non-working family? This Labor mantra of working families, adopted from the American political sphere, is insulting to families in the bush, in coastal regions and across the rest of the State. Everyone in a family works at keeping that family together and trying to make ends meet. The only people in this State who are not working at what they are supposed to be doing are those opposite.

On day one the Premier said, "I am interested in making sure that the services we deliver for the working families of New South Wales are improved and that our promises on infrastructure are kept." But he added, and we have heard it once or twice before, "Nothing is in, or out, at this stage." He will not rule anything in or out, whether it be the commuter tax that the member for Willoughby raised today, or the proposed levy facing homebuyers in parts of Sydney to pay for rail projects. We have no problem with a government keeping its promises, and we certainly have no problem with a government honouring a commitment delivered three months ago as part of the State budget. However, yesterday this Government cherry picked the promises it will keep.

This is a confused Premier who is not prepared to be honest with the public of New South Wales despite the fact that he promised honesty, despite the fact that he promised transparency, and despite the fact that he promised accountability. He said, "I will do my darndest to make sure we give them that." He has not had much of a red-hot go. If this is a red-hot go, I would hate to see a blue-cold go. There has been no attempt over the past three weeks to reveal to the public the truth about this State's finances and the options being considered. A government committed to honesty, openness and transparency would have ensured, before the Opposition had to ask, that the Treasury estimates hearings were brought forward.

Estimates are planned for late October, but they should have been brought forward to this parliamentary sitting period to enable Treasury officials to front up and explain to members of Parliament from all sides of politics the precise condition of this State's finances. That would overcome the conflict that exists between Treasury officials themselves who, on the day Mr Costa made his statements, said Michael was overbeating the egg, exaggerating to get his way, and who have now fallen into Labor's mantra that the sky is going to fall in and we had better rejig the capital works program. I am not suggesting that Treasury officials are compliant in Labor's electoral wishes, but I am certainly suggesting that Treasury officials are compliant in doing what they always want to do, which is run every other portfolio.

The State Government is not being honest with the public of New South Wales about the state of the budget, the services that might be cut or delayed, or just how much trouble the State is in financially. Griffith

University's urban research program, VAMPIRE—which stands for the vulnerability assessment for mortgage, petroleum and inflation risks and expenses—produces an index that in August 2008 identified the relative degree of socioeconomic stress suffered in Sydney. Sydney became markedly more vulnerable, with 41 per cent of districts seeing their oil and mortgage vulnerability worsen. The report also says we need to get new trains and buses into our outer suburbs. We need some honesty, some accountability, out of the State Government. We need to ensure that the State Government levels with the public. But why would we expect that when for the past 13½ years we have not had it?

The public of New South Wales knows that we have had record revenues. The public of New South Wales understands that since this Government has been in office total State revenues have gone from \$17 billion to \$46 billion. The public knows that over that time we have had \$17½ billion—\$17,500,000 million—in surplus revenues over and above what was anticipated, including \$913 million in additional and surplus tax windfalls last year. The public of New South Wales knows we have nothing to show for it. Imagine a family in Armidale, Albury or Annandale. The family has had some good times and it has seen its income grow and once a year for the past 10 years it has won Lotto and it has picked up \$1 million each year. Yet in 2008 the family looks back and it is living in the same house with the same problems, the same rundown car and the kids are still struggling to get onto the Internet.

This State Government has wasted opportunities that should have been better used to deliver to the people of this State a future that was far more secure and living standards that were far higher and set up this State for the next 25 years. Instead, we are still playing catch up because of the incompetence of a Labor Party that over 13½ years was too focused on itself to worry about the public's concerns. It was too focused on its electoral needs to worry about the needs of families across the State. It was too focused on the trappings of office—the white cars, the titles and the superannuation—to worry about the services, the infrastructure and the salaries that people across the State had access to. That is why this motion deserves to be supported.

In one sense, the fourth paragraph of this motion cuts to the heart of the motion. The motion is designed to give people, the community of New South Wales, the opportunity to exercise their democratic right that they exercised 18 months ago. Within six months of the election, they realised they got it wrong. It is a democratic right that they are even more determined to exercise at present because of their anger and frustration about the way this Labor Party has behaved over those past 18 months, and particularly over the past three months. There is no greater act of political corruption than the decision of the new Premier, the man who was elected leader of the Labor Party to succeed Morris Iemma—I will not go into the circumstances that led to that—to hand to the ALP general secretary, Karl Bitar, the right to choose his Ministers.

When Mr Rees became leader of the Labor Party, the Premier of New South Wales, he could have done what Kevin Rudd did when he arrived in Canberra. Having won an election—admittedly, something that we on this side of the House regret—Kevin Rudd used his authority as an incoming Prime Minister to say to the factions, "I will choose my own team and I will choose it on merit." Only time will tell whether the member for Grayndler and others live up to the hope that Kevin Rudd ascribed to them. But this man, having already played the Iemma trick in trying to present himself as a new Premier, then played the Rudd card and said, "I will choose my Cabinet based on merit." He said he wanted to appoint people who are talented, who are hardworking and who are new faces. We know what we got! In the Health portfolio we got someone who had lied to the former Premier on two occasions, someone who had misled Parliament on two occasions. Is he kept out of the Ministry because of those infractions? Once we sacked Ministers in this State for misleading Premiers. Mr Scully did it on one occasion too many and he was sacked. No. This man, who said he wanted to raise standards as one of his first acts, accepts from Karl Bitar the choice of John Della Bosca as health Minister.

Worse than that, if we give the Premier the benefit of the doubt—given that he has not produced the evidence of the State's finances, that New South Wales is facing a financial crisis—one would hope that a Premier who wanted to appoint on the basis of talent, credibility and merit would put in charge of the State's economy people capable of not just doing their job but of providing some confidence to the public that they would do so. That is not what we got. Instead, the Premier meekly sat by while Karl Bitar delivered to him the same bunch of tired faces—whether new or not, they are out of the same mould as we have seen over the past 13½ years. That is probably being generous. Like the Roman Empire, it is clear the gene pool is depleted. That will be most evident when Michael Costa is replaced in the upper House by a horse. That presaged the end of the Roman Empire, and I suspect it will come before the fall of the Labor Government in New South Wales.

If you believe, as members on the Government side do and some on this side do, that there is a major financial crisis facing the State—not the international crisis, not the national crisis, but a State-based crisis—

would you give that crisis to the dodgy brothers? Would you entrust the State's finances, the State's exchequer, the State's coffers, the key to the Treasury, to Joe Tripodi and Eric Roozendaal? That is why the community is angry. It is angry at the failure of the Premier to deliver on merit the best people to run the Treasury and Finance portfolios. That is why in this House today the Premier moved his own no confidence motion in Joe Tripodi and Eric Roozendaal. He did it under the guise of appointing Bernie Fraser and Ian Macfarlane as advisers to the State on economic issues.

You would not need former governors of the Reserve Bank if, instead of being in Treasury and Finance, Joe Tripodi and Eric Roozendaal were on the reserve benches. You would not need to bring in the sorts of talent that Ian Macfarlane and Bernie Fraser undoubtedly offer if there was some hope of credibility, some hope of competency among Mr Tripodi and Mr Roozendaal. We know the only experience they have had with numbers over the past 13½ years has been in making and breaking Premiers. If the making and breaking of Premiers, including the last one, led to a tripling of the State's debt, imagine what they are going to do now that they have the keys to the Treasury and Mr Obeid is so close to those finances.

I am appalled that Nathan Rees, instead of living up to what he claimed would be his commitment to the public of New South Wales, instead of delivering on that commitment to have a red-hot go at fixing the State, a red-hot go at restoring public confidence in the State, a red-hot go at ending the spin and a red-hot go at being honest with the people of New South Wales, has within his first three weeks demonstrated without any element of doubt that it is the same tired, rotten, incompetent and corrupt Labor Government that we have had for 13½ years.

The final part of my no confidence motion, of course, relates to Labor's failure over 13½ years to deliver on its repeated promises to improve the services available to, and the quality of life enjoyed by, families across New South Wales. It is too easy at times in this House, listening to members opposite, to believe that governing New South Wales is simply about holding the reins of power. Government is meant to be a sacred trust on behalf of the people who send us here. Government is meant to be about ensuring that they have an environment in which they can fulfil their potential. Government is meant to be about providing the conditions in which people working together in enterprise can deliver this State the living standards and the outlook that it deserves. As we all know, government does not have pockets big enough and enough jobs to ensure living standards in the future; only the private sector can deliver that. The sacred role of government is to provide the conditions in which we can secure that future by ensuring that free enterprise exists.

But, as I said before, the Government only ever has its eyes on the Holy Grail of hanging on to office, on winning the next election. In health, on three occasions now, the Government has proved that it can reduce waiting lists. On three occasions it has proved that when it tries hard, when it gives those hardworking doctors and nurses in our hospitals and clinics the resources they need, it can actually deliver better health care—a reduction in waiting lists and the surgery that so many people across this State need. Of course, those three occasions were in the six months leading up to the last three elections. The Government did it in 1993, in 2003 and in 2007. The Deputy Leader of the Opposition may correct me but I am certain that in the 2003 election the Government reduced the long-term waiting list to zero for the first time. Regrettably, some may have got there the wrong way, but many got there the right way, because finally the Government became focused on patients in the health system rather than the politics of health.

One of the issues that Labor was elected on in 1995 was to deliver better public transport. Labor said it could do better than the former Coalition Government in delivering public transport and road services to this city. Road services, as evidenced by the second story on Channel 10 this evening, are worse than ever. There have been breakdowns and lack of customer focus with the M5 East tunnel. The Government has failed to deliver the public transport services that people need to get around this city to make their livelihood.

It is all very well for Ministers and even Leaders of the Opposition to have available to them a car and driver, which of course takes a lot of the hassle out of getting around this city, but most people do not have that luxury. Many people have been forced off public transport onto the roads—with the costs that involves—but they would prefer to have an adequate public transport system. The member for Willoughby can attest that rail services have been slashed in a timetable change claimed to be about safety, and buses are continually taken off the road. Is it any wonder that traffic congestion in the city is worse than it was 13½ years ago? Our public transport systems are worse than they have been for 13½ years. Communities as diverse as Parramatta and Manly have their ferry services under threat.

Time and again the Government has promised major projects to overcome these things. We all remember the commitment to the Parramatta to Chatswood rail link, and that it was going to be delivered, along

with the Tcard, a few years ago. We also remember that this important rail link, in the words of Bob Carr when he announced it, was going to give people in Western Sydney access to the jobs in the dotcom corridor of North Ryde. It will now not be delivered: it will go only from Epping to Chatswood. We were told that the line from Parramatta to Chatswood was important to overcome congestion on the inner suburban lines.

The Epping to Chatswood line will provide all the system benefits equivalent to trains hanging a left at Hornsby! Additional stations are welcome along that line, linking Macquarie Park, the hospital, universities and the like, but it is not delivering that connection to Parramatta and the western suburbs that was originally promised. The public of New South Wales are about to get half the rail project promised for double the original price claimed. It is that sort of inefficiency that has failed to improve the services available to New South Wales and failed to deliver the quality of life that the citizens of this State have a right to expect.

Mr Gerard Martin: Hurry up, Barry. They have nodded off on you.

Mr BARRY O'FARRELL: I understand that at your age that is a problem. There is 50¢. Go and phone all your friends.

The SPEAKER: Order! I urge the Leader of the Opposition to continue his speech. I commend all members for the way in which they have conducted themselves thus far.

Mr BARRY O'FARRELL: And could you bring me back the change?

Mr Alan Ashton: Barry, in 45 minutes that is the first laugh you have got.

Mr BARRY O'FARRELL: People tell me that the member for East Hills is an idiot. I do not believe it.

Mr Gerard Martin: Come on, Fatty, get on with it.

Mr BARRY O'FARRELL: Education, transport or health issues may not be of concern to the member for Bathurst, but I would have thought they would have been because time and again the Government stuffs up projects that have a huge impact upon people's lives. He has in his electorate one of the best examples: What should be good news in any electorate, at any time, under any government—a rebuilt hospital? Hallelujah! That new hospital was going to deliver better health services to the people of the Central West and the people of Bathurst. But what happened? That incompetent former Minister, Reba Meagher, the outgoing member for Cabramatta—and no-one is crying about that—delivered a hospital that failed to meet standards. The Government is so bad that it cannot sign off on plans for a new hospital project that actually meets standards. When the Government is caught out it seeks to blame the public servants. It seeks to blame anyone but itself. The member for Bathurst is now on the phone saying, "Retraction, retraction, retraction."

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

Mr BARRY O'FARRELL: Health, transport and education—all critical services—have a backlog of \$82 million. Whether the former Minister for Planning or the current Minister for Planning is finally starting to focus on the needs of schools within the planning process, it would be nice next to have Treasury focus on the needs of schools and provide the \$82 million that, according to the Auditor-General, is required to overcome the existing infrastructure and maintenance backlogs. Real libraries, real classrooms and real facilities would improve educational opportunities for our young people across the State.

The Department of Community Services is critical because every community has people who, sometimes because of family circumstances, often because of no fault of their own, fall between the gaps. One would hope that, along with disability services and health, community services would be one of the areas above and beyond politics. The commission of inquiry led by Justice Wood is an indictment of 13½ years of Labor Government, but it is a tribute to Opposition members, including the member for Burrinjuck, who put pressure on the Government when it claimed at the last election that all was well within the Department of Community Services and argued that this was not the case. Children were dying or being abused, despite being notified to the Department of Community Services, and our representations resulted in the Government having to establish the commission of inquiry. One can list any area of service administered by the Government and point to its inadequacies and failure to deliver benefits.

The critical issue raised today—and as Michael Costa has indicated and as the Premier said yesterday and today—is the importance of the property sector to our State's finances. There is no doubt that the lion's share

of the windfall revenues this State has enjoyed over the past 13½ years has come from the property sector and from a housing market that, until the vendor tax was introduced by former Treasurer Michael Egan, was leading the nation. That sector is now recording the worst figures ever recorded for new starts in both units and houses. The cause of that, as the member for Warringah pointed out today, was the failure to release sufficient land. That has been a constant theme from the member for Gosford, the member for Warringah, and the other members who have held the planning portfolios over the past few years. There has been a failure to release sufficient land and a failure to recognise that what members opposite describe as developer levies and charges—described thus because they never focus on families or on the clients of government—in reality are passed on to home buyers and have cruelled the property market in this city.

Yet the Government, not recognising the damage that it has done to the State's property sector, that it has killed the housing sector almost stone dead, is now proposing in relation to critical infrastructures, such as a north-west rail link—or presumably, I say to the members for Camden and Wollondilly, a south-west rail link—to have an additional levy imposed upon those housing lots. Yesterday I accused the Premier of being arrogant and loose with the truth. Above all, he is ignorant. What is the point of taxing land release further when we cannot get land released now? There will be no increased net income. If the Government is about to try to finance a rail link on the basis of a tax upon land that is not being released under current taxation regimes, the people of the north-west of the city will be waiting another 10 years before a rail line is delivered.

Time and again the Government has promised much but has delivered little. It repeatedly fails to provide the services people deserve, or the security they deserve about their living standards. After more than a decade of strong national economic growth the Government has simply delivered a tripling of the State's debt. It has shown that it is incompetent economically. It has managed to turn great national economic times into bad times in New South Wales. Given the Premier's performance to date—in refusing to level with the public about the State of finances, in refusing to level with the public about the options that are available and are being considered, in refusing to acknowledge that taxes, rather than assisting the State to get out of its current financial situation, will only worsen it, and his failure to understand that the cancellation or further delays of essential infrastructure projects will only make it harder for families and businesses to do business not just in this city but in the cities and towns across the State—the Government deserves the strongest condemnation, and that is why we have moved the most serious motion we can move.

Since the minority Government of 1992 to 1995, Independents have not supported no-confidence motions. I suppose I can understand the rationale of Independents adhering to that process in the case of minority government. I also acknowledge that the fixed four-year terms that currently apply in New South Wales were the suggestion of the Independents. To be fair to the Independents who proposed that—the former member for South Coast, the former member for Manly, the former member for Tamworth and the current member for Sydney—it was done to protect the public from the cost and inconvenience of elections being called willy-nilly, far too frequently.

I acknowledge that at the time the mechanism was designed to protect the public interest. But none of those four Independents ever envisaged that a party in power, as this Government has been for 13½ years, would manage to corrupt such a simple process. The Government corrupted that process, as I said earlier, by ensuring that instead of working for the full 208 weeks of a four-year term it only put in an effort in the last six months. It corrupted the process by ensuring that instead of tackling the fundamental problems confronting the State it spent all its time papering over the problems, saying, "Just let us get through this next one, then we will get to it."

I say to the Independent members of this House: This is an occasion upon which you should stand up for your communities. As I move around this State and city, whether it be in Labor electorates, Independent electorates or Liberal-Nationals electorates, the anger within the community about what has been going on, the desire in the community about the need for an election, and the wish in the community for a change of government are clear and strong. This motion can deliver an election. I say to the Independents: All this motion would do is ensure that the people of New South Wales have a chance to pass judgement on the rotten mob opposite and choose who will run the State.

If the Independent members in this House want to stand up for public interest in this debate, if the members for Dubbo and Tamworth, in particular, want to do the right thing by their communities—communities that have written to me and argued that they want an early election—I encourage them on this occasion to support the Liberals and Nationals in voting for this no-confidence motion, to try to give to the public of New South Wales what they need and what they deserve: an early election. Mr Speaker, I understand that you sit in

the Speaker's position so I absent you from those comments. If you would like to swap with one of the Labor members, I would be happy to welcome you on this side as well. I say to the Independent members, including her honour the Lord Mayor of Sydney: Put the community's interests first. Give them the election they want.

To Labor members opposite I say: The public have been reminded of all that is rotten, all that is bad, all that is arrogant, and all that is out of touch in this State Government by the events of the past few weeks—events triggered by the fact that 20 Labor members were going to cross the floor in relation to electricity privatisation. Those Labor members were saying to the media, either on the record or off the record, that they were doing so to stand up for the public interest. It is time that at least four members of the Labor Party in this Chamber stood up for the public interest again. It is time they allowed the electorate to choose the government of New South Wales. I say to those four Labor members that I think they would be overwhelmingly re-elected in their own seats. I commend this course of action in particular to marginal seat holders.

Even within this rotten caucus there have to be four members who are prepared to stand up for their communities on this issue, four members who are prepared to listen to their communities, who want an early election, four members who are determined to do the right thing and vote for this motion. They know they are sitting in a caucus that is rotten, they know they are sitting in a caucus that is incompetent, they know they are sitting in a caucus that is corrupting the very process of government in this State and failing to deliver to the communities in their electorates and elsewhere the services and the guarantees about living standards that they deserve.

We know that the Labor Party is still dysfunctional. Yesterday the former Treasurer quit the party—not by telling the party but by telling the Governor. Some members who expected to be Ministers are not Ministers. I say to the members for Heathcote and the Blue Mountains, who are sitting there like those grumpy men from the Muppets: Come with us and do the right thing. You know in your heart of hearts that you want to do it. You know that in the electorates of Heathcote and the Blue Mountains your communities are just as frustrated with this Government as are you and the rest of State.

The SPEAKER: Order! The term "Muppet" is unparliamentary.

Mr Phil Koperberg: Point of order: I am not a Muppet!

The SPEAKER: Order! The member for Blue Mountains will resume his seat. The Leader of the Opposition will continue.

Mr BARRY O'FARRELL: I apologise to the *Muppet Show* but having made that point I looked up and I thought the members looked like Statler and Waldorf from the *Muppet Show*. To those Labor members who thought they would have been made Ministers and were not, and to those members who were Ministers and are no longer—I can only see the member for The Entrance in the Chamber but I know the member for Rockdale is listening closely in his room—I say that there is a once in a four-year term opportunity to do the right thing. Why not do what the public and your communities expect and support the Opposition?

The Government is incompetent, corrupt and rotten and is led by someone who, on the basis of less than three weeks in the job, has shown himself to be at best loose with the truth: someone who is unable, if indeed he wanted to, to put the interest of the public first because he is under the control of Labor's head office and the factional warlords. It is the same old Labor Party. There is nothing new about the members opposite. There is nothing new in their demeanour or their enjoyment of the trappings of office. There is nothing new about the factional deals that got them there or the factional deals that they hope will keep them there. The Government is out of touch, out of ideas, out of talent, and the passage of the motion would ensure that finally it is out of office.

The SPEAKER: Order! Before the Deputy Premier makes her contribution I advise members that the majority of the Leader of the Opposition's contribution was heard in silence. I ask members to extend the same courtesy to the Deputy Premier.

Ms CARMEL TEBBUTT (Marrickville—Deputy Premier, Minister for Climate Change and the Environment, and Minister for Commerce) [6.31 p.m.]: I lead for the Government and oppose the motion of the Leader of the Opposition. Tonight was the chance of the Leader of the Opposition to put forward his vision for New South Wales. Tonight was the opportunity for the Leader of the Opposition to show what he is made of. And I do not think it was just me who did not think he did so well.

The SPEAKER: Order! Members who are leaving the Chamber will do so quickly and quietly.

Ms CARMEL TEBBUTT: If the Leader of the Opposition had looked at the faces of the members behind him he would have seen that his team saw his performance as more of a damp squib than the firecracker promised. The Leader of the Opposition has moved a no-confidence motion and said that he is ready to face the people of New South Wales. The Leader of the Opposition is gearing up because he wants an election. He wants some members from this side of the House to cross the floor so that he can go to the people of New South Wales. If the Leader of the Opposition is ready to go to the people of New South Wales he did a pretty good job tonight of hiding it.

I listened carefully to the speech of the Leader of the Opposition. We did not hear one idea or policy and we did not see one bit of evidence that there is any talent on the front bench on that side of the Chamber. Once again the Leader of the Opposition has resorted to the same old time-wasting tactics. Members know that when a Leader of the Opposition moves a no-confidence motion he is really resorting to desperate tactics as he has nothing else to say or do. The Leader of the Opposition has moved a motion that he knows has no chance of getting up, yet he wastes the time of the House. He does not bother to give the people of New South Wales the respect of outlining his vision for the State as the alternative government. He presents himself as leading the alternative government but he declines to tell anyone what he would do if he were successful in his no-confidence motion, if he were successful in running an election campaign, and if he were successful in presenting himself to the people of New South Wales.

On this side of the House we understand that the right to govern has to be earned, and whether the Opposition likes it or not, the majority of people in New South Wales have supported the Labor Government time and again. The Government understands that we cannot—and we do not—take the support of the people in New South Wales for granted. The Government reflects the aspirations of the people of New South Wales for a better life for themselves and their children. The Government is prepared to work hard to return that faith and to deliver on our commitments to improve services in New South Wales and invest in infrastructure.

There is no doubt that at the moment the Government is facing challenging times. Over the last week we have seen, for instance, what has been described as the most significant international financial crisis in 100 years. The Government knows that it is confronting one of the most fundamental issues of our generation: how we address climate change. The Government knows that closer to home—as a result in part because of the irresponsibility of those opposite—our State is on credit watch. These are big challenges that call for big ideas and intelligent debate. Yet we get from those opposite the same old policy-free zone.

It is no wonder that the core constituency of the Opposition has given up and that the business community has lost faith in the Liberal Party under the leadership of the member for Ku-ring-gai. They see the members opposite for what they are: talentless and directionless rabble. The Opposition is almost on to its fourth leader in four years and the next one is waiting in the wings. The member for Manly is waiting in the wings for one more stumble from the Leader of the Opposition before he takes his chance to pounce. But we all know that the member for Manly will face the same obstacles that other progressive members of the Liberal Party have faced: the spectre of David Clarke. The member for Manly has no chance because the Liberal Party is really run by David Clarke and his extreme right-wing cronies. None of us can forget the lifting of the lid on the machinations of the Liberal Party by Steven Pringle. What were the words he said? I think I remember them:

Hunted down by a pack of rent-a-crowd pre-selectors marauding in caravans from electorate to electorate to take control.

That was in 2006, and it is a bit rich in 2008 for the member for Ku-ring-gai to lecture the Government on factions and party organisation. Since 2006 the Government has observed that the member for Ku-ring-gai, the Leader of the Opposition, has been spectacularly unsuccessful in reining in the extreme right wing control of his party. He has made all sorts of commitments but he has never been able to deliver. If you do not believe me ask David Barnett, because his blog is very instructive. We saw the factional bloodletting that occurred in the preselection for Cook and a Liberal Federal member of Parliament was denied the right to join one of his own local branches. Who could forget that? Yet it continued with the local government preselection this year. Sutherland shire councillor Ken Jones described members of his own party as:

... nut cases and they hate me because I will not comply with their extreme right-wing agenda.

When you have friends like those, who needs enemies? In May this year we saw the resignation of the independent president of the Liberal Party in New South Wales. The sin of Geoff Selig was to push reform opposed by the right wing. The Government knows that the people of New South Wales have no time for

extremist politics. They have no time for a party that is controlled by people whose ideas are on the very fringe of political debate. The people of New South Wales want to see an Opposition that is committed to robust debate—a healthy contest of ideas. What the people do not want is an Opposition that is obsessed with stunts and has no vision or policies, yet that is what we have got.

