

LEGISLATIVE ASSEMBLY

Wednesday 13 May 2009

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, the Auditor-General's Financial Audits Report, the Performance Audit Report of the Auditor-General entitled "Improving Road Safety—Heavy Vehicles: Roads and Traffic Authority of NSW", dated May 2009.

Ordered to be printed.

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

HOME BUILDING AMENDMENT (INSURANCE) BILL 2009

Agreement in Principle

Debate resumed from 6 May 2009.

Mr GREG APLIN (Albury) [10.04 a.m.]: I lead for the Opposition in debate on the Home Building Amendment (Insurance) Bill 2009. At the outset I indicate that we will not oppose the bill, but we will be making comments, hopefully of a constructive nature, for the Minister to consider and take on board. Today the homeowners of New South Wales at last have something to thank the Government for—taking action to repeal clause 63A of the Home-Building Regulation 2004. Of course, this is a problem of the Government's own making. It is unfortunate that it has taken five months for the Government to realise its mistake and to understand the mess it has made. Indeed, the Government has taken twice as many words to write the repeal as it took to draft the original legislation. That is what happens when it has to dig itself out of a hole.

This regulation potentially affected all homeowners with warranty insurance for construction or renovation. Their distress should not be forgotten and their loss must be remedied expeditiously. Was clause 63A always meant to be temporary, as the Minister argued over and over again in her second reading speech? No. In writing to me, the Minister did not suggest there was anything wrong with clause 63A; indeed, she defended its operation saying, "The operation of clause 63A was designed to clarify the ongoing liability of insurers and the Government." This is at odds with the Minister's words in her speech:

Clause 63A was always intended to be an interim solution until Parliament could consider appropriate legislation. Accordingly the bill repeals clause 63A of the Home Building Regulation 2004.

Clause 63A of the regulation was published in the *Government Gazette* on 19 December 2008. It did not take long for the cracks to appear in this patch-up job. Indeed, after a number of calls to my office, I issued a release about the faulty clause 63A on 15 February, following up with a speech in the House on 10 March. According to the Minister:

Some concern has been expressed that clause 63A prevented claims from being made that previously would have resulted in an insurer accepting some level of liability. Concern has also been expressed that clause 63A may have inadvertently reduced potential protection provided to insurers and to claimants by provisions in the Insurance Contracts Act 1984 of the Commonwealth.

In response to these legitimate concerns, the Minister provided her own conclusion:

The Government does not believe that homeowners have been disadvantaged by clause 63A but acknowledges that the true situation would not be fully confirmed until decisions by insurers were appealed and considered by the courts.

Unfortunately, the facts contradict that statement. One example that came to my office was a cry of alarm from the owners corporation of a block of units which had just had its claim for home warranty insurance rejected by its warranty insurer citing clause 63A of the regulation. The claim for \$300,000 worth of remedial work was denied because they were out of time, not because the defective building work did not exist, not because the insurance policy had not been taken out, nor because the premium had not been paid, nor because they had not gathered the necessary reports and expert evidence. They were plainly acting within the statutory warranty period. This building constituted 179 lots or apartments. That means that at least 179 owners, even assuming only one owner per apartment, were directly affected—correction, they are, at this precise moment, still directly affected by this rejection.

Strata managing agents and solicitors have been on the front line of the battle over clause 63A. They have had the unenviable task of explaining the regulation to their clients and how Parliament could enact a law that so arbitrarily and retrospectively put an end to the warranty claim they had been working to prepare for many months. And make no mistake: it takes much more than six months to prepare a proper and acceptable set of documents for a home warranty claim. The owners corporation of strata plan 68744 in Ashfield made the mistake of notifying the builder about some defects in their building before they realised that they needed to lodge an insurance claim. An expert consultant engaged by the owners produced a 360-page report. A fire services report also was obtained and further documents were sourced from the council and the developer. This was a time-consuming, lengthy but essential process to prepare the insurance claim, which was launched in February 2009. But the home warranty insurer bureau would not even accept the claim's documentation, writing back:

A review of the available information reveals that in accordance with Regulation 63A your client cannot make a claim under the policy as more than 6 months have elapsed since your client first became aware (or ought reasonably to have been aware) of the facts/circumstances under which the alleged claim arises. The implementation of this amendment means that the bureau cannot assist your client further. We therefore return to you the documentation you have provided to us.

Many people will not realise that clause 63A applies retrospectively, wiping out potential claims by all those owners who have taken or will take longer than six months to get the facts of their claim ready to lodge. It had to be explained to the owners that they had inadvertently acted against their own interests by notifying the insurance company, in compliance with the regulations at that time in force, of the building defects and their intended claim. These residents have been punished hard for their diligence and attention to their obligations. This is what the owners corporation of Strata Plan 68744 had to do to prepare a proper home warranty insurance claim. First, they had to find an expert to guide them, in this case, an experienced solicitor. Second, once instructed, the solicitor had to approach Ashfield council to search its records to find detailed information about the complex and its various construction approvals.

Third, they wrote to their home warranty insurer to confirm that the builder had insured the complex. Fourth, the owners corporation had to determine which consultants it was going to use and then, with expert assistance, brief them on the relevant material, including a copy of the strata plan, copy of the occupation certificate or certificates, copy of the construction certificate or certificates, copy of the development application or applications, copy of the development applicant consent or consents, copy of any warranties obtained from the council file, copy of the final fire safety certificate, copy of any relevant plans and copy of any specifications. Fifth, the executive committee members, as well as the strata manager, considered the costings for those reports. Sixth, the building was audited for fire compliance and general building defects and a report prepared. Two months later, in the case of Strata Plan 68744, the fire safety consultants presented a report detailing failures in relation to fire compliance items.

Seventh, only then were the homeowners in a position to lodge their home warranty insurance claim. Eighth, three weeks later their insurer wrote back, as indicated earlier, rejecting the claim on the basis of clause 63A. Anyone familiar with the workings of residential building disputes will know immediately that six months was always going to be an impossible deadline to prepare the necessary expert reports and other documentation to the level required for lodgement of an insurance claim. Then one adds the extra time and difficulty that arises naturally from having to gain support for this action and its cost from a majority of the 179 lot owners in the strata scheme. As I have indicated, at this moment those 179 owners and their families are still worried about their missing \$300,000 of insurance cover.

Homeowners have also fallen foul of clause 63A because they entered the world of the Consumer, Trader and Tenancy Tribunal [CTTT]. On 10 March I addressed the House on the plight of the Mulholland family and their trials in chasing their builder through the Consumer, Trader and Tenancy Tribunal. The Mulhollands, after obtaining initial advice from the Office of Fair Trading, after taking their builder to the

Consumer, Trader and Tenancy Tribunal and obtaining consent orders for the defects to be rectified, after 10 adjournments—make that 11 after yesterday—and carry-overs, with all but one at the instance of the builder or tribunal member, after finding out that the man they knew as their builder had declared bankruptcy and stalled the proceedings, after realising the Consumer, Trader and Tenancy Tribunal application should also have mentioned the second business partner of the builder, after spending \$30,000 on legal and expert witness expenses, after the Consumer, Trader and Tenancy Tribunal had let the dispute stretch out for over 16 months without putting its foot down and pulling the ducking-and-weaving builder into line, they still had no decision and the warranty scheme remained out of reach.

Of course for the Mulhollands, after 16 months chasing their builder through the Consumer, Trader and Tenancy Tribunal, their six months is over. They are back near the start once more for the Consumer, Trader and Tenancy Tribunal, and they presently could not make a home warranty claim, even if they were ready, thanks to clause 63A. It should be acknowledged that homeowners are literally stunned when they find out the impact of clause 63A. Another consumer wrote:

I have a home warranty insurance policy with Vero. It was taken out in September 2005. The builder did not complete the work and I went through the process of bringing an action in the CTTT. This was finally decided in January this year at a cost in excess of \$100,000 legal expenses and an order was made for \$95,000 in my favour.

I phoned Vero to check whether they required a taxed bill of costs to pay 'reasonable legal expenses' ... I was advised that I cannot make a claim at all as the regulations were amended in December.

The writer then referred to clause 63A:

This not only means that I have no right to make a claim on my insurance which is Vero's position so they will reject any claim made by me. It also means that any person who has to go to the CTTT will be unable to make a claim as it takes more than 6 months to satisfy each step that is a prerequisite to getting an order and waiting for it not to be paid.

In effect the amendments to the regulations mean that the NSW government has reduced the scheme to cover only those people where the builder dies or goes into voluntary bankruptcy or liquidation. In my case it has retrospectively removed a right that I had before the amendment.

I would like to believe that this is an error. I have tried to find out whether this is so and whether the Government is aware of it and whether it intends to rectify it ... I look forward to hearing that [the government is aware] of the error and ... taking immediate steps to rectify this legislation to restore mine and many others rights.

Consumers want immediate steps taken to rectify this error. The intent of the current bill is to take the position back to how it was. Clause 63 of Home Building Regulation 2004 just said that the beneficiary, that is, the insured, usually the homeowner, under home warranty insurance had six months to notify the insurer of a claim. The emphasis was on giving notice. In October 2008 in Supreme Court case *SP 57504 v Building Insurers Guarantee Corporation* [2008] NSWSC 1022, His Honour Justice McDougall found there was no time limit on a claim. This made a break from the traditional understanding of the industry and government, and left liability open indefinitely.

As mentioned, on 19 December 2008 the Government introduced clause 63A by Home Building Amendment (Claims) Regulation 2008, which provides an additional provision that a claim under a contract of insurance must be made no later than six months after the beneficiary first becomes aware, or ought reasonably to have become aware, of the fact or circumstance under which the claim arises or no later than six months after the end of the period of cover, whichever is the earlier. It appears to do away with the previous two-stage process of notification followed by a claim. Making a claim became the crucial step and the homeowner only had six months to do this. The current bill deals with clause 63A by repealing it. We are to go back to clause 63 and also rely upon new section 103BA of the Home Building Act 1989, specifying that a loss must be notified to the insurer within the period of insurance prescribed by section 103B. The Minister said:

The Bill applies section 103BA retroactively to all home warranty insurance contracts entered into since 1 May 1997. The Government is of the view that retroactive legislation should only be made when it is unavoidably necessary and that great care should be taken to ensure that people are not disadvantaged.

We are back to retrospective legislation once again or "retroactive", as the Minister puts it. There is no doubt that the bill attempts to take the position back to the previous understanding, but there are concerns. One of the major insurers, Vero Warranty, has expressed a preliminary view that:

... the proposed amendments go some way to addressing the perceived difficulties in the current legislation whilst at the same time bringing a degree of uncertainty that needs further clarification.

The comments from the insurer identify the issue in this way:

Whilst Vero is of the view that it can operate within the proposed framework the uncertainty brought about by the amendments (because a claim can still be made at any time outside the period of cover as long as a notification is received within the period and creates an indefinite period during which a claim can be made) will mean premium increases. Pricing for such a risk will inevitably result in an upward movement in premium and the analysis as to the likely impact is still being undertaken by Vero.

The insurer is stating that government inability to create certainty in this legislation will result in increased premiums. The three consumer illustrations I have given are important reminders that regulation 63A did harm. It is not enough now to simply repeal this poor regulation. The innocent must be given a fresh opportunity to make their insurance claims. This bill proposes doing this by establishing a period of grace to pick up the pieces. Section 86 (1) states:

If clause 63A of the Regulation prevented a claim for loss from being made during any part of the loss notification period for the loss, there is to be a period of grace for notifying the loss.

Section 86 (2) states:

The period of grace starts on the repeal of clause 63A of the Regulation and continues for a period that is equal in length to that part of the loss notification period for which clause 63A of the Regulation prevented the claim from being made.

The loss notification period for a loss means "the period within which loss must be notified to the insurer under a contract of insurance in order for the loss to be covered by the contract of insurance (as provided by section 103BA of the Home Building Regulation 2004)". Here we see a return to the previous well-understood interpretation of the time limits applying to the notification of warranty claim before the Supreme Court decision of September 2008 made the deadlines uncertain. The bill also sets out to right the wrong done to those whose claims have already been rejected in reliance on clause 63A of the regulation. For this we turn to section 86 (4), which states:

If an insurer has refused a claim on the basis of clause 63A of that regulation:

- (a) the insurer must notify the claimant of any period of grace for notifying the loss to which the claim relates that results from the operation of this clause, and
- (b) the period of grace for notifying the loss concerned starts (despite subclause (2)) when the claimant receives the insurer's notification under paragraph (a) and continues for the period provided for by subclause (2).

First, I would like to say on behalf of all those homeowners and their professional advisers that the term "period of grace" is a bit of an insult. They have done nothing wrong and should not have to come crawling back. In the insurance realm a period of grace applies, for example, where the insured has delayed or forgotten to do something properly. Here, quite to the contrary, consumers have been doing everything properly and are not seeking indulgence. It would be terrible if the home warranty insurance companies were to give consumers the impression that they had to tread carefully or risk withdrawal of the favour now being extended to them. But is this enough? The Minister, in her speech, claimed:

I want to emphasise that this bill ensures that no homeowner will be disadvantaged by the operation of clause 63A of the Home Building Regulation 2004.

News of this critical backdown must go out to the community: professional associations must be informed promptly as they may already, quite properly, have advised their customers and clients that their home warranty insurance rights have been lost. Will we ever know how many homeowners gave up, upon receiving expert advice, and never lodged a home warranty insurance claim because of the correct advice they received on clause 63A of the regulation? The Government has presented no plan for this. It wants to slide quietly out of this mess. But that is not good enough. The Opposition is watching and calling on the Government to commit to a detailed notification plan. As is commonly the case, there is a sting hiding in the back end of the bill. This is a day when homeowners should be left to rejoice that their warranty rights, in a practical sense, have returned. But the Government cannot resist the urge to put homeowners in their place. The Minister said:

Under the last resort insurance scheme ... a homeowner—including a strata corporation—is principally responsible for enforcing statutory warranties. Home warranty insurance is a safety net in the event that this is not possible. A homeowner needs to actively enforce their rights. They cannot sit back and do nothing—waiting for a builder to die or go out of business before making an insurance claim.

The bill also makes it clear that an insurer can reduce their liability if a homeowner fails to enforce a statutory warranty. The bill amends the Home Building Regulation 2004 by inserting clause 58A which provides that an insurer can include provisions in an insurance contract reducing its liability or the amount payable on a claim if the beneficiary fails to enforce a statutory warranty. The amount of the reduction is limited to the extent that the beneficiary's failure has prejudiced the interests of the insurer.

I ask the Minister: Do we really need this? In normal insurance situations the emphasis is on notifying the insurer of a problem or potential claim without undue delay. Here again the onus is placed on the homeowner to achieve the Herculean task of pursuing their builder through the tribunal to insolvency or risk prejudicing the insurer. And this provision will be retrospective. Does the Government have to be so tough on homeowners already dealing with the pressure and trauma of living with building defects? Homeowners will not appreciate hearing the accusation that, confronted by a leaking roof or other building defects in their homes, they might "sit back and do nothing—waiting for a builder to die or go out of business before making an insurance claim". I would like to know at whose behest this clause was placed in the bill. In fairness, it should be removed. It is appropriate at this point to refer to three viewpoints expressed by the Property Law Committee of the Law Society of New South Wales. Firstly:

The Committee supports proposed Section 103BA on the basis that it is designed to, and appears to undo the mischief created by the introduction of Clause 63A.

Secondly:

The Committee strongly opposes proposed Clause 58A which introduces a power to reduce liability based on a failure by a beneficiary to enforce a statutory warranty.

Thirdly:

The Committee supports the proposed omission of Clause 73A of the Regulation which contains an incorrect cross-reference.

Let me return to the reasons the committee opposes the proposed insertion of clause 58A into the regulation. The committee considers that a power to reduce liability based on a failure by a beneficiary to enforce a statutory warranty is, first, inappropriate in the context of a consumer protection statute; secondly, particularly inappropriate in the context of insurance of last resort; and, thirdly, open to abuse by home warranty insurers. The Law Society's committee stated:

The failure to take action to enforce legal rights may be occasioned by any number of factors—lack of funds, personal circumstances, ignorance of rights, misrepresentations by builders, and, based on anecdotal evidence of which the Committee is aware, perhaps even misinformation by insurers and regulators. It is noted there is an attempt to address this issue by limiting a reduction in liability or amounts payable to an extent which "fairly" represents the extent of insurer prejudice. The Committee believes the use of so vague a criterion invites uncertainty, disputation and an erosion of the rights of consumers of building services.

The committee's concerns are heightened by the related savings and transitional provision—proposed schedule 4 clause 85, which extends the operation of clause 58A to contracts of insurance entered into before the commencement of the clause. The committee considers that:

... any proposal involving retrospective legislation should be viewed with considerable caution. Where the proposal involves removal of rights under an existing contract regulated by legislation, there would need to be extraordinary circumstances before the Committee would support the proposal. Where, as is the case here, the proposal would lead to a reduction in the long-standing rights of consumers in their relationship with home warranty insurers, the Committee strongly opposes the proposed amendment.

I thank the Law Society for its response and note the property committee's conclusion that the issues it has raised underline the need for an urgent rewrite of the Home Building Act 1989 and the Home Building Regulation 2004, after a comprehensive and meaningful consultation process with all stakeholders. I now move from a curious clause that chips away at consumer rights to an equally curious clause that sits hard with builders. Two building industry groups, the Master Builders Association and the Builders Collective of Australia, have expressed to me their concerns with schedule 1, section 99, requirements for insurance for residential building work. Paragraph (e) in the explanatory note to the bill states:

The Regulation is amended to extend the grounds for refusing to issue, renew or restore an authority [that is, the builder's licence] under the Act to include failure to satisfy certain judgments and orders relating to building claims or claims by insurers in relation to home warranty insurance.

This is tied up with the so-called fourth trigger for activating a viable insurance claim under the home warranty scheme. Building groups have said they would like to know a lot more about what the Government intends here. The Master Builders Association of New South Wales said:

It is in relation to the last part that we queried. Our concern depends upon whether this part is also made retrospective. If it only applies to last resort insurance, then we have little concern, as it will only apply in circumstances of insolvency, death or disappearance. However, if it is retrospective then we have concern because we have seen numerous claims made against

builders under the first resort scheme which in part have been completely outside the scope of the contract or related to work that had nothing to do with the builder. Despite this, the tone of correspondence to builders from insurers was such that if they didn't attend the claims then the insurer would engage another builder and seek recovery from them.

Consequently, the provision simply talks about "claims made by insurers", despite whether the claim is proven, disputed or otherwise.

The Master Builders Association seeks clear reassurance of discussions with Fair Trading officers that have led them to believe that this provision will not apply retrospectively. The fourth trigger is very new, and the building industry and consumers are yet to find out if it is of help or another false solution. The Government should give the industry and consumers more time to understand these provisions and assist by providing the background advice it has received about how this section of the bill is intended to work. This sentiment is borne out by comments from groups like the Master Builders Association and the Institute for Strata Title Management with an observation:

We once again see heaven and earth moved to improve or tighten legislation in order to protect the Government, insurers and consumers.

They note that for a long time they have lobbied for a re-write of the Home Building Act because it has become, in their words, "a dog's breakfast" due to continued amendments. Both organisations argue strongly for greater consultation with all stakeholders. It is instructive to note that the Ministerial Council on Consumer Affairs agreed last Friday to review consumer protection measures in the building industry following the Commonwealth placing the issue on the meeting agenda. I quote from the communiqué:

"Home Building Warranty Insurance has been a source of consumer frustration and underperformance particularly when compared to other classes of insurance", according to the Federal Minister for Competition Policy and Consumer Affairs, the Hon. Chris Bowen.

A recent Senate Economics Report on Home Building Warranty Insurance made recommendations for reform based on a more harmonised approach to consumer protection—a useful starting point for the Ministerial Council's review.

There is no doubt that we need to see some innovative thinking in respect of choices of cover, choice of builder, reducing the involvement of lawyers, and possibly providing fee-for-service personal assistance to consumers. These considerations flow from the current legislation and the issues that have confronted homeowners, builders, insurers and government. We need to get homeowners and builders out of the current mess of the existing home warranty insurance scheme, removing stress and delay while helping people get back to work.

In conclusion, the Minister's speech and the bill before the House use all the wrong language for a mea culpa. We are given a "period of grace" instead of "your rights returned", "retroactive" instead of the more feared term "retrospective", and "interim regulation" instead of "it was meant to be permanent but we now realise we messed it up". Consumers have said they want "immediate steps" taken to rectify this "error". To that extent we do not oppose the bill. Having raised these issues with the Minister, I request that she take them on board and attempt to address them, particularly with respect to the need to get the warranty time limits well known in the community and to encourage those who believe they have lost their rights to come forward and duly notify their home warranty insurers in accordance with the required time frames. In addition, the Minister would do well to consult more widely with the building industry and consumers about what she means by conduct "prejudicing" a warranty insurer and the application of the fourth trigger.

Mr NINOS KHOSHABA (Smithfield) [10.31 a.m.]: I support the Home Building Amendment (Insurance) Bill 2009. The bill provides certainty for homeowners and insurers about the scope of the home warranty insurance scheme. Importantly, it protects the home building industry. It prevents a potentially disastrous disruption to the availability of home warranty insurance. Home warranty insurance is mandatory for residential building work that is worth more than \$12,000. If a builder cannot get insurance, he cannot work. The builder's employees cannot work. A developer cannot build new homes. A consumer cannot have their dream home built or their renovation completed. The home building industry is already under stress because of the global credit crisis. The bill prevents the industry from being put under further and completely unnecessary stress.

Why is the bill needed? The Supreme Court has identified a drafting problem with the Home Building Act 1989. The problem dates back to changes made to the legislation in 1996. The problem was not identified until October last year. It has been in place for more than 11 years and affects all home warranty insurance contracts entered into since 1 May 1997. For the whole of this time, the Home Building Act has set a minimum period of insurance cover for home warranty insurance contracts. Everybody understood that defects needed to become apparent during the period of insurance. This was accepted by builders, insurers and homeowners.

However, the Home Building Act does not put any limit on when a claim can be made. Regulations under the Act prevent an insurer from reducing their liability or the amount paid for a claim if the beneficiary notifies the insurer within six months of becoming aware of a problem. As the Supreme Court has pointed out, this can mean that an insurer has to pay a claim whenever a defect in the home occurs, as long as the claim is made within six months. For technical legal reasons, the period of insurance in the Home Building Act becomes irrelevant. Parliament's intention to limit the minimum period of insurance is put aside—with serious consequences for homeowners, builders and insurers.

The drafting defect has the potential to create significant retrospective liabilities for all insurers who have provided home warranty insurance since 1997. This includes the Crown and the people of New South Wales who have indemnified homeowners caught out by the collapse of the HIH Insurance Group. The drafting problem must be addressed. If not, some, and perhaps all, of the current insurers may leave the market. If there are no insurers offering insurance contracts, the home building industry will grind to a halt. It will not be possible to start new work. Even if some insurers continue in the market, the cost of insurance will inevitably rise. New homes will become more expensive. And all this is because of a drafting technicality.

The bill provides a simple solution. It makes it clear that an insurance contract provides coverage only if a loss becomes apparent during the period of insurance. The beneficiary must also notify the insurer about the loss during this period, or within six months if it becomes apparent late in the period of insurance. It is an effective solution. At the end of the period of insurance, the insurer knows whether they have potential liability for a claim. The homeowner has documentary evidence that they became aware of the loss within the period of insurance. The bill applies this solution retroactively. Backdating legislation usually makes me uncomfortable. It should be done only when it is absolutely necessary, and it must be done carefully.

The drafting problem identified by the Supreme Court has been with us since 1 May 1997, and the solution to the problem must be applied from that date. The future of home building in this State may be in peril if this does not happen. Retroactive legislation must be applied carefully. The transitional provisions in the bill ensure that homeowners and insurers are protected from unnecessary or unexpected consequences. First, the bill will not affect insurance claims that have already been settled. An insurer can reopen an old claim. A homeowner cannot appeal a claim that has already passed the date for making an appeal. Second, and very importantly, the bill ensures that it applies to recent claims, made since the Supreme Court decision. An interim amendment was made to the Home Building Regulation in December 2008 to prevent out-of-time claims being made. This was basically an administrative fix until the bill could be brought before Parliament.

There is some concern in the community that the interim regulation may have had unintended consequences. To ensure that this cannot be the case, the bill makes it very clear that the new provisions apply in place of the interim regulation. It provides a period of grace if any potential claimant was disadvantaged. It also goes as far as requiring any insurer who refused a claim on the basis of the interim regulation to advise the claimant of any additional time they have to notify the loss. The claimant will not have to appeal the insurer's previous refusal. They can simply have the rejected claim assessed under the new provision. The transitional provisions give me confidence that the retroactive application of the bill has been designed carefully and that homeowners and insurers will not be disadvantaged. I commend the bill to the House.

Mr GEOFF PROVEST (Tweed) [10.37 a.m.]: In speaking to the Home Building Amendment (Insurance) Bill 2009 I wish to support a number of issues raised by the member for Albury, the shadow Minister for Fair Trading. The purpose of the bill is to fix the Government's problem with new regulation 63A of the Home Building Regulation Act 2004, which acts to deny homeowners access to their home warranty insurance if they make their claim more than six months after they became aware of building defects. It is interesting that once again we see a knee-jerk reaction on the part of the Government, as it rushes legislation into the Parliament. As has happened in the past, within a very short space of time when the real logic becomes apparent and when the people the legislation truly affects are consulted—in this case, the Master Builders Association, the Builders Collective of Australia, the HIH Insurance Group, the Institute of Strata Title Management, and so on—it is necessary to reconsider legislation.

It simply beggars belief that legislation is continually brought back before the House and we have to fix, redraft or amend it to resolve the problems caused by the Government rushing various bills through Parliament. This bill will have a significant impact on my electorate. In recent months two new housing estates have been established, both comprising 5,000 homes. So there are 10,000 new homes. Another 3,000 or 4,000 new homes are probably going up as we speak. Obviously, any change in home warranty insurance will affect the owners of those homes. What concerns me a little—and I follow the lead of the shadow Minister for Fair Trading—

Mr Anthony Roberts: A good shadow Minister.

Mr GEOFF PROVEST: He is a very good shadow Minister, and a very good local member. The member for Albury faces problems in relation to cross-border issues that are very similar to those that I deal with. A large number of people who move to my electorate are over the age of 65, and I deal with many of them on a regular basis. Any change in regulation that involves more red tape, more paperwork and so on makes them very confused. It is a trial, and causes people a lot of undue stress.

The member for Smithfield referred to retrospectivity. The member for Albury asked whether the Government intends to circulate the information, and, more importantly, whether the Government will develop a database, based on information from insurance companies, of all those rejected under section 63A of the Home Building Regulation? If so, will the affected people be contacted? If they are not, as the member for Albury said, the provision will sneak in and be swept under the carpet without their knowing about it. We are in difficult financial times, with rising unemployment, and many people can ill afford not to know about the change. They should be contacted, and information in relation to home warranty insurance should be publicised.

The legislation is very complex in relation to section 103B of the Home Building Act. Will the Minister in her reply assure members of the House—and put some meat on the bill's bones—how the general public will be advised? More importantly, what information will be provided to those people who have been caught up in the warped situation that has developed because the Government rushed to enact the Home Building Act? Some very good friends of mine built their house within the subject period and their builder went into liquidation. It cost them approximately \$40,000 and took eight to 12 months to get a resolution from the insurance company.

Mr Anthony Roberts: Heartache.

Mr GEOFF PROVEST: And a lot of heartache. They are hardworking people. The pressure almost broke up their marriage. The problems would not have occurred if the Home Building Act had been drafted properly and required no further debate and amendment. I am 100 per cent for the Tweed. I do not oppose the bill, but I hope the Minister will advise the House how the information will be communicated, particularly to the people whose claims were rejected.

Mr NICK LALICH (Cabramatta) [10.42 a.m.]: I am happy to support the Home Building Amendment (Insurance) Bill 2009, which clarifies the period of cover for home warranty insurance policies. This bill is needed because the Supreme Court identified a problem with the drafting of the Home Building Act. The effect of the Supreme Court's decision was that there is no time limit on making an insurance claim. The Act prescribes a period of insurance but because of drafting problems this period becomes irrelevant. The drafting problem potentially affects all home warranty insurance contracts entered into since 1 May 1997. This had a significant impact on insurers. All insurers who operated in the home warranty insurance market at any time since 1997 were potentially affected. It is quite possible that insurers would be held liable for claims that previously were considered to be out of time. In fact, there was no clear limit on when their liability would end.

Homeowners and builders were also affected. The future availability of home warranty insurance came into question. Insurers had to assess the commercial wisdom of selling home warranty insurance. If nothing had been done, the price of home warranty insurance would have increased. Housing costs would have gone up—just when the home building industry was under pressure from the global financial crisis. It is quite possible that all insurers would have withdrawn from the market. This would have put a stop to the home building industry in New South Wales. This bill provides a sensible solution to the problem. Section 103B of the Home Building Act 1989 already prescribes a period of insurance cover. The bill makes it clear that an insurance contract covers only losses that become apparent during this period.

Home warranty insurance is complex and is sometimes misunderstood. For instance, many people do not appreciate that it provides what is known as "last-resort insurance". This is activated only when a builder dies, becomes insolvent or disappears. If a homeowner is unhappy with the work done by a builder they will generally seek redress directly from the builder. A builder's work must meet a number of statutory warranty requirements such as being of a proper workmanlike standard, conforming to contractual specifications and using good-quality materials. When builders fail to meet these warranty requirements consumers can seek redress through qualified Office of Fair Trading inspectors or the Consumer, Trader and Tenancy Tribunal. The tribunal can make binding orders to rectify work and also order the payment of monetary compensation. The Office of Fair Trading has the power to suspend or cancel a builder's licence or to undertake prosecutions where necessary. As such, home warranty insurance provides what is effectively a final safety net in cases where a claim against a builder is no longer possible.

Section 103B of the Home Building Act 1989 provides that a home warranty insurance contract must provide cover for structural defects for at least six years from the completion of building work. For other defects, the period is two years after completion. Losses arising from the non-completion of work must be covered for at least 12 months after work stops, or fails to start. The bill confirms what was widely accepted as being the coverage provided by the home warranty insurance scheme prior to the Supreme Court decision. The bill inserts new section 103BA into the Home Building Act to confirm that losses are insured only when they become apparent and are reported to the insurer within the relevant period of insurance. For example, compensation to remedy a structural defect can be obtained through home warranty insurance provided the defect becomes apparent and is notified within the minimum six-year period of insurance for structural defects.

New section 103BA also gives a homeowner at least six months to notify a loss that becomes apparent during the last six months of insurance cover. This means that if a structural defect becomes apparent on the last day of the normal six-year period of insurance cover the homeowner will have the advantage of an additional six months period in which to notify the claim. The bill applies new section 103BA retroactively to all home warranty insurance contracts entered into since 1 May 1997. The Government is of the view that retroactive legislation in this case is unavoidable and clearly in the public interest. The retroactive application of new section 103BA extends to claims made against insurance contracts entered into since 1 May 1997, and to proceedings on such claims. This includes claims that are the subject of legal proceedings that have not been finally determined.

There is, however, no intention to reopen old claims. Section 103BA does not affect any insurance claim that has already been paid in full or any claim where a settlement has already been agreed. It also does not affect a claim where an amount has been paid under the indemnity provided by the New South Wales Government to homeowners insured by the HIH-FAI insurance group. It is important to stress again that the intent of this bill is not to diminish consumer rights in any way. Instead, the bill seeks to provide greater certainty and to ensure that the agreed interpretation of the coverage provided under home warranty insurance that existed prior to the Supreme Court decision remains in place. I commend the bill to the House.

Mr CRAIG BAUMANN (Port Stephens) [10.48 a.m.]: In contributing to debate on the Home Building Amendment (Insurance) Bill 2009, I advise the House at the outset that I have been involved in the residential building industry for nearly 30 years, and have been director and general manager of my own building companies for much of that time. As my pecuniary interests return shows, I am still a director and shareholder in two Hunter-based residential building companies. Members of the Opposition do not oppose this amendment to the Home Building Act, but I will highlight a few problems and suggest some amendments to the Act for the future.

By way of background, my father, Arne Baumann, and Lindsay Hardy established Mambare Pty Ltd in 1971 and worked at building and renovating oil company assets, mainly service stations. Upon graduation, I worked with a steel frame manufacturer for a few years and, having decided to broaden my experiences, dropped by the company in March 1981 to see how the office ran and to assist my father, who did all the administration, if he was unable to work. I never left. We decided to try our hand at the residential building industry, so we optioned 60 blocks of land at Rutherford and started building and selling houses. Dad remained in his Burwood office, and Lindsay and I commuted.

The purchase of a home is one of the biggest decisions a couple can make. Clients are sometimes nervous as they look down the barrel of a 25-year mortgage, and friction can occur. The industry can be very competitive and it is not unusual for builders to exaggerate their product or build in hidden extras in the guise of variations. We are proud of our product and our honesty, and we use variations to cover costs that cannot be evaluated in advance by builder or client. A house or unit is built in accordance with Australian Standards and the Building Code of Australia and it is built by tradesmen who are talented but not usually artisans. The tradesmen use products that are universally available, but many of them, due to their method of fabrication, are not perfectly regular. Concrete, by its very nature, cracks, and the concrete code describes which cracks are acceptable and which cracks are not. Clay bricks are baked in an oven and usually vary slightly. So a perfectly laid brick wall may look perfect but variations can be found if you look closely enough—it is not wallpaper. Plasterboard has rebated edges that have to be set and the variation in texture between the set joints and the raw sheet can be seen in the wrong light.

When I started building houses the regulatory body was the Builders Licensing Board. A very important part of that board's function was to provide an advocacy service for clients and their builders. Whereas most clients who have committed to building a new house follow the progress with anticipation until

the great day when the keys are handed over and they turn that house into a home, there are others who adopt an attitude that I would liken to my attitude to dentists in the old days: I visited the dentist expecting it to hurt so that expectation became reality. The good builder identifies and fixes any faults before handover but, just as you find faults in your car paintwork when you wash the car, a client might find real or perceived faults after taking possession. There is no problem with real faults, but when a client becomes fixated on a perceived fault, the problems start.

When the Building Services Corporation was in operation a complaint to the board would initiate an onsite inspection attended by client, builder and an expert building inspector from the board—an expert honest broker who would look at each defect and either issue a work instruction or explain to the client that it was not faulty. For example, I have received complaints that bricklayers have laid broken bricks. Tiny surface cracks are part and parcel of some styles of bricks and bricklayers get paid per brick laid—they do not do jigsaw puzzles by laying broken bricks. The builder's temptation is to cut out the brick and lay another "uncracked" brick in its place, just to keep the client happy. Unfortunately, it is very difficult to match mortar colour and usually your now perfect brick has a window frame around it that will never completely go away.

A Building Services Corporation inspector would truthfully advise the client what was a fault and what was not, resulting in a satisfied client and a relieved builder. But the complaints mechanism under the current regulatory regime is no longer impartial. It usually involves former council health and building surveyors who pad out an inspection report with irrelevancies in order to justify an inflated bill, which is then passed to a homeowner warranty clerk who issues lengthy lists of defects that may or may not exist. It is a system that ensures the builder can never complete a house to the client's satisfaction. I would gently suggest that the Minister look to amending the Act further to reintroduce the honest broker—the clerk of works—into home warranty issues.

When a local Hunter builder went into administration last year, I was visited by a constituent who had had her home warranty insurance claim refused because she and her husband had commissioned the builder to build four units for them—their superannuation in retirement. Although she produced four policies—one for each unit—her claim was refused because she was classified as a developer. We advise any of our clients who wish to build more than three units that, although the units are covered for defects, they are not covered against the builder defaulting during construction. This is another failing of the current regime that should be resolved, even if it involves forcefully advising constituents such as mine as to the extent of their cover or lack thereof. My constituent showed me current photographs of her development and her progress payment schedule, and it was obvious that as she had paid far too much for the work that had been carried out on all four units.

When I build for the Department of Housing I supply a progress payment schedule that both the company and the department follow, with great success and very few tears. The company maintains a cash flow and the department is protected. Coincidentally, yesterday I bumped into my good friends the Hon. Milton Morris and my predecessor the Hon. Bob Martin in the foyer. I was reminded of the time when Bob, as the member for Port Stephens, pulled me aside and sought my advice on a local builder who had removed roof tiles from one house that was under construction and re-laid them on another house. I suggested that the builder was defrauding his client's lender in obtaining progress payments dishonestly. That was probably one of the most extreme acts I have ever encountered in the industry and one that Bob raised in this place—with front-page results.

As I said at the outset, I have no real problems with this amending bill. The building industry is unique in that it does not require factories, it does not have offshore competition, and it is the economy's engine room. For every \$1.1 million a builder receives in sales, I estimate that between \$600,000 and \$700,000 goes into the wage packets of company staff, subcontractors or suppliers' workers and the State Government gets \$100,000 in GST. The building industry also has its problems. Trying to satisfy clients who cannot be satisfied is nearly as frustrating as working with clients who will never make the last payment. I had one recently who was the client from hell. He kept making changes, many of them after the work had been done. I will let the House in on a secret: no tradesman wants to redo work, and suppliers cannot make money if they are continually stuck with products such as floor and wall tiles that a client has changed his mind about. In the end, this client took possession and refused to pay a \$90,000 final account. Instead, he offered to pay half. The shortfall would have been eaten up in legal fees, so the offer was accepted.

We should remember that homeowners warranty insurance is only ever paid when the builder cannot complete a dwelling or repair a defect because the builder has ceased trading. Conversely, when warranty insurance is paid out the builder can no longer trade. It makes one wonder how the Building Services

Corporation, which performed a similar role, managed to charge premiums of around 20 per cent of those charged currently and pass \$80 million in reserves to a cash-starved Carr Labor Government. The Supreme Court decision that led to this amendment it seems was an unfortunate result. Builders usually repair their minor defects within six months of completing the work, and repair major structural defects up to six years after completion.

Any major structural defects will show up within that six-year time frame and the insurers warranty should also cease at the end of that six-year period. Compare that with other industries. For example, yesterday I made a representation to the Minister on behalf of a couple of my constituents who paid a 20 per cent deposit on a \$140,000 motor home. The manufacturer went into liquidation and this retired couple are \$28,000 the poorer. We need homeowners warranty insurance in the building industry. The current system is not perfect and I have mentioned a few amendments that would make it much easier to administer. I suggest that we reintroduce the honest broker for all parties.

Mr ROBERT FUROLO (Lakemba) [10.57 a.m.]: I am happy to support the Home Building Amendment (Insurance) Bill 2009. Home warranty insurance is an important safeguard for consumers. Purchasing a new house is the largest single expenditure that a family makes. Mortgages are a commitment for many years and dominate the family budget. The Home Building Act—which includes statutory warranties—protects homeowners, and warranties are automatically included in every contract to do residential building work. A homeowner can take action against a building contractor for seven years after building work is completed, but what happens if the builder has disappeared, passed away or is insolvent? Home warranty insurance is a safety net that protects homeowners when this happens.

In October last year a decision of the Supreme Court placed the future of the home warranty scheme in jeopardy. The Supreme Court identified a problem with the way the Home Building Act was drafted. The Act prescribes a period of insurance but because of drafting problems this period becomes irrelevant—there is no time limit on making an insurance claim. The drafting problem affects all home warranty insurance contracts entered into since 1 May 1997 and all insurers who have operated in the home warranty insurance market since that time.

It became clear that insurers might be held liable for claims that previously were considered out of time. In fact, there was no clear limit on when their liability would end. Insurers faced a dramatic increase in potential costs. This had been taken into account when their insurance products were priced. Insurers had to reassess whether they could afford to continue offering this type of insurance. They began to consider withdrawing from the scheme. If insurers were not willing to write new policies the home building industry in New South Wales would grind to a halt. Even if some insurers continued in the market, the price of home warranty insurance would have gone up significantly. The cost of a new home would also have risen.

The Government acted quickly to prevent adventurous claims using the loophole identified by the Supreme Court. The Home Building Regulation was amended to prevent out-of-time claims being made. The regulation was an interim amendment, an administrative fix until Parliament could consider this bill. This bill provides a long-term solution to the problem identified by the Supreme Court. It makes it clear that an insurance contract covers losses that become apparent during the period of insurance prescribed in the Home Building Act, but it covers them for this period only. The homeowner must also notify the insurer that there is a loss.

The bill does not make changes to the Home Warranty Insurance Scheme; it addresses a drafting problem, which has been sitting in the Home Building Act unnoticed since 1997. The bill simply restores the situation to what it was prior to the Supreme Court decision. The bill inserts section 103BA into the Home Building Act to confirm that losses are insured only where they become apparent and are reported to the insurer within the relevant period of insurance. The minimum period of insurance that an insurer must include in a contract is set out in section 103B of the Home Building Act. An insurer can, of course, agree to include a longer period. A home warranty insurance contract must provide cover for structural defects for at least six years from the completion of building work. For other defects the period is two years after completion. Losses arising from the non-completion of work must be covered for at least 12 months after work stops—or fails to start.

One may ask: What happens if a homeowner becomes aware of a defect only at the end of the insurance period? What happens if they become aware of a problem only on the last day? Section 103BA gives a homeowner at least six months to notify a loss that becomes apparent during the last six months of insurance cover. The bill applies to all home warranty insurance contracts entered into since 1 May 1997. I am wary of

backdating legislation, so there needs to be a good reason to do this and it must be done carefully. The Government is of the view that retroactive legislation in this case is unavoidable and in this case is clearly in the public interest.

Retroactive legislation is certainly necessary in this instance to confirm the previously accepted coverage of the Home Warranty Insurance Scheme and to prevent any unintended and retrospective increase in the costs of home warranty insurance. Old settled claims will not be reopened. Section 103BA does not affect any insurance claim that has already been paid in full and it does not affect any claim where a settlement has already been agreed. Claims that have already been paid under the indemnity provided to homeowners insured by the HIIH or FAI insurance groups are also not affected. The home building industry is a vital part of the New South Wales economy. The drafting problem identified by the Supreme Court threw the future stability of this important industry into question.

A disruption to the Home Warranty Insurance Scheme potentially prevents builders and developers from starting new work. We saw this happen in 2001 and 2002 when the HIIH and FAI insurance groups collapsed. There was a major crisis in the industry at that time because insurance became very difficult to obtain. We cannot let this happen again. Especially when we are all experiencing the effects of the current global financial crisis. It would be irresponsible of us to place further stress on this important industry at this time. I commend the bill to the House.

Mr ANTHONY ROBERTS (Lane Cove) [11.03 a.m.]: As I begin to address the Home Building Amendment (Insurance) Bill 2009 I pay tribute to the shadow Minister for Trading, the member for Albury, who has worked extensively on this bill in support of consumers, particularly those affected by the building industry, who have faced so many problems. The former Regulation 63 of the Home Building Regulation 2004 stated that under home warranty insurance the insurance beneficiary, that is, the homeowner, had six months to notify his home warranty insurer of a claim. Industry and consumers assumed that there was a time limit on making claims provided by section 103B of the Home Building Act 1989. The claim had to be made within the period of insurance, which was six years after completion of the building work for structural defects, two years for other defects, or one year for failure to commence.

Mr Acting-Speaker, as someone who keeps a very close eye on legislation and particularly on how it is dealt with in the courts, you would know that the Government is a repeat offender when it comes to bad and ineffective legislation. In October 2008 a Supreme Court case blew apart that understanding by the industry and consumers when it said that there was no time limit on making a home warranty insurance claim. That was very bad news for insurers and builders as it left liability very much open-ended. On 19 December 2008 the Government acted in haste to plug this hole in its legislation but messed up the wording of the regulation, and again demonstrated its failure to understand home warranty insurance, which has been administered by the insurance companies since 1997. In that case a homeowner had to chase his builder through the courts to obtain legal judgement over defects, and then make the builder bankrupt before he could lodge a home warranty insurance claim—all within six months.

The shadow Minister became aware of that through issues raised within the industry and by consumers and went public about it on 13 February 2009, and followed that up by a speech in this House on 10 March 2009. Following that this bill was introduced on 6 May 2009. Although the Government claims that it always intended to prepare further regulations, the current focus is on fixing the Government's mistake on Regulation 63A and reinstating the position before the Supreme Court decision. Once again, effectively, the Government has created legislation based on a media release and a knee-jerk reaction, failing to understand the complexities of an issue. A constituent of mine, a very intelligent fellow, a very good family man from a wonderful family, who undertook home renovations, wrote to me of his concerns. On behalf of his family he wrote:

I am writing to you in a state of frustration mainly in relation to the state government's impotent and worthless Home Warranty Insurance Policy. We are living victims of its ineffectiveness. Back in 2004 we moved back into our renovated house ... in Hunters Hill, and became almost immediately aware of defects and have continued to live with a litany of defects that have occurred over time. Why did we not act immediately? Well by the time the builder had finished we were sick of his lies, poor workmanship and incompetence. By the time we had nursed him through to completion, a full 12 months in excess of his quoted 6 months, we were frankly sick of him being part of our lives; and any sense of trust has evaporated as more and more defects have come to light over the ensuing years. I ask you to consider a medical analogy: would you go back to a surgeon who had removed the wrong leg to fix the ailment on the remaining leg? This is how we feel about our builder, and is one of the reasons we have stayed away from the conciliatory approach of Fair Trading with its on-site meetings and orders to builders to fix outstanding issues. We believe that if you came to our house—

which I intend to do—

then you would see that there is no basis for him coming back on to the site. (Just this week we have had to pull up a rotted balcony which represented a life threatening risk to my family). Every time someone with any building knowledge comes to the house they shake their heads in disbelief at the lack of workmanship (and usually point out yet another defect).

Why have we not done anything? Well there do not appear to be any appropriate avenues, where we as the wronged party have any clear rights. We have a prevailing sense of inertia brought about by the injustice of the HWI—

which is a policy of this Government—

which incredibly is only triggered by death, disappearance or bankruptcy. Surely the key issue in the building industry is workmanship, yet HWI does not cover poor workmanship. The policy is literally not worth the paper it is written on. We don't want to spend \$30,000 in expert fees and legals. We paid over \$300,000 for the renovation, why should we potentially spend another 10-30% when we are the victims of poor workmanship? How is it that any government supposedly representing its people does not protect its people with appropriate legislation, and simply lays them bare to the vipers and charlatans that seem to abound in this industry. Why must I consume my valuable time and energy building an expensive case against someone who has clearly failed to deliver a defined product?

That is an issue in my constituency of a gentleman and a family who have been confronted by shoddy workmanship and a policy that has failed them. That raises a very important point, that quite often people do not want a particular builder to come back. They are fed up with the builder. The builder has done them over and comes back and just keeps extending the problem. I am well aware of the time and that a number of members wish to speak on this bill. I know that the shadow Minister will continue to monitor this problem. While we do not intend to oppose the bill, it is very much an opportunity for the Government, under the Minister's leadership, to make sure that consumers as a whole are protected.

Ms CLOVER MOORE (Sydney) [11.10 a.m.]: The Home Building Amendment (Insurance) Bill limits home warranty insurance claims to defects that are detected during the period of insurance. The six-month limit to notify insurers of a defect will continue but the recently added requirement to lodge the actual claim within six months of noticing a problem has been removed. The bill also enables insurers to reduce liability if a homeowner has not pursued statutory warranty action. Home warranty insurance has been a controversial topic since it became a last-resort scheme after the collapse of HIH. Consumer advocates and smaller builders say that because the scheme is limited to when a builder dies, disappears, becomes insolvent or, as of last year, fails to comply with a Consumer, Trader and Tenancy Tribunal order, home warranty insurance predominantly benefits insurers and large building companies. The limit means there is very little risk for the insurer.

I understand that the Banking and Financial Services Ombudsman assessed home warranty insurance and found it to be the worst performing insurance in Australia, particularly due to its limited coverage that leaves consumers without help when they need it. Consumer group Choice has also expressed significant concerns about the lack of value for money in home warranty insurance. The Builders Collective Australia tells me that the scheme also creates unnecessary problems and costs for small builders because they must get annual insurance eligibility prior to getting registration and a building permit for an insurer to underwrite home construction. They say this is equivalent to the builder becoming the insurer without receiving the policy premium.

The president of the collective points out that problems can escalate, leading to significant costs and time frames because the regime does not have a dispute and resolution mechanism, which is a basic provision for resolving problems. I acknowledge that the aim of this bill is to prevent insurers withdrawing from the home warranty insurance market because of increased liability as a result of a Supreme Court decision that allowed claims beyond the insurance period. But concerns have been raised with me that the proposed scheme is very complex and likely to defeat most lawyers and all homeowners, and that there is no good reason to limit the scheme by a requirement for notice of a claim at a time earlier than the expiry of the insurance itself.

Changes to home warranty insurance must focus on providing relief for homeowners who are left with faulty or incomplete work. Tasmania is phasing out home warranty insurance and replacing it with a new framework that involves dispute resolution run by its Office of Consumer Affairs and Fair Trading. In Queensland the Government underwrites the risk and offers a first resort scheme that consumers can access even if the builder continues to trade. The purpose of having a mandatory policy is to provide effective insurance to homeowners impacted by faulty or incomplete work, not to protect insurers from injured homeowners. I call on the Government to improve consumer protection and implement a scheme similar to the Government-run, first-resort scheme introduced in Queensland.

Mr JOHN TURNER (Myall Lakes) [11.13 a.m.]: This bill is another example of the Government just not being able to get things right. This has been the situation with the home building industry for a decade under this Government. The bill has largely been drafted in response to the Supreme Court decision of *Strata Plan 57504 v Building Insurers' Guarantee Corporation*, which was handed down in October 2008. The Supreme Court decision drew attention to the fact that although section 103B of the Home Building Act specifies a minimum period of insurance cover there is no explicit statutory limit on when a claim can be made. A consequence of this decision was that as long as the loss was incurred during a period of insurance cover a claim could be made. Action was taken by the shadow Minister that forced the Government to bring this legislation before the House.

As I said, a litany of problems have been associated with home building insurance. The Government has never quite been able to get it right. I refer to the days when I was shadow Minister for Fair Trading when amendments were brought forward to take this insurance to the private sector. I note that in a speech I made on 19 November 1996 I warned that there would be some problems associated with that. I also recall the knee-jerk reactions that were referred to by one of the earlier speakers occurring throughout the history of home owners insurance, including when it was decided to take the insurance from the Builders Licensing Board to the private sector and the Government could not find anyone to take it on. In literally the last 24 hours before the proposal was due to take effect a company called HIH was prevailed upon by the then Minister to provide insurance. We now know the disastrous circumstances of the Government not thinking that through and looking at the proposal more closely, and the lives that were ruined by that knee-jerk reaction by the Minister at the time.

We have seen a period of debacles with insurance costs out of control and builders basically having to put all their assets on the line to be able to get insurance. Many of them get out of the industry because they are not prepared to do that. In another case a builder in my electorate wrote off to get insurance cover but in the time between applying for it and the insurance cover being granted he did a small amount of work clearing a block prior to building. When push came to shove by the owner it was determined that the builder was not insured at the time he cleared the block, and that builder very nearly went under. As a result of that, further amendments, not unlike those we have before us today, had to be put in place to fix the problem. I hope the Government will get this right once and for all, not only for the sake of the builders but also for consumers so there can be certainty in this important and vital sector.

One of the problems with this Government—obviously, nothing has changed since I was shadow Minister—is that again there has been no consultation. There was never consultation on the two occasions that I was shadow Minister. The Institute of Strata Title Management made the following comment to the shadow Minister in recent days:

... a general comment about the minister's address to the parliament. What is clear from the contents of this address note is that the government has not sought or received any input or comment from any consumer or industry association. It has purposefully only sought the input from the Home Owners Warranty Insurance Providers Sector. Clearly the government feels it has the impartiality to represent and protect the consumers rights however the reality is that the government on taking the one-sided advice and particularly in taking the stance to protect their own exposure to claims made to BigCorp in relation to the HIH FIA situation, in my mind, the government cannot expect the public to reasonably consider that they can act impartially and independently in legislating these amendments.

That is pretty heavy stuff from one of the very important organisations in the building sector. It reflects the fact that this Government simply will not consult, unlike this side of the House, where the shadow Minister has been diligently consulting all parts of the sector to ensure that the legislation is aired. The Institute of Strata Title Management goes on to say:

...it is fair to suggest the government has shown a level of arrogance in both the knee-jerk reaction to protect its exposure in responding to the supreme court ruling of SP57504 -V- BigCorp and now is trying to return some common sense to the legislation. The fact is that even though some clarity has been provided to timelines ... the consumer is still left with a HOW system that is far too weighted to the Insurance Sector.

I refer again to the speech I made in 1996 when I commented that there could be some concerns in relation to the large private insurers taking over the Government's interest in this sector. The institute goes on to say:

The fact that the legislation still places the right of the Insurer to reject notice or a claim if one of the four triggers, as discussed in the Minister's speech, is not able to be enacted places the insured party in limbo where they quite obviously have identified a breach of Statutory Warranties however their insurer refuses to be placed on notice. Further, the claimant (Owners Corporation) is still faced with a long drawn out and expensive process of attempting to have the builder respond to their obligations under the Statutory Warranties.

As I said earlier, those comments were made by an important sector in the community. The bill seeks to clarify the period in which an insurance claim can be made to within six months of a beneficiary becoming aware of the

claim. That was seen as being open-ended and it led to this case. Seven or eight years after the warranty period had expired a homeowner in my electorate drew attention to cracks in a part of a building that required fixing. Those defects, which were fixed in good faith, could have been fixed by relying on an error in the legislation that enables people to make a claim within six months of the life of the home. Obviously, this provision needed to be rectified and clarified. However, it should not have taken a Supreme Court case to rectify it and the Opposition should not have had to pursue the Government to introduce this legislation.

Mr ROB STOKES (Pittwater) [11.21 a.m.]: The Home Building Amendment (Insurance) Bill 2009 is an example of the Labor Government having to introduce amendments to rectify faults in the legislation that could have been avoided if the issue had been correctly investigated and proper consultation had occurred in the first place. This demonstrates the Government's continuing ineptitude on the issue of home warranty insurance, which was originally set up by the Greiner Government in 1989. Home warranty insurance indemnifies a homeowner against loss and damage arising in limited circumstances—from insolvency or the disappearance or death of a building contractor or builder. Insurance cover is provided for non-completion of work and for breach of statutory warranty. Often it is referred to as last resort cover and it acts as a safety net in what could be described as the direst of circumstances—when a contractor is no longer available to build, complete or repair the contracted work.

One of the problems with the scheme is that consumers often do not appreciate that the insurance is last resort. Consumers often assume that their building work is comprehensively insured but they find out with a rude shock that they are insured for only a limited amount. I wish to explore that by referring to an example in my local community. A resident in Pittwater contacted me about a property that he recently purchased. I went with him to inspect the property and discovered that it was a house of horrors because of the number of defects within it. This resident struck me as someone who would cross every "t" and dot every "i" in the significant purchase of a home. This gentleman did everything right before concluding his purchase but it appears as though he has been let down by everyone involved in the process and he has been left with a very small insurance claim. I read an extract from his letter:

Dear Mr Stokes

We are experiencing what I have termed the "Perfect Storm" with regards to a recent home purchase of ours. I might add by the way that my wife and I are both Labor Party supporters.

That was only the beginning of their problems. The letter continues:

We took possession of a new home in ... Mona Vale on 23rd October for \$1.95m.

The home however didn't have an "Occupation Certificate" issued by Pittwater Council despite having been completed several years earlier, so a condition of our purchase agreement was that these final inspections took place.

We also had full building and pest inspections performed, electrical work and the air conditioner inspected. We even requested thermal imaging as part of the pest inspection. We also requested that a home warranty insurance certificate be presented which the builder duly provided also as part of the settlement process.

You see, we did everything that anyone should have reasonably done and then some as part of the purchase due-diligence—and we still got bitten!

We chose a large, and we thought therefore, reputable inspection company to perform the work. The Occupation Certificate was issued by council following all claim inspections by them during settlement and relying upon information provided by the builder. The inspection reports came back with the all clear too.

Our troubles began a couple of days after settlement. We removed all of the carpet where there weren't timber floors both upstairs and downstairs. The timber floor downstairs was fixed onto a concrete slab resulting in a 40mm step down onto the concrete floor where there used to be carpet. A friend of ours suggested we raise the floor using particle board sheeting so that the new carpet would be at the same level as the timber floor. This required skirting boards to be removed and this is when we found live termite activity in the house.

Termites were discovered despite the fact that there had been pest inspections and thermal imaging had been carried out. The letter continues:

The list of construction defects (many of which should have reasonably detected by council or the building inspector) which include:-

- 1) Outside ground levels are almost the same as the inside ground floor level. This has contributed significantly to a range of building problems ...
- 2) The footings and ground floor slabs have been installed without the appropriate termite protection/membrane.

- 3) Roof flashings are poorly implemented resulting in leaking.
- 4) No bathroom wet area proofing in any of the bathrooms also resulting in significant leaking.
- 5) Steel beams installed without steel post supports that should have been installed.
- 6) Garage slab poured without reinforcing or termite protection over an existing slab.
- 7) Rotting bottom plates in areas where the outside ground or floor levels are higher than the inside levels.
- 8) Stormwater systems not installed in accordance with engineers drawings.
- 9) Asbestos buried adjacent to the footings from the existing garage that the builder demolished.

There were many other issues, including the absence of a pool fence. The list of defects goes on and on—a nightmare for any homeowner. The resident continues:

Based on the experts that we have hired since, many of these issues would have been visible during inspections by both Council and the Building and Pest Inspection companies or indeed any certifiers. None of them however picked anything up.

This gentleman and his family did everything that they might be reasonably expected to do, but it seems as though everybody let them down. They do not yet have the full costs of rectification, but suffice to say that on a property worth about \$2 million the cost of rectification work would well and truly exceed the threshold set down in the home warranty insurance policy. I heard from an unnamed person within the local council who also inspected the site that he had informed the owner the house needed to be demolished and rebuilt, that it was the worst he had ever seen, and that he wants to take members of council through it for training—an example of a horror situation!

This gentleman and his family were unaware that their insurance did not even cover them. Under clause 69A of the Home Building Amendment (Claims) Regulation 2008 he would have to identify all the defects, state who he was going to sue, and sue everyone before lodging a finalised claim with his insurance company within six-months, which is simply impossible. A number of potential litigants are involved and he could claim against any number of people—the pest company, the building inspector, the engineer, perhaps the council, and the builder who sold him the property. As many people are involved in these construction disputes, he would have to identify who he intended to sue—there might be several litigants—finalise that suit, and then lodge his claim for insurance, which is an impossible ask.

Importantly, this legislation will fix up the problem that arose as a result of the implementation of the Home Building Amendment (Claims) Regulation 2008. I refer next to how this regulation came about. The regulation that we are fixing up today came about because of a Supreme Court case heard by Justice McDougall—*Strata Plan No. 57504 v The Building Insurers' Guarantee Corporation*. I do not need to go into the facts of that case, but it exposed or opened up the time limits on building warranty insurance, and it exposed insurance companies to an ongoing liability.

Obviously, the regulation went too far in the other direction. Imposing a six-month time limit to finalise claims is too onerous. I note the Office of Fair Trading prepared a document entitled "Better Regulation Statement: Home Warranty Insurance—Clarification of Claim Period" that led to the introduction of clause 63A of the home building regulation. The Office of Fair Trading noted in its submission paper that it had consulted widely with industry groups: the Attorney General's Department, the Treasury, the Insurance Council of Australia, the Home Warranty Insurance Scheme Board and the provisional liquidator for the HIH Insurance Group and the reinsurers for that group. However, the department noted:

It has not been possible to consult with homeowners in relation to this proposal. There is no peak body which specifically represents the interests of all homeowners.

We are here to do that today. Parliament is the appropriate body to consult because it represents homeowners. If legislation had been introduced and debated in the appropriate forum, the problems within the regulation would have been exposed.

Ms Virginia Judge: That is what we are doing.

Mr ROB STOKES: I appreciate the Minister says that is what we are doing now. However, the process of amending the regulation could have been avoided if this matter had come to the Parliament first. The problems exposed in the regulation would have been resolved at that stage. I note a member of the ministerial staff is trying to communicate with me. I am sure I will speak with her afterwards.

Mr DARYL MAGUIRE (Wagga Wagga) [11.31 a.m.]: On the many occasions we have debated bills regarding home building amendments I have always taken the opportunity to contribute. In the time I have been in this place many such debates have occurred and many Ministers have had responsibility for Fair Trading. Off the top of my head I remember Faye Lo Po', John Aquilina, Linda Burney, Joe Tripodi, Reba Meagher, Diane Beamer and, of course, the present good Minister, Virginia Judge. In almost 10 years we have had seven or eight fair trading Ministers. My point is that with so many changes much of the experience and depth of knowledge about fair trading and related issues has been lost. We keep getting amendments in this place to address issues that were not properly legislated in the first place.

Without wishing to delay the Minister's reply to the debate—I appreciate that she has sat through quite a long debate—I seek some responses from her. I read very carefully the Minister's agreement in principle speech. I will not go over the background to the Home Building Amendment (Insurance) Bill 2009 or the speeches of other members because our shadow Minister has put the concerns of the Opposition succinctly. The Minister said in the agreement in principle speech:

Any disruption to the home warranty insurance scheme can have a significant impact on the home building industry, potentially preventing builders and developers from starting new work.

We have seen evidence of that. We have heard the howls of protest and we have seen the hundreds of builders holding caricatures of Bob the Builder with posters stating, "Not happy, Bob." Most regional and rural towns have held public meetings because of the way the various previous Ministers have managed this portfolio. I particularly refer to this statement of Minister Judge:

The Supreme Court decision potentially opened the door to claims being notified after the period of insurance to all 18 insurers who have operated in the home warranty insurance market since 1997 with no clear limit on when their liability for claims would end. It became quite feasible that an insurer could be found liable for defects that appeared 20 or 30 years after a home was completed. It is not possible to give precise figures on the number of insurance contracts issued since 1997 or the number of separate dwellings that had been covered by these contracts. However, the Office of Fair Trading has estimated that there would have been more than 650,000 home building projects covered by the scheme since 1997.

For a Minister to suggest in this place that it is not possible to carry out due diligence and provide reliable information from insurance companies regarding the amount of insurance contracts issued or houses and projects covered under the warranty is unbelievable. It is outrageous to suggest that this bill has been cobbled together to address what is suggested to the Minister and the department. The Minister said:

Insurers faced a dramatic increase in liability, which had not been taken into account when their insurance products were priced. They faced an open-ended liability that could result in large-scale losses ... Following the Supreme Court decision, approved insurers began assessing whether it was commercially viable to continue providing insurance cover. Some approved insurers advised the Office of Fair Trading that they may withdraw from the home warranty insurance market.

In other words, that is code for, "Change the legislation or you're going to have the howls of protest again and the builders at the front of Parliament House rattling the gates and wanting to lynch the Minister." I note that the Housing Industry Association, the NBA and other peak bodies that represent the building industry, which is the engine room of the New South Wales economy—the gauge we use when we define how the economy is performing—agree with these amendments. Why would they not? They risk insurers withdrawing from the market, which happened when the HIH group collapsed—that is my assumption. What did the Minister do? How has she carried out due diligence on what the insurers tell us and what we have been told in this place? Were any facts and figures delivered to the Minister to provide the basis on which this legislation was introduced? I suggest not. All that was provided were mere assumptions, such as the Office of Fair Trading assuming that 650,000 building projects have been covered.

It is outrageous that a government department cannot provide figures and facts about the business in which it is involved and administers. I admit that the Minister has been lumbered with this. She is not the architect, but she is the Minister of the Crown and now responsible to fix this mess. It is important that the industry receive answers to the following questions I ask the Minister for Fair Trading. How much has been received by the insurance companies in home warranty insurance premiums since the scheme's inception? How many insurance claims have been lodged by homeowners? How many claims have been successful? How many claims are pending in the legal system? What is the total value paid out by insurance companies as a result of the claims?

On one hand, we have premiums paid by building companies, but ultimately by the homeowner whose home is being constructed—in basket "A" let us say. Out of that comes the cost of administering the scheme and claims paid. What is the difference? We should have some figures on what the industry is doing. How much is it

receiving from the scheme regarding claims? How much is actually paid out? What are the administration costs of the scheme? Does anybody know? I suggest not. I suggest further that the Office of Fair Trading has not got a clue if we rely on what the Minister read into *Hansard*. I request responses to those questions in the interests of transparency so that we all understand the magnitude of the problem when this legislation was conjured up.

I do not want to know what the proposed or suggested risks are; what I want to know is factually what has been happening. Facts are the best basis on which to draw a conclusion. I want to know how many people have been affected and just what level of funds the insurance companies are dealing with. Prior to this scheme, the Home Building Service scheme was in operation and that will be replaced by the provisions before the House. During the operation of the previous scheme, Faye Lo Po' reached into a hollow log and raked out \$79 million, while being egged on by Bob Carr and Michael Egan, and that money went into the Consolidated Revenue Fund.

Mr Rob Stokes: Where has it gone?

Mr DARYL MAGUIRE: A little of it was put aside to settle some claims, but one would have to ask: Where has the money gone? It has disappeared. We now have a proposal for a new scheme to consider. The current Minister and other Ministers have been held hostage by insurance companies that think their profits are at risk or that their shareholders will be duded. They have cried poor to the Minister, who has come running to the Parliament to introduce legislation. The building companies all agree because they do not want disruption; nor does anyone else. We need builders to construct houses, we need apprentices to be trained at TAFE, we need concrete to be poured and steel to be bought. All of those activities create jobs in our communities and we all support that, but what we want to see is some transparency in the background to this debate.

I am not saying that I disagree with what is being done—measures need to be taken. The Minister made a five-page agreement in principle speech, which is quite a long introduction speech containing lots of information and background for the benefit of members who had not been elected when the Act was passed. However, the inclusion of facts and figures would have added more weight to the Minister's remarks. Having said that, I look forward to the Minister's reply to the issues I have raised in the first instance. I wish her well with this portfolio. It is important for her to get this legislation right because of the importance of the building industry to the economy. I also look forward to the Minister's reply to the questions I have asked. If the Minister's responses are not satisfactory, I will be compiling more questions on notice to get to the bottom of the insurers' financial position that has led to the Minister introducing legislation and to the insurers suggesting that they are at risk.

Ms VIRGINIA JUDGE (Strathfield—Minister for Fair Trading, Minister for Citizenship, and Minister Assisting the Premier on the Arts) [11.42 a.m.], in reply: I commence my reply by thanking all members for their contribution to the debate on the Home Building Amendment (Insurance) Bill 2009. I also thank all of our stakeholders, the agencies involved in drafting the legislation, the insurers and the very hardworking, efficient and professional public servants of the Office of Fair Trading who provided their time and expertise during the consultation phase of the bill. The main purpose of the bill is to provide clarity and certainty both for homeowners who engage a builder to construct their home or undertake renovations worth more than \$12,000 and for insurers who will be able to write policies, knowing that they are no longer open-ended.

The bill clarifies the time period and the quantum for homeowners and insurers, thereby providing certainty in claims. In other words, we are returning to the status quo as it was understood before the Supreme Court decision of last year. Anyone who potentially was disadvantaged by regulation 63A has had their entitlements returned. I am also pleased that when the legislation is passed, the fourth trigger for accessing insurers will commence. Before I commend the bill to the House, I will comment on the remarks made by a number of members who participated in the debate. The case identified by the member for Albury and other cases mentioned during the debate are rectified by this amending bill. The owners corporation will have its claim re-examined under new section 85 of the bill.

The fourth trigger, which will commence after the passing of this legislation, will assist people who find that their builder has failed to comply with a monetary order of the Consumer, Trader and Tenancy Tribunal [CTTT] so that families will not be in the same situation as were the Mulhollands. I also wish to correct the assertion made by the member for Albury relating to the Consumer, Trader and Tenancy Tribunal's delaying the Mulholland case. While a number of adjournments were made over the period of 14 months—

Mr Geoff Provest: There were 11.

Ms VIRGINIA JUDGE: I said "while a number of adjournments were made over the period of 14 months". Four were distinctly made by the applicant—let us get the facts straight.

Mr Greg Aplin: One.

Ms VIRGINIA JUDGE: One was requested jointly—by both parties—and one delay was attributable to the applicant who was waiting for an action to be filed in the Federal Court, for which an adjournment of three months was requested. It is not a question of the builder using the system to unnecessarily delay the outcome, but a question of both parties seeking justice. The Government will send a notice to the Law Society detailing the changes, as we would normally do for any of the changes to our legislation, and we will also inform our stakeholders and industry groups. Clause 58A of the Home Building Regulation 2004 will merely codify the existing interplay of home warranty insurance with the Commonwealth and the Commonwealth Insurance Contracts Act which has been used by insurers since the scheme was privatised in 1997.