The business of State Government is hard, complex and important. We on this side of the House know that the people of New South Wales rely on a State government that is committed to facing significant challenges and finding solutions to policy and service delivery, a State government that is committed to taking the hard decisions that need to be taken in order to improve services. The Rees Labor Government is up to that task. The Government faces significant challenges, and the preparation of the November mini-budget is the first cab off the rank. As the Premier stated yesterday, the Government is developing a mini-budget that will be responsible and robust. The mini-budget will ensure the Government maintains prudent debt levels and invests in infrastructure to drive productivity growth, which is an important part of improving an economy facing inflationary pressures. We have already heard that the Reserve Bank is forecasting higher inflation. The latest forecast indicates that the elevated level of underlying inflation will persist over the next two years and inflation is expected to be above 3 per cent until mid-2010.

Reducing capacity constraints in the economy will relieve some of this inflationary pressure. Together with services, it is a key goal of this Government. As I said, we are committed to improving services and creating a stable economy for businesses to operate in. Our record shows that we have delivered. The Leader of the Opposition spent a long time outlining his view of what is wrong with this State. He did not spend any time telling us what he would do to fix it. I want to spend some time outlining our record and the improvements that we have delivered for the people of New South Wales. The Government has upgraded or rebuilt almost every major hospital and emergency department in New South Wales. Approximately \$2.1 billion has been spent on completed capital works for New South Wales Health and 594 major works costing over \$250,000 have been completed, including 27 major new hospital facilities and redevelopment projects.

The Labor Government understands the importance of investing in infrastructure. We know the difference that these services and good infrastructure make to people's day-to-day lives and we are committed to delivering that infrastructure. Investment in the State's roads and ports drives productivity, sets the State up to cope with the pressures of population growth and freight movements, and encourages investment in our State. Infrastructure renewal is important to maintain and increase capacity in public transport, electricity transmission and distribution, public housing, water and sewerage, and major roads and bridges. Infrastructure is necessary to keep pace with changing technological developments. It is also true that the New South Wales Government's revenues are vulnerable to the economic slow down. Monthly stamp duty revenues are running \$90 million below budget projections. Furthermore, a key risk of the economic slow down is the possibility of rising unemployment and the effect that this could have on New South Wales families. In combination with economic instability in the international economic environment, this makes it appropriate for the Government to review its position and plan for the times ahead with a responsible and robust plan.

That is the difference between the Government and the Opposition. We understand our responsibility to manage the State's budget so that we can deliver the service improvements that the people of New South Wales want and maintain our triple-A credit rating. We are prepared to make the hard decisions. It is extraordinary that the Leader of the Opposition talks about all the problems. In his budget reply speech he moaned about the need for infrastructure investment, but then said that debt levels were too high. Where is he going to get the money to deliver the improvements that he says are so necessary? He has no economic credibility. Even tonight, once again the Leader of the Opposition used figures that were simply wrong.

In 1995 when we came into Government the general government net debt was 7.4 per cent of gross State product. That is the record that we inherited from the Opposition. We repaid the former Coalition Government's debt, which gave this Government the flexibility to be able to invest in infrastructure development and to have a debt program. We are not using the money to fill a budget black hole. That is what the Opposition did. The Government will not do that. But we do understand that going into debt to create economic capacity is good practice. It enhances productivity and puts downward pressure on inflation.

While the Government has a plan to manage the economy in the face of significant international forces, the Opposition has no plan. My fear—and I suspect the growing fear of many electors—is that when people look for Barry O'Farrell's economic and other policies, they will find the equivalent of Al Capone's "secret vault". Members may remember about 10 years ago a sizeable global television audience awaited a live spectacular of the opening of Al Capone's secret vault. Everyone wanted to see what was inside. With much

anticipation, the doors were flung open. What was inside? Absolutely nothing. It was the same as the Leader of the Opposition's policy folder—empty. As Michael Duffy lamented in the *Sydney Morning Herald* on 20 September, "ideas do matter in State politics". People do want to see a contest of ideas and an Opposition that is committed to policy reform and prepared to put forward a vision for the future. We never see that from that bunch occupying the Opposition benches.

Labor is prepared to put its ideas into action. I could talk about the many areas of our policy achievements, but I will refer to education. A record \$11.8 billion has been allocated for school education and vocational training in 2008-09. Our education standards are second to none in Australia. It is one of the world's great systems. New South Wales students from kindergarten to year 12 are taught according to a detailed common curriculum. It is recognised as a gold standard curriculum. The New South Wales Higher School Certificate provides students with a world-class credential and offers up-to-date, challenging courses with clear pathways to further education, training and work. New South Wales is the first State or Territory to require new teachers to be accredited through the Institute of Teachers. We have delivered smaller class sizes for kindergarten to year 2 students. At any government primary school across New South Wales, teachers and parents alike talk about what a difference smaller class sizes make.

Mr Andrew Stoner: Thanks to the Coalition's policy.

Ms CARMEL TEBBUTT: Thanks to the Coalition? We have not forgotten the policy the Coalition took to the last election to slash teachers and public servants numbers right across New South Wales.

The SPEAKER: Order! Government members will come to order. The Leader of The Nationals will cease interjecting.

Ms CARMEL TEBBUTT: Our schools would not have smaller class sizes if the Opposition had got its way at the last election. We would not have the results that we have recently seen in the National Assessment Program on Literacy and Numeracy, which shows that New South Wales students scored well above the Australian average in every subject and in every age group tested. In fact, New South Wales students outperformed every other State, coming first in the nation in spelling in years 3, 5 and 7. Our students deserve congratulations. In vocational education, if the Opposition got its way the State would not have the trade schools we established in Colyton High School in Western Sydney, Ballina High School and Glendale TAFE Trade School, and the trade schools we opened in Campbelltown, Queanbeyan, St George, Wyong and Tamworth. I recall a time when the former Howard Government, aided and abetted by the members on the opposite side of the Chamber, sought to create parallel TAFE schools, but the conditions to work in one included surrendering all your rights and signing up to an Australian workplace agreement. Shame! We have moved beyond those days. It was a nasty, politically motivated and wasteful process.

Our strong record in educational reform is matched by our strong record in climate change and the environment. I have already outlined to the House our many achievements in this area. It is another area where our policy differences are vast. Labor is proud to be at the forefront of change and we will remain that way. The Liberal Party has no credibility when it comes to policies on the environment and climate change. It is not just because it is in partnership with The Nationals. It is because, as we know, it has no real appetite for reform. It is not prepared to make the hard decisions and put the hard work into developing the policies. The people of New South Wales see through the Opposition and they know that it will never really deliver reform or service improvements. It will never really make a difference to the lives of working people in New South Wales because it has no real capacity for the reform that is required.

I want to speak about one area that the Leader of the Opposition mentioned because it deserves some attention. It is the area of community services. There is no doubt that families in New South Wales who are vulnerable, marginalised or suffer from dysfunction are very dependent on the services of the Department of Community Services and the various non-government agencies that are funded under the banner of Community Services. The Leader of the Opposition seems to have a very short memory. I do not have a short memory. I can remember the last time the Coalition was in government: it slashed thousands of Community Services staff across New South Wales.

The Coalition in government closed one-quarter of the Department of Community Services offices across New South Wales. Who can forget the 2003 Labor Party election campaign policy to rebuild the Department of Community Services—more than a billion dollars invested, nearly a thousand new caseworkers, and early intervention services? What did the Opposition do? Two days before the election the Opposition tried

to slip through that it would not implement that reform package; it would slash almost a billion dollars from the Department of Community Services budget. It would take almost a billion dollars from the most marginal and most vulnerable families in New South Wales.

The people of New South Wales did not reward that sort of behaviour in 2003. The people did not reward the Opposition's policies in 2007 because they saw through the Opposition and they know what it is about. The people of New South Wales have seen that the Opposition has no commitment to improving services in New South Wales. I listened carefully to the comments of the Leader of the Opposition, but I did not hear one statement that indicated that he has any vision for the future of this State. He did not make one statement that outlined what he would do as the leader of the alternative government.

I oppose the motion because the people of New South Wales need a government that understands their aspirations. They need a government that is prepared to do the hard work to deliver on those aspirations. The people of New South Wales deserve a government that is prepared to grapple with difficult policy issues and difficult service delivery issues, and is prepared to improve the services that people rely on. The people of New South Wales want a government that takes the job seriously, that will not go missing in action when the going gets tough. That government is the Rees Labor Government. The motion should be opposed. It will fail. It exposes the Opposition for the policy-free zone that we know it is.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [6.51 p.m.]: Government members are leaving the Chamber. This is going to be a wonderful contribution; they should stay. There is no more important motion or political manoeuvre in this State than a motion of no confidence in the Government. This is not a motion that the Opposition brings forward lightly. Yet, the new Premier has left us with no other choice. As the political administrator of the State, the Premier is responsible for the efficient management of the State's finances, public utilities and services, and for the welfare of its citizens, regardless of their postcode. Since the appointment of Premier Rees on 5 September 2008—just three weeks ago—he has systematically failed in that role.

Premier Rees has not bothered to appear to take part in this debate to defend his Government. He has sent the Deputy Premier, who really made a meal of it by talking about the vision of the Leader of the Opposition and the qualities of the shadow Cabinet. But guess what? The motion is all about no confidence in the Government. The motion is very clear, and it reflects the public feeling that it is time for a change of government in New South Wales. The public is fed up to the back teeth with a Government that is not delivering on any measure of what is expected by the taxpayers and the community at large. The Deputy Premier spent most of her time talking about the Opposition because she could not defend the indefensible.

In just three weeks, Premier Rees has overseen the State's debt blow out to \$42 billion. He has overseen the induction of a new Cabinet that does not include any regionally based members of this House. Neither does its numbers represent anywhere near the one-third of this State's people who live outside the metropolitan areas. Moreover, the Premier has put together a leadership team that consists entirely of inner-city party hacks. He has cast doubt over the commencement and/or completion of vital infrastructure projects in regional and rural areas, leaving many communities without much-needed services. He has appointed a Treasurer who oversaw the Pacific Highway upgrade project fall years behind schedule. He has appointed a Minister for Finance who, as Minister for Small Business and Regulatory Reform, oversaw the continued excessive regulatory burden on small business in New South Wales, many of which are the lifeblood of country and coastal areas. He also failed to address cross-border issues.

The Premier has overseen the continual underfunding of New South Wales government schools. Just this week he lumped the blame for the backlog of school maintenance projects on local councils. Unbelievable! How can the people of country and coastal New South Wales have confidence in a Premier who will not stand up for their communities? How can the people of country and coastal New South Wales have confidence in a Premier who will not give those communities a strong voice and show leadership around the Cabinet table? How can the people of country and coastal New South Wales have confidence in a Premier who has left vital rural and regional infrastructures hanging to swing in the breeze? The answer is they cannot, and more importantly they should not have to.

Right around country and coastal New South Wales people are screaming out for an early election. They have had enough—13½ years of decline in services and infrastructure, in stark contrast to the increase in State revenue and the increase in government debt. The people are rightly asking, "Where has all the money gone?" They were duded by a tricky changeover of Premiers prior to the last election, but they will not fall for

that again. They did not elect Nathan Rees as Premier, they did not elect Carmel Tebbutt as Deputy Premier and they did not elect Eric Roozendaal as Treasurer. The people want the democratic right to elect a government that can fix the problems besetting this State in the midst of great global uncertainty—and that is not an inexperienced Labor coterie, hand picked by Sussex Street on the basis of factional allegiances and back-room deals.

It is a known fact that a third of the New South Wales population resides outside the Sydney, Newcastle and Wollongong regions. Yet, when choosing the new Labor Ministry, Karl Bitar—my mistake—Nathan Rees failed to include any regionally or rurally based members of the House, leaving those communities without a strong voice around the Cabinet table. Let me say that another way: A third of the population of this State is essentially unrepresented at the table where all the decisions affecting New South Wales residents are made. Even the portfolios of Regional Development and Rural Affairs were handed to a member of Parliament from a metropolitan region. It is fair to say that Nathan Rees and his new Cabinet have left country and coastal people out in the cold.

To add insult to injury, the Rees leadership team fails also to include a regional and rural voice: not a single one. Residents of country and coastal New South Wales are living in a State run by politicians who know only the city life, who fail miserably to understand the issues facing regional people. The new Premier has made no secret of the fact that all current infrastructure projects, at whatever stage of development, are now under threat due to 13 years of financial incompetence by the Labor Government. There is a giant hole in the budget, and the Premier does not know how to fill it. And as a result the people of country and coastal New South Wales may have much-needed infrastructure projects shelved.

In Tamworth, the much-needed hospital redevelopment that was promised prior to the last election is now under a cloud of doubt, so much so that the Hon. Trevor Khan and I have started an online petition calling on the Government to honour its commitment and get on with the job of building the hospital. That is not a stunt; it is about life expectancy and health outcomes for country people. I know that people in the north-west have a much higher death rate from cancer-related illnesses than do people from the city. And why is that? Because they cannot access services at their local base hospital. The redevelopment of Tamworth Hospital is absolutely critical in providing equity of access to life-saving services for country people on the basis of where they live. For it to be under threat for any reason is a disgrace. Many people support that online petition; the names are coming in thick and fast. The community urgently needs that hospital development.

In Port Macquarie the upgrade to the hospital's emergency department, which has been in the planning stages for two years, is now in doubt. Health professionals have had no response as to the current status of the urgently required upgrade. Also in Port Macquarie, construction of the long-awaited fourth pod of the base hospital now is in doubt. Following the cancellation of the sale of the State's electricity assets, the former health Minister included this project on the list of essential services that may be cut. This is non-negotiable. Again it is about health outcomes for people outside the metropolitan areas, and if they do not have access to decent standards of health facilities their quality of life suffers and their life expectancy overall is reduced. That has been proven by any number of studies.

In Monaro, the Snowy Business Enterprise Centre is set to be axed due to funding cuts. In the west of the State, the Parkes and Forbes hospital projects have been delayed over and over and still are not funded. The former Premier announced during a visit to Parkes in 2004 that "planning will occur in 2006 with a view to beginning construction in 2007". These projects still have not begun. In Orange, we are still waiting for the State Government to commit to a timetable for the completion of the new Orange Base Hospital. All of these projects and more are at risk thanks to the economic mismanagement of New South Wales Labor. The columnist Robert Gottlieb recently commented upon Labor's managerial incompetence in the *Australian Financial Review* dated 5 September. He stated:

The economic downturn and a few decisions from Canberra simply multiplied the effects of the big mistakes made in NSW. It did not cause them.

He goes on to opine that Sydney, and indeed New South Wales, have been dying for at least five years, citing Harry Triguboff, who made that claim in the *Australian* newspaper. Mr Gottlieb continued:

It's dying because NSW has zoned out good land, forcing house prices up to levels that people could not afford.

It's dying because NSW taxed developed land at around \$140,000 a block—six times the amount charged by other States.

It's dying because its health and safety rules use the French system of justice (guilty until proved innocent).

It's dying because there are a maze of bodies that strangle industrial development and the proper working functions of the state.

There are many other forces at work preventing this State from reaching its full potential. The business people and politicians in Queensland have developed a strategy of expansion based on the NSW joke. Melbourne will soon become Australia's largest city because of the Sydney/NSW morass.

But there's a problem. NSW is our richest state and Sydney is still our largest city so everybody suffers when the 'Premier State' is badly managed.

Now to the man who has been charged with managing the State's finances. In 1996 the Labor Government promised that the Pacific Highway would be 80 per cent dual carriageway by 2006. But under Eric Roozendaal's watch, by July this year only 52 per cent of the highway had been upgraded to dual carriageway. In 2007 the Auditor-General found that Mr Roozendaal had spent just \$23.9 million of the \$460 million budgeted for the upgrade in that financial year.

Also last year, Mr Roozendaal failed to submit a vital AusLink application and has since admitted he was playing politics in doing that. That is a disgrace. He was essentially playing politics with the lives of those who use the notorious road. I see the member for Coffs Harbour behind me in the Chamber. He and I can attest to the awful implications for families and entire communities with any delay in fixing that highway. Furthermore, in this year's budget Mr Roozendaal misled the people of New South Wales by claiming that the State had committed \$613 million to the upgrade when in fact it was only \$291 million—the remainder being Federal money. He essentially misled the people of New South Wales to cover his own back.

While Eric Roozendaal has dillydallied around on this and other roads issues—being more concerned with trying to further his own political career—people and the motorists of this State have been suffering in a variety of ways, whether it be in relation to unsafe roads and the tragic consequences of that or the ever-increasing traffic congestion and the loss of quality of life associated with that. He certainly let down regional and rural communities, and now Nathan Rees expects us to believe that Eric Roozendaal can handle the management of this State's finances.

I now turn to Mr Roozendaal's dodgy brother, Joe Tripodi. During his time as Minister for Small Business, Joe Tripodi oversaw the continued excessive regulatory burden on small business in New South Wales, which in country and coastal areas is the backbone of local economies. Red tape has done nothing but increase and bog down small businesses in mountains of paperwork. To add insult to injury, cross-border issues remain a very significant burden for small business in regional and rural New South Wales. In the Tweed, for example, it is cheaper for business to operate across the Queensland border rather than deal with the New South Wales Labor Government. And Joe Tripodi did absolutely nothing to ease this mess. Now the Premier has put this man in charge of the finances of the entire State, and we are expected to believe he can deal with them competently. Nathan Rees has even tried to spin that the dodgy brothers and the other tired old Labor mates are somehow a fresh new team. Frankly, the people of New South Wales know better.

In relation to education, which the Deputy Premier spoke about, the truth is that when you talk to school communities, parents and citizens associations, teachers, students and their families, what you find are schools across the State with substandard facilities, including classrooms with leaking roofs, threadbare carpets, trip hazards and other safety hazards around the school grounds. That is the result of 13 years of financial mismanagement and the neglect of school maintenance. And the problem is not going to go away. Although we have had more than a decade of Labor promises of school funding, there is still a nearly \$83 million school maintenance backlog that is being felt every day by students, teachers and parents in the 2,242 government schools across the State.

Yet despite Nathan Rees' promise to cut out the spin, one of his first forays into the Education portfolio was to make a big announcement about rewriting planning laws because about eight schools in Sydney have had their planning applications held up. But what about the other 2,234 schools in New South Wales? Nathan Rees went on to claim that some schools have waited 10 months for upgrades to be approved by local councils. But the Primary Principals Association has produced a list that shows that many schools have waited 10 years for funding from the New South Wales Labor Government for upgrades. Meanwhile, a first-class public education system is slowly unravelling, with enrolments in non-government schools increasing at a much greater rate than enrolments in government schools.

The great risk is the advent of a two-tiered education system: one for the haves and one for the have-nots. That is due more to the failure of State Labor to properly support public education than it is to either the current or former Federal governments. And it is not helped by a new education Minister who sat around the Cabinet table for 18 months but did not even realise that the State Government funded State Government schools.

Now I come to the Premier himself. Just a few weeks ago we saw that time-honoured Labor trick right out of the Hawker Britton playbook: as one useless State Premier fades in the opinion polls due to his lack of ability to maintain basic public services and infrastructure, the faceless hacks of the Labor Party head office step in and anoint a new Premier to take up the mantle—a blank canvas or an unelected Neville nobody. The truth is that the Labor Party has turned the premiership of this great State of New South Wales into an absolute joke. Under Labor there is no prestige in the Premier's job any more. This State has had some great Premiers: Greiner was one; those on the other side may argue that Wran was another.

But from those two—to name just a couple—look how far we have fallen. From Morris Iemma, who had no claim on the job apart from the fact that he worked for Graham Richardson and was less unpopular than Carl Scully, to Nathan Rees, who earned his stripes in the Labor Party by working for two failed Premiers, Morris Iemma and Bob Carr, and for convicted paedophile and drug offender Milton Orkopoulos. Nathan Rees is the man who is always in the right place at the right time. He conveniently got out of the office of Milton Orkopoulos on the last working day before Orkopoulos told a staff member to contact police about child sex allegations against him. And what was Rees' reward? It was a Labor Party safe seat, and ultimately the premiership. According to his childhood mate Paul O'Grady, Nathan Rees had concerns about Milton Orkopoulos' behaviour but was told basically, "You don't want to know". So he stuck his head in the sand, putting his political ambition ahead of any concerns he may have had about unethical or criminal behaviour on the part of his Minister.

Indeed, Nathan Rees is the personification of how far Labor has fallen in New South Wales. The Labor Party has taken the prestige and privilege of public office and put it firmly in the sewer. Is it any wonder that one wag recently quipped of John Watkins—the only man with any real life experience among the hacks, Iemma, Costa and Meagher, who quit recently—that he was the first ship to leave the sinking rats. Under Labor it is no longer about ability; it is about knowing where the bodies are and who has skeletons in the closet, and about striking a deal with the factional warlords. Nathan Rees is now so out of touch that he thinks having a part-time job while going to university is some sort of unique selling point—some type of qualification for holding the highest office in New South Wales. Welcome, Nathan, to the real world. It was a good sound bite and a good news grab, but here is a tip: having a part-time, non-union job might be the exception in Young Labor, but it is entirely normal in the community. We have all been there.

But I congratulate Nathan Rees on finding a job even dirtier than being a garbo: joining Bob Carr's spin machine. Most people would call that hitting rock bottom. But Nathan had to start drilling when he went to work for convicted paedophile Milton Orkopoulos. So Nathan Rees knows how filthy State Labor is. Like Michael Costa, the failed State Treasurer who wanted to abolish State government, he knows how bad this Labor Government is. Nathan Rees' first promise was to cut the number of Labor Party spin doctors because he knows how bad they truly are. But his first promise did not take long to turn into his first broken promise when he increased the need for spin doctors by bloating the ministry by an additional two Labor members of Parliament because Eddie Obeid and Joe Tripodi told him to. But what a good defence Nathan Rees has. How could any Cabinet possibly function without Tony Stewart, Jodi McKay, Barbara Perry, Graham West, Phillip Costa or Michael Daley? Like Karl Bitar and Mark Arbib before him, Nathan Rees has found that what Eddie and Joe want, Eddie and Joe get. But do not get us wrong: On this side of the House we love Joe because every time his face appears on television our vote increases!

But it is seriously bad for the people of New South Wales when the show is being run by faceless numbers men in Sussex Street and by puppeteers such as Joe Tripodi and Eddie Obeid in Macquarie Street. No-one can dispute that Morris Iemma was a failed Premier—possibly the worst in this proud State's history. Yet in his dying days as Premier, in a somewhat well-meaning gesture, Morris planned to cull Costa, Tripodi, Meagher and some of the other underperformers from the ministry in what would have been just about his only achievement in office. Instead, the factional hacks and the puppeteers cut off Morris' head, leaving us with another unelected Premier in Nathan Rees—the only man who could possibly be more beholden to Joe Tripodi, Eddie Obeid and the Labor Party head office than Morris Iemma. History shows that when Eddie, Joe and Karl run the show, the big losers are the people of New South Wales.

The people of country and coastal New South Wales know better than to place their confidence in a Premier who so far has failed to give them the representation they deserve. The failure of this Government to provide adequate services and infrastructure across New South Wales, the gross mismanagement of the State's finances by the two people entrusted to work us out of that mismanagement—Joe Tripodi and Eric Roozendaal—as well as doubts about the Premier's integrity and character mean that we can have no confidence

in this terrible Government to fix the State of New South Wales. After 13½ years of Labor incompetence, this great State has slipped from its position as the premier State to the bottom of the barrel according to virtually every economic criterion, and increasingly every quality-of-life criterion.

Whether people are waiting in pain for hours in an overcrowded emergency department or for years on a long elective surgery waiting list; stuck in traffic, gridlocked, for increasingly long hours away from their families; travelling on a crowded, late train or bus, or on crumbling public roads; or their children attend a school with rundown classrooms and putrid toilets, they can have no doubt that things have gotten worse in New South Wales after 13 long years of Labor. That is why New South Wales residents increasingly are pulling up stumps and moving to other States, particularly Queensland. The long-suffering New South Wales public has no confidence that this latest Labor incarnation has any ability to rescue the State. I speak on behalf of all New South Wales when I say that we have no confidence in the Rees Labor Government. It is time for a change in New South Wales.

Mr DAVID CAMPBELL (Keira—Minister for Transport, and Minister for the Illawarra) [7.16 p.m.]: This motion is no more than a political stunt. There is no clearer demonstration of that than the twaddle we have just heard from the Leader of The Nationals. His speech was so repetitious that even the member for Vaucluse almost nodded off. He had to pinch himself to stay awake to listen to the nonsense from the Leader of The Nationals. The greatest irony in this debate is that a party hack from central casting, the former head of the faction-ridden New South Wales branch of the Liberal Party, tried to cast others as machine men who are beholden to special interests. The mover of this motion is such a person—if the shoe fits, Barry, then certainly you should wear it. He is the original hollow man. Barry O'Farrell is the bagman of the Liberal Party who has never held a job outside politics. Let us look at his biography. He has been a staffer and head office hack—that is it. Barry O'Farrell used his position as the head of the New South Wales branch of the Liberal Party to set himself up in a safe Liberal seat.

Contrast his record with that of members on the Government benches. The members newly appointed to Cabinet include Phil Costa, a former school principal and diligent member who represents the diverse Wollondilly electorate; Virginia Judge, a former mayor of Strathfield who has extensive experience with roads, education and training, industrial relations and finance through her role as a Parliamentary Secretary; and David Borger, the former Lord Mayor of Parramatta and a proven, dynamic leader of Sydney's second central business district. Other members of the ministry have more than 60 years of Cabinet experience. The Ministers in the Rees Government are committed to facing the difficult challenges that lie ahead with courage, enthusiasm and hard work. They are very different from those on the Coalition front bench, where the only qualification for attaining a shadow ministry is how unlikely one is to challenge the leader.