Further reforms to home warranty insurance are planned as part of the rewriting of the Home Building Act later this year. As has been the case in relation to the bill before the House, wide and meaningful consultation will occur with all stakeholders. Any consumer who questions whether they have missed out on claiming should call the Office of Fair Trading on 13 32 20. I will now address the comments made by the member for Tweed, who has been waiting patiently. He should listen carefully. I am pleased that he has remained in the Chamber whereas other members of the Opposition have left. Under the claims handling guidelines that are in place in New South Wales to regulate the conduct of insurers, the Government will direct insurers to write to any claimant whose claim has been declined to advise them to resubmit their claim for reassessment by virtue of the provisions of new section 85.

I turn now to the comments made by the member for Lane Cove. I remind the member that home warranty insurance is a last resort mechanism that deals with defects when a builder is no longer around to undertake the work. In circumstances in which the builder is still around, the Government has put in place, through the creation of the Home Building Service, an effective and free dispute resolution system for consumers. The establishment of the Home Building Service is linked to increased compliance. I point out to the member for Myall Lakes that consultation has been extensive with our stakeholders, and I am pleased to provide details. The bill was recommended by the Home Warranty Insurance Scheme Board. The board was established under the Home Building Act 1989 to provide professional advice to the Minister on the scheme.

The Insurance Council of Australia, and all approved home warranty insurers, including the administrator of the HIA-FIA insurance group, have been consulted throughout development of the bill. Two drafts of the bill were provided for comment during that process. On both occasions, the insurers had one week to comment on the draft legislation. Comment on draft No. 5 of this bill was provided by insurers late on Wednesday 29 April 2009. The revised new section 99 (3) provision, which will establish the fourth insurance trigger, was developed in response to potential drafting problems that have been identified by Vero Insurance and endorsed by other insurers. Vero also identified other areas of difference with the Government in these discussions. There is no representative group for home owners. Consequently, consultation with home owners has not been possible. I hope the Opposition got that point. The nature of the legislation prevents draft legislation being made available for public discussion.

Concern also has been expressed about the operation of clause 63A of the Home Building Regulation 2004 through public statements by the New South Wales Law Society, by the shadow Minister, and by law firms operating in the strata management industry. The Institute of Strata Management also has expressed concern about the operation of clause 63A of the regulation. These concerns arise from a misunderstanding of that clause and from the operational decisions made by some approved insurers. The bill addresses the concerns that have been expressed by these groups and includes transitional provisions to ensure that no person can be disadvantaged by the operation of clause 63A of the regulation. Two weeks ago we met with the Institute of Strata Management to discuss its concerns. I remind the member for Pittwater that the House was not sitting at the time the regulation was required. I now turn to the comments of the member for Wagga Wagga.

ACTING-SPEAKER (Mr Thomas George): Order! The Minister does not need the assistance of Government members.

Ms VIRGINIA JUDGE: I wonder whether the member for Wagga Wagga has the technical competence to move to a mouse and click and point, because we have published data on a quarterly basis on the Fair Trading website. That data is from as far back as 2004. I advise the member to look at the website, www.fairtrading.nsw.gov.au. He needs to power up a computer and look at that.

Mr Daryl Maguire: You misled the House. You told us there were no figures.

Ms VIRGINIA JUDGE: I have just been advised that data has been collected. We do not have the figures prior to 1997.

Mr Daryl Maguire: There you go—you misled the House!

Ms VIRGINIA JUDGE: Rubbish! I am just stating that data has been collected. It has not been available from 1997, which is why I have not made available the exact number and amount of the claims. An educated estimate has been made based on the figures from the Australian Bureau of Statistics. It is quite clear, and that is now in *Hansard*. In conclusion, I thank all members for the robust discussion. It was interesting to hear from a member opposite the history of his building company.

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.

CHILDREN AND YOUNG PERSONS (CARE AND PROTECTION) AMENDMENT BILL 2009

Agreement in Principle

Debate resumed from 6 May 2009.

Ms PRU GOWARD (Goulburn) [11.51 a.m.]: The Children and Young Persons (Care and Protection) Amendment Bill 2009 is not opposed by the Opposition. However, I shall go through it in a bit of detail because some issues arise from it. The first intent of the bill is to explicitly provide that if the Department of Community Services takes over supervising the placement of a child or young person in out-of-home care because the designated agency has ceased to be able to fulfil its responsibilities, the department does not take or assume any assets, rights or liabilities of the designated agency. I understand that that was always provided for in the 1998 Act, but this bill makes the provision more explicit. Indeed, if there is a criticism of the amending bill it is that it makes explicit things that have generally been understood under the 1998 Act.

I have established that there has not been a legal challenge to any of the sections of the Act that we are now amending. That raises the question of why the Government believes that it is necessary to amend and, as it said, clarify the Act when there had been no legal action or ambiguity that suggested there were difficulties with the original Act. I had hoped it was understood that the department would not assume any assets, rights or liabilities of a designated agency when it took over the supervision of a child. The second intent of this bill is to make it clear that the Children's Guardian and the Director General of the Department of Community Services may, for the purposes of exercising their functions, exchange information with and require the provision of information from other persons.

Again, this is already reasonably well understood in the Act. However, given the privacy concerns explored by Justice Wood in the commission of inquiry, we now understand—I suppose the amendment makes it clear—that the Children's Guardian and the Director General of the Department of Community Services may require the provision of information from prescribed persons. One would have thought the Children's Guardian in particular could always do that. When it comes to offences for those who fail to provide information, the bill

distinguishes between the Children's Guardian and the director general, who are only required to "comply promptly with a request to provide information", whereas for prescribed persons other than the director general or the Children's Guardian an offence is committed if that does not happen within a reasonable timeframe.

The bill provides for the director general to "comply promptly" but a prescribed person other than the director general or a department of the public service must "comply with a direction within such reasonable time as specified in that direction", and if they fail to do so there will be a maximum penalty of 10 penalty units. That seems to be a distinction between the public service and its reporting arrangements and other persons. While we want prompt cooperation in the sharing of information, the Wood commission of inquiry made it clear that we cannot get agencies working together or get integrated service delivery if we cannot first provide a means of exchanging information without breaching the privacy Act.

While we all understand that—it is heartening that the provision has been not strengthened but clarified in this bill and, in addition, attracts a penalty—it is disappointing that the public sector is required only to comply promptly. I trust that that does not mean that it will take advantage of the slightly less onerous conditions under which it will be expected to work. To enable the making of regulations for or with respect to the licensing of principal and other officers of designated agencies, I understand that that is already implied in the 1998 Act, but the bill clarifies the language. I take this opportunity to refer to the New South Wales Auditor-General's report on grants administration and his observations as a result of surveying respondents, that is, those who received grants. They are the people we are talking about who are part of designated agencies providing care and other services to at-risk children or children in out-of-home care.

More than 90 per cent of respondents for community grants said that the grants had a positive impact on their community, but only one in five thought that agencies target the areas of greatest need. Again, if the Government is enabling the making of regulations for or with respect to the licensing of principal and other officers of designated agencies, the Auditor-General made it clear that agencies—this case the Department of Community Services—are required to improve the identification of suitable and necessary grants. Respondents also have concerns about transparency. According to the Auditor-General, fewer than half of the respondents agree that they get timely advice on available grants and clear advice on how applications will be assessed. Fewer than one in four say they are told why applications are unsuccessful. Fewer than one in five say decisions to approve or reject a grant request are fair and transparent.

The Auditor-General said that there is a risk that organisations do not have the information they need to plan, build and work with government to ensure better outcomes and that communities may miss out on worthwhile projects. The lack of transparency reported by respondents may undermine public confidence. Again, if we are making it clearer that the Act enables the making of regulations for or with respect to the licensing of those in designated agencies, this is an opportunity to encourage the Government to ensure that there is transparency in the granting of moneys to these agencies and that they must understand—this must be made clear—why the decision to approve or reject a grant request was made.

The respondents' answers about the transparency of the grants process is well worth noting. Only 22 per cent of non-government organisations agreed that they received timely advice on whether they were successful with a grants application, and less than 20 per cent agreed that they were told why they were unsuccessful. Recipients want timely information about available funding. I will refer to the red tape involved in licensing, but it is important to recognise that if someone is licensed they should be treated as a partner and a professional. They deserve timely advice regardless of whether they were successful in gaining a grant, and they certainly need transparent advice as to the reasons for the decision. The Auditor-General's report quotes a western rural non-government organisation, which states:

The seems to be no central place to look for grants ... our organisation doesn't know where it is ...

A tablelands rural shire states:

... agencies have a deadline to meet, but are late getting the application details out leaving us very little time to develop an application.

A metropolitan non-government organisation states:

Timeframes for submitting grants are sometimes very narrow with as little as two weeks.

That may or may not apply to the Department of Community Services, but it certainly provides an opportunity for the department to review its arrangements and relationships with non-government organisations that it will

now licence, with a view to improving that partnership. If we are making it more explicit that they are to be licensed by agencies—which will involve a great deal of paperwork for agencies—they deserve a greater level of respect. The Auditor-General asked: How do respondents view red tape? Some 20 per cent of non-government organisations agreed that the amount of work required to apply for a grant is reasonable. In other words, 80 per cent think it is unreasonable. Less than 20 per cent thought that the decisions were timely. They felt that reporting was inconsistent across New South Wales programs and they had a very poor view of the coordination between grant-making agencies.

Less than one-third of respondents agreed that the amount of work needed to apply for a grant was reasonable. Some commented that the cost of applying for grants was unreasonable and often out of proportion to the assistance sought. I know of non-government organisations that provide wonderful services for the Department of Community Services in my electorate. They advise me that they have to employ a full-time staff member to manage the red tape that is involved in applying for grants and working with the department. They say that even submitting an expression of interest is an onerous task and that an enormous amount of detail is required of non-government organisations. More than 60 per cent of respondents said that reporting requirements are clear, but many said that that clarity came at the expense of effort—and a huge amount of effort is required.

Of course, not unsurprisingly, the Auditor-General recommended that agencies should reduce red tape by taking a risk-based approach to streamline paperwork. Whilst the risk-based approach has a slightly higher level of risk attached to it, depending how it is done, streamlining paperwork has the effect of improving the rapidity of allocating money and the rapidity of responding to a newly identified task or need in the community. The Opposition does not oppose the bill. However, I wonder why it is necessary to go to such lengths to clarify aspects of an Act that has apparently worked without the need for legal redress for 11 years, with the exception of the making of an offence for certain prescribed persons who fail to comply with the direction of the Children's Guardian. I appreciate that that is an attempt to ensure that information sharing is taken seriously, and that people who fail to provide information in a timely manner are suitably admonished.

I also point out that the Children's Guardian, the director general and the public service are not included in the provision; they merely have to comply promptly. I would hate to think that sends a bad signal. I hope the partnership that everybody seeks, and that it is hoped the new approach to child protection will encourage in New South Wales, does not founder because public service agencies have a different standard of compliance than is applied to other prescribed agencies, such as non-government organisations. In addition, the Opposition is very conscious of the enormous amount of red tape that currently applies to agencies seeking grants. If that is extended to licensing arrangements for principals and other officers of designated agencies, it could well be completely counterproductive. We need to let people get on with their jobs, which they make a huge commitment to and have great passion for, and ensure that government does not get in their way.

Mr ROBERT COOMBS (Swansea) [12.05 p.m.]: I enthusiastically support the Children and Young Persons (Care and Protection) Amendment Bill 2009, which seeks to amend the Children and Young Persons (Care and Protection) Act 1998. I do so as chair of the parliamentary joint Committee on Children and Young People. I am confident that these amendments will be received enthusiastically by that hardworking committee. This bill contains several straightforward cost-neutral amendments that will provide greater flexibility to out-of-home care agencies applying for accreditation and reduce the regulatory burden of applying for accreditation. In addition, the amendments will permit developing new regulations to provide greater clarity for out-of-home care agencies regarding the regulatory process. The bill is part of a wider program of legislative reform regarding out-of-home care services for children, which will result in improved quality of care for children and young people in need of those services.

I will focus my attention on the provisions in the bill that enable the New South Wales Children's Guardian to do its work more effectively in accrediting and monitoring agencies that provide out-of-home care services. New South Wales is the only jurisdiction in Australia with an independent out-of-home care regulator. The establishment of the office of the Children's Guardian under the Children and Young Persons (Care and Protection) Act 1998 to carry out this important role is indicative of the Government's commitment to provide the highest quality out-of-home care services for children and young people in care. The current accreditation program commenced in July 2003, with the New South Wales Out-of-Home Care Standards as a key component. The scheme was designed to measure agencies' performance against those standards, and the emphasis has tended to be on conformance rather than performance. The foundation system for accreditation has helped to establish a firm baseline, offering the assurance that 40 accredited agencies are providing a quality service to children and young people in out-of-home care in New South Wales.

Following a review of the accreditation program conducted by the Children's Guardian in 2006, there is now an opportunity to build on the foundation established by those first five years of operation and move towards a more responsive style of regulation. As a result of this bill, and changes to the regulations, the Children's Guardian will adopt a more outcome-focused model of regulation that will emphasise the need for continuous quality improvement of out-of-home care services for children and young people. An example of the increased flexibility that will be achieved by this bill is the provision for a regulation power in the Act for the licensing of principal officers and other prescribed officers of designated agencies.

In designated agencies that provide only out-of-home care services, the principal officer will personally have direct responsibility for all of an agency's out-of-home care operations. However, in some large agencies that provide a range of community services, including out-of-home care services, the responsibility for that agency's out-of-home care operations may lie with a senior manager, or other similar position, rather than the principal officer of the whole organisation. Therefore, it is necessary to recognise that in some circumstances it may be a person other than the principal officer who has direct responsibility for the agency's out-of-home care operations. A new regime for assessing a person's suitability to be a principal officer of a designated agency will be introduced under the new regulations. However, it is vital that this new regime also extend to out-of-home care managers, given that they, rather than the principal officer, may be directly responsible for a designated agency's out-of-home care operations.

This bill provides a new regulation-making power for that to occur. The bill provides a regulation-making power for the licensing of principal officers and other prescribed officers of designated agencies. That will allow the making of regulations to reintroduce assessments of a person's suitability to be the principal officer of a designated agency, integrating this regime with the accreditation system, and to extend this regime to out-of-home care managers. In that way the bill will enable appropriate regulations to be developed to ensure that all those people with direct responsibility for an agency's out-of-home care operations, whether they be principal officers or senior managers, will have their suitability assessed independently before they are appointed to this important and sensitive role. That will provide additional safeguards to ensure the quality of out-of-home care services for children and young people in New South Wales.

The bill and the new regulations that have been developed will deliver an improved out-of-home care system for children and young people in need of out-of-home care services in New South Wales. It is important to note that these proposed changes were presented to the Special Commission of Inquiry into Child Protective Services in New South Wales. The commission advised that the proposed changes are consistent with the recommendations the commission made in its final report. The commission indicated in its final report that it supported the recommendations of the Children's Guardian internal review. The bill will enable the Children's Guardian to build on the excellent foundation that has been laid through its performance monitoring role by adopting a method of regulation that places central focus on the importance of continual quality improvement in performance in the delivery of out-of-home care services. This will deliver best practice and sustainable outcomes for children and young people in out-of-home care in New South Wales. It gives me great pleasure to commend the bill to the House.

Mr GEOFF PROVEST (Tweed) [12.13 p.m.]: I am 100 per cent for the Tweed. I consider the Children and Young Persons (Care and Protection) Amendment Bill 2009 to be very important. I have always had a great passion for the protection of children and young people in our local communities. I feel strongly that without proper investment and guidance they do not face a very bright future. I have played a fairly active role in child protection in the Tweed and recently attended a number of meetings with officers from Community Services, Housing, Education, the police and a number of non-government organisations to discuss the formation of an information hub and perhaps a safe zone that could provide overnight accommodation for children. I also discussed the matter recently with the famous Father Chris Riley from Youth Off The Streets in an endeavour to find out how we could provide such accommodation in the Tweed. As a sidenote, on a few occasions recently I went out onto the streets in the wee hours of the morning with representatives of various non-government agencies. I met an 11-year-old girl and a 13-year-old girl who have been living in a tent on the streets of Tweed for the past six weeks. It was a very touching experience. Any effort to improve the delivery of services to those young people should be applauded.

The bill amends the Children and Young Persons (Care and Protection) Act 1998 to provide that the Department of Community Services will assume the supervision of the placement of a child or young person in out-of-home care when a designated agency has ceased to be able to fulfil its responsibilities in relation to that child or young person. I am glad that the bill addresses that issue. Providers perform a difficult role. However, some providers lack the required flexibility and are burdened unnecessarily by the large amount of paperwork,

and some providers do not comply with the necessary accreditation. Any improvement in those requirements would be helpful. The bill makes it clear that the Children's Guardian and the director general of the Department of Community Services may, for the purpose of exercising their functions, exchange information with, and require the provision of information from, other persons. That requirement is relevant.

On a recent Friday afternoon a gentleman abandoned three of his young children, all aged under 11 years, in my office. I compliment the departmental staff in the Tweed, who did an excellent job supervising the placement of those children. In that case, I was concerned about the amount of information that was traded across the border. The gentleman abandoned his children in New South Wales, and their natural mother, who had abandoned them eight years ago, lives in Nerang, Queensland. Cross-border interagencies worked very hard over a number of days to resolve the matter. I understand the purpose of trading information, but when it becomes a cross-border issue it is difficult. I note that further amendments are proposed to the bill, and I hope that cross-border issues will be addressed in due course. The natural mother of the three children had agreed to take them, but her partner, who had been imprisoned for abusing her physically, was due to be released from jail the next day. She had borne him two children. So her partner would have arrived home and found that his family had more than doubled. However, because of the lack of information trading I do not know the outcome of that case. I can only hope and pray that it was positive.

The bill makes it an offence for certain prescribed persons to fail to comply with a direction of the Children's Guardian to provide information. I have no problems with that. I support the bill and do not oppose any of its provisions. I hope this process will be ongoing because I am concerned about the accreditation and licensing requirements, particularly in border areas. Many non-government organisations offer services on both sides of the border. It is difficult enough to deal with one State's legislation, let alone that of two States. I have been involved with many agencies and I know they do a fabulous job. The last thing we want to do is burden them with inflexible requirements. Hopefully, future legislative amendments will give consideration to cross-border issues.

Mr DAVID HARRIS (Wyang) [12.20 p.m.]: I support this bill to amend the Children and Young Persons (Care and Protection) Act 1998. The statutory office of the Children's Guardian was established under the Children and Young Persons (Care and Protection) Act 1998, with the first Children's Guardian appointed in 2001. The Children's Guardian's principal functions relate to children and young people in out-of-home care and the designated agencies that make arrangements for the provision of out-of-home care services in New South Wales. I take this opportunity to recognise the important work done by foster carers. I am very pleased that the hardworking Minister for Community Services is in the Chamber this afternoon. She visited the Wyong Department of Community Services office with me and looked at a program called Kids of Foster Families, which over the past 12 months has dealt with 20 biological children of fostering families. It is a very worthwhile project. The member for Gosford is also in the Chamber and I think some people in her electorate have participated in that program.

The Central Coast foster care team found that one of the biggest issues that families needed to discuss was how biological children respond to their parents giving time and attention to foster children. I know as a former school principal that that issue was raised in talking to kids, particularly in the Northlakes area and at Gwandalan. There were a lot of foster families there and they were dealing with those issues. The course is for children between eight and 12 years of age, and for teenagers. We were lucky to meet two fantastic people, Leslie and Jessica Hastings. Leslie has been a foster carer since 2006 and her 18-year-old daughter Jessica has been involved in facilitating the Kids of Foster Families program. It was heartening to hear Jessica say she wanted to be a foster carer in the future. She is a very bright young lady and I think she has a very good future. The family should also be congratulated because, remarkably, they have cared for more than 15 children over recent years. They related some of their experiences to us.

The Children's Guardian has a number of other functions, including accrediting and monitoring non-government adoption service providers, and monitoring employer compliance with child employment requirements under the Children and Young Persons (Care and Protection) Act. The functions in relation to children and young people in out-of-home care make up approximately 70 per cent of the Children's Guardian's workload. The Children's Guardian's powers in relation to the accreditation of agencies that provide out-of-home care services in New South Wales were proclaimed in 2003, along with regulations that provided for the details of the out-of-home care accreditation system.

Since 2003, the system of accreditation and monitoring of out-of-home care agencies has provided a strong baseline for the necessary standards that an agency has to satisfy in order to be accredited to provide

out-of-home care services in New South Wales. The foundation system for accreditation has provided the assurance that 40 agencies are offering a quality service to children and young people in out-of-home care. The work of the Children's Guardian in ensuring the high quality of out-of-home care services has been first-rate. In her commitment to ensuring continuing improvement in the system for accrediting and monitoring out-of-home care agencies, in 2006 the Children's Guardian conducted an extensive review into the accreditation system for out-of-home care services for children in care in New South Wales.

The review included consideration of operational difficulties associated with the current program, out-of-home care accreditation and human services accreditation and regulatory systems in other Australian and international jurisdictions, a review of relevant literature, consultation with a range of human services accreditation and regulatory bodies, and out-of-home care agency responses to a questionnaire addressing the operation of the accreditation and quality improvement program. The review found that an overwhelming number of agencies indicated that the accreditation and quality improvement programs of the Children's Guardian had helped them to improve their procedures and practices and to deliver better out-of-home care services to children and young people. The review also found that the system of accreditation and quality improvement monitoring could be further improved by building on its strong foundation and moving towards a more responsive style of regulation. These amendments, together with the new regulations, will produce a new model for regulation of out-of-home care agencies that will provide greater flexibility, where the emphasis will be on constant quality improvement of out-of-home care services for children and young people.

The new system will have a number of improvements. The changes will protect out-of-home care agencies from potential exposure to unnecessary costs and regulatory burdens. The changes will also allow greater flexibility in the type and timing of accreditation decisions, to promote the best interests of children and young people in out-of-home care. The changes will allow the Children's Guardian to defer the date on which decisions resulting in loss of accreditation take effect, to allow for proper transition planning. The new regulatory system will enable the Children's Guardian to take alternative enforcement action to suspending or cancelling an agency's accreditation. This may involve reducing an accreditation period. The new system will also allow the Children's Guardian to attach conditions to the interim accreditation of agencies in the quality improvement program to address specific performance issues that may adversely affect the safety, welfare and wellbeing of children and young people in care. This will occur after the agency has been given a reasonable opportunity to address the concern without formal conditions having been imposed.

The bill is an important part of the reform initiatives designed to improve the delivery of out-of-home care services to children and young people in New South Wales. Some of the new regulations have already come into force. The bill will enable further regulatory reform to improve the system. The bill and the new regulations indicate that the Government is committed to continual ongoing improvement in the out-of-home care system in New South Wales. These changes indicate that the Government is moving forward. The details of these reform measures were provided to the Special Commission of Inquiry into Child Protective Services in New South Wales. The commission advised that the proposed changes are consistent with its recommendations, and indicated in its final report that it supported the recommendations of the Children's Guardian internal review.

I conclude by reiterating that the Government is committed to ensuring the highest quality out-of-home care services for children and young people. This is part of the Government's commitment to protecting children and young people. The bill will strengthen the system we have in New South Wales to facilitate the Children's Guardian in carrying out her work in regulating and monitoring the out-of-home care system. I commend the bill to the House.

Ms LINDA BURNEY (Canterbury—Minister for Community Services) [12.27 p.m.], in reply: I thank members for their contributions to the debate on the Children and Young Persons (Care and Protection) Amendment Bill 2009. The Children and Young Persons (Care and Protection) Act 1998 regulates the New South Wales out-of-home care system for children and young persons who are in need of care. The Act provides that arrangements for the provision of out-of-home care can be made only by the Children's Guardian or by a designated agency. The Children's Guardian is responsible for accrediting designated agencies and monitoring their responsibilities under the Act and the regulations.

The requirement that all out-of-home care agencies be accredited shows that the New South Wales Labor Government is committed to ensuring the highest quality out-of-home care services for children and young people in care. The bill will allow the Children's Guardian to do its work in accrediting and monitoring agencies that provide out-of-home care services more effectively. The bill will help to provide greater flexibility

to out-of-home care agencies applying for accreditation and reduce the regulatory burden of applying for accreditation. In addition, the amendments will permit developing new regulations to provide greater clarity for out-of-home care agencies regarding the regulatory process. I want to respond to the comments of the member for Tweed and to thank him for the recognition he gave today in the House to the work of Community Services staff. I take on board his comments, although they were not directly related to this bill, about cross-border issues. It is certainly a matter that is in the front of my mind, and we are working on it. I thank him for raising those issues in the context of this debate. 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.

ENERGY LEGISLATION AMENDMENT (INFRASTRUCTURE PROTECTION) BILL 2009

Bill introduced on motion by Ms Lylea McMahon, on behalf of Ms Verity Firth.

Agreement in Principle

Ms LYLEA McMAHON (Shellharbour—Parliamentary Secretary) [12.30 p.m.]: I move:

That this bill be now agreed to in principle.

This amendment bill is a vital part of the Government's five-point plan to further improve the security of power supply to New South Wales. As members of the House would be aware, over the past few months the Sydney central business district has experienced three power interruptions. These interruptions affected Sydney businesses and households and highlighted the importance of ensuring our electricity network is adequately protected. Preliminary investigations have revealed that two of the three interruptions are likely to have been the result of damage to underground electricity cables caused by workers undertaking excavation. In response to these events the Government announced a comprehensive five-point plan, which included stronger laws to protect vital electricity supply cables, a multibillion dollar capital investment program, and a requirement for all government buildings and infrastructure to regularly test and prove backup power systems are working and sufficient.

The amendments to the Electricity Supply Act that are currently before the House represent the first step in this plan. The bill will improve the security and reliability of the State's energy supply by reducing the risk of damage to underground powerlines and pipelines from excavation work. The amendment bill contains five key changes: new requirements on network providers and contractors; provisions for cost recovery; stronger provisions to prevent damage to networks; statutory indemnity for certain officers; and application of these changes to gas pipelines. The first change is that the bill amends the Electricity Supply Act in order to place new requirements on network operators, such as EnergyAustralia, Integral Energy and Country Energy, and people undertaking excavation work, such as building contractors.

In relation to network operators, the bill amends the Electricity Supply Act to require network operators to belong to the Dial Before You Dig Scheme. Dial Before You Dig is an industry-funded, not-for-profit organisation that was established to provide a single point of contact for those who are planning to excavate so they can locate any underground infrastructure that may be affected by the planned excavation. Network operators will be required to comply with their Dial Before You Dig membership responsibilities. These include a requirement to respond to excavators with information on the location and type of underground electricity powerlines in the vicinity of the proposed excavation work.

These new requirements will form part of the licence conditions of distribution network service providers. They will help to ensure that excavation workers can do their job safely and without damaging the network by making information on the location and type of underground electricity works available to

contractors seeking to commence excavation works. The second new requirement proposed in the amendment bill places obligations on people undertaking excavation work to follow correct procedures prior to commencing their work. This includes contacting Dial Before You Dig to obtain information on the location and type of underground electricity cables. This information is essential to ensure the safety of workers and the security of the electricity network.

Under proposed section 63Z of the Electricity Supply Act a person must not carry out prescribed excavation work, or authorise such excavation work, unless the person has first contacted Dial Before You Dig, complied with its reasonable procedures, and waited a reasonable period for the information to be provided. Failure to comply with these requirements will be a punishable offence with a maximum penalty of a \$2,200 fine. In addition, the bill requires that excavation workers undertake their work in accordance with the regulations. These regulations will be prepared so they are consistent with established industry guidelines, standards and procedures. The bill also allows regulations to be made that will enable network operators to monitor any excavation works being carried out near critical energy infrastructure.

The final of the new requirements introduced by the bill will make it mandatory for people undertaking excavation works to notify network operators if any damage is caused to the electricity network. Under proposed section 63ZA a person must, as soon as practicable after becoming aware that he or she has damaged an underground powerline, notify the network operator that owns the powerline of the damage. This will allow network operators to take remedial action at an early stage and it will minimise the costs of repairing any damage and any subsequent disruptions to electricity supply to customers. It will also be an offence to fail to comply with this requirement, with a maximum penalty of a \$2,200 fine.

The second key change proposed in the amendment bill will facilitate the recovery by network operators of costs and expenses associated with damage to electricity works. Under proposed section 63ZB the court will be given the discretion to order the payment of costs incurred in preventing or mitigating damage to electricity works. A court will be able to make such an order only if the costs were incurred as the result of an offence of interfering with electricity works under section 65 of the Electricity Supply Act, or one of the new offences contained in proposed part 5E. The court may also award compensation for loss or damage that results from the commission of an offence under section 65 of the Electricity Supply Act or one of the new offences contained in proposed part 5E. For example, if a person fails to contact Dial Before You Dig as required by proposed clause 63Z and as a result damages a network, the network operator may be able to recover, as part of the proceedings for the commission of the offence, the costs and expenses incurred. This will provide a strong incentive for excavation workers to comply with the Dial Before You Dig provisions.

The third change in the bill is to strengthen the legislative powers of network operators to protect their electricity works from damage from excavation work. Proposed section 49A gives network operators the ability to serve notice on people the network operator believes are about to carry out work that will damage their assets. Under these provisions network operators will be able to serve written notices that require proposed work to be modified or stopped, or they may apply for an injunction to prevent excavation work. This means that a network operator will be able to require excavation work to be conducted in a way that will not destroy, damage or interfere with its electricity works if the operator has reasonable cause to believe the work could damage its network.

A network operator may recover the costs incurred in repairing any damage to electricity works caused by a person who carried out excavation work in contravention of a written notice from the network operator under clause 49A. This will provide a strong incentive for excavation workers to comply with the reasonable requirements of network operators. The bill strengthens the maximum penalties that apply under section 65 of the Electricity Supply Act. This is the key offence provision in the Act prohibiting conduct that interferes with electricity works. This offence provision may be used to prosecute persons who dig through underground electricity powerlines. The bill amends section 65 of the Electricity Supply Act to increase the maximum penalty for the offence of interfering with electricity works from two to five years imprisonment. The maximum fine for individuals will rise from \$11,000 to \$22,000. For corporations the maximum penalty will increase from \$220,000 to \$440,000. These penalties send a strong message that interference with the electricity network will not be taken lightly. They reflect the fact that disruption to the electricity network has the capacity to result in wide-ranging inconvenience and economic loss to households and the business community.

The fourth group of amendments in the bill create a new statutory indemnity for the Dial Before You Dig organisation and network operators who are providing information in accordance with the new requirements. This indemnity will encourage the flow of information to excavators and ensure that Dial Before

You Dig, a not-for-profit organisation, can operate effectively under the new provisions. The statutory indemnity will not apply if an act or omission is done by Dial Before You Dig or network operators in bad faith or negligence. The bill also extends the statutory limits on civil liability to authorised officers of network operators. Provided these officers are acting in good faith, the personal liability of authorised officers will be removed and instead will lie against the network operator. These indemnities are an important means of ensuring that both the Dial Before You Dig organisation and authorised officers of network operators can perform their statutory roles effectively. Similar indemnities already apply in relation to the exercise of functions under the national electricity law.

The final key change contained in the amendment bill is the inclusion in the Gas Supply Act of very similar provisions to those outlined above for the Electricity Supply Act. These new requirements will apply equally to underground powerlines and gas pipelines so that both forms of vital energy infrastructure are protected. Underground gas pipelines are just as critical to gas consumers as electricity cables are to electricity consumers. Gas consumers deserve the same level of protection against supply interruption as electricity consumers. For this reason the amendment bill places the same obligations on gas network operators as I have outlined for electricity network operators—that is, they must join Dial Before You Dig and comply with the membership requirements and with any regulations made under the Act concerning the information they must provide to Dial Before You Dig.

Similarly, the bill ensures the new requirements on excavation workers in relation to underground electricity cables apply equally to underground gas pipelines—that is, people intending to carry out excavation work must first contact Dial Before You Dig, comply with the reasonable procedures, and wait a reasonable period of time for the information to be provided. The increased maximum penalties and new offences also apply to gas pipelines. The amendments I have outlined today are a vital means of protecting the State's electricity and gas networks. As members of the House have seen, interruptions to power supply have serious economic and social consequences, and should be strongly deterred by effective and robust legislation. The new requirements and strengthened protections contained in the amendment bill will help to ensure that these existing networks are protected from damage.

This protective regime will be extremely important to ensure the security of the State's future investments in the electricity network. Network investment over the next five years will be the largest capital expenditure program undertaken in the history of New South Wales. Therefore, it is essential to ensure that adequate legislative protections are in place to protect the value of this investment for future generations. The amendment bill currently before the House delivers this protection. 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.

CIVIL PROCEDURE AMENDMENT (TRANSFER OF PROCEEDINGS) BILL 2009

Agreement in Principle

Debate resumed from 6 May 2009.

Mr GREG SMITH (Epping) [12.45 p.m.]: I lead for the Opposition in regard to the Civil Procedure Amendment (Transfer of Proceedings) Bill 2009. I note that the Parliamentary Secretary assisting the Attorney General, and Minister for Justice waxed lyrical on a gamut of cases. I do not seek to do the same. The objects of this bill are to facilitate transfer of proceedings between the Supreme Court and the Land and Environment Court. It is not infrequent that an issue raised in a particular court should be ventilated in a more appropriate forum. If a case is not dealt with in the appropriate forum it can result in an inefficient use of court resources and lead to a perception among the public that matters before courts are not dealt with adequately. The effect is that public faith in the justice system suffers. Under the present statutory regime the Civil Procedure Act allows the Supreme Court to transfer proceedings to the Land and Environment Court if it believes that it would have been more appropriate for those proceedings to have commenced in that court.

The present bill seeks to amend the Civil Procedure Act to allow the Supreme Court and the Land and Environment Court to transfer proceedings between each other. Under the amended provisions a case may be transferred if the court is of the opinion that the transfer is merited. Merit will be assessed in the circumstances of each case. The test the court will use to assess the merit is whether it is satisfied that a transfer should occur.

Applications to transfer can be made either on the court's own motion or by application by a party in the proceedings. The bill substitutes part 9 division 2A with a new part 9 division 2A. Sections 149A through to 149D are procedural and technical provisions.