The member for Myall Lakes is a case in point. He has asked not a single question in this place in the past two years. Let us work our way through the litany of mediocrity on the Opposition front bench. The member for Ballina did not ask a single question in 2007 or 2008. In the past two years the member for Terrigal and the member for Bega have asked a single question each—and both questions were of very dubious quality. That is not to suggest that the member for Terrigal is not busy, because he is. He is always busy white-anting whoever his leader happens to be at the time. The member for Vaucluse has a wry grin because he experienced it. The member for Terrigal is always white-anting his leader and muckraking. The mob opposite does not even deserve to be members of Parliament, let alone to be in government. They lack the talent, the ideas and the vision.

The political stunt they are pulling today is all about masking the fact that they do not have any policies or the intellectual grunt to come up with alternatives. The Deputy Premier pointed out that the Leader of the Opposition spoke for about an hour in this debate and not once did he make any suggestion that the Opposition has any alternative way, point of view or policy. Indeed, the reason that a mini-budget is afoot and that this Government is working so hard to secure the State's fiscal future is that Standard and Poor's put the State on credit watch because of this Opposition's policy position. The member for Vaucluse had a hissy fit and went to the back bench, but members opposite eventually returned to his policy position.

The Rees Government has put forward the right people to get on with the job. We will build on the achievements of previous Labor governments that have rescued the State from six consecutive deficit budgets under the Coalition Government. We have pulled the State out of that mire; we have broken that cycle of deficit budgets. The achievements of Labor governments are many. They include establishing trade schools to address the trades skills shortage. That is a new policy direction, a new idea and a new way of thinking. Those schools have been delivered to a number of places. I will not list them because the Deputy Premier made that point. The

Government also has made progress with many mental health initiatives, including the housing and accommodation support initiative that links treatment with stable housing for people with a mental illness. Again, that is a new and progressive way of doing things. It is not mired in the past like the ideas from that side of the House.

The Government is working to secure Sydney's water supply through a comprehensive program that involves recycling, demand management—which we heard about from the Minister for Housing today—and, of course, investment in infrastructure such as the desalination plant and a very valuable and important leak reduction program. Again, these are new ways of doing things and delivering, and appropriately so. This Government spends more than \$36 million a day on health care in New South Wales, treating more than two million patients in emergency departments. There are one million ambulance responses and over six million outpatient services such as chemotherapy and dialysis. All of this has contributed to a 35 per cent reduction in deaths from cardio-vascular disease since 1995 and a 16 per cent decrease in cancer death rates for men and 11 per cent for women since 1995. Survival rates for babies admitted to neonatal intensive care units increased from 90 per cent to 94 per cent between 1996 and 2006, and New South Wales has the lowest diabetes mortality rate of any State.

People often ask where the money has gone. It has gone into services that achieve results like that. Make no mistake: the money that has come in on the income side of the budget has gone out on the expenditure side of the budget to improve services and outcomes for families across New South Wales, whether they be in the suburbs of Sydney, regional locations such as the Central Coast, Newcastle or the Illawarra, or those very important substantial regional towns such as Queanbeyan. I know the member for Monaro would be pleased that I mentioned Queanbeyan. Those improved services are provided in Bathurst, Dubbo and Kempsey, which the Leader of The Nationals represents. The money has been spent to provide those sorts of services to achieve those sorts of outcomes for families.

The money has also been spent to rectify the mistakes made by members opposite at the Port Macquarie Base Hospital. It has been spent also to rectify the mistake that members opposite made, led by the Leader of the Opposition at the time, with the airport rail link. Those projects have been bailed out because of the Opposition's failed policies and inability to write contracts and to manage the finances of this State.

Mr Gerard Martin: It is the debt lag they left when they lost government.

Mr DAVID CAMPBELL: Yes, it is related to the debt this Government inherited when members opposite left government, as was pointed out by the Deputy Premier in her contribution a little while ago. All of these things are real accomplishments and action taken for the people of New South Wales. Members on this side of the House are getting on with the job and have a demonstrated track record of delivering for the people of New South Wales.

What I found particularly intriguing when I listened to the Leader of the Opposition's contribution was that he had no understanding of how a budget works. He continued to talk about the fact that it was inappropriate for the Government to get income and that it should not impose a charge on this and a tax on that. That would be nice and I suppose it is what populist politics is all about—telling people they will never be charged—but governments would never collect revenue. He then went on to complain that there is not enough expenditure. There are two sides to a budget. I know the Treasurer understands that and I know the Minister for Finance, who is in the Chamber, understands that because he keeps reminding me about it. It is something that I learnt a long time ago when I was running a very successful budget at Wollongong City Council. But I will not go there now.

The Leader of the Opposition revealed in his contribution that he does not get it. We have also had a demonstration of how members opposite do not get it. The Leader of the Opposition was the person who blew up Debnam's photocopier just before the last election: it could not keep pace with the expenditure pages in the Opposition's campaign documents. The documents had no income pages, but there were so many expenditure pages that the photocopier could not cope. The people of New South Wales remember that. They know that the mob opposite wander around with a magic pudding. They know that the Government takes very seriously the importance of having a triple-A credit rating. That rating is on credit watch because of the Opposition's policy vandalism. They do not get it; they do not understand the importance of good public policy. The Government is busy responding to the task at hand while the Opposition is wasting time and, indeed, losing business confidence. I witnessed that at a function in Wollongong last Thursday night at which the Leader of the Opposition spoke. He turned off the audience within five minutes. He made a long-winded speech.

Mr Steve Whan: Just like tonight.

Mr Gerard Martin: Just like he did tonight, putting everyone to sleep.

Mr DAVID CAMPBELL: That is the point I was going to make, but I am grateful for the help of the member for Monaro and the member for Bathurst. I received notes from people in the room who had never voted for the Labor Party in Wollongong—it was a group of Liberals from the business community—telling me that the Leader of the Opposition had lost them. He certainly lost members on the Opposition benches tonight because he went on and on. Again, he provided no leadership or sensible alternative direction. As always, he will follow us on this side of the House because we have put in place the policies that will achieve better mental health outcomes, better ageing and disability services, and better general health services across the State. As the Deputy Premier pointed out, the money has been invested in infrastructure, particularly health infrastructure, across the State. We need to continue to point that out to members opposite. The Government is responding to the current economic environment in a reasoned and robust way. It is looking very carefully at what is required in the circumstances.

However, we also have the rabble known as the Federal Opposition—this mob's colleagues—indulging in a knee-jerk reaction. Malcolm Turnbull has called on the Federal Government to undertake an American-style bail out of our banks. Even those with the most basic understanding of economics know that that would be completely irresponsible in the current environment. Asserting that our banks are under the same pressures being experienced by banks in the United States is simply incorrect. Our banks are protected by a greater level of regulation. Indeed, even the former Commonwealth Treasurer made that point in the media. He said that the world economic problems are caused by a lack of oversight in the United States. That lack of oversight is not evident in this country. This has been pointed out by Glenn Stevens, Governor of the Reserve Bank of Australia, who said earlier this month:

Australian financial institutions continue to present a contrasting picture to their peers in the US ... Europe and the UK ...

They have tightened credit standards for some borrowers ... particularly those associated with property development ... and are holding a higher proportion of their balance sheets in liquid form.

It is economic vandalism for Liberal Oppositions in this country to talk down the Australian economy at a time when it needs to be supported and at a time when governments need to make strong and robust decisions. That is what is proposed in the mini-budget process on which this Government has now embarked. At the same time the Government has made it clear to businesses that it wants them to invest and to continue to employ people so that this State remains in a strong economic position. It is clear at a State and a Federal level that the Liberal Party is bereft of ideas and talent. That is what we saw tonight.

Mr Steve Whan: The emperor with no clothes.

Mr DAVID CAMPBELL: As the member for Monaro reminded me, the would-be emperor on the Opposition benches certainly has no clothes. Tonight in his contribution to debate on this motion he demonstrated that has no ideas and no sense of leadership. When the Leader of the Opposition was speaking the member for Manly was sitting in the Chamber with his abacus doing the numbers so he can move from a backbench position where the member for Vacluse is sitting to a frontbench position where the member for North Shore is sitting. The counting has begun. I assure members that the member for Manly was not about translating fiscal responsibility into any sense of policy because the Opposition has no policies. The member for Manly was not trying to avoid blowing up the photocopier as occurred just before the last election. The member for Manly was doing the numbers to do over the Leader of the Opposition. The member for Terrigal and the Hon. David Clarke, who are out there doing the numbers, do over their leaders time and again.

Tonight's debate is not about the good governance of the State and it is not about good politics; it is a stunt by Opposition members to cover up the fact that they have no ideas, no plans, no discipline and no cohesion. Contrast that with members on the Government front bench, such as the Minister for Local Government, who are getting on with the job of engaging with local government communities. I am sure that the Minister for Ageing, Minister for Disability Services, and Minister for Aboriginal Affairs is engaging with representatives of the ageing and disability communities, and the list goes on. This motion is a stunt, it will be seen as stunt, and it has been reported as a stunt. For those reasons it will not be agreed to tonight. This straight-up stunt attempts to mask the fact that the Opposition has no plans, no ideas, no policy and no leadership. Contrast that with the effort, intelligence, integrity and enthusiasm of Premier Nathan Rees. I will back him as the Premier of this State any time.

Mrs JILLIAN SKINNER (North Shore—Deputy Leader of the Opposition) [7.33 p.m.]: I have never heard such a load of drivel in my life—a speech full of platitudes that mean nothing. The Minister for Transport, and Minister for the Illawarra did not address this serious issue. I am happy to support this motion, not because I like to criticise a government, but because I support the people of New South Wales who regularly say to me wherever I go, "What can we do to change this Government? Please do everything possible to give us the opportunity to have a vote so we can vote in a government that we trust. Please give us an opportunity to have a government that will address issues that are important to people right across New South Wales. Please give us a government that is honest and willing to give us the facts about the financial position of this State, the horrible state of our infrastructure and major services. Please give us a government that is prepared to focus on the delivery of services that are its primary responsibility. Please give us a government that has people of honour, integrity and intelligence, and people capable of dealing with tough issues."

People are saying that they are fed up to the back teeth with the same old people circulating in an apparent attempt to try to present a picture of a new government. People are saying, "Please do all you can to get this Parliament to bring on an election." I am proud of the speech that the Leader of the Opposition made this evening because it was measured and thoughtful and covered issues relating to State debt. Over the past three years State debt has gone from \$15 billion to a projected \$42 billion. Everyone should be reminded that that is more than \$6,000 for every person in this State, despite Labor's constant claims of being fiscally responsible. I want to focus on the second paragraph of this motion, which refers to:

- (2) The claimed breakdown in the State's balance sheet and the Labor Government threat to delay or cancel essential infrastructure projects despite repeated pledges to improve services across New South Wales.

The Leader of the Opposition said in his speech that much has been made of the revelations by the former Treasurer that the Health budget was \$300 million in the red. If we look at budgets from the year 1995-96, when the Labor Party brought down its first budget, to the 2006-07 budget—the last time I can find a revised budget figure—we find that there has been a cumulative \$3.2 billion of overruns in the Health budget. On average, that is about \$250 million every year. Why is that so? People always ask, "Where has all the money gone?" As the Leader of the Opposition pointed out, over that same period we have had \$17.5 billion of unexpected revenues—that is, windfall revenues from a buoyant economy—thanks largely to the former Commonwealth Coalition Government, and the fact that the property market was going very well in New South Wales. This money has gone to prop up the Government's overspends in portfolios such as Health—a factor that has been noted on previous occasions by Standard and Poor's.

I refer members to my speech to the budget in 2000. I opened that speech with a quote from Standard and Poor's that referred to this Labor Government's inability to balance the budget when it came to major portfolios such as Health. I am happy to give to anyone who wants to see it a copy of the calculation for the recurrent budget blow-out in Health. I have sourced it from New South Wales estimates papers from the year 1996-97 to the most recent papers. The smallest budget overrun of \$82,722 occurred in 1995-96. The highest overrun of \$787,799,000 occurred in 1999-2000. That is just a Health budget overrun. As the Leader of the Opposition said, frequently it would have been much more than that. I am sure that that is what Mr Costa wanted us to believe when he made his claim about the \$300 million budget overrun. Mr Costa failed to admit, and inexperienced Premier Rees failed to tell us, that every year the Government has clawed back a huge budget overrun by cutting expenditure in the last quarter of each financial year—in many cases in the last few months of each financial year.

Royal North Shore Hospital is a particular example of that. Members will remember we had a parliamentary inquiry into the conditions at Royal North Shore Hospital. That partly came to pass because so much evidence had been leaked to the Opposition regarding the budget position of that hospital. It was heading for a budget blow-out, as the member for Hornsby will attest, of something like \$30 million—not only for Royal North Shore Hospital, but for Hornsby-Ku-ring-gai hospital and other hospitals in the region. At the last minute we found the Government was going to claw it back.

A document was leaked to me showing the year to September 2007 net cost of services summary for the area health service. For September 2007, just for clinical operations in that region—which includes hospitals on the Central Coast, the Hornsby area, North Shore-Ryde and the northern beaches—hospitals were 10 per cent over budget. In the year to date it is 7 per cent but it projected by the end of the year that the budget overrun would be 2 per cent. So, in that short period it has gone right back to 2 per cent. How did it do that? There are worse examples in other parts of the document. There is a budget overrun in clinical operations overtime—this is staff overtime—where the year-to-date figure in September was 59 per cent over. It was projected that it would claw back to 36 per cent over.

How it was done was revealed in a further document that showed the Government was going to introduce a number of initiatives to cut back the overrun. This list included cutting funding for surgery, particularly expensive operations such as orthopaedic surgery and joint operations. It was going to cut back on nursing recruitment, and cut back on implants and things such as that that would be used in orthopaedic procedures. It was going to cut back on the employment of staff specialists and cut back on infection control. I find it extraordinary that any responsible government would cut back on funding for infection control. It was also going to cut funding for its teaching and research budget.

This was just a glimpse of what the Government was prepared to do to cut back the budget overrun in just one of its eight area health services. Further, in that area health service, the minutes from the area health advisory council meeting of 29 March 2007 revealed that that meeting had talked about the budget overrun. Part of those minutes states that the meeting was provided with a presentation on the area's financial position and, "There has been an increase in activity and an increase in staff which have adversely impacted on the general fund. Budget should be met at the end of June 2007 but only by shifting funds notionally allocated to capital expenditure to operating budget."

Anyone who knows anything about finances knows that that is an irresponsible thing to do—shifting money that is allocated for capital works to infrastructure for upgrading equipment to cover your back when you are short on recurrent funding. That is a disgraceful, unprofessional way to run a service. So, the recent recurrent expenditure blow-out in health is nothing new. It has been, on average, \$250 million overblown in every budget under Labor. The difference this time is that the windfall revenue from the property market has been depressed because of the Government's own actions and now it is pleading poor. It will be interesting to see exactly what the budget overrun is, but the Government is hiding the real figures because it does not want anyone to know.

With regard to capital funding, after Mr Costa's outburst, the former Minister for Health, with her parliamentary Labor colleagues, went around scaring the living daylights out of communities by threatening to cut back on their much-needed infrastructure projects. It was a disgraceful display by these bullying members of Parliament trying to scare constituents. The member for Wagga Wagga and people from places where they had been waiting for years and years had to quell the fears of their communities. Wagga Wagga hospital has been promised for many years. Of course, Mr Costa told Parliament on 24 June that all the projects in the Government's State infrastructure plan were already funded. One has to wonder where the truth really lies. Some of the other projects in that plan include the northern beaches hospital, Tamworth hospital and Bega hospital—

Mr Daryl Maguire: Dubbo.

Mrs JILLIAN SKINNER: Dubbo hospital, of course. And then there are the upgrades currently underway.

Mr Daryl Maguire: Orange.

Mrs JILLIAN SKINNER: A month or so ago I visited Orange, where work is already proceeding—but will the full project go ahead? There is now a question as to whether the extra services that were to be provided will be provided. Of course, we heard about the disaster at Bathurst hospital. Nearly \$100 million was spent on the major rebuild of that hospital. I toured that hospital with some of my parliamentary colleagues from the upper House. We saw some rooms with very fine views, but the crunch came when we went into, first, the imaging department. A very honest young member of staff took me aside and showed me the room that workmen were lining in lead, because it had not been done and they could not use the X-ray equipment.

Mrs Judy Hopwood: That is outrageous!

Mrs JILLIAN SKINNER: Exactly! This woman also showed me some modern scanning equipment—ultrasound equipment used for pregnant women to see that their pregnancies are progressing nicely. However, it was on a tiny little trolley that one would be hard-pressed to fit a child on, let alone a pregnant woman. The people showing me through public hospitals always include a public relations person, one of the spin doctors. They tried to hurry me past that corridor and on to the next one, but the next corridor was the intensive care unit. An equally honest clinician showed me the resuscitation bay. A patient was covered in tubes and hooked up to this very modern equipment, but there was only room for one person to treat the patient. Ventilated patients could not be treated by a team of people, as would be necessary in order to provide quality care. Who showed us this? It was the head of the intensive care unit—not some person just passing by.

Mr Daryl Maguire: What about the morgue?

Mrs JILLIAN SKINNER: I will come to that. Next I went into the emergency department, and it was the same story. The resuscitation bay, just off the ambulance entry, was not big enough to accommodate staff around the trolley where the patient would need to be resuscitated. It was disgraceful. How do you fix this? They admitted to me this would be a major rebuild because it required shifting the entrance for the ambulances, pulling down a wall and widening that room—a major undertaking—and there is no money in this year's budget. Because of the activities of a former Minister for Health there were queries about whether there would be any money to make sure those matters were rectified.

I refer to capital projects generally. Some of the projects in this year's health infrastructure statement are cumulatively 70 years late. That is, if you go to the project that is identified, look back to the point where it was first listed in a health capital works budget and then work out where the expected completion date is moved to for all of those projects, it adds up to 70 years. This shows that this Government cannot manage the important task of providing infrastructure, by way of buildings and upgrades, to our hospitals. In this year's budget alone 19 years of delays are added to that list. No wonder it is cumulatively so high. The Health capital budget is frequently underspent so that the money can be used to meet recurrent expenditure, as has already been demonstrated in the minutes from the North Sydney Central Coast Area Health Service Advisory Committee. In Parliament on 24 June Michael Costa said:

No items in the infrastructure strategy are dependent upon the Government's electricity plans.

Yet following the Government's failure to get its members to support these plans we had this scare campaign conducted by the Government and some of its Ministers, now former Ministers and former members. I recently visited Port Macquarie Base Hospital and met a number of staff members and did a tour of the hospital. I was particularly interested in doing that because the chairman of Port Macquarie Base Hospital's medical staff council, Dr Stephen Begbie, told the special commission of inquiry headed by Peter Garling that regional areas are suffering from a lack of capital funding needed to meet population growth. Dr Begbie said:

We have a certain level of capital infrastructure, but that capital infrastructure is not keeping up with population growth or the needs of an ageing population, that's the north coast's big problem, and one that we would hope that the Garling Commission would address.

I raised in this House last night as part of a matter of public importance the need for an urgent upgrade to that hospital, particularly to the emergency department, in the short term. That department was built in 1994 to cater for something like 14,000 to 15,000 attendances. Last year there were 30,000. When I visited there were patients lying on trolleys in the corridors. The staff, as always, were very committed and hard working and doing their best. They have tried every trick in the book. I think it is very revealing that in a document leaked to me by some of the staff at the hospital, which is the submission to the Government about the need for this emergency department and which has been sitting on the Minister's desk since about April, they admit that one of the strategies they have developed is to set up a virtual ward in the emergency department, otherwise known by this Government as a medical assessment unit. I found it fascinating that staff actually called it a "virtual ward".

Mrs Judy Hopwood: I've got one too.

Mrs JILLIAN SKINNER: I knew the member for Hornsby would smile at that. She has one, too. A number of us have them in our electorates. Staff have introduced a number of strategies but, despite that, this hospital is really struggling to cope with demand. They have come up with a relatively inexpensive proposal to extend the emergency department to enable it to meet that tremendous increase in demand. I find it extraordinary that that proposal has sat on the Minister's desk since April 2008. I have just referred to the Garling special commission of inquiry, and I want to talk about it briefly. This motion is about the failure of the Government to provide services. Nothing could be more vivid in my mind—and will be until the day I die—than the death of Vanessa Anderson. My colleague the member for Hornsby and I attended the Coroner's Court during those hearings—she on many more occasions than I.

I was there on the final day of hearing, when the Deputy State Coroner declared that Vanessa's was an entirely avoidable death and recommended to the Government that it set up an inquiry—with the Government dragged kicking and screaming, I might add. We had been calling for a royal commission for a very long time, as had Vanessa's father, Warren Anderson. The special commission of inquiry was established. The inquiry has heard evidence right across the State. I have met with Mr Garling and written 18 letters to him to suggest places he should visit and people he should speak to. I am pleased that he has done so. As the Coalition indicated when

it was first announced, the time frame was far too short. He was supposed to have reported by the end of July. He said no, and he is now doing that in November. I sincerely hope that in the spirit of openness, transparency and integrity that are supposed to be the new hallmarks of this Government the report will be released on the very day that Mr Garling gives it to the Government and that it is not held over until 24 December.

In a minute I will refer to other evidence given to Mr Garling, but first I want to point out some of the services that are very obviously examples of the failure of the Labor Government over time to meet the health needs of the people of New South Wales. Emergency departments are very good tests of how a hospital is coping. The figures for June 2008 were almost the last gasp for outgoing health Minister Reba Meagher and she claimed that they showed the hospital system was in very good health. When one looks at the details of the figures, which she finally put on the Health website, one finds they show that 23 per cent of patients were not treated within required emergency department benchmarks. The figures reveal that of 33,592 patients admitted to the hospital from the emergency department, more than 8,000, or 24 per cent, waited more than eight hours for a bed. This is a very worrying figure because research clearly shows that the longer a patient waits in the emergency department, the longer that patient will spend in hospital and the more difficult the recovery, the greater the complications. It is an indicator that does not augur well for patients.

I believe the Government has always tried to cover up these figures and denied repeatedly the evidence provided to it through so many reports that the major problem is access block. Patients waiting more than eight hours in a hospital emergency department to be admitted cannot be found a bed because there are not enough acute care ward beds open in the hospital to take emergency department patients. Any suggestion that general practitioner clinics will be opened and that that will solve hospital blockages is simply nonsense. The Australasian College for Emergency Medicine has said that loud and clear. In fact, I was at a full-day conference in Melbourne last Friday sponsored by the college where that story was repeated time and again. The bed occupancy rate needs to be lowered to a maximum of 85 per cent to make acute beds available for emergency department patients.

Today the Auditor-General put out a report on home-based health care. This report talks about the need for more hospital beds and suggests that greater efforts should be made to treat people in the home. Whilst we support in principle the increased delivery of out-of-hospital care—there are some very good projects such as the one in Hornsby; a former Coalition health Minister introduced hospital in the home—it must be properly funded and it must be properly monitored. There must be the resources to look after those patients when they are discharged early. It is absolutely no good sending a patient from a hospital bed to home if that patient cannot cope and there is not a home nurse to provide assistance with medications, dressing changes and so on, and there are not people to help with showering, cooking a meal or getting the patient out of bed. That will be a disaster. This should not be the way for a chaotic hospital system that is struggling to cope to get rid of patients so that the benchmarks look better.

Today I have called for a thorough publication of data in relation to any hospital-in-the-home patients. It should be put on the NSW Health website on a quarterly basis. The Government needs to publish details about unplanned hospital readmissions and all the results of patient satisfaction surveys, not just the good news results. We need details about the impact of increasing out-of-hospital care on existing hospital medical professionals. They are already run off their feet. Does this mean ward nurses will be expected to go to a patient's home to look after them? We need extra nurses, allied health staff and doctors.

The State Government must comment also on the practice of including beds in the private home in hospital bed counts. A bed bought by somebody is counted now as a hospital bed if it happens to be occupied by a patient who has been discharged early from hospital. The Government must stop the cover-up of reports on emergency department figures. It must also come clean with concerns about the FirstNet system being implemented in emergency departments across New South Wales. I would be interested to know the concerns of the member for Macquarie Fields on this. FirstNet has resulted in hundreds of complaints from clinicians, including patients being lost to the information technology system. It is taking doctors away from patient care into administrative duties, where they have no clinical benefit. Last week one doctor at Liverpool Hospital told me that it now takes 15 minutes to order a blood test whereas previously it took only two minutes.

Latest figures show that the waiting list for elective surgery was 58,000 compared with 56,000 a year ago and 44,000 when Labor came to office on a promise to halve hospital waiting lists. As the Leader of the Opposition said, people can see on my website what the Government does about elective surgery and charts. It shows that the waiting list goes down before an election and then up again. This is because the Government spends a burst of money just prior to an election to artificially reduce the waiting lists. Indeed, it has redefined

how doctors admit patients to hospital by saying that they cannot request an admission or put in an admission form for a patient unless a guarantee can be given that the patient will be treated in a clinically appropriate time. If doctor X has five patients with breast cancer needing a mastectomy but only has time in the operating theatre in the next month to treat three patients two of those patients will not be included on the waiting list because it is clinical urgency 1. That is disgraceful. I find it appalling that the Government will stoop to those levels.