Section 149E ensures that no restriction will arise on the determination of any issue in a proceeding after it has been transferred to the forum that the original court is satisfied is more appropriate. The Opposition view is that it is in the interests of justice that powers exist to allow each court to transfer suits so that issues are ventilated in the appropriate forum as well as multiple related issues being heard together. The proposed amendments to the Civil Procedure Act expand the powers of the court to facilitate the just, fair and equitable determination of issues. On this basis the Opposition does not oppose this bill.

Mr ROB STOKES (Pittwater) [12.47 p.m.]: I make an equally brief contribution to the Civil Procedure Amendment (Transfer of Proceedings) Bill 2009. I join with the shadow Minister in noting that the Opposition does not oppose this bill. The Land and Environment Court of New South Wales was established in 1979 as a superior court of record with exclusive jurisdiction in environmental matters. It was established to be a specialist court to deal with civil and criminal cases. I note the presence in the Chamber of the member for Rockdale, who is a passionate supporter of the Land and Environment Court! It is entirely appropriate, given the original intent behind the Land and Environment Court Act 1980 in setting up the court, that the court be given equal status as the Supreme Court. The whole idea of the Land and Environment Court was that it would not be subject to the Supreme Court and the hierarchy of courts; rather, it would be equal but with an exclusive jurisdiction in environmental matters.

Some people might say that the Supreme Court has never quite understood that the Land and Environment Court is its equal rather than its servant, but practitioners and certainly judges and commissioners in the Land and Environment Court beg to differ, so it is quite appropriate that this bill seeks to ensure that both courts have equal flexibility in transferring proceedings from court to court, depending on the nature of the matter. As time has gone on and as case law in the environmental field has developed it has become increasingly obvious that environmental law is not exactly an exclusive jurisdiction any more. Many issues, such as property law and contract law, are involved in environmental law and the division between discrete practice areas is dissolving. It is appropriate for both the Land and Environment Court and the Supreme Court to have flexibility in the transfer of proceedings between them. Just as the frequent fixing of an old car exposes problems with another part of the car, this bill exposes an anomaly involving criminal jurisdiction transfers.

While this bill will secure equality in the transfer of civil proceedings, there is no equivalent transfer provided for criminal proceedings. I note that section 72 of the Land and Environment Court provides that only the Supreme Court has the power to transfer proceedings involving criminal cases. Given that this legislation provides for equality of transfer powers between the Land and Environment Court and the Supreme Court in relation to the civil jurisdiction, I ask why that does not apply to the criminal jurisdiction. I invite the Government to examine that position because the reasons for which it may be necessary to transfer proceedings in a civil jurisdiction may be very similar to those that may arise in a criminal jurisdiction. Granted, it is less likely; but it could happen. Having said that, I commend the bill.

Mr FRANK SARTOR (Rockdale) [12.52 p.m.]: I support the Civil Procedure Amendment (Transfer of Proceedings) Bill 2009. This amending bill is designed to institute a cross-vesting scheme between the Supreme Court and the Land and Environment Court to give each court the power to transfer proceedings to the other court when concurrent proceedings are being conducted in each of the courts, or when it is more appropriate for proceedings to be heard in the other court. On occasions the same set of circumstances has led to litigation in both the Supreme Court and the Land and Environment Court. There is limited scope in the Land and Environment Court Act to allow proceedings to be consolidated and dealt with by one court.

The Supreme Court is able to transfer proceedings to the Land and Environment Court, and the Land and Environment Court has ancillary jurisdiction to deal with those proceedings. However, the Land and Environment Court does not have equivalent power to transfer proceedings to the Supreme Court. The bill addresses that issue with a scheme that has been agreed to by the Chief Justice of the Supreme Court and the Chief Judge of the Land and Environment Court. The bill will amend the Civil Procedure Act 2005 to enable either the Supreme Court or the Land and Environment Court to transfer proceedings to the other court if the court is satisfied that it is more appropriate for proceedings before it to be heard in the other court, or there are related proceedings pending in the other court, and the court is satisfied that it is more appropriate for all proceedings to be heard together in the other court.

The proposal will reduce unnecessary litigation by enabling one court to deal with the same set of issues instead of having concurrent proceedings being heard in each court. This amending bill is very sensible; however, more work needs to be done to streamline the processes of the Land and Environment Court. One of the anomalies of the State's planning system is that appeals are very expensive and time consuming. While I know that the Chief Judge of the Land Environment Court is very sensitive to these issues, merit assessment needs to be examined so that the procedures are no longer adversarial but are more akin to an administrative process, thereby reducing costs, improving efficiency, and ultimately giving people greater access to a fair go in the planning system.

We all know that development and planning matters can be very contentious. The community needs to be confident that matters are properly tested and that appeal provisions exist. I commend the changes to legislation that will be effected by the bill. The Government has taken a good step and I would like to see further reform in this very important area that underpins the State's planning system. I commend the bill to the House.

Mr VICTOR DOMINELLO (Ryde) [12.56 p.m.]: Together with my colleagues the member for Epping and the member for Pittwater, I support the Civil Procedure Amendment (Transfer of Proceedings) Bill 2009. I have read with interest the agreement in principle speech, and I have noted the plethora of cases cited by the learned Parliamentary Secretary Assisting the Attorney General and Minister for Justice. I will cite one more that no doubt the Parliamentary Secretary omitted deliberately.

Mr Barry Collier: I take objection to that.

Mr VICTOR DOMINELLO: Perhaps it was omitted because he did not consider it was necessary to include it. I cite the case of *Williams v Water Administration Ministerial Corporation & Ors* [2003] NSWLEC 220, which is a decision of Justice Bignold. The case basically involved declarations that were sought in relation to bore licences under the Water Act 1912. Following a great deal of argument over jurisdiction Justice Bignold concluded:

To the extent that the Applicant's present proceedings rely upon the likelihood of "environmental harm" being caused in the form of damage being caused to Aboriginal objects I think that the existence of the s87 Permit and s90 Consent with the authorisations that they grant in respect of Aboriginal objects (including the destruction of those objects which are not collected pursuant to the s87 Permit) effectively precludes this form of environmental harm from being relied upon by the Applicant to found the present proceedings upon the jurisdiction conferred by s253 of the PEO Act.

For all the foregoing reasons I hold that the Court has no jurisdiction to entertain the Applicant's present claims. (There is no question that the Applicant's claims could be brought by proceedings in the Supreme Court. There is no faculty for me to transfer the present proceedings to the Supreme Court unlike the power vested in the Supreme Court by s72 of the Land and Environment Court Act to transfer appropriate proceedings from that Court to this Court).

Accordingly I make the following orders:

1. The proceeding be dismissed as being outside the jurisdiction of the Court.
2. Question of costs be reserved.

That is a prime case in which an action was commenced in the Land and Environment Court, the judge wanted to transfer it to the Supreme Court, but in 2003 was not able to do that. The legislation before the House states:

149B Transfer of proceedings between Supreme Court and Land and Environment Court

- (1) If either the Supreme Court or the Land and Environment Court is satisfied, in relation to proceedings before it, that it is more appropriate for the proceedings to be heard in the other court, it may, on application by a party to the proceedings or of its own motion, order that the proceedings be transferred to the other court.

The bill does not prescribe the relevant factors that would enable a court to come to the view that it is "more appropriate" to transfer proceedings from one superior court of record to another. I endorse the remarks made by the member for Pittwater relating to the specialty nature of proceedings in the Land and Environment Court, which is one reason why proceedings should be transferred. Some courts have developed a specialty in certain fields of law: certain expertise and economies of scale accrue. A factor that also should be considered seriously is whether a transfer of proceedings should be available in the interests of justice. A similar consideration and similar language apply to cross-vesting of jurisdictions, which is akin to the effect of the legislation that is before the House. In that context the relatively recent decision of Justice Brereton in *Valceski v Valceski* [2007] NSWSC 440 is relevant. In that case the learned judge discusses the interests of justice, and says that the transferee court should be the "more appropriate forum". He said:

In identifying the "more appropriate forum", relevant considerations include the cost and efficiency of proceedings in the respective jurisdictions, and the "connecting factors" described by Lord Goff in *Spiliada Marine Corporation v Cansulex Ltd* [1987] AC 460, 478—including matters of convenience and expense such as availability of witnesses, the places where the parties respectively reside or carry on business, and the law governing the relevant transaction.

...

As *Schultz* makes clear, the interests of justice concerns those of both parties, and rather than the selection of the most advantageous, or least disadvantageous, forum for one of them, the "interests of justice" are to be judged by more objective factors, such as facilitate identification of the "natural forum", in which objectively judged it might be expected that the dispute would fail to be resolved, with its concomitant juridical advantages and disadvantages for each party, whatever they may be.

My final point relates to new section 149B (3) in schedule 1 to the bill, which states:

No appeal lies against a decision of the transferor court to make, or not to make, an order under this section.

Obviously that relates to an order to transfer proceedings. I ask the Parliamentary Secretary to indicate why that provision is deemed necessary when the same provision was not included in section 72 of the Land and Environment Court Act and there is no prohibition on appeal in section 146, transfer of proceedings, in the Civil Procedure Act 2005. On a cursory view, I did not see a similar prohibition on appeal in the cross-vesting legislation. Notwithstanding these three bits of legislation—section 72 of the Land and Environment Court Act is the relevant section—where there are two superior courts of record, why was it deemed necessary to impose a prohibition on appeal?

I am reluctant to agree to any mechanism that pretty much destroys an appeal right. When a judge makes a decision to transfer proceedings from one superior court to another, often it is an important decision; sometimes the case is midstream, there is a lot of work involved, and somebody would like the expertise of the Land and Environment Court or the Equity Division of the Supreme Court. A party could legitimately be aggrieved if a judge formed the view, for whatever reason—hopefully, the interests of justice—that the proceedings should not be transferred. In complex proceedings before the Supreme Court or the Land and Environment Court, where fees amount to hundreds of thousands of dollars and lots of work is generated, I can understand if a party legitimately and forensically challenges the decision of the judge in deciding to transfer or not to transfer proceedings. I am concerned that there does not seem to be any background to imposing a prohibition on appeals. I would be grateful if the Parliamentary Secretary could respond to that matter.

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [1.04 p.m.], in reply: I thank the member for Epping, the member for Pittwater, the member for Rockdale and the member for Ryde for their contributions to the debate. I note that the Opposition does not oppose this important bill. As the member for Epping said, it is in the interests of justice that the courts have the ability to transfer suits amongst the courts. I could not agree more, and I am sure the Government agrees as well. The whole purpose of the bill is to make savings in costs and time for litigants in the courts. As I outlined at the beginning of my agreement in principle speech, a sufficient number of cases have come before the courts where, although it seemed sensible that proceedings should be transferred to the Land and Environment Court or to the Supreme Court, there was simply no power to do so.

As for flexibility, the Government's intention in bringing forward this bill is to promote flexibility in dealings between the courts in relation to Land and Environment Court matters. The member for Pittwater raised the transfer of criminal proceedings between the two courts in relation to environmental matters. I invite the member for Pittwater to write to the Attorney General asking him to consider the proposal. I acknowledge the contribution of the member for Rockdale. In particular I acknowledge his vast experience as the former lord mayor of Sydney and his planning experience. I note his support for this bill. The member for Ryde sought to add to the list of cases that I outlined in the agreement in principle speech a decision of Justice Brereton. I am sure members of the legal profession will consider that case, along with the other cases I outlined in the agreement in principle speech. I am sure they will add the case to their repertoire.

The member for Ryde said that the interests of justice should be one of the prescribed factors to be taken into account in a decision to transfer proceedings. First, the transfer could be made either on the court's own motion or on the application of the litigants. It is a matter for the court to decide on the facts of the case before it. The courts will also take into account the doctrine of precedent and refer to cases such as that outlined by the member for Ryde—the decision of Justice Brereton—in what is meant by interests of justice. Surely we should not be prescriptive about what matters the courts should take into account. Judges of the Supreme Court and of the Land and Environment Court have vast experience on the bench and, as I said, they take into account the facts of a particular case.

I see no reason why the courts should be limited to the interests of justice when it may be one of the factors taken into account. Other factors may be the costs and flexibility of the court system, the cost to litigants and delays that could otherwise be involved. That brings me to the issue raised by the member for Ryde about

no right of appeal. Often appeal rights result in unnecessary delays and expense to litigants when appealing a transfer from one court to another when, in fact, we are trying to speed up the litigation process and reduce the cost to litigants. In response to the point of the member for Ryde about no right of appeal, this matter involved looking at the courts themselves. Indeed, the courts and the Chief Justice have requested that there be no right of appeal from a decision of a court to make or not make an order.

The changes relate to the ability of the courts to manage the cases before them, and it is appropriate that they have this particular discretion. As I said, I thank members for their contributions. The object of the bill is to amend the Civil Procedure Act and enable either the Supreme Court or the Land and Environment Court to transfer proceedings to the other court if it is satisfied that it is more appropriate to be heard before the other court, and if there are related proceedings pending in the other court and the court is satisfied that it is more appropriate for all the proceedings to be heard together in the other court. 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.

[The Assistant-Speaker (Mr Grant McBride) left the chair at 1.10 p.m. The House resumed at 2.15 p.m.]

ASSENT TO BILLS

Assent to the following bills reported:

Health Legislation Amendment Bill 2009

Telecommunications (Interception and Access) (New South Wales) Amendment Bill 2008

Real Property and Conveyancing Legislation Amendment Bill 2009

QUESTION TIME

INFRASTRUCTURE SPENDING

Mr BARRY O'FARRELL: My question is directed to the Premier. Given Kevin Rudd and Wayne Swan both confirmed on radio this morning that Sydney missed out on major rail infrastructure funding because of the Premier's failure to properly plan and produce a persuasive submission, will he admit his rank incompetence has again cost Sydneysiders?

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

Mr NATHAN REES: For a Leader of the Opposition whose only public statement on rail to date has been the cancelling of projects, I think that is a bit rich. The budget handed down by the Commonwealth Government last night is one of the most important since Federation.

The SPEAKER: Order! Members will cease interjecting.

Mr NATHAN REES: It is a budget that attempts to make the recession as short and shallow as possible, and charter a path to recovery early rather than waiting to pick up the pieces later. The stimulus spending unveiled by the Commonwealth Government shifts gear from cash injections for households to boost short-term demand to longer-term infrastructure that will build jobs and confidence in the decades ahead. From the budget last night, New South Wales receives \$2.2 billion over six years towards rail, road and port projects, including \$1.45 billion for the Hunter expressway, with a \$200 million New South Wales contribution; \$618 million for the Kempsey bypass; \$150 million for improved landside access to Port Botany; and \$300 million for the Moorebank intermodal terminal already announced in the Commonwealth's Nation Building program. All up, around 30 per cent of the national transport spend.

The SPEAKER: Order! Members will cease interjecting. I call the Leader of The Nationals to order.

Mr NATHAN REES: New South Wales is pleased to receive these funds. These projects will be delivered quickly and efficiently.

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

Mr NATHAN REES: Sydney is Australia's only global city; it is home to one-third of Australia's population; it is the gateway to the nation.

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

Mr NATHAN REES: New South Wales is proud of what it has achieved.

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

Mr NATHAN REES: We are proud of who we are and, most importantly, we are proud of what we are going to do—\$56 billion on Australia's largest infrastructure spend over the next four years, underpinning 150,000 jobs each year for the next four years in the face of the worst global recession since the Great Depression.

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

Mr NATHAN REES: New South Wales leads the nation in infrastructure spending, a fact that the Opposition chooses to ignore. Over the next four years New South Wales will spend more than any other Australian State and we will build more.

[Interruption]

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

Mr NATHAN REES: That interjection was from the shadow Minister for Transport, who has produced a policy that does not have a single new carriage, a single new bus or a single new road.

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

Mr NATHAN REES: New South Wales will invest \$56 billion in new hospitals, schools, roads and rail. Our funding is on top of the \$6.8 billion of Federal stimulus—compare that with \$54 billion in Queensland and with \$35 billion in Victoria, which includes the Commonwealth's stimulus funding.

Mr Barry O'Farrell: Delusional! Duncel!

Mr NATHAN REES: Mathematics, Barry. Last night the Commonwealth announced \$22 billion—

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

Mr NATHAN REES: —and our spend in New South Wales is \$56 billion over the next four years. Frankly, I think it is time for people, such as the Leader of the Opposition, to stop talking down New South Wales. He has made an art form of that.

The SPEAKER: Order! Government members will come to order. I call the member for Myall Lakes to order.

Mr NATHAN REES: When the people of New South Wales fall asleep at night with ringing in their ears, it is not tinnitus—it is the carping, whining and whinging of Barry O'Farrell. Relentless negativity as day in and day out he goes about talking down New South Wales in the face of the global recession—one of the more absurd approaches to a crisis of confidence around the world.

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

Mr NATHAN REES: New South Wales will spend \$56 billion on infrastructure in the next four years, compared to only \$22 billion announced last night. The New South Wales Government, like the Commonwealth Government, is using the power of the public purse to keep the distress of unemployment as far away from as many families as is possible. We are investing more in infrastructure to protect jobs. The New South Wales Government appreciates the Commonwealth's contribution of \$91 million to continue planning in partnership for the West Metro. That project has the endorsement of the Commonwealth and Infrastructure Australia, published as it is in "National Infrastructure Priorities". The Opposition has committed to scrapping that project!

The West Metro will be, by far, the largest addition to any metropolitan rail network in Australia. So let us take the time to get it right. I will be very clear on this: Sydney will get a metro network; that is essential and that is inevitable. New South Wales will shoulder, on its own, the full cost of the CBD Metro. We are pleased with the endorsement of funding for the West Metro from the Commonwealth Government for the first stage of that very important project.

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

Mr NATHAN REES: New South Wales has a proud track record of delivering projects. We delivered Australia's largest ever postwar undertaking, the best-ever Olympics in the year 2000. This year we are delivering a record \$14 billion in capital works, building roads, rail, schools and hospitals. More than \$56 billion will be spent over the next four years supporting 150,000 jobs each year. The New South Wales Labor Government planned and delivered the biggest and most complex transport—

[Interruption]

We are still bailing out the Coalition's last rail project, Barry—that happened on your watch as chief of staff to the then Minister for Transport. We are still bailing it out.

The SPEAKER: Order! The Leader of the Opposition will cease interjecting. The Premier will direct his comments through the Chair.

Mr NATHAN REES: The New South Wales Labor Government planned and delivered the biggest and most complex transport projects in the country, including the M5 East, the Lane Cove Tunnel, the Cross City Tunnel, the Eastern Distributor, the Harbour Tunnel, the M7 and, most recently, the \$2.3 billion Epping to Chatswood rail line. And we are procuring Australia's biggest new generation passenger trains under the country's largest ever public-private partnership, costing some \$3.6 billion. None of the additional funding announced last night by the Commonwealth Government comes without cost. With Federal revenues falling by about one-fifth, the Commonwealth budget contained hard choices. The fall in revenue is, of course, not confined to the Commonwealth; it will hit New South Wales as well.

We expect to receive about \$4.8 billion less in GST revenue from the Commonwealth over the next four years. We too will undertake a program of prudent spending and temporary deficits to see us through the effects of the global recession. Unlike those opposite, we will always place a higher priority on supporting jobs. Job creation and job security are this Government's number one priority because, as the unemployment numbers released last night show, the worst for the nation may be yet to come. The jobless rate may rise to 8.5 per cent before slowly falling back to current levels by 2012-13. That is why the Commonwealth and the States, led by New South Wales, are embarking on massive investment programs. This Government is investing more now in infrastructure to protect jobs and emerge from the economic downturn stronger and more efficient than the position in which we went into it.

Investing in projects and jobs today for the recovery tomorrow—that is the message of the Rudd Government's second budget and it will be the same when our turn comes next month. Once our budgets are laid out for the electorate to judge there will be a very stark choice between the two sides of politics in Australia. On the one hand, there is a Coalition that wants a longer and deeper recession, a Coalition that opposed infrastructure spending, a Coalition that opposes stimulus packages, a Coalition that would condemn us to two decades of recession. This Coalition wants more Australians thrown on the unemployment scrapheap. The economy needs an adrenaline hit, no question about that. That comes in the form of investment in infrastructure, and we need it now. The Labor Government is working to protect jobs. This is a Labor Government working to shorten the recession and support employment.

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

Mr NATHAN REES: It is clear that the Leader of the Opposition is on the record, up hill and down dale, in opposition to every facet of every jurisdiction's stimulus package. That is his form.

Mr Barry O'Farrell: That is not true.

Mr NATHAN REES: It is true and it is on the record.

The SPEAKER: Order! The Leader of the Opposition will cease interjecting. I have asked him to do so on several occasions. He should set an example to other members.

Mr NATHAN REES: The Coalition in New South Wales is the enemy of jobs and the enemy of growth.

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

[Interruption]

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

Mr NATHAN REES: Only a few days ago I challenged you to withdraw the commission of Max the Axe. You have not done so. Max the Axe was the architect of 24,000 sackings in his time in the public service. I will run through them again if you like. The architect of 24,000 sackings remains your policy tsar. I challenge you again to withdraw his commission.

The SPEAKER: Order! While I understand the issues of the Leader of the Opposition in relation to the budget, it is inappropriate for him to abuse the standing orders. The Leader of the Opposition is well aware of the forms of the House available to him. I call the Leader of the Opposition to order for the third time. He is on his final warning.

Mr Jonathan O'Dea: Point of order: Mr Speaker, you called the Leader of Opposition to order but the Premier is directing his comments directly to the Leader of the Opposition. You need to be even-handed.

The SPEAKER: Order! I have made my ruling. I have asked the Premier to direct his comments through the Chair. The Premier has the call.

Mr NATHAN REES: There is a very clear choice for the people of New South Wales: On this side of the House, \$56 billion worth of infrastructure spending over a four-year period underpinning 150,000 jobs each year in the face of the global recession. In stark contrast, the architect of the Opposition's policies, Max the Axe—

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

Mr NATHAN REES: To date the policy utterances of the Leader of the Opposition have been to cut projects. I come back to the basics—on this side of the House, builders; on that side of the House, wreckers.

PERISHER VALLEY

Ms LYLEA McMAHON: My question is directed to the Minister for Climate Change and the Environment. What is the Government doing to promote the year-round viability of Perisher Valley?

Ms CARMEL TeBBUTT: I thank the member for Shellharbour for her question and her interest in this issue. The Alpine tourism industry attracts more than two million visitors to Kosciuszko National Park every year. It contributes some \$500 million to the New South Wales economy and generates more than 8,500 full-time job opportunities. It is important to the New South Wales economy and, of course, important to the regional economy. We also know that this is a very beautiful part of New South Wales. We know that the precious alpine environment in the region must be preserved for future generations. Just recently we had yet another example of the importance of this area—the Australian alps have been included on both the National Heritage list and as a tourism National Landscape. They are both important recognitions of the alpine area.

The New South Wales Government has now created the right environment to support long-term investment in the Perisher area through signing a consolidated mountain lease with Perisher Blue Pty Ltd. This

amalgamates the leases held by Perisher Blue, encompassing the whole of the Perisher Blue operations and including leases for ski lifts, car parks, hotels and the ski tube terminal, amongst other leases, into a consolidated mountain lease. This will see a lasting and appropriate balance between the Perisher resort, the largest ski operation in the Southern Hemisphere, and the environment in this part of the world, which we all agree should be protected. It has also paved the way to deliver the longstanding vision for a new village centre in Perisher Valley, which could see more than 1,000 jobs during construction and around 400 jobs at the village once completed.

The consolidated mountain lease gives commercial certainty to Perisher Blue, allowing it to invest in the resort's important infrastructure, such as snowmaking, lifts and other on-mountain facilities. I want to make it very clear that in accordance with the National Parks and Wildlife Act the Government's intention to enter into a new lease arrangement with Perisher Blue was advertised in November last year including, I might add, in the *Sydney Morning Herald*. The lease is a contemporary commercial arrangement that guarantees a greater financial return to the New South Wales State Government from the Perisher Blue operators. Importantly, the consolidated mountain lease also signals environmental benefits for the park's fragile alpine environment. Under the new lease, Perisher Blue is required to maintain an ongoing environmental management system, as well as commit to an ongoing monitoring, research and rehabilitation program.

Linked to the consolidated mountain lease discussions is the development of a new Perisher Village centre. The lease negotiations mean that Perisher Blue will surrender its rights over the current Perisher car park site following a range of conditions being satisfied and relevant planning approvals being secured. This means the Government can now go to a public expression of interest process for the upgrade of Perisher Village on the Perisher Valley car park site. Comments have been made to me on many occasions, and I am sure to others in this House who are familiar with the Perisher Valley, that one arrives in this most beautiful part of the world to be greeted by a car park. It is really not an appropriate gateway or entrance to Perisher Valley. Perisher needs a village centre to be able to anchor the next phase of its development as a world-class, year-round alpine resort, a place that families can go in the summer and through the warmer cusp months as well as the shoulder season, and one that offers world-class skiing facilities during the winter months.

It is clear from the success of Thredbo that it has been able to capture an all-round tourist market in a much more effective way. Part of that is because Thredbo has a central and convenient collection of accommodation, cafes, restaurants and retail shops. Perisher needs the opportunity to do something similar. That is what part of the Perisher Village development on the car park site is about achieving. I make it very clear that the reason we are going through a public expression of interest process is because we want to get the best possible development that is appropriate for this area, an iconic development that incorporates sustainable features and that really provides a gateway to Perisher Valley.

The expression of interest process will commence shortly, with the aim of determining the current commercial interest of the private sector in undertaking the village development. The Government's intention is to engage with parties who demonstrate a commitment to innovative, sustainable development. This is essential given the sensitive alpine environment within Kosciuszko National Park. The Government is working very hard to encourage greater levels of visitation to our alpine regions. This has the double benefit of getting more people into the national park and appreciating how important and valuable it is from an environmental perspective.

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

Ms CARMEL TEBBUTT: Of course, it also means jobs and economic investment for the local region and the State economy—all good news for New South Wales.

CBD METRO

Mr ANDREW STONER: My question is directed to the Premier. Now that Kevin Rudd wants almost nothing to do with the Premier's ill-considered boutique CBD Metro—the Prime Minister cited the disastrous Cross City Tunnel as an example of how this Government delivers infrastructure—will the Premier now admit that he is a joke and that his leadership is in tatters? The Premier should just resign for the good of New South Wales.

Mr John Aquilina: Point of order: Once again the Leader of The Nationals is flouting your rulings relating to the appropriate use of words in questions. Several words that were used in that question were totally inappropriate and belittle this House and the Opposition.

Mr Adrian Piccoli: To the point of order: Next time the Leader of the House complains he should state which words he opposes.

The SPEAKER: Order! The member for Murrumbidgee will resume his seat.

Mr Adrian Piccoli: He has to state which words he opposes. The Premier is a joke!

The SPEAKER: Order! The member for Murrumbidgee will resume his seat. The question was clearly outside the leave of the standing orders. I invite the Leader of The Nationals to restate his question.

Mr ANDREW STONER: My question is directed to the Premier. Now that Kevin Rudd wants almost nothing to do with the Premier's ill-considered boutique CBD Metro—the Prime Minister cited the disastrous Cross City Tunnel as an example of how his Government delivers infrastructure—will he now admit that his leadership is in tatters? The Premier should just resign for the good of New South Wales.

Mr NATHAN REES: I again remind the House that we appreciate the Commonwealth's contribution of \$91 million to continue planning for the West Metro. The plan, which has the endorsement of the Commonwealth—

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

Mr NATHAN REES: The plan, which has the endorsement of the Commonwealth, has been identified by Infrastructure Australia as a priority project, published as it was in "National Infrastructure Priorities".

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

Mr NATHAN REES: No-one on this side of the House pretends for a moment that these are easy times and that there are simple solutions. There are no simple solutions. Opposition members would have us believe that we can spend, spend, spend without taking account of our revenue. Policy confusion reigns on the Opposition benches. The Leader of the Opposition is running around and saying that he would borrow more. Do members remember what he said when he was asked how much of a deficit he would run? He said, "How long is a piece of string?" This lazy, reckless and insipid approach to public finances characterises Opposition policy, its policy settings and its decision-making framework.

We accept the difficulties of the period that we are in, we accept the difficulties that shortfalls in revenue present, and we accept that we have to make difficult decisions. But when it comes down to it and we have to make a decision about whether we support jobs or appeal to populist nonsense, we will support jobs with the biggest infrastructure spend in Australian history. The Leader of the Opposition is asking the people of New South Wales to believe that he will be more robust than this Government in this most difficult period in 80 years. He chose to absent himself from the Chamber during the course of this answer because the truth is too much to bear.

When the Leader of the Opposition was asked to present financial statements for the people of New South Wales and Opposition policy costings before the last election, he could not find a photocopier that worked. If a hot fire is burning everything is melted down or concealed. The Leader of the Opposition has again left the Chamber. Shortly after the last election, when queried by the media on where his policies were, he said, "Relax on that front. We will get back to you in a couple of years." We are more than two years on and we still do not have an energy policy from Opposition members. We still do not have a water policy, an education policy, a policy for community services, or a health policy, other than some cobbled together health boards that would rip \$300 million out of front-line services. This is a pathetic attempt at a small target strategy.

The SPEAKER: Order! The member for North Shore will cease interjecting.

Mr NATHAN REES: The people of New South Wales deserve better. The people of New South Wales are entitled—

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

Mr NATHAN REES: I will wait until the Leader of the Opposition sits down before I conclude my answer. The people of New South Wales are entitled to scrutinise the so-called policy that the Leader of the

Opposition is meant to put to them. He knows that to be the truth. The Opposition does not have a water policy, an energy policy, a fiscal strategy, a policy for the Department of Community Services, or a policy for health. The Opposition's fiscal strategy is: How long is piece of string? We do not shy away from the difficult challenges that we face. We do not shy away for a moment from the difficult decisions that we need to make. We offer the people of New South Wales a clear plan—\$56 billion in spending in the face of the global recession. We know that that underpins 150,000 jobs. In contrast, we have fiscal lassitude—

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

Mr NATHAN REES: The Leader of the Opposition will get a chance to rectify the "How long is a piece of string" fiscal strategy when he responds to our budget in a few weeks time. The choice for the people of New South Wales is clear: a Government that is prepared to take the difficult decisions in a difficult period, verses an Opposition that does not know what it stands for and that has not been able to articulate or present a single policy to the people of New South Wales in more than two years. Opposition members know that to be the case and it is inconvenient for them. That is the reality. Opposition members are squirming, but that is the truth.

ROADS FUNDING

Mr FRANK TERENCE: My question is addressed to the Minister for Roads. Will the Minister outline how roads in New South Wales will benefit from the Commonwealth budget?

Mr MICHAEL DALEY: I thank the hardworking member for Maitland for his question, a man who is well pleased with himself today. I congratulate the member for Maitland and his fellow Hunter members of Parliament for the hard work that they have done over many years in getting the F3 to Branxton built. Since my appointment as Minister for Roads about eight months ago, every member from the Hunter has beaten a path to my door. As a result, I flew down to Canberra and spoke to Minister Albanese—

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

Mr MICHAEL DALEY: I spoke to Minister Albanese and to Joel Fitzgibbon and impressed upon them how much the Hunter needed the F3 to Branxton. Last night, after 10 or 11 years of silence on this issue from the Howard Federal Government, the hard work of Hunter members in this Parliament have paid off: the Federal Government has delivered in spades. Last night the Federal Government announced \$2.1 billion of new road funding into road projects—and only road projects—in New South Wales, which will help to create jobs and infrastructure throughout this State. That is in addition to the \$6 billion or more of roads money that we received in the nation building package.

Today Opposition members are trying to conceal their irrelevance by being more full of hot air than usual. But one thing that does not lie is the mathematics. Opposition members should be silent and listen to the mathematics that I am about to deliver. Last night New South Wales received around one-quarter—not 1 per cent—of the entire Infrastructure Australia Fund for roads in New South Wales. Opposition members should forget about the bunkum that they are bandying around today and listen to the mathematics. Roads that were neglected by John Howard and Peter Costello for 11 years—

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

Mr MICHAEL DALEY: Those roads have finally received proper treatment from the Federal Government. As I said, in addition to the recent Nation Building announcement of over \$6 billion for roads in New South Wales alone, last night two new projects totalling \$2.1 billion were announced. I have already mentioned the F3 to Branxton, which is now dubbed by the Federal Government as the Hunter Expressway. In addition, \$618 million has been allocated for the Kempsey bypass—a project that will help to save lives and improve this vital freight route along the Pacific Highway. Opposition members asked me to talk about the Pacific Highway and I will do so. That will help to improve—

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

Mr MICHAEL DALEY: It will help improve lives for the good people of Kempsey.

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

Mr MICHAEL DALEY: That is something the member for Oxley has never been able to deliver. This State Labor Government will deliver it for you, Mr Stoner. The Hunter Expressway is a project about 40 kilometres long and will take about four years to build. It will cost \$1.7 billion, of which the New South Wales Government will contribute \$200 million. This is a major project for the Hunter, but all of New South Wales will benefit. The project will help support over 1,200 direct jobs in the Hunter region and another 4,000 indirectly. With the Federal Government we will help steer 4,000 families through the course of these difficult economic times. For this and other reasons this State Government included the project in its submission to Infrastructure Australia, a submission worked up by the Roads and Traffic Authority and other government departments that last night was rewarded with \$1.5 billion.

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

Mr MICHAEL DALEY: What is the significance of the \$1.5 billion? In 11 years the Howard Government gave us \$1.45 billion for the entire Pacific Highway. Now Kevin Rudd subsumes the entire spending total of the Howard Government for the Pacific Highway for one project in the Hunter. Shame on you and your parties.

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

Mr MICHAEL DALEY: This freeway will directly benefit and improve the efficiency of the national highway network between Sydney, Newcastle and Brisbane by bypassing the New England Highway between Maitland and Branxton, which at times becomes heavily congested as Hunter members of Parliament have told me and we all know. Road safety will be a winner because this new section of dual carriageway will save lives. On the Pacific Highway the Kempsey bypass will deliver about 14½ kilometres of brand-new dual carriageway costing over \$618 million. It is an important project for the people of Kempsey and will help take most of the trucks and traffic off local streets. Two weeks ago in Kempsey I saw trucks driving over the old bridge crossing the Macleay River and then thundering through the main street. That will happen no more. The Labor Party will help out the good people of Kempsey, even if the mob opposite will not. This project will employ about 450 people directly but, importantly, it will support more than 1,400 jobs in the surrounding regions over the construction period.

The SPEAKER: Order! Members will cease interjecting, including the member for Terrigal and the member for Murray-Darling.

Mr MICHAEL DALEY: The Federal Government's commitment to the Pacific Highway now totals \$3.1 billion. It is important to note that from 1996 to 2008 the New South Wales Government—our Government—spent \$2.45 billion on the Pacific Highway, outspending the Howard-Costello Government by a billion dollars.

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

Mr MICHAEL DALEY: At a time when the Federal Coalition Government was amassing huge and unprecedented surpluses approaching \$20 billion, how much did Howard and Costello spend on this marquee road of the soon-to-be extinct coastal Nationals? It was \$1.45 billion over 11 years. How much has our State Government, with a budget a fraction of the size, committed and spent since we were elected? It has been double that amount, totalling over \$3 billion. Kevin Rudd has been in office for only 18 months, but how much has he committed and spent? It is \$3.1 billion. The Labor Party is doing all the heavy lifting on your road. If the mathematics is not enough for Opposition members, they should look at Costello's last budget. Opposition members want to talk about what happened in last night's budget. In the 2007-08 Costello budget, New South Wales roads received under \$500 million.

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

Mr MICHAEL DALEY: In the Swan budget, New South Wales roads will receive double that amount. The Pacific Highway has 277 kilometres or about 40 per cent of dual carriageway, and an additional 77 kilometres are currently under construction and will be finished as quickly as possible. The member for Oxley has the hide to give to this House a notice of a motion that begins with the premise that last night's budget is bad news for country and coastal New South Wales. What planet is he living on?

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

Mr MICHAEL DALEY: But that is not all the Swan budget delivered. In addition to \$1.5 billion for the Hunter Expressway, \$618 million of new funds for the Pacific Highway, \$950 million from the Nation Building Program for the Hume Highway that will see a four-lane dual carriageway between Sydney and Melbourne, including the widening of the F5, and the New England Highway benefiting from \$85 million of improvements and upgrades in safety benefits. The town of Moree will benefit from a heavy vehicle bypass costing over \$55 million. Your government for 11 years did nothing for your town.

The SPEAKER: Order! The member for Barwon will cease interjecting. The Minister will direct his remarks through the Chair.

Mr MICHAEL DALEY: I will, Mr Speaker. The Barton Highway will continue to receive \$20 million for safety upgrades. I could go on all day. Sydney will benefit from \$300 million for planning works on the M4 east, which is a vital link in Sydney's motorway network.

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

Mr MICHAEL DALEY: The Maroubra electorate houses Port Botany, and as its member I am pleased that we are receiving \$150 million for road and rail projects at Port Botany, the freight gateway to Sydney. This will get more containers onto rail and off our roads. The member for Bathurst and the member for Blue Mountains will be pleased to receive \$300 million in capital funds for the Great Western Highway. Despite all the bleating and hot air in this Chamber today, the Opposition's stance on last night's budget has been marked by its silence. Despite rural and regional New South Wales being big winners in last night's budget, it is interesting that Opposition members have said nothing. Despite \$618 million being provided for a bypass in the Oxley electorate, we did not hear a peep from the member for Oxley in the media. A dual carriageway will be constructed less than a kilometre from his electorate office and we did not hear a peep from him. Perhaps he has been distracted by issues closer to home. As reported today in the *Maitland Mercury*, The Nationals State Director, Ben Franklin said:

The Nationals are concerned that a regional NSW seat could be on the chopping block ...The Nationals State director Ben Franklin said in his letter to Cr Blackmore. "The Liberal party suggestion is for the abolition of a regional seat."

So his good mate, who does not have the guts to sack him and instead goes around behind him, is going to try to get him with a preselection.

Mr Peter Draper: Point of order—

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

Mr Peter Draper: The Minister for Roads has lost his way. We are not talking about electoral redistribution. We are talking about roads in New South Wales.

The SPEAKER: Order! I draw the Minister's attention to the question before the House.

Mr MICHAEL DALEY: I am about to conclude my answer. The member for Oxley is not concerned about the Kempsey bypass. He is concerned about the member for Kempsey bypass, which is coming up courtesy of his Liberal counterparts. Today State Coalition members have proven that just like their Federal counterparts, when the Labor Party does the heavy lifting, they are completely useless and irrelevant.

FEDERAL BUDGET INFRASTRUCTURE FUNDING

Mr ADRIAN PICCOLI: My question is directed to the Premier. Given that his roads Minister has just told the House that his visit to Canberra secured Federal funding for the F3 Maitland to Branxton link, does the Premier admit that New South Wales would have been better off if infrastructure Minister, Joe Tripodi, also had spent the past three weeks lobbying his Federal colleagues rather than spending \$300,000 of taxpayers' money on the junket of a lifetime?

The SPEAKER: Order! I call the Minister for Finance to order. He will cease interjecting. I call the Minister for Finance to order for the second time. The House will come to order. I call the member for Coffs Harbour to order for the third time.

Mr NATHAN REES: In the wake of the economic vandalism wrought by the Coalition in government, the Minister for Finance, Minister for Infrastructure, Minister for Regulatory Reform, and Minister for Ports and Waterways travelled overseas to inform investors of the opportunities for investment in New South Wales.

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

Mr NATHAN REES: The Government's reform process will return billions of dollars for the people of New South Wales. We make no apology for making efforts to obtain the most value out of the State's assets for the people of New South Wales, in stark contrast to what the Leader of the Opposition stated on the radio. When he was asked about the best way to market New South Wales as a place in which to invest, he said, 'Stay home.'

The SPEAKER: Order! I call the member for Murrumbidgee to order for the second time. I call the Minister for Finance to order for the third time.

Mr NATHAN REES: The Government will continue to present reforms to potential local and international investors to attract investment in electricity generation in the State.

Mr Adrian Piccoli: Joe, you are an embarrassment.

Mr NATHAN REES: The member for Manly, who knows better, is embarrassed by the approach adopted by the member for Murrumbidgee. I cite a couple of comparisons of State investment drives. The Telstra 1, 2 and 3 road shows cost \$5 million to achieve the best value for that asset. Both Victoria and South Australia staged similar exercises when they fully privatised their electricity and gas assets. I am advised that the cost of their road shows were equal to, if not greater than, the New South Wales delegation. In 14 years, the New South Wales Government had not previously embarked upon a project of this size or importance. The six-member delegation was led by the Minister for Finance. Over almost a month, the delegation met approximately 30 potential investors in 11 countries. Given the positive feedback from that trip, yesterday the Government announced that we will be moving to the next phase and will be calling for expressions of interest.

The SPEAKER: Order! I call the member for Murrumbidgee to order for the third time. He is on his final warning.

Mr NATHAN REES: I am advised that if the current high level of interest in the Government's energy reforms translates into confirmed participation, the market-sounding process will pay for itself many times over.

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

Mr NATHAN REES: That is the responsible thing to do in the best interests of the people of New South Wales.

FEDERAL BUDGET EDUCATION FUNDING

Mr ALAN ASHTON: I address my question to the Minister for Education and Training. Will the Minister outline the benefits to New South Wales students from the Federal budget?

The SPEAKER: Order! I remind members that a number of them have been called to order three times.

Ms VERITY FIRTH: As the Minister for Roads said earlier, it is a great day to be a Minister because last night the Federal budget delivered for Education. It makes up for over a decade of neglect of education and training by the previous Federal Government. Over the next four years, the commitment to New South Wales schools will be almost double that of the previous Federal Government. In total, the Federal budget delivers \$19.4 billion for State education services in 2009-10, which is an increase of 64 per cent compared to 2008-09 funding.

For the first time in more than a decade, the core funding for public schools has been lifted—by \$271 million over the next four years. The Federal budget also contains the promised funding for the four national partnerships. In New South Wales, there is \$438 million to improve educational outcomes for students from disadvantaged backgrounds, \$140 million to improve teacher quality, which is work that New South Wales is leading through the Council of Australian Governments [COAG], \$136 million to help schools to focus on the core basic skills of reading, writing and maths, and up to \$32 million to help to keep more of our kids in school all the way to year 12. The Federal budget also contains the very substantial Building the Education Revolution funding package, which will deliver more than \$4.7 billion for new and improved facilities in New South Wales schools—new facilities and upgrades that, let us not forget, the Liberal-National parties voted against.

The Federal budget delivers the promised funding to put laptops in the hands of all our senior secondary students, solar panels on the roofs of all schools, and expanded vocational facilities in secondary schools across the State. All of that will be on top of the record \$2 billion Building Better Schools initiative that the State Government is well on the way to delivering, and I could go on. The Federal budget also provides \$182.4 million for major new research infrastructure. I am sure that members will be very pleased to know that New South Wales TAFE institutes in Dubbo, Macarthur, Shellharbour and Randwick will receive more than \$32 million for new research and trade training facilities that will enable them to focus on automotive, building, child care and sustainable hydraulics skills.

The reaction of members of the Opposition to good news in the budget for education and for public education is instructive. For more than a decade when their Federal colleagues ignored 70 per cent of the population who chose to send their children to public schools, there was deafening silence from the State Opposition. There was no defence of education, no defence of public education, no defence of universities, and no appreciation of the place of education in a modern economy.

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

Ms VERITY FIRTH: I am proud to say that this House is full of graduates of schools and universities who achieved their qualifications because of the policies and funding of State and Federal Labor Governments. The House is full of people who would never have had that opportunity without State and Federal Labor Governments. Yet, when the Rudd Labor Government re-emphasises education, there is opposition and criticism from the Coalition. They take education and all that it provides for granted.

The SPEAKER: Order! All members who have been called to order are now deemed to be on three calls to order.

Ms VERITY FIRTH: The New South Wales Government is excited to have a Federal Government that champions education. After 10 long years of Coalition ignorance and neglect, last night's Federal budget delivered on the real education revolution. The New South Wales Labor Government is extremely proud to be working with the Commonwealth. The New South Wales Government will deliver the maximum benefit that the Federal budget provides for education in New South Wales—for our schools, our TAFEs and our universities.

TRANSPORT INFRASTRUCTURE FUNDING

Ms GLADYS BEREJIKLIAN: My question is directed to the Premier. Given the Federal budget shows that in 2020 the cost of congestion in Sydney will be \$2 billion higher than it is for Melbourne and greater than Brisbane, Perth and Adelaide combined, can he explain how he managed to secure only 1 per cent of Federal infrastructure funding for Sydney's transport needs?

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

Mr NATHAN REES: Congestion in Sydney is an issue, as it is in every global city, but in 2008 CityRail patronage increased by 5.7 per cent, which represents 16 million additional passenger journeys each year or 315 additional passenger journeys each and every week. Sydney Ferries recorded a 3.3 per cent growth in patronage, and Sydney's bus network recorded an increase of 3.2 per cent. Moreover, an additional 385 bus services that were promised by this Government have been delivered over the past two years. To cope with further increases in population, the Government will purchase 626 new rail cars under a public-private partnership [PPP], 122 outer suburban cars, and 14 Hunter rail carriages. Recently the Epping to Chatswood rail link was opened. The rail clearways program continues. The Government has spent \$56 million on approximately 15 commuter car parks. In addition to all that, as earlier stated, we have a record roads budget.

Work is underway to complete the Sydney CBD Metro. The Government has lodged an application and a preliminary environmental assessment with the Department of Planning. Later this year expressions of interest will be called for the construction, operation and maintenance of the Metro. Tenders will be awarded next year and construction will begin later that year. It will be the most complex engineering and construction project in Sydney since the construction of the Sydney Harbour Bridge, and we intend to commence operations in 2015. The Government has a very clear set of projects and a very clear set of priorities to support public transport in an effort to ease congestion right throughout the metropolitan area of Sydney. When the Coalition went to the last election it did not present any transport initiatives of substance. On the reason for the lack of a transport plan at the last election, the shadow Minister for Transport said:

It's hard to do the costing.

Yes, it is hard to do the costing. We will give the Opposition an abacus. A policy or project does not exist without a costing. Members opposite find it too hard to do costings. Their populism knows no bounds. In the face of the most serious set of financial circumstances that this State and this country have faced since the Great Depression, it is imperative that every project and policy be costed. That is what we do. We offer rigour and discipline, underpinning \$56 billion worth of infrastructure and 150,000 jobs each year for the next four years. The member for Willoughby can bang on all she likes about the Opposition's efforts. The reality is that the Opposition does not have a transport policy and it does not have a costing on its transport plans, other than: How long is a piece of string?

RURAL AND REGIONAL FUNDING

Mr KERRY HICKEY: My question is addressed to the Minister for Regional Development. What is the Government's response to the Commonwealth's support for regional New South Wales?

Mr PHILLIP COSTA: The member for Cessnock is another hardworking member from the Hunter. There is no greater priority for this Government than creating and sustaining jobs for families in rural and regional New South Wales. The global recession, coupled with ongoing drought, is posing unprecedented challenges. Despite the drought, the number of people employed in rural and regional New South Wales has increased by more than 108,000 over the past five years. That data is straight from the Australian Bureau of Statistics and is a testament to the resilience of our country workforce. However, in the current economic climate things are going to get tougher before they improve. That is why I was pleased to see the detail of last night's Federal budget and the range of job-creating and sustaining opportunities for this State, particularly in rural and regional New South Wales.

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

Mr PHILLIP COSTA: These are important strategies to drive job generation, infrastructure provision and skills development, and I will give examples soon. They are the very principles the Rees Government stands for in New South Wales. One key component of last night's budget that will benefit our country communities is the Commonwealth's national broadband network. This \$43-billion investment will support up to 25,000 jobs across Australia over the life of the project, with the finished product servicing a significant portion of rural and regional New South Wales, including the northern tablelands. This will provide our country communities with access to first-class broadband technology, putting small towns in touch with the world at the click of a mouse.

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

Mr PHILLIP COSTA: Only yesterday our good Premier announced the establishment of a New South Wales national broadband network task force to accelerate the rollout of the network in this State—a great initiative. It is a proactive step by this Government to ensure that the best result is achieved for the people of New South Wales as a result of the Federal budget. This massive investment in broadband will be supplemented by our own Building the Country package through the Community Broadband Development Fund, which the Government, being proactive, launched at the end of last year. This program, administered through the Department of State and Regional Development, will help plug the gaps not covered by the Federal initiative. That is millions of dollars from the Rees Government. It is a fine example of State and Commonwealth programs working in partnership to deliver the best outcomes for country families across New South Wales.

I also draw attention to the \$176 million Better Regions program. This four-year program will assist regions to build on their strengths, improve liveability and generate jobs. I understand that funding will be allocated according to priorities identified by local communities, such as the revitalisation of main streets and community centres. Regional and rural New South Wales communities will appreciate that great initiative. Another important new initiative announced in the Federal budget is a grants program to support exporters. To be administered by AusTrade, the scheme encourages small- and medium-size businesses to enter the export market by reimbursing up to half their promotion expenses. That will complement what we do in the Department of State and Regional Development every day of the week. In the Federal budget this scheme has been broadened to allow for not-for-profit economic development bodies, including tourism bodies, that promote Australian exporters. The threshold has also been reduced from \$15,000 to \$10,000, paving the way for more regional businesses in New South Wales to receive assistance in entering the export market. Departmental staff are looking forward to working with communities to take advantage of this grant.

The many opportunities arising from the Federal budget include the Community Infrastructure Program to create local jobs and renew infrastructure that has a sense of place, and the Jobs Fund, which is designed to

support skills development and social capital in local communities. Those big-ticket programs are aimed at addressing the challenges facing all levels of government. This Government is trying to do the same thing with its \$85-million Building the Country package. We are looking forward to value-adding with the Federal Government. I will be sitting down with my department and looking at the best ways to maximise the many opportunities, in partnership with the Federal Government, for regional New South Wales as a result of the Federal budget.

I support the Commonwealth's budget and its drive to fund programs and initiatives that mirror this Government's commitment to rural and regional New South Wales. We know that country communities are the lifeblood of this great State, and we will always support families in local communities to come through these tough times stronger and more prosperous. We will not be sidetracked by the mindless negativity on the other side of the House, including the scaremongering of The Nationals, with misleading figures of doom and gloom. We provide facts, and we deliver. As a government we stand alongside rural and regional New South Wales to make the most of the opportunities of a good budget at a difficult time.

HOMELESSNESS

Ms CLOVER MOORE: My question is directed to the Minister for Housing. Given that the February homelessness street count identified that one-fifth of rough sleepers in the city are living on the streets and parks of Woolloomooloo, and that 80 people are now sleeping rough, will the Minister set up a homelessness one-stop outreach with government, health and welfare agencies and the city to process applications quickly and fast-track accommodation to address this urgent situation and its serious impacts on the Woolloomooloo community?

Mr DAVID BORGER: I thank the member for Sydney for her genuine commitment to disadvantaged people in Woolloomooloo. I can advise the member that we are working to resolve many of the homelessness issues in Woolloomooloo. I remind the House that the homelessness intervention project was established late last year, at the Premier's request, to respond to the urgent needs of rough sleepers in the inner city through the homelessness intervention team, and of homeless young people in the Nepean area through the Nepean youth homelessness project. That project is a cross-agency initiative led by Housing NSW, and includes the Department of Premier and Cabinet, NSW Health, the Department of Community Services, the City of Sydney, Homelessness New South Wales and the Youth Accommodation Association.

In the next 2½ years we will be building approximately 9,000 new units of social housing in New South Wales, and we expect that a large percentage of those new housing units will be used to house homeless people across the State. If there are ways of improving our opportunities and our ability to get people on the register and into housing, I will work with the member for Sydney to do that. We have spoken recently about visiting Woolloomooloo. I am happy to see firsthand some of the issues and challenges in Woolloomooloo. I will work with the member on this issue, and the Government will consider her suggestion today about a way to improve the situation.

I might add that in the inner city we are considering a proposal to establish a Common Ground project. Common Ground Sydney has been proposing that the Government get involved with it. This impressive scheme hardwires support services into the building of a very high density model based on something that has worked very successfully in New York. We are interested in working with Common Ground. The first event I attended—as did the Premier—was the Common Ground launch in Sydney last year. We are absolutely committed to working with Common Ground Sydney. We are looking at a number of sites in the inner city and, if we are successful, they will provide the opportunity for people who are very disadvantaged and sleeping rough to get the services they need, with support services linked in. The Government will consider the proposal of the member for Sydney.

SCIENCE AND MEDICAL RESEARCH

Dr ANDREW McDONALD: My question is addressed to the Minister for Science and Medical Research. What is the Government's response to the Commonwealth's support for science and medical research in New South Wales?

The SPEAKER: Order! I remind the member for Murrumbidgee that he is on three calls to order.

Ms JODI MCKAY: It is important that New South Wales remain at the cutting edge of science and medical research. That is important not only for the health and wellbeing of the residents of New South Wales

but also for the economic sustainability of our economy. I commend the Federal Government for its commitment to science and medical research in last night's budget because it reflects the Rees Government's commitment to excellence in this area, acknowledging the strength of our scientific and medical researchers and clinicians in New South Wales. Last night the Federal Government delivered round two of the Education Investment Fund and the first round of the Health and Hospitals Fund.

New South Wales was allocated \$521.8 million for infrastructure investment in the education and research sectors. This funding will support innovative projects in higher education, research and vocational education and training, and, importantly, will enable our researchers to tackle the challenges that lie ahead, from fighting infectious disease to climate change. The New South Wales Government's support for these applications builds on its substantial investment in the medical research sector since 2006, including more than \$228 million for capital projects at a number of our leading medical research institutes, including the Victor Chang Cardiac Research Institute, the Woolcock Institute of Medical Research, the Children's Cancer Institute, the National Institute of Virology and the Westmead Millennium Institute. This Government has also provided \$64 million to 11 major medical research institutes, for infrastructure and resources that are not provided in grants funding. The Government has also supported its scientists through our \$40-million Science Leveraging Fund. This fund has allowed the Government to secure \$171 million from the Commonwealth and \$357.2 million in cash and in-kind contributions from partners. Importantly, it is estimated that it has created some 450 jobs, 317 of which are high-skill jobs, in New South Wales.

The projects that were supported last night include the Hunter Medical Research Institute, which received \$35 million for a new facility at John Hunter Hospital—it is good to see another project for the Hunter region. I was pleased last night to talk to the chief executive officer, the chairman and the Vice-Chancellor of the University of Newcastle about that project win for the Hunter region. There is also \$70 million for the Garvan St Vincent's Campus Cancer Centre. The Ingham Health Research Institute received \$46.9 million for a research facility adjacent to Liverpool Hospital. Many members will know about the \$100 million for Lifehouse at Royal Prince Alfred Hospital.

The National Life Science hub at Charles Sturt University received \$34 million from the Education Investment Fund. I know that the member for Wagga Wagga, who is not listening, and the member for Bathurst are pleased with that funding. The ignorance of Opposition members is certainly reflective of their complete lack of response to the Science and Medical Research portfolio. Since 2003 the Opposition has not asked one question relating to science and medical research. In 2003 John Brogden asked a question about gaming tax as it related to research funding. The Opposition does not have a shadow Minister for science and medical research. Since 2006 the Opposition has issued two media releases relating to science and medical research. It has no policy and it shows absolutely no interest in this portfolio. Opposition members do not champion the cause of our researchers, clinicians or scientists. Last night \$521.8 million was allocated for infrastructure investment in the education and research sectors in this State. I interpret the long-term silence from the Opposition as a ringing endorsement of what this Government and the Federal Labor Government are doing to support science and medical research in this State.

Question time concluded.

VARIATIONS OF PAYMENTS ESTIMATES AND APPROPRIATIONS 2008-09

Mr Joseph Tripodi tabled, pursuant to section 26 of the Public Finance and Audit Act 1983, variations of the Consolidated Fund receipts and payments estimates and appropriations of 2008-09 arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates.

INFRASTRUCTURE SPENDING

Personal Explanation

Mr BARRY O'FARRELL, by leave: I wish to make a personal explanation. During question time earlier today the Premier sought to misrepresent me and to damage my reputation by saying that my only policy announcements to date are to cut projects. Without going into great detail, I remind the House of the Opposition's commitment to build the south-west to north-west rail link and—as this House knew last week—our commitment to Tamworth Hospital. That hardly supports the Premier's lies in this House.

The SPEAKER: Order! The Leader of the Opposition will resume his seat. The member for Bathurst will come to order.

PETITIONS

Drink Container Deposit Levy

Petition requesting a container deposit levy be introduced to reduce litter and increase recycling rates of drink containers, received from **Ms Clover Moore**.

National Parks Tourism Developments

Petition opposing the construction of tourism developments in national parks, received from **Ms Clover Moore**.

Orange Rescue Helicopter Services

Petition requesting that the rescue helicopter service at Orange be operational 24 hours a day seven days a week and be winch equipped, received from **Ms Katrina Hodgkinson**.

Hornsby Palliative Care Beds

Petition requesting funding for palliative care beds in the Hornsby area, received from **Mrs Judy Hopwood**.

Schofields Railway Station

Petition praying that Schofields Railway Station remain on its current site, received from **Ms Gladys Berejiklian**.

Como Railway Station Staffing Levels

Petition requesting the retention of the staff and customer service levels at Como Railway Station, received from **Mr Barry Collier**.

Woollooware Railway Station Levels

Petition requesting the retention of the staff and customer service levels at Woollooware Railway Station, received from **Mr Barry Collier**.

Rural Rail Branch Lines

Petition requesting that the proposed closure of rural rail branch lines be rescinded immediately, received from **Ms Katrina Hodgkinson**.

CountryLink Pensioner Booking Fee

Petition requesting the removal of booking fees charged to pensioners on CountryLink services, received from **Ms Katrina Hodgkinson**.

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**.

TAFE Fees

Petition asking that TAFE fees be frozen at the 2007 level until 2011, received from **Ms Katrina Hodgkinson**.

Gaden Trout Hatchery

Petition opposing the closure of the Gaden Trout Hatchery, received from **Ms Katrina Hodgkinson**.

Caged Birds Trade

Petition requesting that legislation be introduced to stop the trade of caged birds, and ban trading and selling of Australian native birds, received from **Ms Clover Moore**.

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**.

Cowra Policing

Petition requesting that Cowra police station be staffed 24 hours a day, received from **Ms Katrina Hodgkinson**.

Brooklyn Police Station

Petition opposing the closure of Brooklyn Police Station and requesting an increase in the number of officers to man the station, received from **Mrs Judy Hopwood**.

Iron Cove Bridge Project

Petition opposing the construction of an additional bridge over Iron Cove, received from **Ms Gladys Berejiklian**.

Barton Highway

Petition asking that priority be given to Federal AusLink funding for upgrading of the Barton Highway to dual carriageway, received from **Ms Katrina Hodgkinson**.

Galston Sewerage

Petition requesting that Galston households be connected to reticulated sewerage, received from **Mrs Judy Hopwood**.

BUSINESS OF THE HOUSE**Reordering of General Business**

Mr ADRIAN PICCOLI (Murrumbidgee—Deputy Leader of The Nationals) [3.27 p.m.]: I move:

That General Business Notice of Motion (General Notice) given by me this day [Judicial Inquiry into Dismissal of Minister for Small Business] have precedence on Thursday 14 May 2009.

It is critical that this motion have precedence tomorrow, and I hope that all members of the House will support it. We are all aware of the circumstances surrounding the dismissal of the member for Bankstown from the Rees Cabinet. We also know about the follow-on events and that the member for Bankstown is taking legal action against the Premier. A number of questions remain unanswered in relation to due process and the like that concern the member for Bankstown. Unfortunately, this matter reflects to some degree on all members of Parliament and on the processes of the New South Wales Parliament, particularly the Executive arm of government. We need an opportunity to air all those issues. The Opposition shares the concerns of the member for Bankstown and his supporters, and that is why it wants this inquiry undertaken.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [3.29 p.m.]: I am advised by the Department of Premier and Cabinet that the matter is currently before the Supreme Court.

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

Mr JOHN AQUILINA: As all members will be aware, it is therefore inappropriate to canvass this matter further. The motion is opposed.

Mr Adrian Piccoli: Point of order: I am not aware of any standing order that would stop the motion having precedence.

The SPEAKER: Order! That is not a point of order. The member for Murrumbidgee cannot debate the matter further.

Mr John Aquilina: Point of order: The standing orders stipulate that the mover speaks to the motion and that a person speaks in reply. I have spoken in reply.

The SPEAKER: Order! That is correct. The Speaker has no control over the content of the answer.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 35

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

Noes, 52

Mr Amery	Ms Firth	Ms McMahon
Ms Andrews	Mr Furolo	Ms Megarrity
Mr Aquilina	Mr Gibson	Ms Moore
Ms Beamer	Mr Greene	Mr Morris
Mr Besseling	Mr Harris	Mrs Paluzzano
Mr Borger	Ms Hay	Mr Pearce
Mr Brown	Mr Hickey	Mrs Perry
Ms Burney	Ms Hornery	Mr Piper
Ms Burton	Ms Judge	Mr Shearan
Mr Campbell	Ms Keneally	Ms Tebbutt
Mr Collier	Mr Khoshaba	Mr Terenzini
Mr Coombs	Mr Koperberg	Mr Tripodi
Mr Corrigan	Mr Lalich	Mr West
Mr Costa	Mr Lynch	Mr Whan
Mr Daley	Mr McBride	<i>Tellers,</i>
Ms D'Amore	Dr McDonald	Mr Ashton
Mr Draper	Ms McKay	Mr Martin
Mrs Fardell	Mr McLeay	

Pair

Mr Hazzard

Ms Gadiel

Question resolved in the negative.

Motion negatived.

BUSINESS OF THE HOUSE**Business Lapsed**

General Business Notices of Motions (General Notices) Nos 1 to 10 lapsed pursuant to Standing Order 105 (3).

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY**Federal Budget**

Mr FRANK TERENCEZINI (Maitland) [3.37 p.m.]: Last night the Federal Government handed down its budget in Federal Parliament. It is not an ordinary budget; it is an historic budget that aims to create jobs and ensure Australia's future economic recovery. My motion deserves priority in this House because everyone in Australia is talking about the Federal budget and how it will affect every person and every family in this country. The Opposition should agree to debate this motion because of its importance and the fact that the budget is the only issue that everyone is talking about. The House should debate the Federal budget; we should debate what is in the budget for the people of New South Wales. I conclude that the Opposition does not want to talk about the budget because it does not like what it contains. That is the only possible explanation.

The Opposition does not like what is in the Federal budget so it wants to skirt the issue and whinge and complain about something else—we will find out what it is when the Leader of The Nationals introduces his motion to be accorded priority. The Opposition is attempting to deflect attention from an historic budget that contains much for rural and regional New South Wales. If my motion is accorded priority, the member for Murray-Darling can rest assured that I will let the Opposition know exactly how the Federal budget will affect rural and regional New South Wales. One-quarter of funds in the Federal budget have been allocated to New South Wales, but no-one on the other side of the House wants to talk about it.

This is a high-priority issue, but once again the Opposition is ducking and weaving and trying to get around talking about the most historic document delivered during the greatest downturn since the Great Depression. What do we have on the other side? Members opposite want to complain about something in country New South Wales. This motion should be debated. I would have thought that members of the Opposition would welcome this opportunity with open arms. Let us talk about the Federal budget. Everyone else is talking about it but members opposite. They do not want to know. One can tell by the looks on their faces that they do not like this at all, but if this motion is accorded priority it will certainly be an opportunity for the people of New South Wales to hear what their members of Parliament think about this historic document. That is why my motion deserves priority.

Rural and Regional Funding

Mr ANDREW STONER (Oxley—Leader of The Nationals) [3.41 p.m.]: My motion should be given priority because last night people living in country and coastal New South Wales hoped that Kevin Rudd would right the wrongs of 14 years of State Labor. They hoped he would invest in the critical infrastructure needed in coastal and country areas after more than a decade of neglect by State Labor. What we got was more bad news. Country and coastal New South Wales are the innocent victims of Kevin Rudd's disdain for Nathan Rees. The Federal budget has duded New South Wales, particularly non-metropolitan areas. Country and coastal New South Wales is effectively paying double for Nathan Rees's incompetence. He has trashed our State economy and has kept us from securing Federal funding. New South Wales people, including those in country and coastal areas, will wear a generation of debt but, unlike the rest of New South Wales, people in country and coastal areas will not share in the spoils.

This motion needs to be debated today because for the last seven months Nathan Rees has promised he could deliver because he could work with Federal Labor. But as of last night the verdict is in and nothing could be further from the truth. Just compare the outcome with that in Western Australia, where the Liberal and Nationals Government was able to secure funding for much-needed hospitals in Kimberley and Broome, but Nathan Rees could not secure funding for Tamworth, Dubbo, Bega or Port Macquarie hospitals. Sadly for New South Wales, in Canberra Nathan Rees is as popular as Belinda Neal is on the Central Coast. This motion

deserves priority because the great tragedy of the Federal budget is that Nathan Rees bet the house on the Rozelle metro. This is a project that will cut the commute for the bankers and lawyers of Balmain but do nothing for the people who live outside the inner city, let alone people in country and coastal New South Wales. It is a project that speaks volumes about this Government's wrong priorities and it is one that the Prime Minister rejected conclusively as of last night.

Now regional New South Wales has been left with virtually nothing—nothing for the Newell or the Princes highways, let alone other neglected country roads. With its relentless focus on spin, Labor has tried to re-announce Pacific Highway funding and pretend it is new. It is nothing new: the Kempsey bypass route was decided over five years ago. The people of the North Coast have done a decade of hard Labor and they can sift the truth from the spin. The truth is that the entire State, which has one-third of the national population, got only one-quarter of Federal road and rail funding. We got duded because this lazy, inept Labor Government botched its infrastructure submissions in its ill-advised obsession with its boutique CBD Metro proposal.

The major omission from the budget was the inland rail link, a project that had the potential to open up the west to jobs growth and opportunities and to take the pressure off Sydney and, indeed, off the Pacific Highway. In question time today the Minister for Roads called that road a freight route. The Government is happy to put more trucks and freight through North Coast communities, because it has rejected the inland rail route. The Federal Government has cut the Agriculture, Fisheries and Forestry Department, the Rural Industries Research and Development Corporation and area consultative committees, which have been so successful in stimulating jobs in country and coastal New South Wales. That Government has cut the Regional Partnerships Program, which funded local projects and stimulated economies and created jobs in non-metropolitan areas. It has axed Land & Water Australia, which is a major research body.

Ms Katrina Hodgkinson: Disgraceful!

Mr ANDREW STONER: As the member for Burrinjuck says, it is a disgrace. My motion needs to be debated. This has been a dreadful budget for the whole of New South Wales but particularly regional and rural areas. This shows that according to Labor the people of non-metropolitan Australia, particularly in New South Wales, are the forgotten people. Country Labor is dead and now Labor thinks that country New South Wales does not exist. It is time that this State had a Premier who represents all of the State. It is time that the people of regional and rural New South Wales got a better deal. The choice could not be more stark—the failures on the other side of the House versus the future on this side of the House.

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

The House divided.

Ayes, 48

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
Ms Burton	Mr Khoshaba	Ms Tebbutt
Mr Campbell	Mr Koperberg	Mr Terenzini
Mr Collier	Mr Lalich	Mr Tripodi
Mr Coombs	Mr Lynch	Mr West
Mr Corrigan	Mr McBride	Mr Whan
Mr Daley	Dr McDonald	
Ms D'Amore	Ms McKay	
Ms Firth	Mr McLeay	<i>Tellers,</i>
Mr Furolo	Ms McMahan	Mr Ashton
Mr Gibson	Ms Megaritty	Mr Martin

Noes, 40

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

Pair

Ms Gadiel

Mr Hazzard

Question resolved in the affirmative.**FEDERAL BUDGET****Motion Accorded Priority****Mr FRANK TERENCEZINI** (Maitland) [3.53 p.m.]: I move:

That this House:

- (1) welcomes the Federal Government's budget and \$2.8 billion investment in New South Wales roads, rail and ports, education and health infrastructure; and
- (2) calls on the Opposition to support the Federal budget, which will generate investment and support jobs in New South Wales.

Last night's Federal budget announcement was a win for road users and a win for every family, in particular, every family in my electorate. Over many years there has been buck passing and blame shifting between the two levels of government, which has denied people in my electorate a great piece of infrastructure. I say with confidence that last night's budget took account of the difficult economic circumstances facing the globe, our nation and our State. Neglect and buck passing have been replaced by long-term plans to develop and modernise our infrastructure. Nowhere is that more evident than in the \$2.1 billion that has been set aside for roads.

I draw the attention of all members to the \$1.5 billion that has been allocated for a fantastic piece of infrastructure that is now termed the Hunter Expressway, or the F3 link to Branxton. That \$1.5 billion has been allocated for 40 kilometres of express roadway. The \$200 million that has been injected by the State Government will produce 1,200 jobs, benefit 4,000 families and link all the major regional centres in the lower Hunter. This is the biggest piece of infrastructure that the Hunter has ever seen. As the member for Maitland I am pleased to announce that this project will immediately pour more money into the New South Wales economy and encourage additional investment.