The Government is not transparent on workforce issues either. The annual report shows 100,000 nurses in New South Wales but only 38,000 work in the public health system. Karen Fernance, a nurse unit manager at Bankstown, told the special commission of inquiry that up to 70 per cent of her time was taken up in administrative tasks such as payroll and supply ordering—that is, work done in the office, away from clinical management. Professor Stephen Hunyor from Royal North Shore Hospital said that specialist medical staff are leaving the public system because they are becoming demoralised. He criticised the lack of transparency. He commented on the servant-and-master relationship between chief executive officers and specialists. The head of the Bathurst Medical Staff Council spoke of the obvious disconnect between clinicians and health management. Complaints have been made about lack of funding for infection control, information technology equipment and ambulances. We have had the Graeme Reeves scandal and major health failures under Reba Meagher. This Government has failed to deliver, and there should be a vote of no confidence in it.

Mr PAUL LYNCH (Liverpool—Minister for Ageing, Minister for Disability Services, and Minister for Aboriginal Affairs) [8.03 p.m.]: This motion debases the coinage: it devalues the currency of no-confidence motions. No-confidence motions should be an important, substantive part of this place. This is a stunt. It has no value. The purpose of this motion was not to get a new election; it was not even to hold the Government to account. The purpose of this motion was very simple. It was about the Leader of the Opposition trying to get himself on television tonight.

Mrs Jillian Skinner: Oh!

Mr PAUL LYNCH: In response to that interjection I point out that that is no mere rhetoric; one needed only to listen to the point of order taken by the Leader of the Opposition against the member for Smithfield earlier this afternoon when the Leader of the Opposition could not restrain his anger that his motion was not being debated at the time he wanted: he was not able to get himself on television because the motion was not called on at a time to suit him. The purpose of this motion is not about a new election and it is not about holding the Government to account. It is about trying to get a television grab.

The speech given by the Leader of the Opposition went for 65 minutes—it was something of a challenge to listen to it for that long—and it was 65 minutes of 15-second sound bites. That was the entirety of his contribution. Over the years since 1856 this Chamber has seen a large number of serious debates and a large and significant number of serious motions of no confidence. This is not one of them. This is a debate where the Opposition has presented spin over substance. It is a debate where the Opposition has tried to give a particular appearance, but an appearance that is clearly inconsistent with the reality of its position. It is about trying to get television coverage, and nothing else.

Let me turn to the ostensible reason. This is about a serious attack on the Government. If it were serious it would not have moved this motion; it would have moved a motion under section 24B (2) of the Constitution. It might actually help Opposition members if they read the Constitution occasionally and understand the legalities of what they are doing. If they were serious about trying to bring on an election they would do that. If this motion passes, they do not achieve an election. They have not worked out what the Constitution says and what the implications are of passing the motion.

The motion is a stunt. Looking at it seriously, objectively and rationally, we have a new Premier, a new Deputy Premier and a new Treasurer. There is no parliamentary logic to having a motion of no confidence on the first day. It is a stunt and a television grab. It is not a sensible, rational, political strategy. In parliamentary terms, it is absurd. In the words of Barack Obama, it is the trivialisation of politics. The basis of what Opposition members say is an attraction to and an obsession with ephemera; with bits and pieces—no vision, no substantive attack upon the Government. There has been no overwhelming alternative view as to how the State should be run.

Of course, that is a tradition of the Opposition parties in this place—a triumph of spin over substance; the conflict of reality with the appearance. The classic and best example is that the Liberal Party pretends to be the party of private enterprise, of support for business and commitment to the market mechanism. We heard the

Leader of the Opposition talk about that earlier today when he moved his motion of no confidence. In one of those 15-second sound bites he talked about the importance of free enterprise and how a private sector economy will lead us everywhere as that is the only way to create jobs. That is the rhetoric. The reality is that the Coalition opposed privatisation of the electricity industry. It is perhaps the most extraordinary case of the difference between reality and appearance seen in this place.

Opposition members were ranting and raving, and carrying on at great length about the importance of the market. Yet when the privatisation of electricity was proposed, which is the one bit of the Holy Grail for the privateers and those who support market economies that has not yet got into New South Wales, they did not support it—with due respect to the member for Vacluse. It is unusual for me to say this to him, but he has emerged with a degree of credit from all this. At least he has some principles. On this side of the House we have had an exchange over the years, and it is unusual—

Mr Andrew Fraser: Watch it. He will take a point of order.

Mr PAUL LYNCH: If I said it outside we could probably both sue. The point is that there is this extraordinary divergence between what Opposition members say and what they do. They say they support the private market and support private enterprise yet when they get the chance to do something about it—the ideologues have talked about this for a couple of decades—they do not do it. On the Government benches there were clear challenges for a number of members for a whole range of reasons that I understand only too well, but it was about whether as a matter of ideology and politics we could do what the Government wanted. On the Opposition benches it was about members turning their backs on things they had always believed in and always said that they believed in.

To continue the theme of substance versus reality, there is an extraordinary part of the motion involving the Leader of the Opposition attacking us for talking to the General Secretary of the Labor Party. That is a terrible thing! Members opposite do not talk to their general secretary; they make the general secretary the leader! What was Nathan Rees' crime? That he was not the general secretary? That is what he would have had to be to match what Opposition members have done. We have this extraordinary hypocrisy on the part of members opposite. They pretend that they did not have any involvement with head office, but their former State director runs the party. It is an extraordinary bit of hypocrisy.

The hypocrisy continues. To pretend somehow or other that factions are a problem for this side of the House but not for the other side is just a little bit too cute by half. Whatever Opposition members want to say about factions on this side of the House, the factions within the Liberal Party are clearly a destabilising factor. Whilst the current Leader of the Liberal Party might be in that position now, as I said earlier, formerly he was the State director. I have to say that he, amongst others, failed to remove from the Liberal Party the stain of Urbancich. If members opposite want to talk about factions and what they mean, and about the evil they can sometimes be, I suggest they go to Urbancich and his successors. I suggest they go to the extraordinary amount of right-wing stacking of branches in the Liberal Party, and the control the right wing has in the Liberal Party caucus. They should go through Brogden, the member for Vacluse, and the current Leader of the Opposition. They should go through what happened to Geoff Selig. They should go through guns being produced at branches at Punchbowl. There have been some robust struggles within the Labor Party at various times but we never produced guns.

Mr Andrew Fraser: Do you remember the black eyes on the front page? We all remember that one.

Mr PAUL LYNCH: If there is one person in this House who should not interject about black eyes it is the member for Coffs Harbour. The cold, dead hand of the extreme right has made a very significant claim on the Liberal Party in this place. So for members opposite to criticise this side of the House for factional involvement is not just hypocritical; it is utterly absurd. Another case in which there is the triumph of spin over substance is the attempt by Opposition members to say that they are trying to hold us to account, that they are being a serious Opposition. I think there is an argument that the single most distinguishing feature of the Opposition is a comprehensive lack of a work ethic.

The Leader of the Opposition admits to small target strategy. He says he is not going to put out policy. That, at least, is something we can believe, because there is no evidence of policy coming from the Opposition. There has been no policy since 2007. There is no work going on over the other side. There has been a consistent theme for a number of years in relation to that. At the last State election there was no transport policy. Members

will recall that the member for Willoughby had prepared one and was going to launch it at a really big function. She got everyone to pay for the tickets and then she cancelled the function. It takes a certain amount of style to organise a fundraising function and then not to hold it but keep the money.

Mrs Karyn Paluzzano: Did she give the money back?

Mr PAUL LYNCH: I am told she did not give the money back. In fact, she asked if she could hang on to it, which takes a certain amount of gall if nothing else. The member for Willoughby claimed that she could not release the policy because she could not get a costing of it.

Mrs Karyn Paluzzano: Couldn't get it photocopied?

Mr PAUL LYNCH: No, the lack of photocopying was another one. It is for those reasons that the Coalition has been in opposition for 15 years. It has had four election losses and five Opposition leaders within that period. There is no work going on over there; there is nothing serious happening over there. It is unusual for me to quote the *Sydney Morning Herald* with approbation, but let me do it. Mark Duffy wrote in the *Sydney Morning Herald* of 20 September 2008:

The NSW Opposition is the black hole of Australian politics, and it's a time for creative thinking.

I realise creative thinking is not the forte of the state Coalition. There have been two attempts in recent times to set up a policy development process *outside* the parties, to develop a plan to save NSW. In each case the step was taken in desperation, after those involved had despaired at the Coalition's lack of interest in policy and ideas. In both cases the initiative foundered because the sort of business people needed to fund it appeared to have lost all faith in the Coalition ...

It is not often that people such as Mark Duffy and I would agree on a lot, but I think he has got it absolutely right in this instance. The article highlights the complete lack of work ethic on the other side. As I said, this no-confidence motion debases the coinage: it devalues the currency. It treats as a joke what should be a significant and important part of the parliamentary process. It treats it as an excuse to get a 15-second grab.

One of the mantras that has been used by the Opposition so far is, "Where has all the money gone? You have raised all this money and nothing has happened." Previous speakers, including the Minister for Transport and the Deputy Premier, have gone through in broad terms what has happened to money and funding. I approach the issue from a slightly different perspective, at a local level. I will talk about what it has meant for the member for Liverpool during the period Labor has been in power. This is where the money has gone: the Liverpool-Parramatta transitway and the redevelopment of Liverpool Hospital. When I became the member for Liverpool in 1995 if you wanted to get oncology treatment in Liverpool you went to Liverpool Hospital and got on a bus that took you to the eastern suburbs. We now have world-class oncology facilities at Liverpool Hospital. If you wanted cardiac surgery you could not get it at Liverpool but you can now.

We have had significant expansion of the mental health facilities in Liverpool. We have the widening of Hoxton Park Road, the widening of Cowpasture Road, a new police station at Green Valley, a new railway station at Liverpool, the Liverpool transport interchange, a new school at Hinchinbrook, Cecil Hills High School and Cecil Hills Public School, and a new TAFE building. That is where the money is going. There is a very clear list of things. The money is going where it did not go for the seven long years before that. When the Coalition was in power those areas got nothing. But this Government, whatever else members opposite want to say about it, has done very well at delivering capital infrastructure to the parts of Sydney that were being ignored by the Coalition Government—and ignored very unfairly.

Mr David Borger: Barry wouldn't know where Liverpool is.

Mr PAUL LYNCH: That is true. Liverpool is usually a place that Opposition members drive through on their way to the snowfields. They just have no understanding of Western Sydney. I turn to some of the points made by Opposition speakers. The Leader of the Opposition, in his 65 minutes of soundbites, started off by saying that the purpose of this motion was to get an early election. He finished off his presentation by addressing two Independents and various unknown members of the Government that he thought might vote with him. That is all a fine bit of rhetoric that gives him some sound bites, but it fundamentally misunderstands the constitutional position. You can only get an early election if you get a motion of no confidence pursuant to section 24B (2) of the Constitution. This motion is not that. It is a fundamental lie for the Leader of the Opposition to say that this motion can get an early election. It cannot. If people want to follow that through I suggest they look at the standing orders. Standing Order No. 111 makes it pretty clear.

Mr Paul Pearce: What is the reference again?

Mr PAUL LYNCH: Section 24B (2) of the State Constitution.

Mr David Borger: It's a lie.

Mr PAUL LYNCH: Indeed, it is a lie—like most of the soundbites. The Leader of the Opposition then said he wants to raise standards in the Parliament. He tried to have a bit of fun with what the Premier said earlier. If Opposition members want to raise standards they might start with their staffers. Opposition members in this place are so hopeless they need help from their staffers with their interjections, as happened yesterday. A string of Opposition staffers yesterday joined in the interjections, including on one occasion a particularly foul bit of abuse. It only happened once today, so that is an improvement. However, that might be a pretty good place to start if the Opposition wants to improve the standards.

One of the other great absurdities in the presentation of the Leader of the Opposition—and it was echoed by the two speakers who followed him—was his mantra, "You've got too much debt. It's terrible, it's terrible, it's terrible." However, the Opposition wanted the infrastructure. I do not know what the Opposition's policy is. Perhaps it has a money tree somewhere with which it is able to build all this infrastructure without borrowing money to build it. The Deputy Premier pointed out that the Leader of the Opposition in his budget speech banged on and on about the necessity for greater infrastructure. How does he expect to get that infrastructure without borrowing money for it? Some of us are old-fashioned enough to think that the role of government is to engage in a nation-building exercise. That means you build things. That means you create infrastructure. If you do not do that the rest of society cannot operate. We have this extraordinary bit of voodoo economics circulating around in the speech of the Leader of the Opposition.

There is another fundamental contradiction in what the Opposition said. The Leader of the Opposition, the member for North Shore and the Leader of The Nationals went on at great length about all the extra things they want built. As I said, you cannot do that without borrowing and without having a proper capital program. The Leader of the Opposition went on to say, "You are not being honest with the people of New South Wales by telling us what you are doing, and you have a really serious problem and you need to fix it." Our position is pretty obvious: We are going to have a responsible and robust mini-budget in several weeks time, and that is a proper and sensible way to proceed.

Yet it seems that the Leader of the Opposition does not want us to do that; he wants it all done right now. Do not worry about a proper rational assessment, just get on with it and work out whatever you think. Write it on the back of an envelope and it will be fine. That is the essence of economic irresponsibility and the essence of how not to do things. The Leader of the Opposition raised the issue of community services. He was right to say that getting community services correct is critical to our society and it should be above politics, but he dragged it into politics today.

Ms Linda Burney: The Opposition does not keep it above politics.

Mr PAUL LYNCH: That is exactly right. You can always tell when Opposition members are being profoundly political because they say they are trying to keep it above politics. The point I make is that there is one political group in this State that has nothing to be proud about in relation to community services—the Opposition. In the first year of the Greiner Government—when the Opposition was last in government—it inflicted untold damage on the Department of Community Services when 1,000 positions were slashed: 1,000 community services staff gone, finished. It has taken years to recover from that stupid exercise. The Opposition closed 23 community services offices, which was almost a quarter of the total number of offices. The Opposition disbanded three police child mistreatment units and three sexual assault investigation units at Wagga Wagga, Campbelltown and Flemington. It was an absolute disgrace. How many people did it leave without protection and help? How many people were left in that position because of what the Opposition did?

Apart from the 65 minutes of 15-second sound bites, the other thing that emerged very clearly from the speech of the Leader of the Opposition was that he has no vision or idea of where he is going. That comes with the obsession for a 15-second grab, the small target: do not worry about a target—we do not need it. As a political opponent I can say that in the context of the debate the speech of the Leader of the Opposition should have been an incredibly important contribution to democracy in this place, but it was not. He failed abysmally the standards set for someone who moves a no-confidence motion.

The Leader of The Nationals did not give any sound bites. Mind you he read his speech very well but had no-one sitting behind him in support, which was a bit curious. I wondered who was doing the numbers in The Nationals tonight. As is not unusual for the Leader of The Nationals, he got himself tied up with the logic, or the illogic, of his position. On the one hand he was happy to attack the people sitting on the front bench now as being an inexperienced Cabinet that does not know what it is doing, but on the other hand they had been around for 13½ years. The Leader of The Nationals had the wonderful contradiction that on the one hand they were all inexperienced but on the other they had all been there for so long.

The reality is that there was not a lot of thought given to the presentation of the Leader of The Nationals. He came out with a series of not terribly clever and not terribly witty bits of rhetoric and ranting but he got caught up in all sorts of logical tangles. The Leader of The Nationals went through a long list of infrastructure projects that he wanted completed at Tamworth, Port Macquarie, Monaro, Parkes—a wonderful list of places. He ranted and raved about the Government daring to go into debt, borrowing money for projects. He was caught once again in that profound contradiction of—

Mr Richard Amery: Moral manoeuvrability.

Mr PAUL LYNCH: As always, I am upstaged by the member for Mount Druitt. I move briefly to the speech of the member for North Shore, who was also guilty of the sins of the other speakers on the Opposition side. She demanded that we get a new government from this no-confidence motion. The member for North Shore fails to understand parliamentary procedure or the provisions of the Constitution. She has no idea. The member for North Shore also said that the Government comprised the same old people but a bunch of inexperienced parliamentarians. One has to wonder where the Opposition dreams this stuff up!

Mr Kerry Hickey: You've got to wonder why they were in Opposition!

Mr PAUL LYNCH: Yes. One of the interesting things I found about the speech of the Leader of The Nationals was his ranting and raving about failed Premiers and the terrible people who were all hopeless and no good. That raises the question of why the Coalition has been on the other side for 13½ years. The logic is just a little bit slippery for those guys. There is a long list of things that have been done by the Government. I dealt with the Liverpool-specific things a moment ago but I should briefly touch on a series of other things. The Minister for Transport mentioned mental health. Over recent years the Government has spent substantial money in this area—for instance, 1,000 spaces in the Housing and Accommodation Support Initiative.

If Opposition members understood what that was they would understand why people get so excited about it. That program literally saves lives and is one of the most effective and innovative programs that any government anywhere has instituted. It is great stuff. Nine psychiatric emergency care services now operate with a range of money going to non-government organisations. There has been a significant increase in mental health beds. From July 2001 to June 2007 more than 400 additional mental health beds were opened in the State. There has been an increase of nearly 800 mental health beds over the last 10 years. There are now 2,300 mental health beds—an incredibly substantial number during the last decade. For the first time last year's budget got to \$1 billion for mental health expenditure.

When the Government came to power the figure was \$300 million. The Government has tripled expenditure on mental health during the period it has been in power, a considerably greater rate than the increase in the population or inflation. I know that is a mathematical calculation that might challenge the member for Coffs Harbour. There are a series of other significant achievements. The Deputy Premier spoke about the record expenditure on schools. The results are extraordinary. Smaller class sizes for kindergarten to year 2 classes are incredibly important to the results that are coming out of our schools. Our 15-year-olds rank amongst the best in the world in reading, mathematics, science and literacy. Statewide tests in 2007 recorded the highest average scores ever for year 5 literacy and numeracy and year 7 literacy. One could go on and on and read a vast amount of that sort of material—

Mr Andrew Fraser: You could and you often do.

Mr PAUL LYNCH: Do not tempt me. There could be more punishment in store if you keep interjecting like that. New South Wales has been amongst the first to take steps in the formation of carbon rights for the purpose of emission trading. The New South Wales greenhouse gas reduction scheme commenced in 1997. The scheme became the world's first mandatory emission trading scheme in 2003. New South Wales was the first jurisdiction in the country to set emissions reduction targets with a return to 2000 emission levels by 2005 and a 60 per cent reduction on 2000 levels by 2050. One could speak at great length about these things—

Mrs Karyn Paluzzano: BASIX.

Mr PAUL LYNCH: I was about to mention the building sustainability index. In July 2004 new single residential dwellings in New South Wales must achieve a 40 per cent reduction in water consumption and a 25 per cent reduction in greenhouse gas emissions compared with the average New South Wales home. I will not go through all those things, because other speakers have appropriately done it, but in closing I will return to the first point I made in my contribution to this debate: it should be a serious debate. There is not anything more important or fundamental to the Westminster system than a vote of no confidence, with the exception of an election. The core of the Westminster system is an election and the next most important thing is a vote of no confidence. People have been having these debates in this House since 1856. The way members behave and operate in this place is incredibly important to the structure of government and to this institution.

In that context it is outrageous that we have been subjected to the nonsense that has been served up tonight. We have heard a speech on the motion of no confidence that is a series of sound bites designed for television news. The Opposition has no vision or sense of where it wants to go. It has a grab bag of whinges and complaints but no coherent critique of any real substance. It debases the coinage and devalues the currency of no-confidence motions. It is not just a waste of time and an insult to our intelligence but an attack upon this institution to have this sort of inadequate drivel served up in the guise of a no-confidence motion.

Mr ANDREW FRASER (Coffs Harbour—Deputy Leader of The Nationals) [8.29 p.m.]: I congratulate you, Madam Deputy-Speaker, on your appointment and I look forward to seeing you in the chair—maybe not so after tonight. This motion of no confidence in the Government is a challenge to the Government members who courageously stood up to Michael Costa and Morris Iemma and said they would not support the privatisation of electricity in this State. Former Premier Iemma was so confident that he could get the support of the Opposition to pass Government legislation that he recalled the Parliament at a cost of half a million-plus dollars to the people of New South Wales. At the time the Government held 52 seats, or 52 votes. The challenge tonight is to the dozen or so Labor party members in this House who forced the Premier back to Macquarie Street during a break to try to gain the support of the Opposition to have the courage of their convictions to cross the floor to vote on a motion of no confidence in the Government.

This is the most serious motion that can be put before a House of Parliament. Under a four-year fixed term regime, this motion could bring down the Government. In reality, a motion of no confidence in the Government was passed prior to the recalling of Parliament. Those Labor Party members who listened to their electorates and what the people on the street and others within the community were saying realised that the sale of the electricity industry was totally unpalatable, for philosophical and economic reasons. Those members had far better briefings in caucus than we did on the true state of the budget of New South Wales. I will not name and embarrass the member who told me about the true situation, but I will quote him. Joe Hildebrand, a newspaper reporter, was the only person quoting a \$25 billion sale. Obviously, he was well and truly sold by Michael Costa at the time. The Labor backbencher was told that the sale was going to net \$10 billion. The Premier, the Treasurer and other Ministers told us and the business community that out of the \$10 billion \$7.5 billion would be invested in a future fund to ensure a return of \$690 million per annum back to the people of New South Wales and that the remaining \$2.5 billion would be invested in infrastructure. At the same time the Premier, the Treasurer and other Cabinet Ministers promised that an amount of \$12 billion to \$13 billion would be spent on the North West Rail Link. One does not have to be a genius to know—in fact, probably any child in second class would know—that a \$2.5 billion net gain in the budget of New South Wales would not pay for even 20 per cent of the North West Rail Link.

The Government members revolted. They decided that Michael Costa was not telling the truth and that the State was in such a mess that the sale of the electricity industry was not going to provide the benefits promised by Michael Costa and Morris Iemma. Premier Iemma could not guarantee the numbers in his own caucus room or on the floor of the House to pass legislation, which he never wanted to bring before the House, to sell the electricity industry in this State. So the dozen or so Labor members in this House—16, 17 or 18, I am not sure how many—who were going to vote against the legislation have already voted no confidence in the Government. We have had a Labor Government for 13½ years. Each year the Treasurer has come into the House from the other place and said, "We have delivered yet another Labor budget." We are only now seeing the real truth of that Labor budget—a \$42 billion black hole. The truth was told to us by Michael Costa, who was still Treasurer at the time, prior to the deal being done by Karl Bitar and others to replace Morris Iemma with Mr Rees. He went to the press gallery on the level below us and told us what he should have told us when he came into this House earlier this year and delivered the State budget, that is, that we were in a mess. He said

that our triple-A credit rating was at risk and that we were under watch by Standard and Poor's, and Moody's. According to Michael Costa, we were under credit watch because of 12 years of mismanagement of this State by the Labor Government.

Everything we have seen from this Government has been a mirage. Everything that we have been promised by Michael Egan, Bob Carr, Morris Iemma and Michael Costa has been incorrect. Everything they told us over those years was wrong. It was a \$42 billion debt, as compared to \$15 billion. Despite the assertions of the Deputy Premier, the Minister for Ageing and others, the Opposition does not have a problem with debt as long as it provides valued infrastructure for the people of New South Wales. I do not have any problem personally or politically with future generations paying for roads, hospitals, dams and water supplies that will provide them with services into the future. I do have a problem with a \$42 billion debt being run up and nothing to show for it. We were told that 80 per cent of the Pacific Highway upgrade was to be finished by 2006. A huge amount is still to be done and lives are still being lost. It is well and truly \$1 billion over budget. That is bad fiscal management.

Against a background of no confidence from their own caucus and their own conference and with a deal done by Joe Tripodi, of all people, in conjunction with Eddie Obeid and others to replace Morris Iemma because Morris Iemma wanted to clean the rubbish out of his Cabinet, Morris Iemma provided the Right caucus with a list of people he wanted to get rid of. I have not seen the list, but I believe that Joe Tripodi would have been at the top of the list. What did Joe do? Joe did what he has been famous for doing. He speared his friends in favour of himself. I would much rather be an enemy of Joe Tripodi than a friend. His record shows that he speared Carl Scully in favour of Morris Iemma. He has renounced Morris Iemma in favour of a left-wing factional member. According to the history of Joe Tripodi in the Parliament, along with Reba Meagher, he would have hated him. Joe formed an alliance with Nathan Rees. Was it for the good of the people of New South Wales? No, it was not. It was for the good of Joe Tripodi. He also speared his long-term colleague and Young Labor ally Reba Meagher. She was part of the trash that had to be thrown out so Joe could survive.

Joe Tripodi has a very poor record in this State. Joe Tripodi has been before the Independent Commission Against Corruption four times, together with a number of other Labor Party members. What have we heard from successive Premiers in this State when it comes to Labor Party members being referred to the Independent Commission Against Corruption? This person is not a person of interest to the Independent Commission Against Corruption. The Minister for Transport said tonight that credit watch in New South Wales was part of our vandalism. I suggest that the start of the rot for the latest series of dominoes falling in New South Wales was the absolutely disgraceful Wollongong City Council and interference by Noreen Hay—not a person of interest to ICAC.

Mr Steve Whan: Point of order: In casting aspersions on other members of this place, the member for Coffs Harbour is going outside the standing orders. He is also casting aspersions on the judgement of ICAC, which is an independent body. Suggesting in sarcastic terms that there is something wrong with a judgment of ICAC is a reflection on a judicial body, which he should not be allowed to make.

Mr ANDREW FRASER: To the point of order: ICAC is not a judicial body—it never has been.

The DEPUTY-SPEAKER: Order! I have allowed a certain degree of latitude during this debate. However, I warn the member for Coffs Harbour not to cast aspersions on other members.

Mr ANDREW FRASER: What I am saying is on the record in New South Wales. I thank you for your ruling, Madam Deputy-Speaker, but the fact is this is a motion of no confidence in the Government and therefore every member on the Government benches is subject to criticism or an observation within this debate. We have all seen what happened to Wollongong council: ICAC brought down very heavy findings, but it was the council that was referred to ICAC and not the members of this place, who, by admission, had some association with the council and who, in fact, were demoted by the former Premier.

The Minister for the Illawarra tonight blames us for vandalism of this State, but his role within Wollongong council and bribery scandals within the council has not been fully explained, which is one of the reasons why the people of New South Wales and the members of this place have extreme reservations about the ability of the Labor Party, its front bench and its Executive Council to govern New South Wales. It is on the public record that Matt Brown took donations from developers in Wollongong, but was he ever held to account during the investigation? No. He was not a person of interest. In fact, when Premier Rees took over in New

South Wales he promoted Mr Brown to police Minister. Mr Brown was only in the job three days when revelations about a party in his office on budget night meant that he had to stand down or, in effect, be sacked by the Premier. Since then, Noreen Hay has been stood down and sacked by the Premier.

We see a group of Labor Ministers and members who are so arrogant that they believe that the standards of New South Wales and the standards of governance in New South Wales can be tossed into the scrapheap—or into the garbage bin, as it relates to the current Premier—and nobody needs to worry about it. I challenge any member opposite to jump in a taxi at the airport and ask the driver to take him or her to Parliament House and then ask, if the driver does not offer an opinion, what that driver thinks of the Government of New South Wales. In the past three months in my job as shadow Minister for Primary Industries, shadow Minister for Rural Affairs and shadow Minister for Road Safety, I have done a considerable amount of travelling around New South Wales—not overseas as members opposite have done. No matter where I go, be it Broken Hill, Cowra, Bathurst, Orange, Forster, Port Macquarie, Taree, Newcastle or Sydney, people have had a gutful of the perceived corruption—and I would say actual corruption—of this Government.

I believe that a lot of fine members opposite come in here with very altruistic motives, as I believe we all do. But a lot of members here would be extremely embarrassed to be part of this Government—a government that has not delivered services and infrastructure to the people of New South Wales. I notice the member for Macquarie Fields—a paediatrician of some renown in this State—is in the Chamber tonight sitting at the table.

Dr Andrew McDonald: Only because I have to be.

Mr ANDREW FRASER: As he says, only because he has to be. To some extent I feel sorry for this man because, having an office on the same floor as him over the period since the last election, I know that he is an honourable man. I think he would be embarrassed by the level of services that have been provided to our hospitals, particularly in Coffs Harbour, as has been demonstrated in the past week or 10 days in this State: hospitals cannot afford to pay the butcher's bill; people who are employed by the health service are placed in the embarrassing situation of having to tell local suppliers that their hospital cannot afford to pay the bill. Yet we will not have an opportunity to question the Government as to why this is happening because the estimates committees have been deferred.

When people are ill, when they are not hospitalised, when they are not able to get the surgery they need, and when the Government cannot pay the grocery bills for the people who are in the hospitals, the competence and the ability of this Government to govern is questioned. The new Premier said that he wanted transparency, accountability, integrity and honesty in this Government. He has already demonstrated that he has not been honest with the people of New South Wales. He told the media outside of this place, and therefore not covered by parliamentary privilege, that Reba Meagher had left him a text message or had phoned him, but then he had to come back 24 hours later and say he was confused and she had not contacted him, because Reba Meagher had said that was a lie.

The Premier has also had to backtrack on what he knew or claimed to know about his former boss, Milton Orkopolous. We are still confused as to what he actually did know or what he did not know. I wonder whether he will front the upper House inquiry into the treatment of Gillian Sneddon, the electorate officer who has been treated very poorly by a government that purports to represent the workers in this State. She is a whistleblower within an electorate office who has been absolutely castigated by this Government and who is being driven down because she deigned to tell the truth. We now have a Premier who claims he knew nothing, although, as I said, that story is changing daily, weekly, monthly—who knows what. I would love to know what the Premier knows; I would love him to be honest with the people of New South Wales.

The Premier also said that he had selected a talented, hardworking Cabinet with lots of new faces. That is another lie. Karl Bitar told him who those people were going to be on the advice of Joe Tripodi, Eddie Obeid and Eric Roozendaal—those luminaries of politics in New South Wales. They are not really faceless men, as was the case years ago under the Town Hall stage, but those who control and pull the strings: the marionettes of New South Wales politics. They are the talented, hardworking new faces that he has in Cabinet. The sad part about this is that these people have very shady histories. Look at Eddie Obeid. Look at his sons' Streetscape contracts with Sydney City Council and the flashing lights around schools that have been promised for the past three years, but have not been provided. How much money are they making out of that? Members should look at the Labor Party returns and find out whether Streetscape is a major donor to the Labor Party—possibly expected and not too bad if one considers that, yes, it was in the name of the Labor Party over many years. There are huge question marks when one considers that Streetscape is getting contracts from this Government and then donating part of the money for those contracts back to the Labor Party so that it can be re-elected.

Why do these people, these failures, bubble to the top? Joe Tripodi speared Carl Scully, Morris Iemma, Reba Meagher and anyone else associated with him in his survival race. He is now one of the senior members in this Government. It honestly frightens me that a man such as him can hold such sway in a Government in which the people of New South Wales have no faith. Wherever I go in New South Wales people ask me when there is going to be an election so that they can get rid of this Government. The only way we can do that is to move a motion of no confidence in the Government in this House.

Mr Steve Whan: You did the wrong one.

Mr ANDREW FRASER: The member for Monaro may say we did the wrong one. He sat on the Unsworth committee and promoted the sale of electricity in this State. To be honest, I feel sorry for him because he has been a faithful servant of some people in the Labor Party. Was he given a spot on the front bench? No, he was not. I think he probably has the ability. Behind the abrasive front that he brings into this House, he is probably not a bad bloke. The problem is that even though he did their bidding he was too faithful. If he had been a little off line, he might have ended up with a promotion. Perhaps he is not close enough—or perhaps he is too close—to Eddie Obeid and Joe Tripodi. As I said, we have seen what Joe Tripodi does to his friends.

Every year for the past 13 years of this Government surplus budgets have been predicted. Members opposite bag Greiner and the Coalition Government about the way they set up this State prior to the Labor Party's inheriting it. We could talk about Jack Lang's days. Members opposite have had 13½ years of good times. They have had GST income. Each year they have budget surpluses.

Mr Steve Whan: It was good budget management.

Mr ANDREW FRASER: It was better than good budget management. The Government has had bonuses; it has had \$17.5 billion income over budget. However, each year, every year we have had a mini-budget in about November. Each year, every year the Government has blown its budget.

Mr Steve Whan: There has not been a mini-budget for years.

Mr ANDREW FRASER: I will take that back.

Mr Steve Whan: They are supplementary.

Mr ANDREW FRASER: They are supplementary! The Government has needed to come back to the Parliament to ask for more money. Even after the supplementary budgets have been approved to increase proposed expenditure, surpluses have still been achieved. But what are the benefits? Do we see hospitals flourishing? No, we do not. A fortnight ago an 82-year-old man was sent home from Coffs Harbour hospital at 3.00 a.m. He was found by his wife at 7.00 a.m. drenched by rain. Why did that happen? It was the result of the stress suffered by the nurses and doctors at Coffs Harbour because of a lack of funding. Because of that, mistakes are made. An 86-year-old woman subsequently wrote to the newspaper saying that she had suffered a similar experience. This is on the public record. Contrary to what members opposite have said this evening, services have not been delivered.

The Minister for Disability Services spoke at length this evening about mental health facilities. He is the only member I have ever seen—and probably the only member I will ever see—sat down during his inaugural speech for displaying his left-wing loony attitude, but he was sent in to do a job on someone else. It was sad to hear him criticise tonight. He talked at length about the mental health budget, but he said very little about disability services. Aboriginal people come into my electorate office and tell me that they tell lies to the police to ensure that their loved ones are arrested because they get better mental health care in Grafton jail than they do in the hospitals. That is sad.

Mr Steve Whan: What are you going to do about that?

Mr ANDREW FRASER: We are going to spend some of the surplus income on services and not spin doctors. Chouefiate and Walters were put into the Premier's Department, but were ceremoniously sacked by the Premier. I want to see some real movement on the part of this Premier. He should get rid of all of the spin doctors. This Government is sacking Department of Primary Industries employees all over the State in a time of drought. The Minister finally admitted that since July last year 134 jobs have been slashed from the department. He tried to blame the drought, but the reality is that he has had his budget cut by \$21 million. They were jobs in

rural communities, which are hurting at the moment. I invite the Parliamentary Secretary to come with me around drought-affected New South Wales and to talk to the people who are suicidal. He is a doctor and he knows the facts and figures about the number of people who commit suicide in regional New South Wales, especially in drought-affected areas.

Members opposite beat their breasts about the situation, but nothing has changed at the coalface. People are asking me and everyone else in the State when we can get rid of this rotten Labor Government. I genuinely feel sorry for the Parliamentary Secretary, because I believe he has a genuine heart—despite those pyjamas I see him in every now and again. I believe that he came into this place to do good for the people of New South Wales. However, he has been lumbered with a Government that is rotten to the core and that is dictated to by Sussex Street. The members on the front bench and the Executive Council have been selected by people with the worst records in New South Wales. Those people still hold sway, but Morris Iemma would have sacked them. I have no doubt that the reason Joe Tripodi is now Minister for Finance is that he speared his old mate Morris. We all heard Morris' comments.

Members can talk about road safety and primary industries, but they should visit Kelso school, as I did last week. Members should hear what the teachers and members of the parents and citizens say about the attention they receive from this Government through their local member, who has promised everyone for years that he will be on the front bench but has never arrived. I refer to Gerard Martin, who will be out of a job. Prior to the great revelation that the Opposition's not supporting the sale of the State's electricity infrastructure caused the Premier to fall, the member for Drummoyne warned everyone in her caucus that members with a margin of less than 10 per cent were in real trouble. I suggest that anyone with a margin of less than 20 per cent is in real trouble. What I am hearing is what everyone else is hearing, and it is what members opposite are hearing. A party cannot have a dozen members of caucus refusing to support legislation based on public opinion. It does not have members publicly criticising the Premier unless they are hearing something from the people of New South Wales. What they are hearing is that this Government is no longer fit to govern.

Members opposite may quote section 24B (2) of the Constitution, or whatever it is, as the Minister for Disability Services did tonight. However, the reality is that the challenge comes back to members opposite who were game to vote against the electricity legislation. As I started, I shall finish. Those members have already voted no confidence in this Government. It does not matter if they promote Nathan Rees or anyone else, as was said in this debate earlier today, the fish starts rotting from the head down. This Premier has a poor past and a poor history, and a government that does not enjoy the favour or confidence of the people of New South Wales.

Mr GREG PIPER (Lake Macquarie) [8.59 p.m.]: I start by apologising because I will be breaking the rhythm of the House and the rhythm of Hansard: I do not intend to consume the full 30 minutes allotted to me, as others before me have so ably done. This is a very important matter. Because of how I feel about this issue, I asked the Leader of the House whether I could speak from the Government side. I thank him for acceding to that request. As an Independent member I am beholden only to my electorate, the people of New South Wales and my conscience. I am only relatively new to Parliament, but I have been in local government for more than 17 years and I know good governance when I see it. I believe this motion warrants my making a statement.

The speech by the Leader of the Opposition supporting his motion of no confidence in the Government contained many facts and many beliefs that no doubt would be shared by the people of New South Wales. I thought the speech was somewhat loquacious but well delivered. I enjoyed listening to it. However, to me the question comes down to timing and reasonableness of such a motion—whether with a new Premier of only three weeks, and a clearly stated attempt to change the way business is done in New South Wales, the people of New South Wales would support bringing down the Government at this time. It is my opinion that when it comes down to it the public would not think that that is reasonable.

The way in which the Government has been run leading up to this point has, in my view, been appalling. The debacle with the proposed privatisation of electricity assets was underpinned by spin and misinformation. And when it came to an end we discovered that the State's finances were much worse than we had been told. This was unacceptable. With numerous other well-documented scandals and failures, I would guess that if the State Government had a similar authority over it as it exercises over local government, it may have been sacked well before this. That said, the Premier has committed to change, and I do not believe it is in the interests of the State to continue or to exacerbate political instability in New South Wales.

If in the fullness of time the Government has not redeemed itself in the eyes of the people of New South Wales, the Opposition may have good grounds to bring forward a motion of no confidence. When that

happens the people of New South Wales will expect the Opposition to back itself with policies. Government is charged with making many complex and sometimes courageous decisions. Not all of its decisions have been bad and, as a matter of record, I have supported many of the decisions of individual Ministers and the Government. Has the new Premier made mistakes in his short time in the job? Absolutely. I believe if we asked the Premier whether he has made mistakes he would agree that that has been the case. He has had a baptism of fire in a highly charged political environment. This period is a better opportunity for the Government to change than it is for us to change the Government. I believe that the people of New South Wales would also think this is a time to give the Premier a fair go. On that basis, I cannot in all conscience support this motion of no confidence in the Government.

Mr CHRIS HARTCHER (Terrigal) [9.03 p.m.]: Madam Deputy-Speaker, I congratulate you on your election. Politics is an extraordinary journey for a community. Recent weeks in New South Wales have shown that it is both eventful and fateful for a community. We have seen the resignation of a Premier, a Deputy Premier, a Treasurer and a Minister for Health. We have seen the reconstitution of a Cabinet and the dropping of the Minister for Planning. We have seen major legislation involving the State's principal asset—its electricity industry—presented to Parliament and then withdrawn from Parliament. All of this has been presided over by the same political party that has ruled New South Wales since 1995. The significance of this motion—this is the first time such a motion has been moved in the life of this Parliament, and it was not moved in the life of the previous Parliament—is that if passed the Government has, under the State Constitution, 10 days to recover, failing which the Governor is authorised to issue writs for the dissolution of Parliament and the calling of an election.

The people of New South Wales are entitled to ask their Parliament to examine the record of the Government and to pass judgement upon it. This Parliament is like the King in the Old Testament, who saw the handwriting upon the wall, "MENE, MENE, TEKEL, UPHARSIN. Thou art weighed in the balances, and art found wanting." No Government in the history of New South Wales has been found as wanting as this one. In examining the record of a government, it is appropriate to address the integrity of its Ministers. The Leader of the Opposition addressed the economic performance of the Government and addressed the confidence of the Government. However, it is also appropriate to address the integrity of the Ministers whom the Government presents to the people of New South Wales.

Upon attaining office, the new Premier stated that he would govern and seek to govern with hallmarks of integrity and transparency. Let us examine the record of part of representation of the ministry that the new Premier presented to the Governor, who took the oath as executive councillors and the oath of office as Ministers of New South Wales. I start with the member for Fairfield, Joe Tripodi. The member for Fairfield, as the Leader of the Opposition pointed out in his speech, has been before the Independent Commission Against Corruption on no fewer than four occasions. One of those occasions involved allegations of sexual assault on a young woman on the night the Olympic torch came to Sydney in 2000. The Independent Commission Against Corruption found that Joe Tripodi had taken that young woman into his office and removed his trousers. It did not make a finding as to whether an assault took place.

The Independent Commission Against Corruption further investigated Mr Tripodi's activities at the Orange Grove inquiry, where allegations were made that a decision of Planning New South Wales was prejudiced in favour of a major contributor to the Australian Labor Party. In the submission written by the counsel assisting the Independent Commission Against Corruption, Mr Jeremy Gormley, SC, put to the Independent Commission Against Corruption that Joe Tripodi had lied in his evidence; that Joe Tripodi was not a man of integrity; that Joe Tripodi could not be believed; and that, on the contrary, the evidence against Joe Tripodi—that he had promised to deliver certain things, that the Premier had intervened and directed through his staff that the contributor to the Labor Party be favoured over the particular party that had an entitlement to the factory outlet—was to be preferred.

In other words, the submission to the inquiry by the counsel assisting the inquiry was that Joe Tripodi had committed perjury in his evidence to the inquiry. We had before the Independent Commission Against Corruption submissions and findings conducive to sexual assault and conducive to perjury. These are just two of the findings and submissions of the Independent Commission Against Corruption—nothing to do with politics, nothing to do with Parliament—in relation to the Hon. Joe Tripodi, a man who is now chosen by the Premier to be a Minister in his Government.

Let us look at the next Minister, the former Minister for Police, the new Minister for Transport, the Hon. David Campbell. David Campbell, as the member for Coffs Harbour said, has not answered the allegations

that have been put in relation to Wollongong City Council and the corruption and sleaze that surrounded Wollongong council—a council of which he was mayor. David Campbell was involved in an incident in relation to the Department of Housing. He owns five properties. He took his mother to the Department of Housing, sat down before the officer and opened with these immortal words, "You know who I am"—words immortalised by Belinda Neal on the Central Coast. That was tenor under which an inquiry as to his mother's eligibility for public housing was conducted. And the man already owns five properties. "You know who I am." The public servant had to deal not with the applicant but with a senior Minister of the Crown.

The Hon. David Campbell—and I use the word "honourable" strictly in its parliamentary sense of title rather than character description—is the man who on two occasions police officers allege swore at them. Two police officers in the Maitland district allege when they raised issues with him as Minister for Police they were told to "Get f'd." This is David Campbell, who is presented to us now as the Minister for Transport following on from Joe Tripodi, who is presented to us as the Minister for Ports. More significant than that, if I can seek the indulgence of the House on an issue relating to confidence in the Government, is to look further at the qualifications of the man who is now the Minister for Health, and Minister for the Central Coast—an area in which I happen to live. The Public Schools Principals Forum, which represents 700 principals of public schools throughout New South Wales, said about the Hon. John Della Bosca on 24 July 2008:

The Public Schools Principals Forum representing more than 700 principals say Mr Della Bosca should be held accountable to the same code of conduct that requires all Department of Education staff to behave in a professional manner that 'models appropriate standards for students'.

The statement went on to say that Mr Della Bosca had not met the minimal standards required of a principal of a public school. These 700 school principals—the Hon. John Aquilina would uphold the principles of public education—said that John Della Bosca was unfit to be a Minister of the Crown. They said that, as the Minister for Education and Training, the Hon. John Della Bosca—again I use the word "honourable" in its parliamentary sense, not its character description—was responsible for the anti-bullying policy in public schools. Bullying is a major issue in public schools at the present time. More than that, on the night of 6 June 2008 he was the Minister for Industrial Relations and was responsible for the anti-bullying policy in public employment. What happened on the night of 6 June 2008? Della Bosca was at a certain restaurant formerly in my electorate but now in the electorate of the member for Gosford. I turn to some of the matters relating to Mr Della Bosca incidental to that night. On 13 May Della Bosca said in the Legislative Council:

Although I have not yet received official notification about the status of my licence, I have ceased driving. Of course, I have personally paid all associated fines. In addition to the penalties provided by the law, I surrendered my general entitlement to a ministerial vehicle.

In other words, he had ceased driving. On 14 May John Della Bosca told the Premier that he would not use his ministerial car, that he would not drive and that he would use public transport. He stated in the *Daily Telegraph*:

Mr Della Bosca said he had spoken with Premier Morris Iemma and suggested he surrender his ministerial entitlement to a car and a driver. But, he said he would need some "driving services" to fulfil his ministerial duties, including ... when he attended a TAFE awards ceremony in Sydney. "Otherwise I'll be using my best endeavours to get from one place to another as appropriate," Mr Della Bosca told Macquarie Radio. "I'll catch public transport ... it's just the way things are."

The next day, 15 May, Mr Della Bosca rode his bicycle along the road. When a photographer approached him he, as reported in the *Daily Telegraph*, said to the photographer from News Limited, "Get a job you ..." I will not repeat the end of that sentence. On 6 June John Della Bosca was at Iguana Joe's nightclub. Despite the undertaking he had given to Parliament on 13 May and despite the promise given to the Premier on 14 May that he would not drive, on that night Della Bosca drove his car. On Monday 9 June on the Ray Hadley program on Radio 2GB John Della Bosca spoke about his promise not to drive his car. I shall quote some of the comments made by Mr Della Bosca on Radio 2GB:

RAY HADLEY: You said in parliament you wouldn't drive a car.

JOHN DELLA BOSCA: That's right.

RAY HADLEY: You lied.

JOHN DELLA BOSCA: No I didn't. No I did not Ray. Can I deal ...

RAY HADLEY: No, but you did promise me and you did promise parliament you wouldn't drive. So get to the part where you broke the promise.

JOHN DELLA BOSCA: And no I didn't, I didn't break my promise. What happened ...

RAY HADLEY: Well did you drive or not?

JOHN DELLA BOSCA: Yes I did drive.

RAY HADLEY: Well you broke your promise.

JOHN DELLA BOSCA: No I didn't make a promise. I said I had ceased to drive or I would cease to drive and I have not driven since. And I said to the gentleman ...

RAY HADLEY: But you did break your promise?

JOHN DELLA BOSCA: No Ray, I didn't break any promises.

RAY HADLEY: Yes you did. You promised you wouldn't drive and you broke your promise.

JOHN DELLA BOSCA: I didn't promise. I said I would not drive ...

RAY HADLEY: ... I would not drive, but I did.

On Radio 2GB John Della Bosca was caught out by Ray Hadley as having lied in respect of the promise and undertaking he gave that he would not drive—an undertaking he gave to the Premier on 14 May and to Parliament on 13 May. After lying to the Parliament, the Premier had to instruct John Della Bosca not to drive again. As quoted in the *Daily Telegraph* of 9 June 2008, the Premier said:

Notwithstanding the legal status of his licence I have instructed him not to drive again in the period before the formal cancellation takes effect.

It is not a question of me saying that John Della Bosca lied, it was the former Premier—to whom Government members showed great loyalty—who said John Della Bosca lied and who gave the instruction he was not to drive again. In relation to the Iguana's incident, the *Daily Telegraph* of 9 June states under the heading "Iemma grounds Della Bosca but won't sack him":

Premier Iemma said today: "Mr Della Bosca has insisted he is not at fault in this (Iguanas) incident. "He has also provided a written official apology from the restaurant concerned, which appears to support his account. There is currently no allegation of criminal behaviour—and given the club's apology and withdrawal of claims—no allegation of improper conduct. Mr Iemma said Mr Della Bosca would explain the incident to Parliament at the next sitting, including the reasons behind his decision to drive away from the location. "Notwithstanding the legal status of his licence, I have instructed him not to drive again in the period before his formal cancellation takes effect," the Premier said.

The *Sydney Morning Herald* of 11 June states under the heading "Premier backs Della Bosca":

The Premier says he will not sack the Education Minister, John Della Bosca, over his alleged behaviour at the Iguanas bar, saying he was "not in a position to be dismissing him or standing him down" as there was no proof of illegality or improper conduct ...

The Premier said he was instead relying only on an apology to Mr Della Bosca from the general manager of Iguanas—delivered after at least four phone calls from the minister to the club's owners—and a statement from Mr Della Bosca on the matter. Mr Iemma did not accept that the apology delivered by the nightclub came after pressure from Mr Della Bosca. Asked if he believed Mr Della Bosca was being truthful, Mr Iemma said: "He has been consistent from when I first spoke to him and this is what he said. He is telling the truth ...

On 13 June the *Daily Telegraph* reported the Premier as saying:

"I am standing John aside on this basis: that is the faxing and drafting of the apology was not in (his) report," Mr Iemma said.

"For the sake of completeness and detail I believe ... it does not require that he stand aside from his duties as a minister."

In other words, what the Premier was saying was that John Della Bosca had lied to him about the apology. John Della Bosca said he had received the apology from Iguanas, when in fact John Della Bosca had dictated the apology and then Iguanas faxed it back to him. For that second offence of lying to the Premier after he had lied to the Parliament John Della Bosca was stood down from the ministry. Further to the Premier suspending Della Bosca, the Iguanas management also added that the apology was inaccurate. After appearing on radio and saying that he made no threats to Iguanas for the apology, Della Bosca said on Radio 2UE on 9 June, "No one talked about legal action or solicitors or barristers or any other kind of litigation." On Jason Morrison's program on Radio 2GB on the same day Mr Della Bosca said, "I've never threatened anybody with legal action." Yet, in the *Sydney Morning Herald* on 16 June, after police interviewed the Iguanas management and staff, they are reported as saying:

Iguanas Waterfront management has told police its apology to John Della Bosca was inaccurate and was only issued under pressure from the minister.

So the Minister not only lied to the Premier but he lied to the community when he told the community that he had received the apology from Iguanas, when in fact he had forced the apology, which he dictated to Iguanas management, from the Iguanas management. This is the level of integrity of the man who the new Premier now appoints as Minister for Health, and Minister for the Central Coast. John Della Bosca lied in respect of not driving and he lied in respect of the apology, both of which are matters not alleged by me but confirmed by the former Premier of New South Wales, Morris Iemma. Continuing the lies and deceit to the Parliament, the then Premier and the people of New South Wales, John Della Bosca again lied when he said he would be cooperating with the police investigation. In the New South Wales Parliament on 17 June 2008 John Della Bosca said:

Members will be aware that the matter is now the subject of a police investigation. I can assure members of the House that I will be cooperating with that investigation.