Mothers, fathers and families will benefit greatly from this project. However, the Federal Government's budget goes further than that. I am pleased to see that the Rudd Government included \$715 million in its 2009-10 budget to continue support for drought-affected farmers, farm families, small businesses and rural communities. I am talking about the exceptional circumstances assistance and other payments for farmers and farm families. The Rudd Government announced a 12-month extension of the exceptional circumstances assistance for small businesses, the continuation of the \$20,000 salary and wage exemption for exceptional circumstances relief payments, and a \$750,000 off-farm asset exemption for exceptional circumstances interest rates subsidies, which is great news for families in Maitland who are doing it tough in the drought.

The F3 link road will not just create 1,200 jobs and benefit 4,000 families; that link road will bypass Maitland and Branxton on the New England Highway, link Seahampton and Branxton, and figure in the

calculations for future planning around that area, whether it is the location of new pieces of infrastructure, residential planning, or industrial parks. That sort of development will occur once this enormous piece of infrastructure has been taken into account. That project will result in a great number of indirect benefits. In addition, \$618 million has been allocated for the Pacific Highway, \$500 million for the Hume Highway, and \$300 million for the M4 East planning works.

As I said earlier, the Federal Government allocated \$2.1 billion for road works, \$1.5 billion of which will be spent on the F3 link road. Compare that with the neglect of our roads in the 11 years of the Howard Government. I am sure that the member for Pittwater, who is leaving the Chamber, would be interested to know that that amount of \$1.5 million exceeds the amount allocated to the Pacific Highway by the Howard Government in its entire term in office, which is a disgrace. The Howard Government neglected one of the most important arterial roads in New South Wales. Contrast that with the performance of the Rudd Government, which allocated \$1.5 billion for 40 kilometres of roadway for which we have been waiting for years.

In the 1990s when I was in Kurri Kurri I recall the Keating Government announcing that this road would be built. When the Howard Government took office that the money disappeared, but it has been coming back in dribs and drabs ever since. This project could have been commenced 11 years ago. However, as a result of the Howard Government's 11 years of neglect, we have had to wait until now, even though Maitland has been growing at a great rate of knots. In the two years that the Rudd Labor Government has been in office it has allocated \$3.1 billion for road works in New South Wales. In the 11 years that the Howard Government was in office we got nothing, but in the two years that the Rudd Government has been in office we got \$3.1 billion. Those Opposition members who are aware of these statistics should be embarrassed to sit in this House. Opposition members are lecturing Government members on road spending, which is a sham!

They sit on that side of the House trying to tell us about infrastructure. We are the builders. We are generating jobs and putting jobs together. Over an 11-year period Coalition members completely neglected the Pacific Highway and delayed the F3 link road, leaving Maitland to grow without that important piece of infrastructure. That is an absolute disgrace. Yet Opposition members try to lecture us about infrastructure. We have created jobs, in addition to \$56.9 billion in infrastructure spending creating 150,000 jobs each year. If it were left to the Coalition the unemployment rate would be far greater than at present and these projects would never get off the ground. Make no mistake, the facts speak for themselves: in two Federal budgets \$1.5 billion has been allocated to one project. In 11 years of the Howard Government there was nothing for that project. We see the smiles and hear the cheers from members opposite. If I had been in opposition for as long as they have, with that record, I certainly would not be smiling; I would be pretty worried.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [4.00 p.m.]: Recently the Premier's Chief of Staff despaired about the lack of talent in the Rees Government. Today the member for Maitland has given him more grey hairs and sleepless nights.

Mrs Karyn Paluzzano: Point of order: My point of order relates to relevance. The member in his introduction has not referred to the matter being debated.

ACTING-SPEAKER (Ms Diane Beamer): Order! I am sure the Leader of The Nationals will refer to the substance of the motion.

Mr ANDREW STONER: I will get to almost every point because the member for Maitland, who is not the brightest crayon in the box, has kicked an own goal with this motion because he has demonstrated just how out of touch and incompetent the Rees Government is.

Ms Kristina Keneally: Point of order: Such language is unparliamentary. I ask the member to withdraw it.

ACTING-SPEAKER (Ms Diane Beamer): Order! I cannot direct the Leader of The Nationals to withdraw that remark. However, he may withdraw it if he wishes to do so.

Mr ANDREW STONER: I have heard far worse from the Government side. The member for Maitland says that the Federal budget is wonderful, but what do the key stakeholders say? The Property Council of Australia states:

The message from the Federal Government couldn't be clearer: no plan, no money. NSW must heed the warning.

The New South Wales Business Chamber states:

The Federal Government's reluctance to fund NSW infrastructure reflects the lack of confidence in the State Government to deliver infrastructure.

The NRMA states:

It would be concerning if a failure of forward planning was the reason why critical road projects like the M4, M5 widening, M2 to F3 and F6 extension did not receive funding in last night's budget.

The Property Council of Australia further states:

NSW has planned project by project with no big picture to set priorities and look at overall system management. The Federal Government and Infrastructure Australia have made it crystal clear that this approach will mean NSW will miss out on billions of Federal funding.

That is the reality of the Federal budget. That is why the member for Maitland has kicked an own goal in moving this motion to be accorded priority. Let us consider road and rail infrastructure. In relation to land and transport funding New South Wales received 26 per cent of the Federal budget allocation, yet New South Wales comprises more than one-third of the national population. Effectively we have been duded. Today the Premier said New South Wales received 30 per cent. Once again he is loose with the truth. Obviously, the Premier is embarrassed that New South Wales received only a quarter when it deserves at least a third of the funding.

New South Wales did not get its fair share of Federal funding due to the incompetence of the New South Wales Labor Government in completing and arguing its submissions. The Minister for Infrastructure over the past three weeks, instead of being in Canberra lobbying for a fair share for New South Wales infrastructure, was overseas on a prolonged junket. That is why effectively there was nothing new in the Federal roads announcements for New South Wales. The F3 to New England Highway link that the member for Maitland talked about is not new; it has been on the books for a long time. The Kempsey bypass route was decided five years ago, but where is the funding?

Mrs Karyn Paluzzano: Point of order: I draw to the attention of the member paragraph (2) of the motion, which calls for the Opposition's support, unlike the support the Opposition gave to the Hunter members of Parliament during the 10 years of the Howard Government.

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

Mr ANDREW STONER: The inland rail project is a slap in the face to western New South Wales and North Coast communities. The Rudd Government has back-pedalled from that project because this State Government has not backed it. Mr Rudd talks about a road freight corridor from Cairns to Sydney. It will run right through North Coast communities. It is dudding western communities. If Government members think that B-doubles and trucks rumbling through their towns at night is a good thing, that is great, because Kevin Rudd has put all his eggs in the one basket—the Pacific Highway—and not backed inland rail. The member for Bathurst argues against an inland rail link. So much for Country Labor!

Let us examine the result of Federal health funding. The State Government submission failed to mention the much-needed upgrades of Tamworth and Port Macquarie hospitals, and did not get funding for Parkes, Forbes, Bega, Kempsey—the list goes on. The Western Australian Government was successful in getting funding for hospitals at Kimberley and Broome. The motion conveniently leaves out that not only has New South Wales been duded, but also it will pay a proportion of the \$300 billion debt that Federal Labor is running up. For generations to come this State will be paying for something it did not get. Once again, because of the ineptitude of the State Government, we are subsidising the other States. Why would the member for Maitland move this motion when the emperor has no clothes? The State Government has no stimulus package.

Ms Noreen Hay: Point of order: My point of order is that the member opposite is misleading this House. For years I called on him and other Opposition members to get the \$3 billion that was being ripped off in goods and services tax by the Howard Government and they sat silent.

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

Mr ANDREW STONER: I move:

That the motion be amended by leaving out the word "welcomes" in paragraph (1) with a view to inserting instead "notes" and leaving out paragraph (2) with a view to inserting instead:

- (2) condemns the Government for failing to deliver a fair share for New South Wales.

Mrs KARYN PALUZZANO (Penrith—Parliamentary Secretary) [4.07 p.m.]: I am delighted to support the motion moved by the member for Maitland. The Federal Government's budget provides more than \$411 million in additional capital funding to build and upgrade health and medical research and training facilities in New South Wales. The Government already has built or rebuilt virtually every major hospital and emergency department around the State. It is tremendous to have a Commonwealth Government now willing to assist in funding of further vital infrastructure improvements, including the total rebuild of the Nepean Hospital emergency department, including the psychiatric emergency care centre. What does the 2009 Federal budget bring to the Nepean Hospital? It brings \$96.4 million worth of community smiles for its redevelopment, which will include a new wing, an expansion of renal dialysis stations, new mental and dental health services, and major equipment upgrades and refurbishments.

A further \$17.2 million has been allocated for the establishment of the Nepean Clinical School, which will be built adjacent to Nepean Hospital. The clinical school is an adjunct of the University of Sydney that will provide rooms for clinical use and is welcomed by students. This significant contribution to the Nepean Hospital will result in better facilities for those communities that support our hardworking clinical staff and research facilities as well as building on our existing intellectual capital. The Nepean Research Foundation is doing a marvellous job, and research features very highly in the Federal budget. But that is not all. The clinical school research centre at Blacktown, the Ingham Health Research Institute at Liverpool, the Hunter Medical Research Institute at Newcastle, the Nepean Clinical Skill in Kingswood, the Garvan St Vincent's Campus Cancer Centre, and the Lifehouse at the Royal Prince Alfred Hospital will benefit from funding of approximately \$100 million.

New South Wales will tender for a share of more than \$530 million that is available for up to 10 regional cancer care centres. As a participant in the recent Relay for Life conducted by the Cancer Council across New South Wales, I know that any benefits received by cancer care centres in regional areas will be most welcome. Members of the Opposition are silent when they are confronted with these figures. What is truly exciting, not only in the Penrith electorate but also in other electorates throughout New South Wales, is that the New South Wales health system is world class. Unlike previous Coalition governments, the State Government ensures that our hospitals have dedicated, highly trained professionals and high standards of patient care and clinical excellence. The contribution of the Federal budget can only enhance the New South Wales State Government's objectives. The State Labor Government is considering a structured and strategic approach to delivering infrastructure, which is in stark contrast to the Opposition's reckless plan.

Ms GLADYS BEREJIKLIAN (Willoughby) [4.10 p.m.]: Today is a sad day for New South Wales because, unlike other States, it has missed out on vital infrastructure funding. As I am the shadow Minister for Transport, I will concentrate on rail funding outlined in the Federal budget transport allocations for roads, rail and ports. Last night I went through the list of all rail projects throughout the country that received rail funding and discovered that Victoria received \$3.6 billion, Queensland received \$385 million, little South Australia received \$646 million, and a Liberal Government in Western Australia received \$236 million, whereas New South Wales received just \$91 million. An examination of the New South Wales proportion of overall funding reveals that it received 2 per cent of the total Federal budget funding for rail, notwithstanding that New South Wales has the largest population of any State in Australia.

Sydney is supposed to be a global city, yet the State received less than 2 per cent in rail funding. This represents a missed opportunity. The Federal Government funding allocations demonstrate that even the Federal Labor Government has no confidence in the New South Wales Labor Government. If it did, it would have given New South Wales its fair share of infrastructure funding. The reason that New South Wales received only \$91 million out of the billions on offer is the State Government's incompetent submission to Infrastructure Australia and its incompetence in appreciating or even understanding what it takes to plan a major project. If it did understand, it would have delivered one of the nine rail lines that it announced and has had to abandon. In the north-west, one rail line proposal was abandoned twice. The Government first of all dumped the heavy rail line and then it dumped the metro. I turn now to the motion in detail.

ACTING-SPEAKER (Ms Diane Beamer): Order! The House will come to order. I call the member for Wollongong to order.

Ms GLADYS BEREJIKLIAN: The Federal Government's complete lack of confidence in the ability of the New South Wales Labor Government to deliver any rail projects is a sad indictment of the current State Government. Even though New South Wales represents 33 per cent of the nation's population, the New South Wales Government has received less than 2 per cent of the Federal Government's rail funding. That demonstrates the State Government's incompetence. The State Government does not understand what it takes to plan a project. It asked for \$2 billion and received \$91 million. That is embarrassing.

Mr GERARD MARTIN (Bathurst) [4.13 p.m.]: I am pleased to support the motion moved by the member for Maitland. The Federal budget that was unveiled last night will deliver on the Rudd Government's commitments to our schools. The Federal Government has sought to redress years of Howard Government indifference to Australian public schools. In total, the Federal budget delivers \$19.4 billion for State education services in 2009-10, which is an increase of 64 per cent compared with 2008-09. The Federal budget contains the promised increase in operational funding for public primary schools. It delivers promised funding for four national partnerships: \$1.5 billion to improve educational outcomes for students from disadvantaged backgrounds; \$550 million to improve teacher quality, which is work that New South Wales is leading through the Council of Australian Governments [COAG]; \$524 million to help schools to focus on the core basic skills of reading, writing and maths; and \$100 million to keep more of our kids in school until year 12.

The Federal budget also provides funds for the very substantial Building the Education Revolution package—and now we are talking stimulus—that will deliver more than \$4.7 billion for new and improved facilities in New South Wales schools. Let us not forget that the Coalition's Canberra colleagues voted against those new facilities and upgrades, which shows how hypocritical Coalition members are. The budget contains the promised funding to put laptops in the hands of all our senior secondary students and to put solar panels on all school roofs, and expands vocational facilities in secondary schools right across the State. These are substantial new investments in education for our country, and every New South Wales student will benefit, as will industry.

Sadly, the Opposition has chosen to complain at a time when the New South Wales people need leadership more than ever—and that is what the current State Labor Government is giving them. The Federal budget investments complement our own New South Wales Government's investment in schools, including the landmark \$2 billion Building Better Schools initiative. I am very proud to inform the House that New South Wales institutions fared very well in the grants process, including institutions in my electorate. Bathurst will be home to a new skills set for a Low Carbon Economy Centre, thanks to a \$5 million grant from Kevin Rudd and support from the New South Wales Government.

The Central West Group Apprentices, which is a non-profit organisation that employs apprentices and trainees and places them with local tradespeople and businesses, will receive the grant. The new centre will be a purpose-built training facility that will help to develop vocational skills for our young people who will be needed to work in the green economy. This is a very far-reaching and visionary policy. I know that the Central West Group Apprentices, which is one of the leading-edge educational and training institutions in New South Wales, will deliver quality outcomes in spades. It will conduct courses from certificate II to certificate IV in electro-technology, engineering, horticulture, agriculture, automotive services and construction—the list goes on. The Federal budget is a great budget for public education in New South Wales, and the New South Wales Government is thankful to the Rudd Government for working with us.

Mr FRANK TERENCE (Maitland) [4.16 p.m.], in reply: I thank the member for Willoughby, the member for Bathurst and the member for Penrith for their contributions to the debate, but I will deal in detail with the contribution made by the Leader of The Nationals. Each time I come to the House I expect the Leader of The Nationals or the Leader of the Opposition to announce alternative policies and show some leadership, bearing in mind that in difficult times people look to Opposition leaders as much as they look to Government leaders. I keep waiting for the Opposition to come up with some skerrick or scintilla of an idea about policy for New South Wales, but what do I get?

Mr Gerard Martin: Grizzle, grizzle, grizzle.

Mr FRANK TERENCE: I get the Opposition crying poor; I get grizzling, carping and whining to such an extent that I have come to the conclusion that any member of this Chamber who descends to personal attacks does not have an argument. It is plainly obvious that the *modus operandi* of the current Opposition is simply to be negative. In difficult times when the New South Wales Government has outlaid tens of billions of dollars and has worked with the Federal Government on stimulus packages to create 150,000 jobs a year, we expect more from Opposition members, especially Opposition leaders. Yet all we get from Opposition leaders when they come into the House is personal attacks and the members of the Opposition crying poor. The Government expects some suggestion about what can be done, but we get nothing, despite the fact that we are not asking for much. The Leader of The Nationals stated that the decision in relation to the Pacific Highway was made five years ago. That is probably correct, and the decision was probably taken not to do it.

Mr Andrew Stoner: If you don't know, don't make statements suggesting you do.

Mr FRANK TERENCEZINI: Within two budget periods, the current New South Wales Labor Government has created one project worth \$1.5 billion, which dwarfs what the Coalition achieved in 11 years of government. The facts speak for themselves. As a relatively new member of Parliament, I expected more from the Opposition in difficult times—just a few ideas to kick around and discuss. But I do not even get that. All I get is the usual negative carping, whinging and whining. No matter what happens, it is always no good.

Members opposite are always criticising public servants. I would like to know how many people a Coalition government would sack, because the shadow Treasurer wants to run a surplus. I want to know how many people a Coalition government would get rid of and how many services it would cut: the shadow Treasurer has let the cat out of the bag and told us that he would run a surplus. I want to know what the different cuts would be. However, we will not hear anything from members opposite about that. We will not hear them say what services a Coalition government would cut; we will only hear them whinging, carping, whining and criticising our hardworking public servants. No matter how much money we get and how many goals we kick, it is always no good.

Question—That the words stand—put.

The House divided.

Ayes, 50

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

Noes, 38

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

Pair

Ms Gadiel

Mr Hazzard

Question resolved in the affirmative.

Amendment negatived.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 49

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

Noes, 39

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

Pair

Ms Gadiel

Mr Hazzard

Question resolved in the affirmative.

Motion agreed to.

The SPEAKER: Order! It being just after 4.30 p.m., the House will proceed to Government business.

HERITAGE AMENDMENT BILL 2009

Bill introduced on motion by Ms Kristina Keneally.

Agreement in Principle

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

That this bill be now agreed to in principle.

The Government is pleased to introduce the Heritage Amendment Bill 2009. The Heritage Act 1977, along with the National Parks and Wildlife Act 1974, are the State's key pieces of heritage legislation. In particular, the Heritage Act 1977 has a proud history of identifying and protecting the State's most important pieces of history. The Heritage Act 1977 established the Heritage Council of New South Wales, which provides the Minister for Planning with advice on the management of the State's heritage. Importantly, the Act set in place the State Heritage Register, the register of the State's most significant heritage places, those of State heritage significance. Listings on the register are made by the Minister for Planning on the recommendation of the Heritage Council and include approximately 1,500 places of Aboriginal, natural and historic significance ranging from the Sydney Opera House to the Aboriginal fish traps at Brewarrina.

The last major review of the Act was in the 1990s, which led to substantial amendments by the Carr Government in 1998. A further review is now warranted given the implementation of the Rees Government's wider reforms to the New South Wales planning system, which are being undertaken consistent with the State Plan. In July 2007 the former Minister for Planning, the Hon. Frank Sartor, appointed an independent panel of experts to conduct a review of the Act. Eminent panel members were selected by the Government to carry out the task. Ms Gabrielle Kibble, AO, chaired the panel. Ms Kibble has had a distinguished career as a public servant. She has extensive experience in planning and she is a former Director General of the Department of Planning. Following the review, Ms Kibble was appointed Chair of the Heritage Council of New South Wales. Other members of the panel were Mr Michael Collins and Mr John Whitehouse. Mr Collins is a former Chair of the Heritage Council and has extensive experience in property economics, valuation, property consultancy and asset management. Mr Whitehouse is a well-respected lawyer who had involvement in the original drafting of the Act.

The recommendations of the panel were arrived at following a review of the existing legislation, consultation with major stakeholders, and consideration of public and industry submissions. The panel's review process included comprehensive public participation, which involved advertisements for public submissions being placed in major metropolitan newspapers and meetings with key stakeholders including the Heritage Council, the Local Government and Shires Association, the National Trust of Australia, the Property Council of Australia, the New South Wales Urban Taskforce, the Australia International Council on Monuments and Sites, the peak heritage practitioners' body, the Department of Aboriginal Affairs and the Department of Environment and Climate Change. The panel also considered 140 submissions from government departments, local councils, groups and members of the public.

In December 2007 the panel handed down its report, "A Review of the New South Wales Heritage Act 1977". The review contains 65 recommendations, which include greater fairness and rigour in the heritage listing process and retaining key elements of the current system such as local and State heritage listings and the New South Wales Heritage Council. Many of the changes recommended in the review can be achieved by changes to guidelines and practice by the Department of Planning, the Heritage Council and local councils without the need for legislative change. A lot of these changes are already underway and, in fact, a document has been released on the website of the Department of Planning outlining the Government's response to the review's recommendations.

The bill implements many of the principal recommendations of the review that require legislative change. These areas include membership of the Heritage Council, the State Heritage Register listing processes, archaeology and local listing processes. The bill also makes a number of amendments to the Environmental Planning and Assessment Act 1979 to ensure the Rees Government's reforms to the New South Wales planning system are implemented properly. The role of the Heritage Council has changed considerably since its establishment in 1977. The constitution of the Heritage Council now needs to evolve from a membership with a focus on organisational representation to a membership with a focus on skills and expertise in order to meet future challenges.

The bill reduces the membership of the Heritage Council from 15 to 11 members. That is based on one of the options recommended by the expert panel that the Heritage Council's size and composition be brought into line with its counterparts in other States and Territories. The Heritage Council will consist of a chairperson, three statutory members—the director general of the Department of Planning, the director general of the Department of Environment and Climate Change, and the New South Wales Government Architect—a representative of the National Trust of Australia, New South Wales, and six members appointed by the Minister on the basis of skills, knowledge or qualifications in one of a number of areas, including Aboriginal heritage, archaeology, architecture, conservation of environmental heritage, engineering, New South Wales or Australian history, local government, moveable heritage, natural heritage, planning, property, planning or environmental law, property economics, building, development and property industries, rural interests, and cultural landscapes.

This membership is diverse. It reflects a range of specialist heritage property planning and other relevant skills, which will ensure that the Heritage Council makes balanced decisions. To ensure the continuity of the Heritage Council, current members appointed by the Minister on the basis of their skills, knowledge and qualifications in one of the current areas identified in the Act will be retained on the council for the remainder of their respective terms of appointment. They may then seek reappointment. Organisation-based members are able to reapply under the skills criteria. These changes to the membership of the Heritage Council will ensure an adequate and balanced representation of skills, perspectives and experience. These will equip the council to meet future challenges. The bill also reforms the constitution and procedures of the Heritage Council. These changes are generally consistent with the procedures of the Planning and Assessment Commission and joint regional planning panels, both established under the Environmental Planning and Assessment Amendment Act 2008. This will ensure better consistency in terms of governance.

I turn now to State heritage listing processes. A number of changes are proposed to the heritage listing processes aimed at improving the operation and fairness of the current system at State level. In particular, these changes are intended to provide more rigour and flexibility in the processes for listing and removing listings, and better consideration of economic and non-heritage issues. The Heritage Council publishes the criteria for establishing whether an item is of State heritage significance, warranting listing on the State Heritage Register. The Heritage Council is required to notify the Minister of these criteria. The bill amends the Act to enable the Minister to approve the criteria before the Minister causes notice of the criteria to be published in the *Government Gazette*. In considering whether to approve the listing criteria, the Minister will have regard to Australian and international best practice.

Currently, in order to list an item on the State Heritage Register the Minister needs to be satisfied that the item is of State heritage significance, following a recommendation by the Heritage Council. This approach ignores a range of other important issues that have a bearing on the conservation of an item. As well as considering whether an item is of State heritage significance, the Minister will be required to consider a range of broader planning and economic issues. These issues include a recommendation from the Heritage Council about whether the item should be listed, whether the long-term conservation of the item is necessary, whether the listing would render the item incapable of reasonable or economic use, and whether the listing would cause undue financial hardship to the owner, mortgagee or lessee of the item or the land on which the item is situated.

These additional criteria that the Minister will be required to consider will ensure that appropriate balance is achieved between conservation of the State's heritage, the rights of landowners and the costs of heritage conservation. I am very well aware of how important these considerations will be. I am also very well aware that we cannot risk losing our heritage. We need to have an eye to the future as to what possibilities exist for our heritage items. We also need to ensure that these future possibilities can be realised. In order to encourage requests for listings on the State Heritage Register, the Rees Government has introduced the State Heritage Register Thematic Listing Program. Traditionally, nominations have been sourced from the community. This has been invaluable in ensuring that the heritage register reflects community values and that the community is actively involved in the listing process. One drawback to this approach is that nominations have been considered in an ad hoc fashion. As a result, some important places are yet to be listed on the State Heritage Register.

The Heritage Council has recommended a more strategic approach to State Heritage Register listings, seeking nominations in accordance with agreed themes. I have approved the first two-year program in which State listing nominations will be invited from the community according to the agreed themes. The themes include: the Governor Macquarie sites, to mark the bicentenary of Macquarie's tenure as Governor from 1810 to 1822; convict sites, to acknowledge the importance of convicts to the development of New South Wales, as well as the current Australian Convict World Heritage nomination; World War I and World War II sites, to acknowledge the ninetieth anniversary of World War I and the seventieth anniversary of World War II; and Aboriginal heritage, to ensure that this important aspect of the State's history continues to be recognised. The Heritage Council will concentrate its resources on the assessment of nominations in line with these themes. However, nominations outside the themes will continue to be accepted from the community, and sites under threat will always be a priority.

As mentioned, the Heritage Council uses published criteria to establish whether an item is of State heritage significance, thus warranting listing. Currently, an item is required to comply with at least one of seven criteria. Before making a recommendation to the Minister that an item should be listed, the bill requires the Heritage Council to satisfy itself that an item satisfies more than one of these criteria, or the item is of such

particular significance that it should be listed. This amendment will avoid the possibility of frivolous or borderline nominations for State heritage listing being made. It is important that the register maintain its integrity and standing in the community's eyes.

I turn now to a referral of a Heritage Council recommendation to list an item. Currently, the Minister can refer a recommendation from the Heritage Council to list an item on the State Heritage Register to a ministerial review panel for advice or request the Planning Assessment Commission to review the matter. The bill allows the Minister to make a referral or request to the panel or the commission on the Minister's own motion or after a request by an affected owner, occupier, mortgagee or lessee. This provision addresses concerns raised in the panel's review about the rights of owners of items who consider that they will be affected negatively by a proposed listing. The Government is committed to ensuring that the views of owners are heard when considering listing nominations.

The Government will ensure that the Planning Assessment Commission has the necessary expertise to assess objections to listings on the State Heritage Register. Currently, the Minister is able to direct the removal of a listing from the State Heritage Register if the Minister considers the item is not of State heritage significance, and the Heritage Council recommends its removal. However, heritage significance alone is too narrow a criterion to justify removal from the register. The Government believes that a broader range of economic planning and other issues should be able to be considered. The bill continues to allow the Minister to direct the removal of a listing from the register if the Minister has considered a recommendation from the Heritage Council about whether the item should be listed and has formed the opinion that the item is not of State heritage significance.

The bill also amends the Act to allow the Minister to direct the removal of an item when the Minister has considered a recommendation by the Heritage Council and has formed the opinion that the long-term conservation of the item is not necessary and that the listing renders the item incapable of reasonable or economic use, or that the listing is causing undue financial hardship to the owner, mortgagee or lessee. These matters are consistent with the criteria that the Minister is required to consider in deciding whether to direct the listing of an item on the State Heritage Register. It is appropriate that the criteria for listing mirror the criteria for delisting. In line with current practice, recommendations made to the Minister by the Heritage Council that an item be removed from the State Heritage Register will need to be based on sound information and provide detailed justification for the removal of the item. The Government will not support frivolous or unjustified requests for the removal of an item from the register.

I turn now to conservation management plans. A conservation management plan is a document that explains the heritage significance of an item and includes policies for its ongoing management. It is best practice to prepare these plans for heritage items, particularly for those listed on the State Heritage Register. The bill allows an owner of an item listed on the State Heritage Register to lodge a conservation management plan with the Heritage Council for its endorsement. An endorsement will allow works identified in the plan to be carried out without any further Heritage Council approval. This is a significant approvals streamlining measure designed to cut red tape.

However, the Heritage Council will endorse only a conservation management plan for minor development, specifically identified as "exempt development" by a conservation policy or strategy contained within the plan, that does not materially affect the heritage significance of the item. This reflects current best practice and will ensure that the community retains the ability to comment on more significant development through the approvals processes under the Act. Additionally, the bill requires the Heritage Council, when determining an application for approval under the Act relating to an item listed on the State Heritage Register, to take into consideration any applicable endorsed conservation management plan. This will improve certainty for owners and development applicants. These amendments will also assist the Government in its negotiations with the Commonwealth to enter into bilateral agreements to reduce the duplication of State-Commonwealth approval processes for places in New South Wales that are listed on the National Heritage List.

I turn now to stop-work orders. At present, unauthorised works to items under an interim heritage order or listed on the State Heritage Register can be stopped only by means of an injunction granted by the court. This provides a slow and costly process for delivering interim protection of these items. The bill allows the Minister or the chair of the Heritage Council to issue a "stop work" order if it is considered that an item under an interim heritage order or listed on the State Heritage Register is being, or is about to be, harmed and where a prior approval of the Heritage Council has not been obtained. The stop-work order is an order of an interim nature only. It will last for 40 days and will give the Minister or the Heritage Council time to commence other action,

such as seeking a court order to restrain a breach of the Act or a court order imposing sanctions for the failure to obtain an appropriate approval under the Act. There will be no right of appeal against the stop-work order. However, neither the Minister nor the chair will be able to make more than one stop-work order in relation to the same work. This will prevent rolling stop-work orders being imposed without end and without any redress or right of appeal being available. It will be the Government's preference in cases of illegal works that attempts are made by the Heritage Council and the Department of Planning to reach a resolution by negotiation in the first instance.

Under the existing Act, Heritage Council approval is required before disturbing a "relic", which is defined as any deposit relating to the European settlement of New South Wales that is 50 or more years old. This broad definition captures too many items, many of which would not generally be considered part of the State's archaeological heritage. The bill redefines what a relic is, moving from an arbitrary age-based definition to requiring that a relic be something of heritage significance before Heritage Council approval is required. This new approach will ensure the Heritage Council's focus is on matters of heritage significance, reduce compliance costs as part of the development approvals process, and cut red tape.

I turn now to local heritage listings that are referred to an independent hearing and assessment panel. The review of the Act identified that improvements are required to local council processes for listing items of local heritage significance in local environmental plans. It is, for example, essential that the views of owners are considered thoroughly by councils before listing decisions are made. Under the Government's recent reforms to the planning system, a council can constitute an independent hearing and assessment panel to assess any aspect of a development application or any planning matter referred to the panel by the council. The bill clarifies that a council can refer an objection to a proposed heritage listing to an independent hearing and assessment panel. This will enable greater consideration to be given to the concerns of owners of items that are proposed to be listed and will facilitate more rigorous assessment of the heritage significance of an item. This measure, as well as others to be introduced by the Department of Planning, will increase opportunities for owners to have a say about proposed heritage listings.

I move now to the issue of integrated development. Integrated development is a type of development requiring development consent and one or more approvals pursuant to specified Acts. Currently, the integrated development provisions under the Environmental Planning and Assessment Act 1979 do not apply to development carried out by the Crown. The bill amends these provisions to enable them to apply to Crown development, but only where an approval is required under the Heritage Act for such development. This will mean that for Crown development a consent authority will be required to obtain the general terms of approval proposed to be granted by the Heritage Council in relation to the proposed development. A development consent granted by the consent authority will be required to be consistent with these proposed general terms of approval.

Additionally, the bill will prevent a local council from refusing any development application on heritage grounds if an approval of the Heritage Council under the Heritage Act has been given for the same development. It is logical that the State's prime heritage body, the New South Wales Heritage Council, should have a primary role in assessing the heritage impact of a development. The Government does not see why a local council should be able to refuse a development on heritage grounds when it has been rigorously assessed and approved by the Heritage Council. These amendments will ensure greater consistency between a development consent granted under the Environmental Planning and Assessment Act 1979 and an approval under the Heritage Act, and also provide for a more effective integration of heritage issues in the planning process.

I now turn to three further sets of amendments to the Environmental Planning and Assessment Act that arise not out of the review of the Heritage Act but out of the practical implementation of the planning legislation. Let me be clear for the benefit of all members: I am including these amendments in this legislation so that we can progress the planning reforms that the Rees Government is committed to implementing. However, I want to ensure that these amendments are subject to full consideration by the House and I welcome the views of honourable members. The Environmental Planning and Assessment Act authorises the Minister for Planning to appoint planning assessment panels or regional panels under section 118 of the Act to exercise functions of a council as a consent authority under part 4 of that Act or in relation to the making of local environmental plans.

The proposed amendment has arisen out of practical experience with planning assessment panels in the Burwood, Ku-ring-gai and Wagga Wagga local government areas. A local environmental plan is only one of three important plans that need to be made for an area. As well as the local environmental plan, areas need the

more detailed controls in a development control plan [DCP] and a contributions plan for community infrastructure and open space to ensure they are developed properly and effectively for existing and future communities. The Environmental Planning and Assessment Act already allows the Minister for Planning to appoint a planning administrator under section 118 of the Act to exercise those additional functions of a council to prepare, make and approve a development control plan and prepare and approve a contributions plan. However, the requirement for this separate appointment is difficult to justify and should be included in the existing provisions relating to these panels for simplicity and transparency.

Accordingly, the bill amends the Environmental Planning and Assessment Act to allow the Minister to also vest these panels with the functions of preparing, making and approving development control plans, and preparing and approving contributions plans that apply to land, as well as performing council's functions in relation to local environmental plans. Nothing in this bill alters or abridges the existing obligation on the Minister for Planning to give notice in writing to councils and allow 21 days for them to make submissions before appointing a planning assessment panel or a joint regional planning panel to perform these functions. The bill will also ensure that members of committees constituted under section 22 of the Environmental Planning and Assessment Act 1979 are protected from personal liability when exercising their functions in good faith. This amendment is appropriate, given the role of section 22 committees, and is proposed to reinstate the protections previously afforded to section 22 committee members prior to amendments to the Act in 2008.

Last year, the Environmental Planning and Assessment Amendment Act 2008, one of the pieces of the 2008 planning reform legislation, introduced new provisions for the establishment of joint regional planning panels. These regional panels were modelled on the successful Central Sydney Planning Committee, where a combination of technical experts and local councillors determine development applications for major development. The provisions in the Act for regional panels are scheduled to commence on 1 July 2009. I have now sought expressions of interest for the State members on these panels. Advertisements for those expressions of interest have been placed in the *Sydney Morning Herald* and the *Daily Telegraph*. Similar advertisements will be appearing in 74 local newspapers across the State.