What happened? When the police wanted to interview John Della Bosca he refused to be interviewed, despite the undertaking he gave to the Parliament that he would cooperate. As reported in the *Daily Telegraph* on 1 July, two weeks after he made his statement on 17 June:

Police are becoming increasingly frustrated with the failure of Belinda Neal and John Della Bosca to tell them if they will consent to an interview over the Iguanas scandal, despite the pair telling their parliaments they would cooperate fully with police.

Sources close to the investigation have told the Herald that the Labor couple have yet to commit to an interview about their now infamous June 6 row at the Iguanas Waterfront restaurant and nightclub in Gosford.

One source said police were keen to wrap up the investigation but had been hampered by the couple's apparent unwillingness to tell police what they planned to do.

"There's nothing [police] can do; they want this investigation finished as much as anybody," the source said.

On the following day, 2 July 2006, under the heading "Iemma turns on Della" the *Sydney Morning Herald* reported:

Mr Iemma released a statement saying: "I made it clear at the start of the investigation last month that I expected full cooperation from Mr Della Bosca. As a result, I have tonight spoken with Mr Della Bosca. In my conversation with the minister, I made clear my expectation that he agree to a police interview. This is essential to satisfy the commitment Mr Della Bosca gave to me and to the public of NSW that he would cooperate fully with investigators. As a result of our conversation, Mr Della Bosca said he would undertake an interview with NSW Police at their earliest convenience. I expect this commitment to be honoured, and that cooperation be provided for the duration of the investigation. I have notified NSW Police of these developments."

So Mr Della Bosca lied about not driving his car, he lied about the apology, and he lied about his cooperation with the police. Premier Iemma dismissed Carl Scully after he lied twice. Mr Della Bosca has been allowed to lie three times—not just to the community but also to the Premier and to the Parliament. Mr Della Bosca has lied on three separate occasions, and yet this is the man that Nathan Rees appoints as the Minister for Health.

Mr Barry Collier: Point of order: As the member for Terrigal well knows, it is unparliamentary to call members of Parliament liars in this place. I ask him to withdraw that statement.

Mr CHRIS HARTCHER: It is not unparliamentary.

Mr Barry Collier: Of course it is, and you know it.

Mr CHRIS HARTCHER: I am quoting the statements by the Premier himself.

Mr Barry Collier: You are not quoting statements; you are calling people liars. It is inappropriate and unparliamentary, and you well know it.

Mr CHRIS HARTCHER: There is no ruling on that.

ACTING-SPEAKER (Mr Thomas George): Order! If the member for Terrigal is quoting, I accept his use of the word "lying". However, I remind him that the use of the word "lying" is unparliamentary.

Mr CHRIS HARTCHER: Mr Della Bosca was again loose with the truth when he undertook that he would not sue anyone for defamation. On several occasions Mr Della Bosca said he was not going to sue anyone for defamation, nor did he threaten anyone with defamation proceedings. On Channel 7 news on 8 June Mr Della Bosca said, "You have to defend your reputation, and I indicated that legal ah, legal um action, was an option for me." After receiving the apology from Iguanas management, Mr Della Bosca stated on 9 June,

"I have accepted the apology from the restaurant and I will not be taking legal action against Iguana Joe's Bistro." Yet, when asked by Ray Hadley on Radio 2GB on 9 June whether he would pursue defamation or legal action, Mr Della Bosca responded, "Why would I Ray? ... Why would I be wanting to put anyone in jail or sue anybody?" On two occasions he threatened legal action, yet on 9 June he said he never wanted to take legal action.

On Radio 2UE on the same day, Mr Della Bosca denied making any threats to Iguanas to get the apology. He said, "No one talked about legal action or solicitors or barristers or any other kind of litigation." On the same day on the Jason Morrison program on Radio 2GB John Della Bosca said, "I've never threatened anybody with legal action." In early August 2008, two months after he made those statements on Radio 2UE and Radio 2GB, John Della Bosca, through his solicitors, wrote to Jared Golla, the Iguanas operations manager, and threatened him with legal action. This is the man who undertakes to the community, through Radio 2UE, that he would not take legal action and yet, two months later in August, he instructs his solicitors to threaten legal action. That letter was referred by a retired judge on the Central Coast to the Director of Public Prosecutions and the Attorney General, on the basis that it was an attempt to intimidate a potential witness as Mr Della Bosca was then under investigation by the State Director of Public Prosecutions for criminal misconduct.

Yet John Della Bosca has been returned by Premier Rees to the ministry. John Della Bosca is a man who on three occasions has lied to the Premier, the Parliament and the public. What has the conduct of John Della Bosca been like since he became the Minister for Health? After being returned to the ministry for only two days John Della Bosca was at it again. On 10 September, only a few days ago, the Central Coast *Express Advocate* wrote an article about the Minister for Health and the Minister for the Central Coast entitled "Doctors fury at Della Bosca mix up".

It was reported that Della Bosca offended doctors and nurses at Wyong Hospital by making them wait for 20 minutes while he stood in front of the media telling them he was there to listen. Doctor Simon Battersby was so angry at the ill treatment he resigned as the Medical Staff Council chairman, a voluntary position, and he was also considering resigning as a staff doctor. Staff put off surgery and changed shifts to accommodate Della Bosca on short notice.

When John Della Bosca was appointed Minister for Health he said he would like to visit the Wyong Hospital. The next day he summoned the doctors and senior nurses to a conference that lasted precisely five minutes and he then left the doctors and nurses for 20 minutes to hold a press conference. Doctors and nurses that need to return to the serious duties involved in medical assistance in a major public hospital were left in a room while John Della Bosca talked to the press. Disgusted, the doctors and nurses walked out and went straight to the media. The story of the fury of doctors at John Della Bosca was then carried all over the Central Coast newspaper.

This is the man that could not change tables on the night of 6 June at Iguanas. This is the man who promised he would not drive. This is the man who promised he would not take legal action. This is the man who promised he would look after the doctors and nurses in the hospital system. Yet this is the man who is now Minister for Health and the Minister for the Central Coast. Premier Nathan Rees has a case to answer because these are the people that he appoints to his ministry. He appoints people such as Joe Tripodi, David Campbell and John Della Bosca. There is a list of people that one could go through like green bottles hanging on a wall, each one waiting to fall. Yet Premier Nathan Rees has not reached the level of incompetence of appointing to the ministry people such as the member for Miranda. That level of incompetence has not yet been reached, but it probably will be.

Honourable members need to be aware that this is a rotten government. This is a government that has failed the people's trust. This is a government in whom nobody has confidence. This is a government that no matter where you go the people of New South Wales ask, "How long, Lord? How long?" With the passing of the no-confidence motion honourable members have the chance to finally pass judgement on the Government and invite the Governor of New South Wales to exercise her discretion, as the representative in New South Wales of the sovereign, to withdraw the commission given to this Government—as Sir John Kerr withdrew the commission given to the rotten and incompetent Whitlam Government—and invite the people of New South Wales to pass judgement. I support the motion of the Leader of the Opposition.

Mr DONALD PAGE (Ballina) [9.33 p.m.]: I support the no-confidence motion. I do so because I believe that the Government has been one of wasted opportunity. It has been a government of declining services. It has been a government of failing infrastructure. I know that the member for Lismore, who is in the

chair, will be the first to agree with me that the taking away of the Casino to Murwillumbah train service was a good local example of the Government allowing infrastructure to decline. I note that the member for Willoughby is the next speaker on our side. She will clearly state the failures of transport infrastructure. It has been a government of insufficient police presence. The constant complaint of the people across New South Wales has been that there are insufficient police available to attend to the State's level of crime. It has been a government that in many areas has made New South Wales business uncompetitive with business in other States, particularly in taxation and regulation. It has been a government of spin over substance and a government that after 13½ years has lost the confidence of the people.

In most fields of government activity the Government has been a failure. Even though the Government continues to rearrange the deckchairs on the *Titanic* every so often, the fundamental challenge of addressing the good management of the hospital system, the education system and the transport system, which are all State responsibilities, seems very much beyond it. It is not as if the Government has not had the money over the years. It has had the money but done nothing except waste it. When the Government first came to power it had a revenue stream of about \$17 billion dollars; after 13½ years it has a revenue stream of about \$46 billion dollars. The Government has disappointed the people of New South Wales who in the past put their faith in it. Even those who were prepared to give the Government one more chance at the last election must be disappointed.

It is going to be a long night so I will be brief because many members wish to speak on the no-confidence motion. I will concentrate on the areas of particular interest to me in my shadow portfolio of tourism and business. Members would be aware that the report of John O'Neill on tourism came down recently. The key finding of that report was that the Labor Government has cost the people of New South Wales at least \$3.5 billion over the past six or seven years. The reason for that has been the neglect of the Government to understand the importance of tourism to the economy of New South Wales and the Government's inability to seriously address the marketing of New South Wales as a product at the same time as Victoria and Queensland have been undertaking serious promotion campaigns.

According to the O'Neill report the loss of revenue in tourism was due largely to the fact that New South Wales hosted 18 million fewer visitor nights than would have been the case had the visitation levels of 1999-2000 continued. I will quote a couple of salient features from the report. On the decline of visitor nights in New South Wales the report said:

The graph shows that over the period as a whole, New South Wales hosted 18 million less visitor nights than it would have if it had maintained visitation at 1999-2000 levels, while the rest of Australia hosted 20.8 million visitor nights.

John O'Neill went on to state:

On the basis that during this period a visitor night was worth about \$128 in expenditure, this means that over the seven-year period the rest of Australia gained an extra \$2.7 billion in revenue. In contrast, New South Wales lost about \$2.3 billion in revenue. Had New South Wales actually kept up with the rest of Australia, it would have received an extra \$1.2 billion in tourism revenue. So, given the decline in New South Wales visitor nights, the State was about \$3.5 billion (or \$0.5 billion per annum) worse off in tourism revenue than if it had maintained its position relative to the rest of Australia. These are not trivial.

That is not from the Opposition; that is from a detailed report commissioned by the Government and produced by John O'Neill with the backing of a lot of very informed people in the tourism industry. The Government sat on the O'Neill report for about nine months because it knew that the report was damning about its lack of performance. It was not keen to see it released. It was only as a result of pressure from the Opposition and the tourism industry that the Government finally released the report. But it was not able to spin doctor the report. The fundamentals of the report showed, as I indicated, that the Government has cost the State \$3.5 billion dollars in lost tourism opportunities.

John O'Neill, in the executive summary of his report, stated:

Despite the attraction of Sydney, New South Wales is progressively losing market share of Australian tourism, due to a combination of factors including ongoing societal and technological change—

this is important—

government imposed constraints and inaction and the way government promotes tourism in New South Wales.

The John O'Neill report on the tourism industry is most damning. Government members, whether they belong to the right or left faction, should acknowledge the importance of the tourism industry, the significant contribution by John O'Neill, and the damning nature of his report. One of the major problems in tourism has been the

Government cuts in expenditure over the past eight years. The Government has reduced expenditure on the promotion of tourism in this State by 12 per cent in real terms. At the same time that the Government has cut expenditure Victoria and Queensland have substantially increased expenditure by 20 per cent and 46 per cent in real terms. They have seriously increased their expenditure. New South Wales Labor has been asleep at the wheel.

Overnight visitors in New South Wales have fallen from 33 million people in 2000 to 24 million for the year ending 30 June 2008. Sydney is the only Olympic city to have experienced a downturn in tourism after the Olympic Games. That is disgraceful. The reason is that the Government took for granted that it did not have to promote Sydney following the hosting of the Olympic Games. The figures show that Victoria and Queensland have promoted their States and have stolen our market share. The New South Wales tourism budget expenditure per visitor is the lowest of all States and Territories. New South Wales is losing market share, and has been for many years, to Victoria and Queensland.

The O'Neill report recommended that regional tourism should be funded by in the vicinity of \$21 million per year. The Government's response to that recommendation was to provide \$10.5 million over three years—about \$3.5 million each year. The former Minister for Tourism, Matt Brown, made that announcement last month, but that commitment may be up in the air because, as we heard today, the Premier is not prepared to rule anything in or out except the reduction of payroll tax to 5.5 percent over a three-year period. Regional tourism is a significant contributor to the tourism market. Government members may not be aware that in the holiday and leisure market the regions account for 72 to 73 per cent of the total number of visitor nights throughout the State. The regional tourism budget gets a very small percentage of the total tourism budget and a fraction of the amount recommended by John O'Neill. I implore the Government to seriously consider the impact on regional tourism and to implement the recommendations of the O'Neill report in relation to tourism throughout the State.

I remind the Government that the tourism industry is a significant employer, employing approximately 165,000 people in this State. About 73,000 of those are employed in regional areas. So it is roughly a 50-50 split. The industry is worth \$23 billion a year to the economy of New South Wales. Unfortunately, because of the negligence of this Government and its neglect of the tourism industry, the State has lost about \$3.5 billion—according to the O'Neill report—in the past five or six years in revenue opportunities. That means not only lost opportunities for businesses involved in the tourism industry but also lost government revenue. Investing in tourism means increased employment, more payroll tax and probably more stamp duty because of increased money flow. This incompetent Government does not understand the many benefits to be derived from the tourism industry.

The O'Neill report is condemnatory of the Government's lack of performance over many years in the tourism portfolio and highlights the significant failings of the Government. However, in the latest ministry announcements the new Premier appointed the most junior Minister to this portfolio. I will not attack the Minister; she is new to the Parliament and new to the ministry. Tourism is a significant industry that is worth more than \$23 billion a year to the State, and the O'Neill report states that the Government has forsaken the tourism industry. Yet the Government has given the portfolio to its most junior Minister. That shows that the Government has learnt absolutely nothing from the O'Neill report and its interest in tourism is zero.

People talk to me all the time about problems with small business. Red tape is choking small business. In a report this year Westpac stated that small businesses in New South Wales spend on average 20 hours a week on administration and red tape compared with 15 hours a week for small businesses in Queensland. Some of that relates to Federal red tape and administration. However, the Federal component would be common to businesses in all States. Businesses in New South Wales spend five hours a week more than businesses in Queensland on administration because of the administrative and regulatory framework in New South Wales. I implore the Government while it is in office—God knows how long that will be; I hope we have an election soon so that we can get rid of it—to examine the issue of red tape and not just pay lip-service to it.

New South Wales is the only State in the country where businesses cut spending in the June quarter, following cuts in spending in the previous quarter as well. The Sensis Business Index report released last month showed that 15 per cent of small businesses had reduced employee numbers, with 60 per cent of small businesses reducing the number of full-time staff in the past year. Business confidence in New South Wales is at its lowest level in 15 years at just 7 per cent. New South Wales has far too many taxes on small business. A small business can pay potentially 23 separate State taxes. A New South Wales Business Chamber survey of 400 businesses showed that 57 per cent of respondents stated that New South Wales was uncompetitive compared with other States.

The Premier seems to be hanging his hat on payroll tax when he says that he will retain the commitment to gradually reduce payroll tax over the next three years to 5.5 per cent. Payroll tax in Queensland is 4.75 per cent and in Victoria it is 4.95 per cent. The threshold in New South Wales is \$623,000, compared with the threshold in Queensland of \$1 million. The payroll tax rates in Queensland and Victoria are much lower than the projected rates in three years' time in New South Wales and the threshold at which businesses start paying payroll tax is \$623,000 in New South Wales and \$1 million in Queensland.

I can understand why people, particularly in my part of the world near the Queensland border, say that they would rather invest in Queensland than in New South Wales because New South Wales is not competitive. The Government must take heed of their comments. The introduction of a vendor tax at a time when the property market was looking superficially overheated but was going into decline—so that property owners paid stamp duty on purchase, land tax during ownership and vendor duty on sale—was the worst thing that this Government ever did. Michael Egan must account for the flight of investment capital from New South Wales to other States, particularly investment in rental accommodation.

People did not want to put up with high land tax as well as bad tenants. And in those days too, of course, the State Government reduced the threshold on land tax and took it back to zero for a year, which meant that if you owned any property other than your own home you had to pay land tax. The combination of the removal of the threshold on land tax and the introduction of the vendor tax was an absolute disaster for the property market in New South Wales and it caused a flight of investment out of this State into other States, particularly Queensland.

There are 32,000 businesses that operate across State borders, and they are burdened by not only an uncompetitive tax system but also an inefficient regulatory system. The Government needs to do much more than it is. It pays lip-service to the small business community in the same way it pays lip-service to the tourism industry, and in neither case is it addressing the real needs of either of those sectors. I point out that the Coalition introduced cross-border legislation in two Parliaments in the past seeking to address cross-border anomalies, but this Government on both occasions voted down the proposed legislation.

Furthermore, to my great pain and to the anger of people out there who know about this issue, the State Government voted down legislation that was designed to protect homeowners who cannot pay their mortgage to ensure that those in a mortgagee-in-possession situation would at least get market price, because, as we know, if someone has a property worth \$1 million but owes the bank \$700,000 the bank is only interested in getting that \$700,000 back, and the \$300,000 equity that is held by the borrower can easily be sacrificed in such a situation. Our legislation would have guaranteed that the borrower would get at least market price, but what did the Labor Government do? It voted down the legislation. The legislation would have been very important in the current financial crisis. Many people are suffering more stress at the moment and yet this Government voted down the legislation.

We support the no-confidence motion because the State Government has done so many stupid things that people have had a gutful and we are determined that through the passage of this motion—I hope the Independents will back us—we can have an election in this State and get rid of this bad Government. I support the idea of fixed-term parliaments, but the problem is that they do not allow us to get rid of a bad government. That is the problem we have in New South Wales today. The Government has been a complete and utter failure to both the tourism industry and the small business community. I strongly support the motion of no confidence in the Government.

Ms GLADYS BEREJIKLIAN (Willoughby) [9.52 p.m.]: I reiterate at the outset that this is not a motion we take lightly. It is not a motion that is debated often in this place, but it reflects community sentiments and it reflects the concerns people have about the lack of attention to service delivery, the lack of attention to the needs of the community, and this Government's total inability to manage and deliver services and to provide economic credibility. A large portion of my contribution to this debate will focus on transport issues, given my responsibility in this place as the shadow Minister for Transport. The Government's failure to improve services and its failure to deliver one single public transport infrastructure project in the past 13 years on time or on budget are having a devastating impact on the community.

The impact of bad transport on people's lives cannot be measured because when you waste valuable family time trying to get work, when you waste productivity because you cannot get to work on time or you need to leave early to catch a particular service that may or may not arrive, when you are stressed already managing work and family life and trying to drop off children and organise family activities, bad public transport does not just impact on the people who want to use public transport services; it affects everybody who is stuck in traffic—

[*Interruption*]

ACTING-SPEAKER (Mr Thomas George): Order! The member for Willoughby will be heard in silence.

Ms GLADYS BEREJIKLIAN: It affects all of us trying to move about the city and trying to move about regional and rural areas. The lack of confidence in the public transport network is increasing daily, and I want to take some time this evening to address some of the issues.

Mr Barry Collier: My train was on time this morning.

Ms GLADYS BEREJIKLIAN: Well, that was an anomaly.

[*Interruption*]

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

Ms GLADYS BEREJIKLIAN: It is of concern that in September 2005 when the last railway timetable was publicly released the State Government slashed 416 daily rail services. When the last bus timetable was released in September 2006 the State Government slashed 1,500 weekly bus services. This had a huge impact on overcrowding; it had a huge impact on reliability; and it had a huge impact on skipped stops and the lack of accessibility of public transport services. This overcrowding issue was a problem even before petrol prices increased. Now that petrol prices have increased and people, through sheer necessity, have to consider their options and move back onto the public transport system they are finding public transport not viable. A survey yesterday demonstrated that two-thirds of people who catch trains—commuters who try to negotiate the rail network on a daily basis—say that overcrowding is a huge burden for them in their personal lives and in their personal day-to-day activities.

Mr Barry Collier: Not in the shire it is not.

Ms GLADYS BEREJIKLIAN: That is a quote. I am concerned that the member for Miranda does not think overcrowding is an issue in his electorate.

Mr Barry Collier: I catch the train every day coming to Parliament. It is great.

Ms GLADYS BEREJIKLIAN: I will take on board the comments made by the member for Miranda.

ACTING-SPEAKER (Mr Thomas George): Order! Members are obviously feeling the lateness of the hour. I believe the debate will be lengthy. The member for Willoughby will be heard in silence.

Ms GLADYS BEREJIKLIAN: I take on board the comments made by the member for Miranda, but regrettably his opinion is not one shared by his constituents—constituents who email me or call my office in utter dismay at the state of the public transport network. In relation to overcrowding, yesterday's survey demonstrated that two-thirds of commuters regard overcrowding as a major problem. The question I put to members opposite is: Why during World Youth Day celebrations did the State Government find the ability to add 400 rail services a day? Why was the Government able to put on those services during World Youth Day celebrations but it is not able now to cater for the commuters who face the daily grind of trying to get to work and get home, who face massive overcrowding and massive unreliability because the State Government has slashed services and who, due to high petrol prices, are priced out of being able to drive their cars?

I now refer to an issue raised in the House that really concerns me: commuter car parking. The Government is full of hot air in relation to what it is going to do about commuter car parking, but the reality is that yesterday and last week both the Treasurer and the Premier refused to rule out taxes and charges on commuter car parking. This is another huge blow for commuters, especially given that the NRMA report in February this year demonstrated that 40 per cent of people would consider leaving their cars at home if they thought they could get commuter parking and reliable public transport services. This is a missed opportunity, and it demonstrates people's lack of confidence in the public transport network.

The Government had the opportunity to encourage people to change their behaviour and catch public transport—something that would have improved air quality, improved our health and improved road congestion.

However, this opportunity has been missed because of the Government's incompetence in managing public transport. People would rather sit in a car park on a road than leave their cars at home and catch an unreliable public transport service.

Coupled with these concerns regarding day-to-day services, it is commuters who are being asked to pay for the State Government's incompetence. It concerns me enormously that a submission has been made to the Independent Pricing and Regulatory Tribunal recommending a 30 per cent increase in rail fares over four years. This State Government is providing fewer and less reliable services, but it is asking commuters, who do it tough every day, to pay for its incompetence. Nowhere else in Australia is that the case.

One need only look north of the border to see that Premier Bligh—who is obviously of the same political persuasion as this Government—has managed to implement integrated ticketing in Brisbane and its surrounds. The commuters who utilise the integrated ticket system, or the Go Card, as it is called in Brisbane, are able to take advantage of a 67 per cent discount in public transport fares. Similarly, the Victorian Labor Government, without condition or qualification, recently offered free travel for people travelling before a certain time on the public transport network. Members should compare that to what our State Government is offering: higher fares, taxes and charges on commuter car parking, and fewer and worsening services. The community is being asked to dig deeper to pay for this Government's incompetence.

What type of incompetence am I referring to? This Government's inability to manage the network or to appreciate the angst that commuters suffer on a daily basis is not the only problem. The situation is exacerbated by the Government's total waste of money and utter incompetence when it comes to public transport infrastructure. Brian Langton, a former Minister responsible for public transport, announced in 1997 that the Tcard would be ready for the Sydney Olympics. Eight years on, not only do we not have integrated ticketing, but also at least \$95 million of taxpayers' money has gone down the drain with nothing to show for it. A decade of promises about integrated ticketing has resulted in at least \$95 million—it could be more—going down the drain with nothing to show.

Members should compare this to the situation in Brisbane, Melbourne and Perth. Each of those cities has at least trialled, and two of them have implemented, integrated ticketing using smart card technology. Sydney is supposed to be a global city and the leading capital in this country. I want to feel proud of my city; I want to showcase our city to the world. However, that is not possible because this State Government has run down services to such an extent that moving around the city is impossible without suffering enormous stress and facing the prospect of sitting in traffic or being stuck on a public transport service that has broken down. That is the reality; it is the daily grind that people must experience.

In addition to not being able to deliver any public transport infrastructure project on time and on budget, this State Government has overseen RailCorp, which has embedded corruption. The Independent Commission Against Corruption made a number of recommendations to successive transport Ministers 18 months ago and then again in December 2007. A total of 41 recommendations were made about how the State Government should clean up processes within RailCorp to prevent a culture of corruption. Of course, the State Government chose to ignore those recommendations.

In recent times, \$23 million has been wasted. That is all that has come to light; some are suggesting that the figure is much larger than that. The Government cannot run services or deliver any projects on time or on budget, and it cannot keep the bureaucracy free of corruption, notwithstanding the fact that the Independent Commission Against Corruption has made 41 recommendations about RailCorp alone. That is a sad indictment of the state of affairs in New South Wales. It also demonstrates why the public has lost confidence in this State Government and in public transport services. Again, who is paying for the State Government's incompetence? It is the poor commuters and the poor taxpayers. Commuters are being asked to dig deeper to pay higher fares and the taxpayers are being asked to pay for the State Government's gross incompetence in managing public transport.

The list of rail lines and other projects that have been announced over years and then axed is truly concerning. The Bondi Beach link was promised and has been shelved; the high-speed rail link to Newcastle was announced and has been shelved; the Hurstville to South Strathfield link was announced and has been shelved; the Sutherland to Wollongong high-speed link was promised, announced and then shelved; and the Epping to Parramatta rail link was announced ad nauseum and then shelved.

In more recent times the central business district [CBD] rail link has been axed. In addition, the north-west heavy rail link has been axed without any explanation and a metro line has been announced in its

stead. I will get back to that later. What concerns me is that before the last State election we had a number of breakdowns on the harbour bridge and many commuters were severely disadvantaged. I remember the tragic situation of a disabled man who was stuck on the train for hours because no-one could get him off. That should not in happen in Sydney in 2008. Regrettably, the State Government's response is, "Don't worry, we are building a second harbour crossing with the CBD rail link. This won't happen in the future." However, since the election the Government has axed that CBD rail link. That link was supposed not only to provide a second harbour rail crossing but also to support the north-west and south-west rail links. Where does that leave the south-west rail link? When the Government announced the CBD rail link it said that it would serve both the south-west and north-west rail links.

We know what happened to the north-west rail link. It was supposed to be delivered by 2010 but, all of a sudden, after 10 years of announcements and line items in the budget papers about the link, the State Government dropped the project. It did not explain why; it just dumped it and announced the metro instead. The Opposition has always supported, and always will support, the construction of a rail link to the north-west. We do not understand why the State Government abandoned the heavy rail link. It did so without explanation. When the State Government announced the CBD rail link, the south-west rail link and the north-west heavy rail link, it said that the three projects would cost \$8 billion. Those three lines would have eased congestion on the CityRail network and provided valuable and critical services to parts of outer Sydney that currently do not have rail services—that is, the south-west and the north-west.

The State Government has already axed the CBD rail link. The north-west heavy rail link has also been abandoned for a metro link. That means that the residents of Rouse Hill will have to stand on rail journeys for 45 minutes. Examples in Europe demonstrate that metro lines are ideally suited for shorter distances and where people hop on an off on a regular basis. These services are not traditionally used for long-haul journeys. I have yet to hear of one example from the State Government of a metro system that is designed to transport people a long distance into the CBD on one link that is not connected to any other form of public transport. This State Government has failed and it is little wonder that the residents to the north-west are shaking their heads and wondering whether they will ever get a rail link, given 10 years of broken promises and false hope. The residents of south-west Sydney are also concerned because if this trend continues there is little doubt that there will be some hiccup with their rail link as well.

I also note concerns that have been raised about safety on all modes of public transport. The State Government has failed to implement all of the recommendations from the Waterfall inquiry. Recommendation 38, one of the principal recommendations, referred to communication between staff on the rail network. It is enormously concerning that this recommendation has yet to be implemented. In recent times there have also been problems with steering on buses and drivers not feeling that they have been adequately trained on certain buses. Once again, the State Government made a lot of announcements, amid great fanfare, about new buses. Sadly for the commuters of Sydney and New South Wales, the budget papers indicate that there is insufficient money for the purchase of even one new bus. The only buses that will come on the road in the next 12 months will replace very old buses. The number of new buses on Sydney streets in the next 12 months will not increase, which is an utter disgrace given the levels of overcrowding at the moment and given the increased demand for services.

I wish I had hours to speak tonight because that is at least how long it would take me to even touch the surface of the major public transport issues that have caused havoc for commuters of New South Wales and caused them to lose confidence. Another issue I wish to address is Sydney Ferries, which affects the member for Manly and his electorate. Tragically, in January and March 2007 a number of people lost their lives on Sydney Harbour in incidents involving Sydney Ferries. In response, the State Government established the Walker inquiry to examine Sydney Ferries and make certain recommendations. At the time, and until today, we raised concerns that the terms of reference did not include those incidents.

Commissioner Walker was not given the freedom in the terms of reference to determine whether those incidents were in any way linked to the management of Sydney Ferries. Notwithstanding that, he commissioned a report and made a number of recommendations. The State Government said it would provide a response to those recommendations in February this year. That has not happened. Then it said it would provide a response to those recommendations in April this year. That has not happened. Then it said it would provide a response to those recommendations by mid year. We are already towards the end of September and there is still no response. Again, how on earth will commuters ever have confidence that the Labor Party will be able to fix anything given its broken promise after broken promise?

It pains all of us to know that on average each of the 38 vessels in the Sydney Ferries fleet breaks down at least twice a month. Reliability is such a problem that hundreds of thousands of journeys are no longer taken because commuters have turned their backs on Sydney Ferries. Here is an opportunity for a fantastic form of public transport to be maximised and utilised but, instead, the State Government has turned its back on safety problems plaguing Sydney Ferries, turned its back on the management problems facing Sydney Ferries and failed to address the safety concerns that exist. Here is yet another example of the State Government totally failing the public transport commuters of New South Wales.

I refer now to CountryLink services. I know members in this House, such as the members for Burrinjuck, Wagga Wagga, Lismore and Bega, are extremely concerned about CountryLink services, both rail and bus, but particularly rail, given that the State Government has removed the Casino to Murwillumbah rail line. The State Government has closed a number of CountryLink offices. It has also added an unfair pensioner booking tax to CountryLink services. The so-called free voucher system for pensioners has just been turned into a joke because now pensioners have to pay a booking tax every time they use those vouchers. That is causing enormous angst for people in the community. I commend the Pensioners and Superannuants Federation of New South Wales for all the representations it has made on behalf of pensioners, both in Sydney and in rural and regional areas.

Some of the comments by the member for Monaro concern me, given the number of his constituents who are concerned about the lack of CountryLink services and the lack of patronage. CountryLink services should be enhanced and preserved. They should not be allowed to be degraded as they have been. People wanting to travel to country New South Wales and country people wanting to travel to Sydney for important appointments should not have to put up with such a lack of reliability.

I place on record again aspects of the Coalition's policy that we released in February this year regarding an integrated transport authority, the need to improve connections between modes of transport and the need to have oversight of major public transport infrastructure projects. It is extremely concerning that the State Government has ignored our calls for that policy. Every other State in Australia, which, until recently, was Labor coast to coast, has an integrated transport authority. Although New South Wales has 11 transport agencies, none of them functions properly; not one agency in New South Wales is responsible for transport interchanges. Not one New South Wales transport agency ensures that services are coordinated and run properly. That is an absolute disgrace.

All this Government can do is talk, and the most recent example was yesterday in the House when the Minister for Transport talked about a commuter survey. The spin he put on the results of the survey was just appalling. It demonstrates again why people have lost confidence in the State Government. He and the Premier and every single member of the Government have their heads in the sand. They are in denial. They are in a parallel universe because they obviously do not appreciate how much commuters in their electorates are suffering because of a lack of confidence in public transport and the impact this has on people's lives, not just economically, not just in terms of productivity, but socially. Valuable hours are taken away from family, from workplaces and from other free activities because people simply cannot move around as freely as they would like because of the appalling public transport services.

Many problems in my electorate of Willoughby have caused my community to lose total confidence in this State Government. The feedback I have received, certainly in recent months, about how angry people are with this Government urges me to place some of those concerns on the record. In recent times we have lost a number of bus services. This is of enormous concern because residents of the Willoughby electorate feel fortunate to live so close to the central business district. Many have chosen to make the Willoughby electorate their home because of its proximity to the CBD.

Regrettably, we are bogged down in traffic and, rather than increase public transport services, the State Government has slashed all daily express services of the 272 bus from Willoughby to the CBD between 9.30 a.m. and 2.30 p.m. After 9.30 a.m. and before 2.30 p.m. one cannot get an express service to the city, which is appalling given the proximity of the Willoughby electorate to the Sydney CBD. We lost more than 140 services when the last bus timetable was issued. This includes services from Chatswood to Bondi, from Chatswood to Ryde, and from Chatswood and Willoughby to the CBD. This is an area where public transport should be encouraged, not discouraged. Again, this demonstrates why the local community has lost confidence in the State Government.

Also, people have lost confidence in the reliability of the North Shore train line. Only last Wednesday when I was catching public transport from my electorate office to Chatswood to attend the Chatswood Chamber of Commerce lunch, I could barely get onto the bus. It was overcrowded because the train line was down at

Gordon and everybody was forced onto the bus, causing enormous delays. I just made the lunch on time even though I left half an hour early to give myself plenty of time to get there. Again, this is an example of how people in their daily lives are wasting precious time getting from one location to another. While members on the Government side might think it is a joke, it has a huge social impact. Again it is little wonder that people have lost confidence in the system.

I also comment on public schools in the Willoughby electorate. Chatswood public and Chatswood high schools have been demanding improvements to their capital program ever since I have been the local member and for five or six years before that. It concerns me that the State Government is proposing to have 500 extra units above the rail line at Chatswood, yet across the road is a primary school that is bursting at the seams with demountables taking up playground space. The State Government refuses to give any capital support to that school, notwithstanding it is proposing to have 500 extra units across the road. Here again is an example of a State Government that has lost all its sensibilities in relation to planning issues and providing community renewal and support.

There are also traffic issues. Because of the location of the Willoughby electorate it is a traffic thoroughfare from other parts of Sydney. The Roads and Traffic Authority has ignored a number of traffic hot spots in the electorate. One I note in particular is the right-hand turn from Edinburgh Road in Castlecrag on to Eastern Valley Way. This is a very dangerous intersection. Castlecrag has only one or two entry and exit points, and that right-hand turn is critical to maintain safety. Yet, repeated calls to the Roads and Traffic Authority to address the issue have been ignored.

An issue very close to my heart is the community mental health facilities in Hercules Street, Chatswood. Only in the last few days we learned that, contrary to the State Government's promises over the past three years that it would retain the mental health services in Hercules Street, the Government has sent out a letter without any notice saying that those facilities will close. What confidence can the residents of the Willoughby electorate or anybody else in New South Wales have when the State Government says one thing and does another? Only a few months ago the former Minister for Health advertised the fact that the mental health services would continue, yet we have a letter from the same northern area health service advising that the services will be ripped out of the community.

Clearly when it comes to public transport and the needs of people on a daily basis the State Government is letting down the people of New South Wales through its sheer incompetence. I wish I had more time to outline these matters in detail. I will briefly outline a couple of projects that the State Government has refused to approve ahead of the mini-budget. One is the clearways project. Members would appreciate that the Opposition has always supported this important project to clear railway lines so that if there is a breakdown on one part of the network it does not adversely affect trains on another part of the network. Regrettably, the clearways project has blown out by another two years at least, from 2010 in the 2007-08 budget to 2012 in the 2008-09 budget.

In addition, in recent days the Premier and the Minister for Transport have refused to rule out that certain sections of that project will actually continue. It is a major blow to the community, given that failure to deliver the project on time or to deliver the entire project will result in commuters facing the prospect of a breakdown in one part of the network, which will affect the reliability of the rest of the network. I have some knowledge of the Epping to Chatswood rail link as it starts in my electorate. That project was supposed to be finished the year before last, so it is two years overdue already. It is half the rail link at double the cost. Originally it was to cost \$1.5 billion-odd and now half the link is costing double. That is another example of the State Government being unable to deliver one single public transport project on time or on budget.

I have demonstrated in the short time available why the people of New South Wales have lost confidence in the New South Wales Government to ease public transport stress or provide any hope for improvement. I thank the residents of the Willoughby electorate for their ongoing feedback and assure them that, notwithstanding the Government's incompetence, the Opposition will keep fighting on their behalf.

Mr ANDREW CONSTANCE (Bega) [10.22 p.m.]: I contribute to debate on this motion of no confidence in the Government. Lack of confidence clearly exists in the disability sector, particularly amongst carers as a result of their treatment by the Government. During question time in the last sitting of Parliament Minister Keneally made a statement with respect to the failed electricity bid on the part of the Iemma Government. She said:

I have a long list of projects that we could cut in Opposition electorates. We could cut supported accommodation in Coffs Harbour or respite beds in Cronulla ... Opposition members might like us to cut the new group home in the electorate of Wakehurst, or they might like us to cut the modification of group homes in Castle Hill.

She used people with a disability as political pawns in a nasty game. People with a disability, their carers and families were stunned that the Minister was prepared to disadvantage people with a disability on the basis of where they live. It was a disgraceful attempt to play politics. It is why the people of this State have lost confidence in the Government and why this motion should be passed to bring on a general election. Minister Keneally realised later that she had overstepped the mark. She sent me an email dated 1 September 2008, which stated:

Look, it's clear from last week's question time on energy reform and funding for future planning and disability services that passions ran high on this issue on both sides of politics.

She spoke about the fact that I need to have a briefing with the department to discuss the future financial challenges that the Government is facing in the disability and ageing sectors.

Mr Steve Whan: That is very generous of her.

Mr ANDREW CONSTANCE: She wrote that email after having come into the Parliament and treated people with a disability with utmost disrespect on the basis of which electorate they live in. It was disgusting. Everyone is aware of this. I am going to continue to speak for the next 27 minutes and if I continue to hear a commentary from the member for Monaro, I will start highlighting a few things about him that he will not enjoy.

Mr Steve Whan: Highlight the new respite care unit.

Mr ANDREW CONSTANCE: Commiserations to him. The convenor of Country Labor could not even get a spot in the Rees Cabinet. Indeed, the Minister for Rural Affairs in this State comes from the Sydney Basin. The member for Monaro could not even get a look in, while the member for Wollondilly has become the Minister for Rural Affairs. The convenor of Country Labor could not even get the numbers in the Right caucus. The disability services sector has lost confidence in the Government and there are many reasons for this lack of confidence. It is not just the Minister's attitude but also the recent respite policies released by the Department of Ageing, Disabilities and Home Care, endorsed by the Minister.

The policy on the department's website cites that people with a disability who remain in respite care beyond their allotted time will be treated as trespassers by the Government and the department will no longer accept responsibility for their care. It is in black and white. That is indicative of the types of policies of the Iemma and Rees governments. Indeed, this policy is being debated across the sector. The New South Wales Liberals and Nationals held a forum in the Parliament on 2 September 2008 to discuss the policy and everyone is asking the Government to shred it. The member for Monaro denies that the Government is treating children with disabilities as trespassers. He should look at the website of the Department of Ageing, Disability and Home Care.

Mr Steve Whan: What is your policy?

Mr ANDREW CONSTANCE: The first thing I will do is shred this grubby policy because it is characteristic of the Government's contempt for people in the community who need support, and there is no greater need than providing for people with a disability who cannot care for themselves. The policy is disrespectful. It is probably in breach of the Anti-Discrimination Act and the Convention on Human Rights. Despite this, the Government is pushing the policy, yet wonders why the community no longer has confidence in its performance. The community has lost confidence in the Government's ability to provide supported accommodation and respite services around the State. Government members tell me this is not an issue when they know full well that people are lining up outside their electorate offices complaining about the lack of supported accommodation and respite care.

Mr David Harris: No.

Mr ANDREW CONSTANCE: The member for Wyong has said that he does not have any respite or supported accommodation problems in his electorate. We know the member for Bathurst has those problems in his electorate. Two or three weeks ago when I held a carers forum in the Bathurst electorate carers turned up en masse to complain about the lack of centre-based respite in Bathurst. What is the member for Bathurst doing about that? He is ignoring the problem. The member for Wyong reckons there is no respite—

Mr David Harris: We're getting a number of new things in my electorate.

Mr ANDREW CONSTANCE: The Government has been promised, and promised, and promised, but nothing has been delivered. As for the member for Monaro, a new respite facility in Queanbeyan remained unopened for 18 months. Apparently, the brand-new facility was sitting there for 18 months and his Government could not get it opened. One need only look at the figures. Last year 1,596 people applied for supported accommodation in New South Wales. Only 85 of those people were successful. In other words, last year fewer than 5 per cent of people with a disability who applied for supported accommodation were successful in their applications to the Department of Ageing, Disability and Home Care. On top of that, the unmet need of people with a disability in this State is in the order of 8,000, as documented by the Australian Institute of Health and Welfare. Members opposite are saying that they are not going to address these problems. The first thing they could do—which is what I would do if I were in office—is make sure that the 19 vacant group home properties the department currently owns are opened and not left vacant.

Mr Steve Whan: Have you been to the one in Queanbeyan?

Mr ANDREW CONSTANCE: I stood outside the one in Queanbeyan—as the member for Monaro knows full well because I was pointing out the fact that people in a wheelchair cannot access the home because it has no mobility access, yet is supposed to service people with a disability. The problem for the member for Monaro is that WIN Television captured all of that on film, so he cannot deny it. The planned spending on supported accommodation in New South Wales under both Stronger Together and the disability assistance package might provide up to 1,900 places by 2012. This means that, at a minimum, 66 per cent of people with a disability will remain unfunded for supported accommodation.

The former Minister said that those places were all dependent upon electricity privatisation. The Minister not only made that clear in this House but she also made the point to the disability sector. The question now remains: Given the period over which the Government did not fund disability services in New South Wales, and that prior to the last State election the Government put together a package to start to address the issues, how will the Government begin to assist those who need supported accommodation?

One need only look at the performance of New South Wales compared with that of Victoria. Despite our population being almost 1.7 million more than the population of Victoria, the Victorian State Government assisted 13,666 people with a disability to receive accommodation support. In contrast, the New South Wales Government provided 7,000 people with a disability with accommodation support. In Victoria, 13,719 people with a disability were assisted with respite care. In contrast, in New South Wales 4,593 people with a disability were assisted with respite care, and in Queensland 4,451 people with a disability received respite care assistance. Those figures are based on a Commonwealth State/Territory Disability Agreement study undertaken by the Australian Institute of Health and Welfare—the same figures that the New South Wales Government takes to the Federal Government when seeking funding.

Last year the department's capital works budget was slashed by 10 per cent. Under the Iemma-Rees Government 19 group homes in this State remain unopened, yet people with a disability cannot get supported accommodation. Respite beds are blocked all around the State. Indeed, in the State seat of Ryde, the Salerwong respite facility has two blocked beds. The facility has had blocked beds for years. In some areas of the State people have stayed in respite facilities for more than eight years. Some parents are at their wit's end trying to get their child into respite so they can take a break.

People are fed up with hearing about what the Government is going to do. They are fed up with hearing about large amounts of money that they never see spent on supported accommodation in their local community. What is being done? Nothing. We now have a new Minister for Disability Services. The Minister was in the Chamber this evening and could have defended the Government's record on disability services. He made one brief comment on it. Under the current policies people with a disability are being treated as trespassers. The lack of supported accommodation and respite facilities is tearing families apart, and members opposite are making light of it.

Mr David Harris: No, we are asking how you pay for it. What is your answer about how you pay for it?

Mr ANDREW CONSTANCE: That is an interesting point. The Government was supposed to have a Commonwealth State/Territory Disability Agreement in place—it was due to be signed 12 months ago. Labor is in office at both the Federal and State levels, yet it could not even get the agreement signed. Labor managed to sign the Kyoto Protocol inside two weeks, having won the Federal election, but it could not get the

Commonwealth State/Territory Disability Agreement in place. When we come to year's end, the agreement still will not be in place. If the member for Wyong wants to make those sorts of comments, he should get the facts straight, because he is wasting my time and his time with this nonsense.

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

Mr ANDREW CONSTANCE: The disability services sector in this State, which is run by the Department of Ageing, Disability and Home Care, is not being administered as it should be. Another matter that concerns me as the shadow Minister for Disability Services is child deaths. Of the 114 children who died and were known to the Department of Community Services as part of the 2006 review, 27 of them were children with a disability. The Government's memorandum of understanding between those two departments has not been effective. The Government is now holding another review into that matter. They are the types of issues that people want to see fixed and that must be addressed. The Government's lack of focus in these areas is costing lives.

I hope this motion is passed tonight, because it will bring on a general election and it will give us a good opportunity to start spelling out how we are going to turn this State around, making it the State it should be, rather than it being a State that has been run into the ground by a bunch of misfits who do not know what they are doing. The serious problems relating to people with disabilities need to be addressed. Another example of the Iemma-Rees Government's sheer and utter incompetence is the number of young people in nursing homes. The Government has had an 18-month, \$80 million program in place, jointly funded by the State and Commonwealth, to relocate young people out of nursing homes. How many people have been relocated in that time?

Do the member for Wyong or the member for Monaro want to answer that question? I bet they do not know the answer. I am happy to tell them that the number is four people. That is an example of the Government at work. It is typical of this Government. The member for Wyong and the member for Monaro both know, as do other Government members, that these types of programs are designed to change lives. Yet the best the Government can do is relocate four people in 18 months. Is it any wonder that the people of New South Wales have lost confidence in the Government? Is it any wonder that the Opposition has had to move a motion of no confidence to bring on a general election?

Mr Steve Whan: It's not doing that. You guys got it wrong. You didn't understand the standing orders.

Mr ANDREW CONSTANCE: Are you telling me those figures are wrong?

Mr Steve Whan: No, your procedures.

Mr ANDREW CONSTANCE: Well, take an abstention, Steve. You don't have to cross the floor, just abstain from the vote. Get three of your mates to do it. The other point I make relates to ageing. The Iemma and Rees governments have treated seniors in this State with utter contempt. It is amazing to think that in 2008 the State Government has failed to produce a plan for demographic ageing. The Commonwealth Government has managed the intergenerational process but not the New South Wales Government. We have heard platitudes from the famous well-known former Treasurer, Michael Costa, talking about the impending budget crisis as a result of demographic ageing in New South Wales. Yet the Government has not produced any plan for demographic ageing.

The State has issues about the way in which pensioners and self-funded retirees are being treated; yet the State Government shows no leadership towards the changing age demographics. The Iemma Government cut Seniors Week budgets and hundreds of organisations for seniors missed out on small grants that would have enabled them to celebrate Seniors Week. This might be a non-issue for Government members but it has a real and profound effect on community organisations across the State. The shadow Minister for Transport touched on pensioner booking fees, older drivers and pensioner rebates for water. That demonstrates the Government's contempt for the senior citizens of New South Wales.

From time to time the member for Monaro, who is in the Chamber, and I have had some very interesting debates on ABC Radio. The member for Monaro knows that the people of south-east New South Wales have had a real gutful of decisions made in Sydney that do not support their local communities. The member for Monaro has become so out of touch as a result of his being so proactive in the State's electricity

policy. When the caucus vote was held for Cabinet positions, the member for Monaro and the member for Bathurst had their monthly meeting down at the local telephone box and it was decided that the member for Monaro would be the convenor of Country Labor. They had a vote and it was one all.

ASSISTANT-SPEAKER (Mr Grant McBride): Order! A motion of no confidence in a Government is a very serious motion. The attitude of the member for Bega does not reflect that seriousness.

Mr ANDREW CONSTANCE: What standing order does that ruling relate to?

ASSISTANT-SPEAKER (Mr Grant McBride): Order! The member for Bega will continue his speech.

Mr ANDREW CONSTANCE: They had their monthly meeting and what happened? The member for Wollondilly ended up as the Minister for Rural Affairs. Country Labor has not even made Cabinet. What really tops the lot is that the member for Monaro jumped at being on ABC Radio after the Cabinet reshuffle and said Nathan Rees really cares for, and is passionate about, country New South Wales. The member for Monaro failed to mention the fact that the former Minister for Water Utilities had run around in local government circles for the past 12 months telling them how he was going to restructure their water utilities—the big cash cow for how country councils operate. That is the attitude of the new Premier. We have these wishy-washy statements from the member for Monaro that Premier Rees is a champion of country people, but he has not seen fit to put one country member in Cabinet. That speaks volumes.

A whole raft of country issues have meant that country people have lost confidence in the State Government. The closure of maternity services has affected constituents in the electorate of the member for Monaro and my constituents. The State Government held a review into maternity services at Bega and Pambula hospitals and has had the report for the best part of four months. The report was to be released back in May, but we are still waiting. Two doctors are away, so the Government has decided to close the Pambula maternity unit. Doctors want to see the report on that review, and so does the community. For many years Labor has not put resources into maternity units across country New South Wales. Is it any wonder that country people have had a gutful of the way the Government has managed these issues?

It gets even better. Over many years the parents of Mogo Public School have written letters in an effort to get a car park for the school. Currently the school's car park is a clearway that is one metre off the Princes Highway. Has the Government done anything about that? No! Will it take the loss of a child before the Government decides to act? More than likely! These are the types of issues that people have had a gutful as a result of the incompetence of the Iemma and Rees governments.

Mr Steve Whan: Tell us a bit more about Pambula Hospital. Tell us what you told me last night.

Mr ANDREW CONSTANCE: The member for Monaro should release the review.

Mr Steve Whan: You told me last night—

Mr ANDREW CONSTANCE: Do not sit here and make up stories. I told you last night that the Government should release the review.

Mr Steve Whan: Point of order: My point of order is that the member for Bega has just suggested that I am sitting here making stories up when he should come clean with the fact that last night he said if the review were released he would be quite happy to agree to Pambula Hospital's maternity unit being shifted to Bega.

Mr ANDREW CONSTANCE: No, I did not. Hang on a second! You cannot tell lies and make accusations like that—as we quite clearly remember in relation to your staff member's actions. The member for Monaro has a long history of twisting and turning, and making these things up. I made it very clear to the member for Monaro last night that the Government should release the review because the community wants to see it. Everybody suspects that the review talks about closing Pambula's maternity unit. That is what was said and that is what is going on, but the member for Monaro will not come out with it. We have all seen the documentation that is floating around the member's electorate relating to developments. It refers to a price of \$154,000 to the Labor Party. What else does it say? It states:

Your Backyard—Queanbeyan Community's Future.

SOLD TO: The biggest political donor.