The department will soon be writing to councils asking them to select their members and providing information and support on how this is to be done. More details of the proposed regions and the proposed thresholds for regionally significant development are available on the website of the Department of Planning. In this context, the bill includes important technical amendments that will provide extra clarity as to the respective roles of councils and council staff in processing development applications compared with that of regional panels in making determinations and imposing conditions on those determinations. The provisions generally are consistent with similar provisions under the City of Sydney Act applying to that council and the Central Sydney Planning Committee, and that already apply to regional panels exercising other council functions. The provisions are designed to assist local councils and their staff in performing functions relating to regional panels, such as the preparation of assessment reports. For that reason, I support them and am keen to ensure that they are included in the legislation. I commend the bill to the House.

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

MOTOR ACCIDENTS (LIFETIME CARE AND SUPPORT) AMENDMENT BILL 2009

Bill introduced on motion by Mr Barry Collier, on behalf of Mr Joseph Tripodi.

Agreement in Principle

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [5.02 p.m.]: I move:

That this bill be now agreed to in principle.

The Government is pleased to introduce the Motor Accidents (Lifetime Care and Support) Amendment Bill 2009. The purpose of the bill is to further enhance the assistance and support provided by the new Lifetime Care and Support Scheme to people severely injured in motor vehicle accidents in New South Wales. The bill introduces two key enhancements to the existing Lifetime Care and Support Scheme. The first is to enable a person who sustained severe injuries from a motor vehicle accident prior to the commencement of the scheme to participate in the scheme by using part of his or her lump sum award to buy in to the scheme. Secondly, the bill extends the interim participation period for children who are less than three years old at the time of the motor vehicle accident.

The Lifetime Care and Support Scheme looks after all people who are severely injured in motor vehicle accidents in New South Wales. Participants in the scheme receive the medical treatment, care and support services they need throughout their lives, regardless of who may have been responsible for causing the road accident in which they were injured. The Lifetime Care and Support Scheme commenced for children on 1 October 2006 and it was extended to include adults from 1 October 2007. The Lifetime Care and Support Authority administers the scheme. Eligibility for the Lifetime Care and Support Scheme is determined on the basis of medical assessment and depends on the severity of a person's injuries.

Most people who are eligible to enter the scheme will have a spinal cord injury or a severe brain injury. In some cases, people who have suffered burns or amputations will also be eligible to join the scheme. Currently, there are 227 seriously injured people participating in the Lifetime Care and Support Scheme, including 199 adults and 28 children. These proposed reforms will enhance the operation of the Lifetime Care and Support Scheme and provide improved options for people injured in motor vehicle accidents who have significant future medical and care needs. These initiatives will not impact on the green slip levy paid by motorists that funds the operating costs of the Lifetime Care and Support Scheme.

I now turn to the main provisions of the bill. The bill amends the Motor Accidents (Lifetime Care and Support) Act 2006 to provide that people who sustained severe injuries in a motor vehicle accident prior to the commencement of the Lifetime Care and Support Scheme will have the option of buying in to the scheme. Injured persons may be accepted as a lifetime participant in the Lifetime Care and Support Scheme under this buy-in arrangement provided their injury would have made them eligible to participate in the scheme had the motor vehicle accident occurred after the scheme commenced. The Lifetime Care and Support Authority will determine the buy-in amount to be paid by an injured person wishing to participate in the scheme. The buy-in payment is to be the amount required to fund the person's treatment and care needs resulting from the motor accident injury for his or her lifetime participation in the scheme.

The Lifetime Care and Support Guidelines may make provision as to how a person's contribution for participation in the scheme is to be determined. This initiative will be cost neutral for the scheme and will not compromise the scheme or the provision of services to existing and future participants. The option of using a lump sum payment to participate in the Lifetime Care and Support Scheme will greatly assist seriously injured people who are often faced with the daunting task of managing a large compensation payment many years into the future. The initiative will provide the opportunity for more people to benefit from the scheme and offer injured people and their families the peace of mind that the future costs of their treatment, care and rehabilitation services will be guaranteed to be met for their lifetime.

The option to buy in to the Lifetime Care and Support Scheme will be of particular significance to parents of children who have been severely injured in motor vehicle accidents prior to the commencement of the scheme. The availability of this option offers parents and families the assurance that a child's future long-term treatment and care needs will be taken care of. The bill also amends the Motor Accidents (Lifetime Care and Support) Act to extend the interim participation period for young children who are less than three years old at the time of the motor vehicle accident. The effect of this change will be to make sure that children who are less than three years old at the time they were severely injured will not have a final assessment for lifetime participation in the scheme until they have reached the age of five years.

In making this change, the Government is acting on a recommendation made by the Standing Committee on Law and Justice in its first review of the new scheme. Currently, severely injured people are initially accepted into the Lifetime Care and Support Scheme as interim participants for a period of two years. During this period the Lifetime Care and Support Scheme pays for the injured person's treatment, rehabilitation and care expenses. The interim participation period exists because recovery and ongoing improvements in the injured person's condition may occur during this post-accident period. Prior to the expiration of the two-year interim participation period, interim participants are assessed to determine whether they are eligible for lifetime participation in the scheme.

As noted by the standing committee, it is not always possible to make a full and final assessment of the long-term care needs of very young children at the end of the current two-year interim participation period, especially in cases involving brain injuries. This extended period of interim scheme participation for children who are less than three years old at the time of the motor vehicle accident will ensure that their injuries fully stabilise before significant decisions are made about their projected lifetime care needs. This change will also extend to young children who are currently interim participants in the scheme, so that those children will be able to continue their interim participation until they reach five years of age. In conclusion, the reforms proposed by

the bill will enhance the operation of the world-leading Lifetime Care and Support Scheme and continue this Government's commitment to providing improved options and assistance to vulnerable members of our community who have significant future medical and care needs. I commend the bill to the House.

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

ELECTRICITY SUPPLY AMENDMENT (ENERGY SAVINGS) BILL 2009

Bill introduced on motion by Ms Carmel Tebbutt.

Agreement in Principle

Ms CARMEL TEBBUTT (Marrickville—Deputy Premier, Minister for Climate Change and the Environment, and Minister for Commerce) [5.10 p.m.]: I move:

That this bill be now agreed to in principle.

The New South Wales Government is strongly committed to encouraging energy efficiency and reducing greenhouse gas emissions. We are committed to doing this at least cost and with measures that complement the Commonwealth Government's efforts. This is one of the key areas where New South Wales can make a meaningful contribution to the fight against climate change. This bill, which seeks to establish the New South Wales Energy Savings Scheme, demonstrates our commitment. New South Wales strongly supports the introduction of a national emissions trading scheme to deliver the most cost-effective and equitable reduction of greenhouse gas emissions. The Commonwealth's proposed Carbon Pollution Reduction Scheme [CPRS] will achieve that outcome.

In 2003 New South Wales commenced one of the first mandatory greenhouse gas emissions trading schemes in the world. The New South Wales Greenhouse Gas Reduction Scheme, or GGAS, was designed to reduce emissions from the use of electricity in New South Wales, and to encourage activities that offset the production of emissions. The Rudd Government has followed on from New South Wales's State-based efforts and announced the development of the Carbon Pollution Reduction Scheme, with commencement now proposed to occur in 2011. Most parts of the Greenhouse Gas Reduction Scheme will transition to the Carbon Pollution Reduction Scheme in 2011, and the New South Wales Government is working with the Commonwealth on those transitional arrangements.

However, the Carbon Pollution Reduction Scheme will not include an energy efficiency component. The Carbon Pollution Reduction Scheme is a versatile market mechanism to reduce the emissions produced per unit of electricity used, but it does not seek to directly reduce the total amount of electricity demand. That is why on 18 June 2008 the New South Wales Government announced a major initiative—the New South Wales Energy Efficiency Strategy. The New South Wales strategy seeks to complement the proposed Carbon Pollution Reduction Scheme by promoting energy efficiency to reduce overall energy demand. The \$150-million New South Wales Energy Efficiency Strategy includes a range of measures, including \$63 million for upgrades in low-income households, as well as \$35 million in assistance for business programs.

We are also rolling out a \$20-million energy efficiency skills development program to ensure our tradespeople and professionals are properly prepared and skilled to deliver the Government's ambitious energy efficiency programs, including the Energy Savings Scheme. The new Energy Savings Scheme is a key component of the New South Wales Energy Efficiency Strategy. The scheme will start on 1 July 2009. The Energy Savings Scheme will set annual energy savings targets. These targets will help New South Wales households and businesses manage the costs of electricity, and better position the New South Wales economy for a low-carbon future. The bill amends the Electricity Supply Act 1995 to establish new targets for energy savings and establish a new regime for creating certificates that represent energy savings that will be used to demonstrate that the targets have been achieved.

These two features are at the core of the new Energy Savings Scheme. Their effect is to create financial incentives to overcome the market failures that can prevent the adoption of cost-effective energy-saving practices by households and businesses. Countries that have adopted such schemes include the United Kingdom, Italy, France and Belgium where the schemes complement the European Union Emissions Trading Scheme. A number of States in the United States of America, such as California, have adopted similar approaches. Like the schemes in these other jurisdictions and like the Greenhouse Gas Reduction Scheme here in New South

Wales, the Energy Savings Scheme will harness the innovative capacity of the private sector to find cost-effective methods to overcome the barriers to energy efficiency improvement. The new scheme will ensure incentives for energy efficiency are maintained without hindering the objectives of the proposed Carbon Pollution Reduction Scheme. I will now describe the scheme in more detail.

The first core feature of the Energy Savings Scheme is that it will set mandatory energy savings targets for electricity retailers and other liable parties. Liable parties under the new scheme will include all holders of New South Wales electricity retail licences, New South Wales electricity generators that supply directly to retail customers in New South Wales, and market customers in New South Wales who purchase their electricity directly from the National Electricity Market. Retailers and other liable parties will achieve their target by obtaining and surrendering energy saving certificates that represent delivered energy savings. The incentive to surrender sufficient certificates will be in the form of a penalty for any shortfall of certificates.

The bill allows exemptions from the scheme for industrial activities that are trade exposed and emissions intensive. Trade-exposed and emissions-intensive industrial activities will be given assistance under the proposed Carbon Pollution Reduction Scheme and will be given partial exemption from the Commonwealth Renewable Energy Target. The rationale for these exemptions is that these activities face competition from industries in countries that are not faced with meeting similar environmental obligations. The Energy Savings Scheme is intended to complement these two national schemes. For this reason, the intention also is that the exemptions under the Energy Savings Scheme should align with the approach the Commonwealth is taking in implementing its expanded Renewable Energy Target and the Carbon Pollution Reduction Scheme.

Alignment with the Renewable Energy Target and the Carbon Pollution Reduction Scheme will reduce the compliance costs under the Energy Savings Scheme. Because the Commonwealth's exemptions may not be in place by 1 July 2009, the bill allows the Minister to list exempt activities or the companies undertaking them, and the level of exemption that will apply. The New South Wales Government will list exempt activities for 2009 before the scheme commences, using the most up-to-date information from the Commonwealth available at the time of listing. This will provide the necessary certainty to the companies involved in these activities and their retailers for the first compliance period of the Energy Savings Scheme. The most recent information from the Commonwealth indicates that the industrial activities to be granted exemptions from the Renewable Energy Target would be for the higher level of exemption for aluminium smelting, cement clinker production, lime production, silicon production and integrated iron and steel manufacturing, and for the lower level of exemption to be provided for alumina refining, petroleum refining and liquid natural gas production, the pulp and paper manufacturing sector, the iron and steel sector, the plastics and chemical manufacturing sector, the other non-ferrous metals sector and the glass manufacturing sector.

Exemptions will apply to an industrial activity regardless of whether the industry would otherwise be liable or the industry would not be directly liable and takes its electricity supply from a liable retailer. This means that retailers will bear no cost of compliance with the scheme for the exempt part of the electricity used by emissions-intensive trade-exposed customers and there will be no excuse for retailers to pass scheme compliance costs on for the exempt part of this electricity use. The second key feature of the new Energy Savings Scheme is that, like the Greenhouse Gas Reduction Scheme, the new scheme will use energy savings certificates that represent energy savings to demonstrate achievement of targets. An Energy Savings Rule will define the energy savings activities recognised for certificate creation, as well as how the number of certificates is calculated. The bill allows for the creation of energy savings certificates by accredited energy savings certificate providers, who carry out recognised energy-saving activities.

The Greenhouse Gas Reduction Scheme framework has worked well by providing market certainty, through a robust greenhouse gas benchmark and a penalty regime, while allowing the flexibility to make adjustments by amending the rules. These amendments to establish the new Energy Savings Scheme will adopt a similar framework to the Greenhouse Gas Reduction Scheme. The bill gives liable parties the flexibility to create certificates by delivering energy efficiency upgrades directly or to purchase certificates from specialist companies accredited to conduct energy-saving projects. It is anticipated that the incentives will encourage the participation of many third parties in the scheme—as occurred with the Greenhouse Gas Reduction Scheme. The benefit of this approach, compared with a prescribed regulatory target on liable parties without market incentives, is that the lowest-priced and most cost-effective measures available will be adopted.

The Energy Savings Scheme will be comprehensive in its recognition of a wide range of energy savings activities across the residential, commercial and industrial sectors. This will maximise the potential for energy savings across the New South Wales economy and, compared with more specific types of energy

efficiency programs, lets the market determine the most efficient and innovative ways to deliver energy savings. For most of the simpler measures that are likely to occur under the scheme, the scheme will pay up front for a number of years of energy savings. This will help overcome the barriers to improving energy efficiency and will ensure that cost-effective energy saving will provide an effective alternative to building more power stations and powerlines. Energy savings will be converted to certificates in tonnes of carbon dioxide equivalent. This will make the New South Wales Energy Savings Scheme consistent with the Victorian Energy Efficiency Target Scheme and with the Greenhouse Gas Reduction Scheme.

The bill ensures that energy savings that are used for compliance with the Energy Savings Scheme cannot also be used in other similar schemes. Further, only activities that go beyond mandatory minimum energy efficiency standards will be eligible to create certificates under the scheme. The new scheme will operate from 1 July 2009 until 31 December 2020, unless a national market-based energy efficiency scheme is established. The Government would prefer a comprehensive, national, market-based energy efficiency scheme as we believe that would make the national greenhouse gas reduction task achievable at a lower cost to families and businesses. But in the interim, and to the extent that it is possible, New South Wales will seek to harmonise this scheme with similar schemes in other States, such as the Victorian Energy Saver Incentive Scheme and the South Australian Residential Energy Efficiency Scheme.

The bill to establish the Energy Savings Scheme will create a new part of the Electricity Supply Act 1995 based on the existing part of the Act that set up the New South Wales Greenhouse Gas Reduction Scheme. Likewise, the Energy Savings Rule will be based on the existing Demand Side Reduction Rule of the Greenhouse Gas Reduction Scheme. We have already undertaken several stages of consultation on the proposed Energy Savings Scheme, commencing with a forum for stakeholders and followed by a discussion paper and public submission phase last year. There was a further workshop in April this year on energy savings measures that should be included in the scheme. Over the next two weeks there will be further consultation by the Department of Environment and Climate Change and the Department of Water and Energy on the bill as well as the draft regulation and rule.

The bill refers to the scheme's target starting at 1 per cent and increasing to 5 per cent of annual liable electricity sales in New South Wales over 4½ years. It is important to explain the difference between this headline target and the effective target due to the exemption of trade-exposed emissions-intensive industries. The targets in the bill are expressed as a fraction of liable electricity sales. However, in reality the actual targets will be calculated after the subtraction of the electricity used by trade-exposed emissions-intensive industrial activities, which are exempted from the scheme. When expressed as a percentage of total annual electricity sales, including the exempt electricity, as I announced earlier this year, the effective targets are 0.4 per cent in 2009 and up to 4 per cent in 2014.

The bill states that the target for the first year is 1 per cent, which is for a full calendar year. However, as the first year of the scheme commences on 1 July 2009 with a compliance period of only six months, the effective target for 2009 will actually be 0.4 per cent of total electricity sales for the full year, including exempt electricity. When the targets reach their maximum level, for each 1,000 gigawatt hours of liable electricity sales a retailer or other liable party will be required to source energy savings of 50 gigawatt hours of electricity from recognised energy-saving activities. The steady build-up in the target will allow time for the market to develop the new business models that are required to deliver the energy savings.

From 2014 to 2020 the scheme will deliver energy efficiency improvements that will save approximately 3.2 million megawatt hours each year, which is equivalent to approximately 3.2 million tonnes of carbon dioxide each year. I want to emphasise that electricity retailers will be legally required to meet these targets, and penalties will apply if they are not met. To provide an incentive for compliance, the bill includes a penalty for any retailer that does not surrender sufficient certificates to achieve their energy savings target. The bill sets the penalty rate at \$24.50 per megawatt hour [MWh] for any shortfall of certificates. So that the financial incentive to comply maintains its real value over time, the penalty rate will be adjusted each year to take account of inflation.

As I mentioned, the New South Wales Government's intention in implementing the Energy Savings Scheme is to ensure that the incentives for energy efficiency that have been effectively provided under the Greenhouse Gas Reduction Scheme are continued when the rest of the Greenhouse Gas Reduction Scheme ends, which coincides with the start of the Carbon Pollution Reduction Scheme. All businesses currently accredited to undertake end-use energy efficiency activities under the Greenhouse Gas Reduction Scheme and which comply with the Energy Savings Scheme will be accredited under the Energy Savings Scheme without reapplying. This

bill will not change the Greenhouse Gas Reduction Scheme greenhouse gas benchmark. Apart from the removal of end-use energy savings projects to the new scheme, the Greenhouse Gas Reduction Scheme will continue unchanged until the proposed Carbon Pollution Reduction Scheme starts.

Businesses engaged in lower emissions generation, large-user emissions reduction and forestry sequestration under the Greenhouse Gas Reduction Scheme will not be affected by the Energy Savings Scheme. On-site generation, which is currently part of the Demand Side Reduction Rule, will continue under the Greenhouse Gas Reduction Scheme until it ends and will not be eligible under the Energy Savings Scheme. There will be a clear separation of the Energy Savings Scheme from the Greenhouse Gas Reduction Scheme from 1 July 2009. Existing energy savings projects under the Greenhouse Gas Reduction Scheme will be able to create New South Wales greenhouse reduction certificates under the Demand Side Reduction Rule from activity taking place until 30 June 2009. For activity taking place from 1 July 2009, existing and new energy savings projects will be able to create energy savings certificates only under the Energy Savings Scheme.

New South Wales greenhouse reduction certificates created from demand side reduction activities taking place up to 30 June 2009 can be used only to comply with Greenhouse Gas Reduction Scheme benchmarks, but cannot be used to comply with the new Energy Savings Scheme target. Energy savings certificates can be used only to comply with the new target and cannot be used to comply with existing Greenhouse Gas Reduction Scheme benchmarks. To smooth the transition from the Greenhouse Gas Reduction Scheme to the Energy Savings Scheme the new scheme will be regulated and administered by the Independent Pricing and Regulatory Tribunal [IPART], the same body that performs these important roles for the Greenhouse Gas Reduction Scheme.

In summary, the Energy Savings Scheme, and the new legislated energy savings targets it sets for electricity retailers and other liable parties, will mean that New South Wales will have in place real measures for stimulating new energy efficiency activities for households and business. This scheme will deliver environmental benefits, new green jobs and support the overall strength of the New South Wales economy. The bill before the House provides for amendments to the Electricity Supply Act 1995, which create financial incentives to overcome the market failures and barriers to the delivery of energy-saving activities. The amendments will save electricity customers money by reducing electricity consumption and electricity costs for households and businesses as well as reducing the cost of, and the need for, additional electricity generation, transmission and distribution infrastructure, which saves all of us money.

Economic modelling undertaken for the development of the scheme indicates the average household electricity bill will be reduced by about \$45 to \$50 each year between now and 2020. The overall economic benefits of the scheme that will result from the benefits to the economy of more efficient energy use are greater than the scheme's costs. In achieving these savings, the scheme also will drive a greater take-up of low-cost greenhouse gas reductions than the proposed Carbon Pollution Reduction Scheme price signal alone would be able to deliver without such complementary measures. The scheme will also help New South Wales in its transition to a low-carbon economy. We expect the scheme to create or protect more than 1,000 jobs in New South Wales and assist in the development of the many green businesses that will help to deliver energy efficiency upgrades under the scheme.

By adding new types of energy-saving activities to those already allowed under the Greenhouse Gas Reduction Scheme, the Energy Savings Scheme will create opportunities for the new businesses and jobs that we need to enable us to take action on climate change. For example, we will be moving on from installing light bulbs into mass rollouts of activities such as lighting retrofits for office blocks, factories and shopping centres, higher-efficiency industrial motors, and upgrades to heating, ventilation and air-conditioning systems. These new activities will create opportunities for electrical workers and other tradespeople and professionals, and will help them to develop their energy efficiency skills and knowledge during a downturn in construction work.

Importantly, the New South Wales Energy Savings Scheme will be complementary to the Commonwealth's proposed Carbon Pollution Reduction Scheme, which is due to commence in 2011, and will uphold the Council of Australian Governments principles for complementarity to the Carbon Pollution Reduction Scheme. To ensure this complementarity, the scheme will be reviewed every five years to assess the continuing need for the scheme. This will provide regulatory certainty and market stability to businesses making energy efficiency investments. I commend the bill to the House.

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

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! Government business having concluded, the House will now proceed to private members' statements.

PRIVATE MEMBERS' STATEMENTS

Question—That private members' statements be noted—proposed.

CENTRAL COAST GENERAL PRACTITIONER SHORTAGE

Mr CHRIS HARTCHER (Terrigal) [5.29 p.m.]: Erina Fair Medical Care is a medical centre located at Erina Fair. It is owned and operated by Mr Peter Carr, who established the practice in November 2003 with an understanding of the peril of many residents of the Central Coast who are unable to see a doctor—most practices on the Central Coast have had their books closed to new patients for many years. The practice has grown from 25,000 patients to well over 35,000. On most days Mr Carr's practice sees approximately 220 patients. On an odd day when he can employ extra casual doctors the number can rise to 320 patients. However, patients still face a wait of in excess of four hours, and even those who scheduled an appointment some seven days prior face a lengthy wait as the doctors attempt to fit in as many walk-ins as possible.

Erina Fair Medical Care is open seven days, with extended hours. There are six doctors on duty most days, and in an effort to lessen the heavy workload there are three registered nurses working each day. Still, Mr Carr regrettably has to turn away up to 150 patients on most days as there is just not sufficient time to see everyone. Sadly, some patients may have travelled for more than an hour in an attempt to see a doctor. The Central Coast *Express Advocate* reported on Friday 24 April 2009:

Erina Fair Medical Care's practice manager, Peter Carr, said despite a desperate search to find GPs, he was forced to put a full-house sign on the front door by 10 a.m. on most days.

In November 2008 one of the practice's full-time doctors resigned, and Mr Carr now faces the loss of another doctor, who tendered her resignation as of this month. Despite extensive efforts in the past 18 months, Mr Carr has been unable to retain the services of any additional general practitioners, and he expresses grave concern that current doctors in his practice may also move on if the stress of demand continues. The Central Coast is one of the fastest-growing regions in New South Wales. The population overall increased by 4.1 per cent between 2001 and 2006, and over the past 10 years has increased by 13.3 per cent. Projected figures suggest an increase of 65,000 within the next 15 to 20 years. However, the socioeconomic status of the Central Coast is lower than the New South Wales average. The median age of death is three years below that of our northern Sydney counterparts. According to the 2007-08 annual report of the Central Coast Division of General Practice:

... residents on the Central Coast experience poorer health, have higher mortality rates and high rates of behavioural health-risk factors such as smoking and obesity, and have poorer access to GPs, primary care, and diagnostic and specialist health care than the rest of the NSCCH (Northern Sydney Central Coast Health) population.

Given this information, Mr Carr's difficulties with finding and retaining general practitioners in his practice are, quite simply, deplorable. The Central Coast cannot afford to lose any more doctors; rather, numbers should be bolstered to service the growing population and to combat the growing number of general practitioners reaching the age of retirement. As at August 2008, the Central Coast had a total of 304 general practitioners—213 male and 91 female. The average age of general practitioners is 53.8 years. The Federal member for Dobell, Craig Thompson, recently announced that, in a cooperative effort with Nicola Roxon, the Federal Minister for Health and Ageing, \$2.5 million had been acquired from the Rudd Government to build a general practitioner super clinic for the northern Central Coast. Along with other specialist services, additional general practitioners will be secured, and many of the services will be bulk billed.

This move is commendable. However, Emma McBride, a Wyong Shire Councillor, voted against the placement of the general practitioner super clinic in Wyong shire at a council meeting on October 2008. In the meantime, Gosford city is left suffering under the umbrella of Northern Sydney and Central Coast Health, and is adversely affected in its designation as part of the Sydney metropolitan service. While the head of Warnervale Medical Services Pty Ltd, Dr Brad Cranney, and his team report that they have been successful in attracting and retaining general practitioners and maintaining after-hours care, Mr Carr has, unfortunately, yet to be so successful in his efforts. I challenge the Federal and State Ministers for health and the State Minister for the Central Coast to relax the rules surrounding the employment of overseas general practitioners to support the failing medical services in Gosford city.

Overseas trained general practitioners must work outside a metropolitan area for 10 years before moving into major cities. However, Gosford city is currently considered to be within the Sydney metropolitan zone and is therefore not classified as an area of workforce shortage. It is absurd to suggest that a Central Coast resident would travel to Sydney to seek medical advice for a common cold or another common ailment. Wyong shire is designated as an area of workforce shortage and as such is able to seek overseas doctors to practice in its area. Gosford city does not have the same designation. If Gosford city were redesignated as an area of workforce shortage Mr Carr would have a far greater chance of bolstering general practitioner numbers, and in turn the residents of Gosford city and the Central Coast would have more adequate and timely access to essential general practitioner services.

ARMIDALE VOLUNTEER REFERRAL SERVICE

Mr RICHARD TORBAY (Northern Tablelands—Speaker) [5.34 p.m.]: This is National Volunteer Week, and it is a good opportunity for the whole community, including the Government, to acknowledge the contribution of people who make no charge to keep the wheels of our society so well oiled. It is well known that we could not afford to pay the taxes to generate the level of services that the great army of volunteers in this nation so freely contribute. Think about the Rural Fire Service, State Emergency Services, and all the volunteer and response organisations—charitable organisations, cultural organisations, community organisations, humanitarian organisations, sporting organisations and service clubs. And the list goes on.

Statistics show that in Australia some 25 per cent of the population—about 5.4 million people—are volunteers, with 1.7 million coming from New South Wales. Volunteering is more common among those living outside the capital cities—something that we country based MPs are well aware of. Most voluntary effort is involved with sport and physical recreation, education and training, community, welfare and religious organisations. The total hours volunteered in Australia each year has been estimated at 713 million. I am not sure who compiles these statistics, but I would guess that these figures fall short of the actual hours volunteers donate because the hours are incalculable.

As a busy member of Parliament, like many here, I am fortunate to meet many hundreds of volunteers each year in my Northern Tablelands electorate and in Parliament when they visit Macquarie Street. I am always impressed with their dedication, enthusiasm and willingness to give so much of their time and energy to support their communities. They also get a lot out of it for themselves, and most of them say to me, "The more you give, the more you get out of it." I believe that to be true. Last week I visited the Armidale Volunteer Referral Service, where I met a group of people who give their time to keep the local community radio station operating. The Armidale Volunteer Referral Service began in 1997 as the Regional Volunteer Centre and was set up to match volunteers with not-for-profit organisations seeking helpers. Over the years the centre has assisted hundreds of Armidale area residents to identify volunteer work that suits them. Currently the centre has about 50 not-for-profit organisations on its books, and some 400 volunteers listed.

The coordinator, Jane Davies, tells me that over the past 18 months the number of younger people wanting to undertake volunteer work has been rapidly increasing. As well, a number of local university students are becoming involved as part of their participation in New England Award activities. The volunteers work in many areas including the local art galleries or for family services, schools, aged-care organisations and community groups. One reason the service is so successful is that it takes the time to match volunteers with workplaces. The process is similar to that when people apply for paid work. Applicants list their skills and interests, time availability and the type of voluntary work that would interest them. An interview follows, which gives the applicant an opportunity to ask questions and find out what choices are available. The coordinator then talks to the organisations concerned and gives the applicant two or three options. Applicants arrange interview times and select the work that best suits them.

This thorough process ensures that volunteers fit in with organisations and vice versa. The most typical people who apply to the referral service are parents whose children have left home and who now have some spare time on their hands. Some people who have lost their jobs or are between jobs are referred by Centrelink. Others offer to undertake voluntary work in order to update their computer and other skills. It is this dynamic of give and take that makes the volunteer referral service so successful. The aim is to give the volunteers a satisfying and worthwhile experience and to positively reinforce their willingness to make a contribution.

For the organisations that benefit, the time taken to select the most suitable volunteers works well as they stay longer and fit better into the existing team. Last year the Armidale Volunteer Referral Service held a successful Volunteer Expo to encourage more recruits and it will hold another in 2010. This week it hosted a

National Volunteer Week morning tea to celebrate and recognise the work of volunteers in the region. At the morning tea the 2009 New South Wales Volunteer of the Year Award was launched locally. I urge local organisations to make their nominations to acknowledge and recognise those who make such a strong contribution to the community.

Mrs BARBARA PERRY (Auburn—Minister for Local Government, and Minister Assisting the Minister for Health (Mental Health)) [5.39 p.m.]: I thank the member for Northern Tablelands for advising the House of what is happening in his local community in relation to volunteerism. I was pleased to hear that young people are participating in volunteerism. One of the greatest challenges for our community is to have new volunteers to take over volunteering when the older generation who have been doing it for so many years may not be around to do it. It is wonderful to know that is happening in the New England area. I commend the Armidale Volunteer Referral Service for its work and services. Well done to all volunteers across New South Wales, particularly those who were recognised by the member for Northern Tablelands.

KEMPSEY WOMEN'S DOMESTIC VIOLENCE COURT ADVOCACY SERVICE

Mr ANDREW STONER (Oxley—Leader of The Nationals) [5.40 p.m.]: I refer to the serious issue of proposed cutbacks to services to women suffering domestic violence on the mid North Coast, in particular at Kempsey and the Macleay Valley. The services to which I refer involve the Women's Domestic Violence Court Advocacy Service. In Kempsey court support workers have helped women to access apprehended violence orders. However, the program may now lose three workers who service Kempsey court. The proposal involves Kempsey, Macksville, Nambucca Heads, Bellingen, Coffs Harbour and Grafton having only one coordinator and one part-time coordinator, or 1.8 full-time equivalent positions combined, as well as 0.6 part-time Aboriginal specialist workers, a 0.6 outreach worker and 0.5 administrative assistant to cover an enormous area of approximately 30,000 square kilometres. The proposal involves the possible withdrawal of three positions in Kempsey and, indeed, the entire office of the Women's Domestic Violence Court Advocacy Service disappearing.

According to people who work in the field, restructuring and merging the Women's Domestic Violence Court Advocacy Service with five North Coast local government areas is not the best way to increase the capacity of service delivery. Kempsey is 45 kilometres south of Macksville, 115 kilometres south of Coffs Harbour and 200 kilometres south of Grafton. The proposed expansion also displays no recognition of the diversity between those regional centres. Kempsey has unique demographics and has been recognised in a number of studies as one of the more disadvantaged areas in the State. Domestic violence statistics show that within the mid North Coast Kempsey has the highest level of domestic violence and repeat incidents. Further, the mid North Coast police local area command has suggested that in Kempsey domestic violence has risen by some 40 per cent in the past 12 months.

Some incidents in Kempsey and the Macleay Valley involve unreported levels of violence in the home. Rural areas have greater barriers to reporting, they have a high Aboriginal population, they generally have lower levels of education than metropolitan areas and they have large welfare-reliant populations. Furthermore, women in the Kempsey area have little or no access to public transport or specialist domestic violence services. Geographics must also be considered with respect to the workplace environment of women's domestic violence support workers who are already under massive pressure to cope with a huge workload that takes a toll on their own health. The withdrawal of coordinator positions will place further stress on those workers who struggle to deal with distraught women in the most vulnerable circumstances. Those workers need local debriefing and face-to-face supervision.

The Government seems to be proceeding with this change. In fact, in a media release of the Attorney General on 25 March he talked about this proposal as a funding boost to help women seeking apprehended violence orders. Whilst the media release says that a \$2.6 million funding boost will create part-time jobs for the equivalent of 23 full-time positions in the Women's Domestic Violence Court Advocacy Service, it fails to say that 32 part-time coordinator positions will be cut to make those 23 full-time coordinator positions, and that areas such as Kempsey might end up being serviced by outreach workers, rather than a service based in their own towns. I seek the assurance of the Attorney General that resources in Kempsey to deal with women's domestic violence and child protection will not be cut as the consequences could be tragic.

RIVERWOOD COMMUNITY GARDEN

Mr ROBERT FUROLO (Lakemba) [5.45 p.m.]: I bring to the attention of the House another positive story from the electorate of Lakemba. I have spoken on a few occasions in this place of the strong spirit that

exists in our local community. I have also spoken of the wonderful work of local neighbourhood centres in bringing people together and building social harmony. The award-winning Riverwood Community Garden reflects both local community spirit and the role of neighbourhood centres in bringing people together. Many years ago, when I worked for the former member for Lakemba, when the seat was known as Hurstville, the Riverwood Community Centre asked for his help in establishing a community garden. The centre had identified a strong need among residents of the nearby Riverwood housing estate to get active and build harmony in the local area.

The Riverwood housing estate is a community whose residents come from many different countries. Many of the elderly residents have limited English language skills and quite a few come from an agricultural background. They found themselves in a new country where they had limited opportunities to participate due to language and education difficulties. They found themselves in need of somewhere where they could use their skills and feel useful and part of the community. The Riverwood Community Centre approached Canterbury City Council to use some land adjacent to the housing estate to establish a community garden. The council agreed. However, the community centre needed some money to provide fencing and buy equipment for the garden. My old boss, Morris Iemma, was able to obtain some money from the then Premier's office for the project, and the Riverwood Community Garden was born.