PRICE: \$154,000

SOLD BY: NSW Labor Party.

On the documentation Steve Whan says, "I don't say no to anybody ..."

Mr Steve Whan: Point of order: The member for Bega is quoting from a Nationals publication recently circulated in my electorate.

Mr ANDREW CONSTANCE: It is taxpayer funded.

Mr Steve Whan: It is taxpayer funded, is it?

Mr ANDREW CONSTANCE: I think so.

Mr Steve Whan: By The Nationals—that is interesting. A taxpayer-funded political document that is put out by The Nationals and authorised by The Nationals. I would suggest that is not relevant to this motion. It may be relevant to corrupt conduct by The Nationals in misusing taxpayer funds, but it is not relevant to this debate.

ASSISTANT-SPEAKER (Mr Grant McBride): Order! The member for Bega has the call.

Mr ANDREW CONSTANCE: The south-east of New South Wales has issues. For example, Bermagui preschool is reducing services for one day a week because the State Government will not fund it properly. The Government is not showing any leadership: It is doing nothing to help the Bermagui Surf Life Saving Club project. Following the coronial inquest into the Princes Highway the State Coroner recommended that 15.1 kilometres of highway between Victoria Creek and Dignams Creek be upgraded. Is that going to happen? Kurt Jackson, one of the local schoolchildren at Eden, highlighted in a school project the fact that students have to cross the Princes Highway to participate in schools sports and other activities, and they have to do this approximately 300,000 times a year. They want a pedestrian crossing on the Princes Highway. Can the Government deliver on that? No. Can the Government fix the problem at an intersection at Payne Street, Narooma? No. I refer to the Reeves matter.

Mr Steve Whan: Obviously you need a decent local member.

Mr ANDREW CONSTANCE: What is your point in relation to the Reeves matter?

Mr Steve Whan: I am referring to your previous points.

Mr ANDREW CONSTANCE: Tell me about the Reeves matter. The member for Monaro has been very quiet about that.

ASSISTANT-SPEAKER (Mr Grant McBride): Order! The member for Bega and the member for Monaro will not conduct a conversation across the table.

Mr ANDREW CONSTANCE: I cannot believe what occurred in the Reeves affair. I still lay awake at night thinking about it. I cannot believe the Government has not provided comprehensive grief counselling to the female victims directly affected by the actions of Reeves, let alone the behaviour of the former Minister for Health. I was happy to see her leave this place. As I said earlier, a long list of issues have a real impact at a grassroots community level. For that reason, people throughout the State are bowling over Government members. They are saying, "Enough is enough, bring on a general election." If the Government has nothing to fear, it should agree to an election. Nathan Rees has spent the last three weeks apologising for the actions of his own Government. If he had nothing to fear and was confident that he has a refreshed Government, then he should put it to the people and let them have a say. Let us trust in the people's judgement, not Karl Bitar's. The people want a say in the future direction of their State: They are fed up with the nonsense of the New South Wales Labor Party.

Mr MIKE BAIRD (Manly) [10.52 p.m.]: I support the motion of no confidence in the Government. It is incredible for a Government at its 18-month mark to be at such a low ebb in the view of a broad spectrum of the community. The Government has got to the point where it cannot hide. After almost 14 years of financial mismanagement, on street corners, in town halls and hospital waiting rooms and at stations and ferry wharves,

wherever you go, people are saying they have had enough. The reasons they have had enough are compelling rationale for the Government to say, "We have got it wrong. We believe that the people of New South Wales deserve a better Government. We will go back to the people, put a new vision to them and let the people have a say."

I will focus on finance. Today the Rees Government admitted that it does not have the capability to manage itself out of this mess. It has appointed Bernie Fraser and Ian Macfarlane. We do not begrudge the appointment of experts in any matter. Indeed, if experts, rather than mates, had been appointed to administer the State, we would be in a much better position than we are today. The Government appointed Bernie Fraser and Ian Macfarlane within a week or two of appointing the new Treasurer and the new Minister for Finance. Obviously the Premier said, "I hope you like the jobs but we want to get someone we can trust to get us out of this financial mess." How did the Government get in such a mess that it needs Bernie Fraser and Ian Macfarlane to pull it out?

Today the new Treasurer, reading diligently from the copious notes that were put before him by staff, let the genie out of the bottle. He said that Standard and Poor's had confirmed that the credit watch was due to the net financial liabilities. That is, the Carr-Iemma-Rees-Bitar-Tripodi Government has led us to the point that the State is on credit watch. The State is in crisis: there is no money left. That is what they are telling us, and the appointment of Bernie Fraser and Ian Macfarlane confirms it. The debt binge, which has been laid out by the Leader of the Opposition, has come at the worst possible time. It is happy days when record revenues—an unbudgeted \$17.5 billion—are rolling in. There is no need for accountability or discipline.

The Government has had a general gun-slinging, western saloon style, "she'll be right" attitude. Do whatever you like; pay whatever bill you want. It does not matter, it will all come out in the wash. The chickens have come home to roost. Under the naked glare of one of the worst financial crises the world has ever seen—indeed, Alan Greenspan has said it is a once-in-a-century event—the Government's lack of discipline over the past 13 to 14 years and an administration that got it horribly wrong have led the State up the garden path. The revenues in economic activity are collapsing, combined with a huge increase in debt. It is the worst combination at the worst possible time.

I will refer to the key financial points to show why we have lost confidence in this administration. In market terms, it equates to a management team that has failed to deliver for its stakeholders. How do rating agencies make their assessments on credit ratings? Moody's assigns a rating based on an institutional framework, past behaviour and individual characteristics. Thus, rating committees are able to distinguish between other governments in the same jurisdiction. A whole range of parameters goes into a rating and it takes considerable time to get to the point of a credit watch. In this country only New South Wales is on credit watch. They have observed the Government's complete lack of historical financial discipline and its huge debt splurge. In June Standard and Poor's said that the debt funding of new generation capacity would likely put the State credit rating under pressure. Of course, there was no mention of that in the budget. I will come back to that. Standard and Poor's also spoke about a failure to maintain operating surpluses, which would likely put the credit rating under pressure.

The Vertigan and Stokes audit, commissioned by the Government in 2006, found that since 2000-01 average growth in expenses have exceeded the growth in revenues by one percentage point; total expenses have risen faster than growth in the economy over the last five years; and this situation raised important procedures and processes that prioritise existing and new expenditures. The Vertigan and Stokes audit showed what was wrong. I will give Cabinet a tip: The Government must understand that if expenses grow faster than revenue it is going backwards. That has been going on for 13 to 14 years. It was highlighted in a special report to Cabinet in 2006, but it was ignored. In March 2007 a report by the Reliability Panel highlighted the risk created by mismanagement. The report stated, "The biggest risk to New South Wales rating is the operating performance." That performance is managed by this team. Standard and Poor's, who cut its outlook from stable to negative, said it would see how the Government reprioritised its capital works program in the mini-budget. Tonight it is worth pointing out that there are a couple of risks. Standard and Poor's said:

The mini-budget is not in itself a sufficient condition to return the outlook to stable. We will need to believe that the Government has the political willingness and ability to execute what is likely to include unpopular decisions.

The rating agency also said:

The trend of increasing debt cannot continue indefinitely without threatening existing ratings.

Whatever happens in the mini-budget, Standard and Poor's are on watch. The Government has led us to this point: it is the Government's mismanagement, a complete lack of fiscal discipline and a debt splurge that has gone with it. In relation to the second part of the situation, infrastructure and the black hole that has effectively been created, Standard and Poor's stated that a surplus would need to be ongoing. But let us look at some of the points on infrastructure in particular. On 24 June 2008 the Treasurer told Parliament:

No items in the infrastructure strategy are dependent upon the Government's electricity plans.

The Government's June budget estimates forecast a surplus of \$268 million but Treasury officials recently informed Mr Rees of the \$1 billion shortfall during his first Cabinet meeting. As soon as that came to light our new Premier said he did not have the time or the inclination to discuss it. That could have been a poor choice of words at a particularly poor time, but any Premier that is faced with a \$1 billion shortfall would surely understand that that is a huge priority, whatever he is doing. The words "no time or inclination to discuss it" give an insight into the culture of the people who sit around the Cabinet table. Cabinet members do not care about expenses; they do not care about the consequences of their actions—and that is the core of the problem.

Until you get some accountability, until you get some aggressive understanding that budget allocation is sacrosanct and that a lack of performance results in dismissal of the Minister, you will not change the problem. The Premier also said he had no explanations of how the black hole had come about. We all heard what Treasurer Costa said—that colourful display of bile and wonderment. He said that the Government had already overcommitted on spending by \$500 million. Areas such as transport were planning a further \$3 billion, which the State could not afford. Treasurer Costa said:

Capital programs are about \$2 billion too ambitious. I have been advised by the health Minister that health recurrent expenditure has blown out by approximately \$300 million this year. And, in addition, that the health 10-year capital program is overcommitted at the moment to the tune of half a billion dollars.

Those are not small numbers and they show what is wrong: not only can the Government not control recurrent expenditure; it cannot control capital expenditure. We have had a number of examples of projects that have gone over time and over cost, and no-one is being held to account. That is why we are here tonight debating this no-confidence motion. It is time that someone in the Government is held to account for the decisions it is making and actually executes those decisions, because recurrent expenditure continues to blow out, as does capital expenditure. Alan Greenspan has already labelled the situation "a once-in-a-century type of financial crisis", and when there is this complete lack of fiscal discipline, "once in a century" starts to become very perilous for the State.

Mr Barry Collier: He is an American economist. He is the former Chairman of the Federal Reserve. What has the Federal Reserve got to do with New South Wales?

Mr MIKE BAIRD: The member should look him up; he might learn something. Employee expenses for front-line workers are also an important point. We hear much from the Labor Party on how it is the champion of working families. We hear much from the Labor Party about how it stands up for the workers. Front-line worker groups who ask this Government for pay increases are paying for the Government's financial mismanagement. There are no funds to provide these front-line workers with pay increases because members of the Government have been filling their own pockets, looking after their own perks, paying for their mates and filling spin teams rather than putting the money back into front-line workers.

Professor Henry Ergas, at a Senate select committee in July, revealed that salaries in the New South Wales public sector had risen by 51.5 per cent over the 10 years to June 2007. That was 14 percentage points higher than the private sector. The important point about this is not that the public sector has not received more money but where the money has gone. It has not gone to the people it should have gone to. I am happy to include us in the same analysis. Members of Parliament have received a 55 per cent pay rise, and that seems completely at odds with what our front-line workers have received. A nurse's base salary is \$45,797; a teacher's base salary is \$49,050; and a police officer's base salary is \$51,000. Yesterday we heard the news that teachers are still fighting for a pay rise that keeps up with inflation. Where has the money gone?

I will tell the House where the money has gone and why we are not able to pay the front-line workers what they should be paid and what they deserve: the Iemma Government had 335 media and policy staff, and that compares with 17 for the New South Wales Opposition—and the 17 do an incredible job serving the public and serving the Opposition. But last year the Iemma Government spent \$63.8 million on its media and policy staff. Last Easter the Iemma Government advertised for seven spin doctors, offering a total of \$628,634 in

salaries. This is not a Government that is in touch with the needs of the community; it is not looking after its front-line workers; it is feathering its own nest and its money is going to its mates, to spin teams and to its own little enclaves.

I move on to the State Super Fund, and this again highlights a culture of a lack of discipline. When a government starts to have heat turned on to its budgetary performance what does it do? It has to start cooking the books. It has to find a way to squeeze money out of places where it should not. The State Super Fund has had a \$2.7 billion loss this year, which is the reason this Government has started to reach for some of the assets. The annual losses in First State Super Fund were close to \$1 billion. Not only are we not paying our front-line workers; most of our public servants lost 6.8 per cent during the last year, which was above the industry average of 6.4 per cent. It was a bigger loss than expected. The Government has admitted in this budget that it manipulated the State Super Fund: it understated its future unfunded super liabilities by about \$7 billion.

By using old accounting standards the unfunded super liability peaks at about \$12 billion, but if the current standards are used—the accounting standards that every other corporation currently uses—it would be \$19 billion. The Government has managed to take away \$7 billion and pretend that liability does not exist. That means that with every budget it produces the Government does not have to provide hundreds of millions of dollars because it is pretending the liability does not exist. In 2007-08 the budget amended some of the assumptions underlying this calculation, which obviously reduced its unfunded liabilities. It changed the investment return assumption from 7 per cent to 7.7 per cent. How does 7.7 per cent compare with the 6.8 per cent that was lost last year? It increased the discount rate from 7 per cent to 7.3 per cent—again, the only State in the country to use a rate different from the long-term bond rate. Most other States, and the Federal Government, used a figure of 6 per cent.

The Government has apparently ignored the ageing population and has said pensioner mortality rates will increase. These sorts of management practices are not out of step with those of corporate cowboys. The Coalition successfully amended the Superannuation Administration Amendment Bill 2008 in April because the Treasurer was proposing to give himself the authority to access the superannuation reserves of public sector employees and to transfer the funds to other accounts. These practices raised doubt about the veracity of management. If the Carr-Rees-Iemma-Bitar-Tripodi Government is happy to use public servants' money to manipulate super for short-term budget results, what else has it done? It is on this premise that we start to wonder.

We do not know what is going on but we know that the culture is not right. We know that the Government cannot control its recurrent income; we know it cannot control its capital budgets; and now it is starting to play with things such as superannuation. It is a very serious problem and they are deferring it for future generations to address. The public of New South Wales needs to know about that and it deserves some answers.

The airport duty is another example of this Government's activities. The ratings agencies said that they wanted to see surpluses, so the Government pretended to the world that it was producing them. In the 2007-08 budget, when it needed a surplus of \$368 million, it was in \$40 million or \$50 million in the red. It submitted an invoice for \$401 million in land tax due on Sydney airport. As a result it had a surplus. At the time Peter Costello said it was rubbish and Morris Iemma said that the Federal Coalition was a bunch of cowboys and that they needed to be responsible. Lindsay Tanner has also said that the claim was rubbish. The Government fabricated \$401 million to make it look as though the State had a surplus. It is also dipping into the teachers', nurses' and police officers' superannuation funds. This Government's financial platform is about to collapse. The people of New South Wales deserve to know that this mob on the other side, which can be very loosely called a management team with some capacity, is jeopardising everything we have in this State.

Where has the money gone? Over the past 13 years we have heard about windfall taxpayer revenue of \$17.5 billion and dividends have also been plundered. Freedom of information documents show that the Iemma Government's bill for office space in the CBD was \$118 million a year, including \$15 million rising to \$20 million for lovely plush offices in the Governor Macquarie Tower. Why not throw in \$7 million for car parking? Those expenses show that the Government is completely out of touch.

I have spoken about State debt before and the Leader of the Opposition clearly articulated the situation. The important point is that if a government has crumbling revenue and a deteriorating economic position, and if it is increasing debt like a drunken sailor, it will come under pressure. The Opposition will scrutinise the mini-budget to see whether the Government is starting to sell assets to fund the recurrent black hole. We will be watching every line of the mini-budget to ensure that the Government does not resort to asset sales to fund recurrent bad discipline, which is such a hallmark of this Government.

Mr JOHN AQUILINA (Riverstone—Leader of the House) [11.03 p.m.]: I move:

That the question be now put.

The House divided.

Ayes, 47

Mr Amery	Mr Greene	Ms Moore
Ms Andrews	Mr Harris	Mr Morris
Mr Aquilina	Ms Hay	Mrs Paluzzano
Ms Beamer	Mr Hickey	Mr Pearce
Mr Borger	Ms Horner	Mrs Perry
Mr Brown	Ms Judge	Mr Sartor
Ms Burney	Ms Keneally	Mr Shearan
Mr Campbell	Mr Khoshaba	Mr Stewart
Mr Collier	Mr Koperberg	Ms Tebbutt
Mr Coombs	Mr Lynch	Mr Terenzini
Mr Corrigan	Mr McBride	Mr Tripodi
Mr Costa	Dr McDonald	Mr West
Mr Daley	Ms McKay	Mr Whan
Ms D'Amore	Mr McLeay	<i>Tellers,</i>
Ms Firth	Ms McMahan	Mr Ashton
Ms Gadiel	Ms Megarrity	Mr Martin

Noes, 35

Mr Aplin	Mr Hartcher	Mr Roberts
Mr Baird	Ms Hodgkinson	Mrs Skinner
Mr Baumann	Mrs Hopwood	Mr Smith
Ms Berejikian	Mr Humphries	Mr Souris
Mr Cansdell	Mr Kerr	Mr Stokes
Mr Constance	Mr Merton	Mr Stoner
Mr Debnam	Mr O'Dea	Mr J. H. Turner
Mr Draper	Mr O'Farrell	Mr J. D. Williams
Mrs Fardell	Mr Page	Mr R. C. Williams
Mr Fraser	Mr Piper	<i>Tellers,</i>
Ms Goward	Mr Provest	Mr Maguire
Mrs Hancock	Mr Richardson	Mr R. W. Turner

Pairs

Ms Burton	Mr Hazzard
Mr Gibson	Mr Piccoli

Question resolved in the affirmative.

Question—That the motion be agreed to—proposed.

Mr BARRY O'FARRELL (Ku-ring-gai—Leader of the Opposition) [11.20 p.m.], in reply: If ever we needed evidence that this is not a new Labor Government, but the same old Labor Government, it was the gag motion moved by the same old, tired, incompetent Leader of the House. The same old Labor hacks hate being held accountable even to the very Chamber in which it forms government. For 13½ years this Government's major problem has been its refusal to be held accountable to anyone, including the public of New South Wales. That is why this evening, while nine members of the Opposition spoke, every single member on this side of the House was determined for their communities to tell the lie that this is a new Labor Government.

It is remarkable, though, that in the most significant debate this Parliament can have, the Premier himself has failed to come into the Chamber, again, in the traditions of Bob Carr and Morris Iemma, refusing to hold himself accountable to the Chamber that is meant to make him Premier. Of course, Nathan Rees was not

made Premier by a vote of this place or by a vote of the people of New South Wales; Nathan Rees was made Premier by the machinations of the Labor's backroom operators. It reminds me of that joke: What is the difference between a pit bull terrier and Labor's factional backroom operators? Pit bull terriers have more compassion.

It is not surprising that we saw only three Labor members support the Government on this issue. That is not surprising given the bitterness that exists within the Labor Party, bitterness in part because at least there are a few Labor members opposite whose moral compasses are telling them that they are in with the wrong crowd. For 13 years Labor has promised to do better. For 13 years it has promised, year in year out, to put the public interest to the fore. Yet, year in, year out, under three different Premiers, Labor has failed to deliver, failed to fix the problems faced by families, failed to secure the State's future by capitalising on the record decade of national economic growth and revenues.

While families and businesses have worked hard to get ahead, Labor has idled, incompetently managed, and only ever exerted itself to keep its jobs. It is a tired Labor Government that is out of touch and arrogant, and has lost the respect and trust of the community. It is a Government that repeatedly promised fiscal responsibility but has wasted record revenues and blown the State's credit card. It has repeatedly failed to deliver the services the community and industry need—and deserve—so they can get on with their lives and conduct their business. It has repeatedly refused to deal honestly with the public over everything from hospital waiting lists to the current state of New South Wales finances. It has repeatedly pledged to lift its standards—to apply the merit principle to decision making and appointments—but has over 13 years constantly given politics, cronyism and self-interest a greater priority than the needs of the public; and it has repeatedly failed to provide the State's families with the services, living standards and futures they deserve from any government doing its job.

By its very nature a no-confidence motion implies a change in the status quo, a shift from the current regime to a new one. Tonight, in this place, the New South Wales Liberal-Nationals Coalition has prosecuted the case on behalf of the people of New South Wales that enough is enough. Indeed, whether we are talking from the perspective of the Macquarie Shopping Centre or Macquarie Fields, enough is well and truly enough—be it the lack of simple decency of this moribund and maladministered Labor Government; be it Labor's ineptitude and incompetence; be it Labor's manipulation and the sordid trails of donor money. Perhaps never before—and hopefully never again—has the public and political life of New South Wales reached such a sad and sorry state.

To that end, we have prosecuted our case tonight so that Labor members of good conscience—perhaps those who have resisted the gravitational pull that is party interest alone—will stand up for what we all come into this place for. When all is said and done, most of us come here because we seek to serve. We see that public life and government can have its sacred purpose. Put simply—and regardless of the compasses that are our principles and ideologies—we want to make a contribution to our local communities and to this State. We want to make at least some difference in people's lives. We hope that in some way—be it small or large—we leave behind us something better than we found at the start, that our legacy for future generations is one that enriches and emboldens them, rather than enslaves and encumbers them.

To that end, I stand before this place not only beseeching the better angels of our nature—as Abraham Lincoln said—in those courageous and conscientious Labor members. I not only ask them to return to the roots of their vocation and support this motion—a motion where we have clearly set out the many ways that the community has been let down and lost faith in this Government. Indeed, I stand before this place imbued with a great and compelling sense of responsibility. As never before, my colleagues and I tonight share with the citizens and community of New South Wales not just our frustrations but also our aspirations. Not just our fears for the future under Labor, but our hopes that the very sacred purpose of public life in New South Wales can be restored.

Restored how? Through purpose and principle. As a British Prime Minister once said, "The secret of success is constancy of purpose." Our purpose—the purpose of the Liberal-Nationals Coalition in this place, the purpose of the future O'Farrell-Stoner Government—in our ongoing relationship with the people of New South Wales is clear. First and foremost, we will put the people of New South Wales first. We will seek on their behalf to put New South Wales back on track. With their mandate, a mandate that can start tonight and here, we will strive to provide the people of New South Wales with the world's best quality of life. Why should that not be our goal? Why should we not be aiming to foster, as servants of the hardworking and decent community of New South Wales, a world-class quality of life? Why should we not rise above the morass—the politics of the lowest common denominator—that our opponents have regrettably come to personify? Why should we be dumbed down in a way that modern political technique—the technique perfected by the not-so faceless men of Sussex Street—allegedly dictates? Why should we be ruled by the tyranny of the sound bite rather than the test of public interest?

We mark in this place, and at this very late hour—virtually beyond the view of our friends in the fourth estate—what is important and true rather than urgent and convenient. That is this: The Liberal-Nationals Coalition will strive on behalf of the people of New South Wales to restore the basic services that they not only deserve, but actually pay for with their earnest work. We will strive to fix the State's financial mess and responsibly manage the State's budget. We will do all in our power to create opportunity for the people of New South Wales through economic growth, community wellbeing and environmental care. We will run an honest and accountable government. We will take a commonsense, practical approach where decisions are made on merit and not on politics. We will make sure the people of New South Wales have a genuine stake—a real say—in the policies that affect their everyday lives. We will secure a future for New South Wales that builds on our people's diversity and talents, our history and our traditions. Ultimately, the New South Wales Liberal-Nationals Coalition will form a government that sees its purpose—its reason for being—not reflected in a mirror but reflected in improved outcomes for the people who elect us to this place. Let us get on and make a start this evening.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 33

Mr Aplin	Mrs Hopwood	Mr Souris
Mr Baird	Mr Humphries	Mr Stokes
Mr Baumann	Mr Kerr	Mr Stoner
Ms Berejikian	Mr Merton	Mr J. H. Turner
Mr Cansdell	Mr O'Dea	Mr R. W. Turner
Mr Constance	Mr O'Farrell	Mr J. D. Williams
Mr Debnam	Mr Page	Mr R. C. Williams
Mr Fraser	Mr Provest	
Ms Goward	Mr Richardson	
Mrs Hancock	Mr Roberts	<i>Tellers,</i>
Mr Hartcher	Mrs Skinner	Mr George
Ms Hodgkinson	Mr Smith	Mr Maguire

Noes, 49

Mr Amery	Ms Gadiel	Mr Morris
Ms Andrews	Mr Greene	Mrs Paluzzano
Mr Aquilina	Mr Harris	Mr Pearce
Ms Beamer	Ms Hay	Mrs Perry
Mr Borger	Mr Hickey	Mr Piper
Mr Brown	Ms Hornery	Mr Sartor
Ms Burney	Ms Keneally	Mr Shearan
Mr Campbell	Mr Khoshaba	Mr Stewart
Mr Collier	Mr Koperberg	Ms Tebbutt
Mr Coombs	Mr Lynch	Mr Terenzini
Mr Corrigan	Mr McBride	Mr Tripodi
Mr Costa	Dr McDonald	Mr West
Mr Daley	Ms McKay	Mr Whan
Ms D'Amore	Mr McLeay	
Mr Draper	Ms McMahan	<i>Tellers,</i>
Mrs Fardell	Ms Megarrity	Mr Ashton
Ms Firth	Ms Moore	Mr Martin

Pairs

Mr Hazzard	Ms Burton
Mr Piccoli	Mr Gibson

Question resolved in the negative.

Motion negatived.

WATER (COMMONWEALTH POWERS) BILL 2008**MINING AMENDMENT (IMPROVEMENTS ON LAND) BILL 2008**

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

MEMBER FOR PITTWATER GRADUATION

The SPEAKER: It has come to my attention that earlier tonight the member for Pittwater graduated with a PhD in Law from Macquarie University. I am sure the House will join me, on a without prejudice basis, in congratulating the member on his great achievement.

ADJOURNMENT

Motion by Mr John Aquilina agreed to:

That this House do now adjourn.

The House adjourned at 11.36 p.m. until Thursday 25 September 2008 at 10.00 a.m.