Over the years the garden has proved to be a wonderful addition to the community. Whenever I visit the garden I come away inspired by the people who have made this an oasis of herbs, flowers, fruits, vegetables and harmony. The men and women who share this garden are truly remarkable. They have turned an old paddock into a multi-award winning community garden. But, more importantly, they have used the garden to build a sense of purpose, a reason to get out of their units each morning. They have built a garden that supplements their grocery needs with fresh fruit and vegetables, herbs and flowers. They have built a garden that brings people from all different cultures and language backgrounds together with a common purpose and sense of harmony.

As I mentioned, the Riverwood Community Garden is a multi-award winning garden. The garden was the New South Wales winner of the Royal Botanic Garden's Green Thumb competition, beating 800 other entries. It has also been awarded prizes in the Canterbury City Council Spring Garden Competition in 1999, 2000, 2001 and 2002. The real winners are the gardeners—people such as Jacob Kannan, an elderly man from Lebanon, Mr Pham from Vietnam, Carol Barr and her sister Vivienne, Nuam Chaungram, Margaret Meoushy and many others. They love their gardens, and that love has made them thrive. I acknowledge Canterbury Council for donating land and expanding the garden, due to its popularity. I thank also the Riverwood Community Centre, whose attention and dedication has helped local residents feel fulfilled and useful. If you are ever in Riverwood, I suggest a visit to this oasis called the Riverwood Community Garden and, like me, you will be inspired too.

Mrs BARBARA PERRY (Auburn—Minister for Local Government, and Minister Assisting the Minister for Health (Mental Health)) [5.50 p.m.]: Tonight the member for Lakemba highlighted a growing practice across New South Wales communities: community gardens. I acknowledge the work of the Riverwood Community Centre. Its work is well known in the south-west for its progressive programs, of which the Riverwood Community Garden is one. I thank everyone who had a part to play in building up that garden, but mostly the hard work of the people who get so much from it—the Kannans, the Nuams, the Phams, and all involved. The garden is not only about building a sense of harmony and community but also about building respect and finding a common purpose to do all of that.

The member for Lakemba has a very diverse community in his electorate, as I do in the electorate of Auburn. The Riverwood Community Garden is part of breaking down barriers and building understanding. It allows people to undertake physical activity and is a social outing for a lot of people. No doubt, a lot of friendships have been built there. I congratulate all involved in the garden. I extend my thanks to the immigrants who have settled across New South Wales, made this country their home and have grown to love it. Many of them have displayed their skills and their talents in building this community garden.

SOUTH COAST PROJECTS AND JOBS

Mrs SHELLEY HANCOCK (South Coast) [5.51 p.m.]: I express my serious concerns and those of local contractors, companies and builders who have been unsuccessful in obtaining work after tendering for major projects in the South Coast region. As a result, many have been forced to cut staff, close offices, and thereby increase the already high unemployment in the Shoalhaven Local Government Area. In the Shoalhaven,

unemployment has been high for some time and, according to the latest Australian Bureau of Statistics figures, is 9.3 per cent, which is higher than the New South Wales State average and higher also than the Illawarra region to its north. It has one of the highest unemployment figures in the country, so when the Government proposed to build a new jail in Nowra, the generally unpalatable prospect of such a facility was sold to the area on the basis of the jobs that would be created locally and the boost it would provide for an area in need of employment-generating projects. Suffice it to say, the communities of Nowra and surrounding areas were sold a lie!

Promises were made clearly by the member for Kiama that this jail would be great for local jobs and that the majority of the 350 construction jobs would be local jobs—that is, within the Nowra region. No discussion was held with the community regarding the realities of a tender process, which may result in a contractor selecting subcontractors on the basis of their competitive pricing—none whatsoever! The promises of the potential for local jobs was screamed from the rooftops in the lead-up to the 2007 election; promises from the former Minister for Corrective Services, from the South Coast Labor candidate, and more recently from the current Minister for Corrective Services, all of whom had either deceived themselves or were blatantly deceiving the working families of the South Coast who were hopeful that long-term work opportunities would arise from the jail's construction phase.

Documents supplied to me indicate a number of serious issues with respect to the South Nowra Correctional Centre and those documents reveal clearly that the promises made by the New South Wales State Labor Government regarding local jobs were a wretched lie. The documents were given to a constituent, who had inquired at the site office regarding work available at the jail. The documents reveal that of the various subcontractors selected for the project only two companies were from the Nowra region. The following list of services supplied by subcontractors indicate the depth of the problem and the deception perpetrated upon the people of the Shoalhaven when they were conned into supporting the jail: steel windows and doors will be supplied by a Queensland company; precast concrete will be supplied by a Queensland company; surveyors will be from Camden; metal roofing will come from Cessnock; termite treatment will be carried out by a company in Campbelltown; concrete works will be supplied by a firm from Sydney, with formwork from Sydney; security services were supplied by a company in Sydney, and steel came from a company in the Australian Capital Territory that has offices in Vietnam.

The list goes on, and I am at all not criticising those subcontractors or the major contractor. However, I am highly critical of the Labor Government, which sold this project to my electorate on the clear promise—repeated several times—of local jobs, although it had no intention of ensuring in any way that that could be achieved. I have further correspondence from local surveyors and architects, who also expressed concern that the contractor selected for the jail has been selected for the upgrade of all primary schools in the Illawarra-South Coast region and also for the Lake Illawarra police station, as well as extensive works at HMAS *Albatross*. The town planners, PRM Architects, wrote:

I refer to the current Federal Government Nation Building Economic Stimulus Plan/Package ... and raise serious concern and experience which reaffirms South Coast Business are unlikely to receive the employment or financial benefits of this significant economic stimulus package, which is already being redirected to Sydney's "Big end of Town".

PRM have already experienced the failure of "Managing Contractor" project delivery systems to deliver "local" content employment or any meaningful local economic stimulus.

In 2005-2007, the Federal Government allocated \$54 Million to the refurbishment, upgrade and revitalisation of HMAS Creswell-Jervis Bay and associated facilities. Prior to this PRM had been engaged to provide over 13 individual major project works at HMAS Creswell over a 6 year period and were ideally suited to provide a significant component of the tender required "local content" component of the significant refurbishment and upgrade through our Vincentia office.

However, after expending \$15,000 in submissions to the "Managing Contractor" ... every aspect of the subsequent Consulting Service component of this contract was awarded to a Sydney Firm of Architects and allied consultants. Subsequently, for the next 2 years, teams of Sydney contractors travelled to site, past our office, providing little "local content employment".

The letter also refers to work at HMAS *Albatross* and the lack of faith of PRM Architects regarding the awarding of contracts to local firms. Other companies in the South Coast to whom indications were given that there would be a lot of work arising from major projects were also mentioned. I call on the Government to ensure that when there are major projects in the Shoalhaven and South Coast region that genuine work is awarded to local businesses—not Sydney, not interstate and not in Vietnam.

CAMDEN NETBALL ASSOCIATION

Mr GEOFF CORRIGAN (Camden) [5.56 p.m.]: I love the start of the winter sporting season, the smell of liniment wafting across the grounds, parents of the team players cooking bacon and egg sandwiches,

with pies, lollies, drinks, tea and coffee available from the canteen. On 21 March 2009 I joined the largest sporting association in the Camden Local Government Area for the start of its season at the Kirkham Park Sporting Complex. The Camden and District Netball Association, which I will call Camden Netball, commenced its season with the annual march past and gala day.

I have been a judge at the march past for about 12 years. This year I was joined by club patron Bev Batros and Camden councillor Lara Symkowiak. This is the first year since I have been judging that event that the judges were unanimous in their decision. I congratulate the Macarthur team on winning the junior march past and the Mount Annan team on winning the senior march past. To give an idea of the wonderful work carried out by the committee of Camden Netball I will cite some statistics. Camden Netball has 148 teams registered for the 2009 winter competition. The summer twilight competition attracted 45 teams. The 148 teams come from Ambarvale, Benkennie, Bringelly, Camden RSL, Currans Hill, Douglas Park, Harrington Park, Macarthur, Mount Annan, Narellan, Spring Farm and The Oaks.

In contrast, rugby league and soccer games attract large attendances, and soccer is probably the largest sporting association in the Macarthur region. However, in the Camden local government area netball attracts the largest number of players. It is a wonderful sport. My daughter played netball for eight years. She began playing for the Camden RSL team, went on to the Camden representative sides, and became a referee. The start of the 2009 season celebrates 80 years of netball in New South Wales. The various competitions across the State will involve about 106,000 netballers. A message from Netball New South Wales that was read out on the gala day at Camden was headed, "Time to celebrate 80 years of netball in New South Wales", which, in part, stated:

Netball NSW invites all 113 Associations, 870 clubs and 106,000 registered netballers to celebrate what we have achieved and to create the vision for the future of our game.

We have created eight opportunities, through which we can celebrate our 80th year.

Let's celebrate.

And they should celebrate. I was happy to represent the Minister for Sport about two months ago at the New South Wales Sports Federation Awards. I spoke briefly and said that Netball New South Wales had the best-organised competition and the most organised committees that I had ever seen. I got a loud cheer from the netballers, but the hockey, swimming and other sports representatives did not agree. I say it again: Netball has one of the best organisations I have struck in my many years of being involved in various sports. I commend to all members the Netball New South Wales website, which has a wonderful history of its growth in New South Wales.

I also commend the current committee of the Camden and District Netball Association for its hard work and the wonderful competition it conducts at Kirkham: the president, Rob Bracken, who is a life member; the vice president, Jenny Bazley, who is also a life member and a good friend of mine; the secretary, Sharon Luhr; the minute secretary, Michele Leahy; the treasurer, Karen Williams; the representative coordinator, Kerrin Thomas; the umpires convenor, Debbie Reid; the coaching coordinator, Lyn Hahn, who is also a life member; the carnival secretary, Nancy Marshall; and the competition coordinator, Julie Scholte. This is a longstanding committee.

It is a funny thing with netball committees that they do not have a great turnover of personnel, yet in rugby league and soccer, with which I have been closely associated, and little athletics there is a high turnover. This committee has been in place for quite a while. I also pay tribute to a former judge, Frank Purnell, a local dentist who was a long-time patron of the club, and Julie Goldfinch, who was also a long-time president of the club. The Camden Netball Association is a wonderful body. I congratulate it on the start of its season. I also congratulate Netball New South Wales on the start of its eightieth season.

Mrs BARBARA PERRY (Auburn—Minister for Local Government, and Minister Assisting the Minister for Health (Mental Health)) [6.01 p.m.]: I add my congratulations to Camden Netball Association and Netball New South Wales. Having been a netballer for more than 20 years in my local community I can say that the member for Camden has indicated tonight that netball is truly alive in his local community. It is pleasing to see that it has not died off. The member raised the fact that there is very little turnover on committees, particularly in the netball fraternity, and that is probably right.

Once again we have heard about people who give of their time during the week and at weekends to put rosters together and make everything work for netballers. Tonight we congratulate all those people that are involved in the Camden Netball Association but also those people throughout the State who have made netball

the great sport it is, given that Netball New South Wales is celebrating 80 years. It is pleasing to note that men are very much taking part in the sport and it is no longer just a woman's sport. It is one of this country's great sports and we excel on the international circuit as well. I urge every parent who has children interested in netball to encourage them because it is a fantastic sport. Once again, I express our thanks to all those involved across New South Wales, particularly at Camden.

LIVESTOCK HEALTH AND PEST AUTHORITIES RATE INCREASES

Ms KATRINA HODGKINSON (Burrinjuck) [6.03 p.m.]: In the electorate of Burrinjuck the previously poor reputation of the Minister for Primary Industries has plummeted to a new low as a result of the debacle surrounding the introduction of the Livestock Health and Pest Authorities [LHPAs]. There is genuine anger over the implementation of the legislation that created the nightmare now surrounding Livestock Health and Pest Authorities. Over 180 angry and concerned ratepayers met at a public meeting in Yass a fortnight ago, on 21 April. They resolved to call for the abolition of LHPAs and the withholding of rates pending resolution of the issues. I remind the Minister that I expressed my concerns and those of my constituents with proposed changes to the Rural Lands Protection Act in November of last year. Everything said at that time, and more, has come to fruition.

The exemption from paying rates of ratepayers with less than 10 hectares of land has placed an intolerable burden on the larger landholders who now have to bear the extra costs created by the total mismanagement of this ill-conceived restructure. The centralisation of the financial control of the organisation in Orange has, as predicted, been an unmitigated disaster with accounts not being paid to creditors in a timely manner, reminiscent of the way that area health services have failed to do so. I previously questioned the Minister about this on 25 March, but he has still to reply.

Equally, the processing of 2,457 rate payments a day is a task that will take 11 weeks to complete assuming that such a level can be maintained. However, the interest on outstanding accounts will begin to accrue after only four weeks. One of my constituents paid his rates on 4 March, but 20 days later they had still not been recorded. The forced amalgamation of Rural Lands Protection Boards [RLPBs], with no regard to any commonality of community or agricultural interest, was always going to be a disaster. It produces anomalies in fairly apportioning the costs of the new organisation across the combined ratepayer base. The Minister has failed to address the difficulties inherent in taking widely disparate boards with different cost structures, staffing levels and service commitments, and amalgamating them into single entities. Before the amalgamations, administrative costs as a percentage of total costs varied widely across RLPBs from 7 per cent to 54 per cent, and between 9 per cent and 27 per cent within my electorate alone.

Base rates in the Burrinjuck electorate are \$35, \$40 and \$50 respectively, while the rate per unit covers a range of 6.82¢ to 9.5¢ for the general rate alone. Very confusing! The concept of a base rate was always going to create anomalies for the more than 80,000 occupiers who previously attracted a minimum rate. In addition, the biosecurity risk represented by this sector was only just beginning to be quantified by data collection from returns of land and stock, but the Minister decided instead to heed the vocal minority and let 10,000 of them go. As one Bigga grazier, Grant Nuthall, expressed to me in writing:

Exempting the under 10 hectare landholders severely compromises the LHPA's ability to collect meaningful livestock statistics, without which so called "bio-security" surveillance and protection, the claimed *raison d'être* for LHPAs, is now impossible.

For years the collated data from the RLPB's stock returns provided the Department of Agriculture and other research bodies with their most reliable source of livestock statistics in Australia.

The Minister has been bluffed by a few disaffected ratepayers on the North Coast and has reduced the biosecurity knowledge base of New South Wales. This is a biosecurity disaster waiting to happen. Instead of supporting the interim boards in their implementation of this legislation the Minister blames them for problems that are his alone. Whilst he trumpets the independence of the new authorities the Minister demonstrates his true colours by proposing legislative oversight to the setting of rates in the future, and then has the hide to call on the Opposition for support. Mr Nuthall further wrote:

It would be hard to imagine how so called reform of the board system could be so bungled, counterproductive and mishandled and generate so much antagonism against the government.

This pathetic attempt to ingratiate the Government in the eyes of the erstwhile North Coast minimum ratepayers has only generated an equal number of even more hostile small to medium sized landholders!

How true. The Minister's mismanagement has generated a media frenzy in which ratepayers are calling for the disbanding of Livestock Health and Pest Authorities and normally passive well-behaved landholders are calling for the "withholding of supply". The Minister is also hiding by refusing to meet with these farmers as well-respected farmer Edward Storey from Yass, someone I have known my whole life, found to his disgust recently. The Minister conceived this legislation in haste, based on advice that was demonstrably flawed, and saw that it was implemented appallingly. The Minister must admit that he has got it so wrong. I call on the Minister to start a meaningful consultation that was called for at the last RLPB annual conference at Coffs Harbour, which he so rashly chose to ignore. This situation has to change urgently.

NEWCASTLE EXPRESSWAY BRANXTON EXTENSION

Mr KERRY HICKEY (Cessnock) [6.08 p.m.]: I draw the attention of the House to an issue that has been plaguing the Cessnock community since 1986 and that has been the missing link in the Hunter. I have to say that the Hon. Joel Fitzgibbon, the Federal Minister for Defence, has done a great job for the community of Cessnock and should be elevated to a higher position. He has brought home the bacon and given the community something. He and I started with the Hunter Federal Electorate Council and Cessnock Federal Electorate Council many years ago, in 1986. I refer to the Kurri Kurri corridor and options A, B and C. We chose option C and put submissions to the Roads and Traffic Authority in that regard.

When I became a member of Parliament in 1999 the bypass around Cessnock was an important issue. Pressure was placed on me to support a bypass from Kearsley to Nulkaba. I negated that pressure by stating that this regional issue should be brought to the table and addressed—that is, the F3 link road from Branxton to Seahampton, which is now called the Hunter Expressway. Last night the Rudd Government, under the leadership of Joel Fitzgibbon, allocated money for the Hunter Expressway. All those Federal members who contributed to progressing this much-needed project—Anthony Albanese, Joel Fitzgibbon, Wayne Swan and Kevin Rudd—should be patted on the back and congratulated in the Hunter.

I acknowledge all those who have been fighting for this project. I thank all the members of the F3 Link or Sink Group. Fred Brown, an 80-year-old member of that group, has been fighting for this project since 2000. Over the past nine years he has spent many hours fighting for the F3 link road, as have Toby Thomas, Allan Gray, Brian Witherspoon and many others. I thank all those community members for being so forthright and for fighting for this much-needed project. As I said earlier, that group fought for this project for nine or 10 years. All those living in the north-west of New South Wales will benefit from that new Hunter Expressway.

Everyone has heard about the impact that this project will have on Maitland and the New England Highway. Over the past few years that highway has been choked with bumper-to-bumper traffic—people travelling to the mines in Maitland and Newcastle. They will be thankful when this project is commenced but they will be even more thankful once it is completed. The project will have a major impact on the ports of Newcastle and Sydney, provide ease of access for trucks, and divert those trucks from the Cessnock central business district, which has been plagued with heavy vehicle traffic for a long time. The bypass will negate a lot of the heavy traffic in that area.

The State Government, under the stewardship of Minister Carl Scully, spent \$10 million on the Cessnock central business district to make it a better place. Restaurants and cafes will now be built in that area, which is good news for the Cessnock central business district, the Maitland community and the Hunter Economic Zone—a 900-hectare industrial site that we have been trying to facilitate for the past 10 years. This project will link the Hunter Economic Zone with ports and industrial sites and make it a much more worthy cause. The Hunter Economic Zone will create jobs and result in major economic benefits and growth in the community. The Hunter Expressway, which was formerly called the Kurri Kurri corridor and the F3 link road from Branxton to Seahampton, is good news for everyone. I cannot praise Joel Fitzgibbon enough for his hard work and dedication in the Hunter community in progressing the Hunter Expressway. Community members should dip their lid to Joel Fitzgibbon and to Anthony Albanese who worked tirelessly to bring home the bacon.

NORTH CRONULLA SEAWALL

Mr MALCOLM KERR (Cronulla) [6.13 p.m.]: I refer tonight to the Prince Street seawall, which is located in the Cronulla electorate. An article in the *St George and Sutherland Shire Leader* quotes a council spokesman as stating, "No one has experience—they learn as they go." That article continues:

Those remarks are well supported by anyone with experience of construction in a maritime environment. Right from the outset of construction it has been evident that neither the Council nor the Contractor has any idea of the power of the sea and how to deal with that.

The Contractor's initial attempt to hold back the waves using star pickets and plastic was pitiful to watch. Subsequent work using steel sheet piling further demonstrated the total lack of planning and experience that has been a feature of this multi million dollar white elephant. Standing on the footpath above the construction site I have witnessed the most inefficient utilisation of earthmoving equipment in my more than 50 years of construction experience. Equipment aimlessly moving back and forth with no attempt at planning their movement in a way that minimised their time on site. The only time that I have ever seen this level of inefficiency on a site was where equipment was hired in at hourly rates where it was in the equipment suppliers interest to prolong the time that the equipment remained on hire.

As to ... allegedly confirming that no one (on the project) has any experience of this type of work, surely that demonstrates the folly of having Council take on work that they are not qualified to deal with. The construction of sea walls is not rocket science and there are plenty of Australian and Overseas Consultants with extensive experience of situations identical to the Prince Street wall. Why were they not consulted? Also, does the lack of experience extend to the design of the wall? If so, what was Council's rationale for engaging the firm that designed the structure and how suitable for the position is the design?

I would be most interested in viewing the types and content of contracts that have been let for this project. If it was for a lump sum price the contractor will surely be losing money at a rapid rate. If it is based on a cost plus format Council and the NSW Government have a lot to answer for as costs are obviously escalating at a rate that requires the added funding nominated in the recent Leader article "Cash shores up The Wall".

The money that is referred to in the article is taxpayers' money. The views expressed by Mr Laan are entitled to considerable credibility because he has more than 35 years experience in the engineering and building industries. During that time he has been responsible for the management of a variety of macro projects for the process and petroleum industries in Australia, South-East Asia and Europe, where he gained a reputation for completing projects on time and under budget. He has held senior executive positions in the construction industries, including operations director for the Australian affiliate of a United Kingdom engineering construction company, group general manager of a group of companies involved with the building industry throughout Australia, and chief executive and director of a New South Wales government agency—the Darling Harbour Authority.

Members would be aware that the Darling Harbour Authority, which was established in 1984, recently celebrated its twenty-fifth anniversary. Mr Laan raises questions relating to the commencement and completion of the project that require answers by the Rees Government. I believe that ratepayers and taxpayers are entitled to those answers and they are entitled to look at the terms of the contract. I suspect that the Minister for Local Government is concerned about the stewardship of the public money involved in this project.

HMAS VOYAGER SINKING FORTY-FIFTH ANNIVERSARY

Ms MARIE ANDREWS (Gosford) [6.18 p.m.]: I refer tonight to a memorial service that I attended on 4 February 2009 in remembrance of the forty-fifth anniversary of the sinking of HMAS *Voyager*—the Australian navy's worst peacetime disaster. The memorial service was held in Rogers Park, Woy Woy, which was named in 1977, with a plaque from Woy Woy Lions Club, in memory of the former Ettalong Beach resident, Chief Petty Officer Jonathan Rogers. The Central Coast subsection of the Naval Association of Australia conducts the service each year at Rogers Park in memory of the heroism of Chief Petty Officer Rogers, who lost his life while saving other young sailors.

The service also remembers others who lost their lives on that fateful night on 10 February 1964 when HMAS *Voyager* collided at sea with HMAS *Melbourne*. Three other local men connected with HMAS *Voyager* were Able Seaman Ronald William Michael Parker, who spent most of his working life in the navy and who was among those who lost their lives in 1964; survivor George Weir, who passed away in 1995; and Richard "Dick" Gough, a survivor who lived at Umina Beach until his death in 2007.

Chief Petty Officer Rogers was survived by his wife, Lorraine, who has since died, and his four children, Peter, June, Cheryl and Rhonda, who were aged from two to 17 years at the time of the accident. The family attend the service at Woy Woy each year. This year was no different, with daughter Cheryl Lloyd in attendance with her partner Kim Turner and her sister June Ackerley, who had travelled from Wales with her husband, Peter. Also attending from the family was Chief Petty Officer Rogers' grandson, also named Jonathan Rogers, with his son Ethan. Family members who were unable to attend this year were Chief Petty Officer Rogers' son, Peter Rogers, and his partner, Denise Taylor, who live in Queensland, and Chief Petty Officer Rogers' daughter, Rhonda Jones, and her husband, Peter, along with Jonathan's granddaughter, Samantha Rogers. The President of the Central Coast subsection of the Naval Association, Gordon Clunes, spoke at the service and expressed the importance of remembrance when he said:

Services like this are being carried out in other areas and at memorials such as this, attended by parents, children and friends of those who died on that night. We do not do this just because it is the right thing to do, but also because, through us and other groups like us, we keep reminding the navy of the great sacrifice those men made for Australia.

Jonathan Rogers was born in north-east Wales and joined the Royal Navy when he was 18 years old. He served on 13 ships, mostly through the war years, and was awarded the Distinguished Service Medal for coolness and leadership under enemy fire while serving as coxswain in 1944. After the war, Chief Petty Officer Rogers came to Australia and joined the Royal Australian Navy in 1950, moving with his young family to Ettalong Beach in 1955. Chief Petty Officer Rogers—known to friends as Buck Rogers—served on several vessels before joining HMAS *Voyager* in January 1963 as her coxswain. As the senior sailor on board, he was responsible for the good order and discipline of the ship's company.

On the night of the disaster, the aircraft carrier HMAS *Melbourne* and the destroyer HMAS *Voyager* were conducting exercises off the New South Wales South Coast. At 8.56 p.m., 37 kilometres south-east of Jervis Bay, HMAS *Voyager* crossed in front of HMAS *Melbourne* and the two ships collided, with HMAS *Melbourne* cutting HMAS *Voyager* in half. Just before the collision, Chief Petty Officer Rogers was in the forward cafeteria presiding over a game of tombola—which is similar to bingo—with around 60 other off-duty crew. On impact, there was instant darkness. The ship rolled violently on its side and about five minutes later turned upside down. Jonathan Rogers was one of more than 50 sailors trapped in the sinking forward section. Survivors told of the courage of Chief Petty Officer Rogers amidst the turmoil. Rogers had taken charge, calming terrified shipmates and attempting to control the flooding. He tried to free a jammed escape hatch, and organised men to move into other compartments. Rogers was a big man and probably knew that he was too big to fit through a small escape hatch himself.

The forward section finally sank about 10 minutes after the impact. It was later reported that Rogers was heard leading his remaining doomed comrades in prayer and a hymn during their final moments. Chief Petty Officer Rogers was posthumously awarded the George Cross, the highest bravery award then available in peacetime, "For organising the escape of as many as possible and encouraging those few who could not escape to meet death alongside himself with dignity and honour." All of Chief Petty Officer Rogers' medals are on display at the Australian War Memorial in Canberra. The HMAS *Voyager* disaster resulted in the loss of 82 lives—14 officers, including the commanding officer, D. H. Stevens, 67 sailors and one civilian dockyard employee. There were 232 survivors. I take this opportunity to remember all those men on HMAS *Voyager* who lost their lives on that fateful night, and to thank the Central Coast subsection of the Naval Association, including president Gordon Clunes and secretary Margaret Robinson, for keeping the memory of those men alive. I also thank local historian Joan Fenton for her research in this area.

NURSE MANAGER AND HEALTH SERVICE MANAGER POSITIONS AMALGAMATION

Mrs DAWN FARDELL (Dubbo) [6.23 p.m.]: I refer members to the disgraceful amalgamation of nurse managers and health service manager positions in New South Wales. On 2 March 2009 I wrote to Minister Della Bosca expressing my concerns regarding the Greater Western Area Health Service's proposal to merge these positions at 22 of its facilities. The next day I received from Mick Bell, the Chairman of Narromine Health Council, an email offering support to my representations to the health Minister on this issue, particularly regarding the health service managers amalgamating and taking over more than one hospital. He said:

I support you in that we need a fairer way of dealing with these issues, we are staffed by very hard working and caring people so lets support them and not create a culture of uncertainty and fear.

That afternoon I received a telephone call from the Mayor of Coonamble Shire, Tim Horan, about the amalgamation of the health service managers at Coonamble and Gilgandra. On the same day, Vivienne Bolam from Tullamore wrote to me expressing how she and the Tullamore community were displeased about having to share these positions. She said:

I find it most disappointing that the GWAHS executive do not realise the ownership small places feel for their facilities, their staff, their people; and the horrendous imposed jealousies HSM's suffer when serving two services; one of which they live near and in the community of; and the other who so unjustly brands them as favouring what they see as 'their own' and not the neighbours.

Small places also NEED their own HSM. She/he is regularly the last resort replacement for an RN suddenly unable to come on duty due to illness or family commitments or a call out as an escort for an ambulance patient ... or indeed because sometimes there are just not enough RN's to cover the shifts in a week. An HSM cannot possibly fulfil this role for two or more facilities.

Big hospitals have big communities to call on, small MPS's do not! I think the fact that those facilities are MPS's is also being ignored. They are caring for high care aged people who are ALWAYS there and always needing care—not only acute care patients whose number fluctuates as does their need ...

A travelling HSM would waste so much time in packing her/his needs, travelling, unpacking; familiarising her/himself with the second or third facilities situation ... communicating from afar, being not present when educators, suppliers, repairers, installers call and having to reconnect with all of these people ... and the situation at both facilities constantly. Also not being there to educate!

On 17 April Minister Della Bosca wrote to me. Part of his response states:

The proposal to amalgamate the Health Service Manager positions at Tottenham and Tullamore is consistent with the structures already existing across the area and proposed in other rural area health services in NSW.

On 6 May the Greater Western Area Health Service announced that the Nurses Association accepted its proposal of the amalgamation of facilities. The association's Greater Western Area Health Service organiser, Linda Griffiths, said that nurses are satisfied that their concerns have been addressed. She said:

They were in relation to structures underneath for themselves but also for them to have laptops and access to cars that has been agreed to and signed off and the other concern for them was about the clerical support hours and that is being addressed with the amalgamated HSMs being in a position to be part of a review that is going to occur.

There's going to be a nurse manager on each site every day and the health service manager will float across the two sites they cover ...

If anyone can find a good sealed direct road between Peak Hill and Trundle, I would like to know where it is. Ms Griffiths further stated:

For instance, at Dunedoo and Coolah there is only one health service manager ... Baradine and Coonabarabran is the same at Trangie and Narromine when that comes up there is only one health service manager.

Coonamble, Bourke, Brewarrina, Walgett and Collarenebri will retain their own health service managers—and well they should because of the distances between those towns. A media release from the Greater Western Area Health Service on 5 May states:

Locations of HSM positions to be amalgamated are:

- Coonabarabran and Baradine
- Dunedoo and Coolah
- Molong, Canowindra, Eugowra—

that is a nice distance for someone to travel to those facilities—

- Mudgee and Gulgong
- Parkes and Forbes
- Peak Hill, Trundle
- Tullamore and Tottenham

This is totally unacceptable because of the road conditions as well as the extra pressure that will be placed on those health service managers. On 6 May the Nurses Association did a backflip, stating:

We don't support the amalgamations ... we'll have to wait and see.

That statement is not strong enough for me. Vivienne Bolam also said that the community argued strongly against the proposal and that she feels the Greater Western Area Health Service will not make much of a saving from the merger as it will spend most of the money saved replacing vehicles. I have been informed that two people are applying for one position and that voluntary redundancy is available. However, the applicants have said that if they do not get the position, they will not take redundancy and will remain where they are: on the unattached list. The Greater Western Area Health Service already has enough people on the unattached list. If the Government thinks it will save money through this horrendous decision, it has been badly informed or is not listening to the community. The Government will not save money because it will still be paying the salaries of those on the unattached list.

FAIRFIELD CITY COUNCIL GIFT OF TIME ANNUAL DINNER

Mr NICK LALICH (Cabramatta) [6.28 p.m.]: I take this opportunity to inform the House of an important event taking place this week—National Volunteer Week, which is the largest celebration of volunteers in Australia. It is a fantastic opportunity to say a big "Thank you" to the more than five million volunteers who donate their time throughout Australia each year. National Volunteer Week began in 1989 and has continued to grow as a celebration of much-needed volunteerism. As many of us would be aware, volunteers are vital in our community. Australian volunteers contribute more than 700 million hours of assistance in many areas, from sports, emergency services and education to helping the environment and community services.

As part of this week's celebrations, I acknowledge the work of Fairfield City Council in recognising its own local volunteers. Each year in December the council holds an event called the Gift of Time, which is a

celebratory dinner at which guests are treated to a night of fun and entertainment. Each guest receives an award in recognition of their volunteering. Last year more than 400 local volunteers, local residents and community leaders were recognised. The volunteers come from church groups, the Red Cross and other charities and ethnic groups, and there are individuals as well. They help out schools, childcare centres, nursing homes, hospitals and sporting clubs. They run opportunity shops, soup kitchens, Meals on Wheels and a host of other programs.

The Gift of Time recognises groups such as the First Fairfield Heights Scout Group, and in particular its leader, Cathie Watt. Cathie Watt has been involved in the local scouts since 1970, and has been an exemplary role model for the Fairfield city community. Cathie has contributed 28 years of volunteering to the scouts. Since 1982, she has been involved in the council's monthly citizenship ceremonies. Each month, Cathie coordinates scouts from the Scouts Australia New South Wales Hume Region to attend the Fairfield City Council's monthly citizenship ceremony, and assists in welcoming our newest Australians.

The Western Sydney Cycling Network was established in 2007. Its dedicated group of volunteers runs regular bike rides around Fairfield city's extensive cycleway and repairs bikes for hire and use by local residents. Other groups include Volunteers at Braeside and Fairfield hospitals, the Cabra-Vale Seniors and Welfare Group, the City of Fairfield Garden Club, the Fairfield Country Women's Association, the Fairfield Indigenous Flora Park Group, Fairfield Park Rangers, Fairhearts Heart Support Group, Horsley Park Rural Fire Service, various Lions clubs, and the Indo-Chinese Elderly Hostel.

I also recognise the Mount Prichard District and Community Club—which is more commonly known as Mounties—and in particular the club's president, Kevin Ingram, and chief executive officer, Greg Pickering, for their generous funding of this wonderful annual celebration. Without the support of Mounties, the Gift of Time dinner would not be the fantastic success that it is. Many of us lead extremely busy lives and try to juggle our daily commitments. During National Volunteer Week, it is only fitting that we take some time out to say "Thank you" to those who generously donate the greatest gift of all—their time.

Question—That private members' statements be noted—put and resolved in the affirmative.

Private members' statements noted.

EDUCATION AMENDMENT BILL 2009

Message received from the Legislative Council returning the bill with amendments.

Consideration of Legislative Council's amendments set down as an order of the day for a future day.

ACTING-SPEAKER (Mr Thomas George): Order! The House will now consider the matter of public importance.

JOBS CREATION

Matter of Public Importance

Mr MATT BROWN (Kiama) [6.34 p.m.]: Our families are doing it tough. We heard from the Premier yesterday and today that every job we can save and every job we can create is a victory. We are currently facing a difficult set of economic circumstances, and New South Wales is not immune to the global financial crisis. We have heard from governments across the globe that it is likely that times will become more difficult before they get better. Unfortunately, that is the cold reality of the current economic situation. Now, more than ever, the people of New South Wales need a government that is working hard to support jobs. That is why yesterday the Premier announced the formation of a new Broadband Implementation Taskforce that will be charged with positioning New South Wales to be the lead State for the national broadband network initiative. It is in such innovative endeavours that we are likely to see a beneficial surge in the creation of jobs.

The task force will be chaired by the Director General of the Department of Commerce, Graeme Head. As many people know, Graeme Head has extensive experience gained from previously having run the Sydney Catchment Authority and worked in the Department of Premier and Cabinet, and more recently from his position as Director General of the Department of Commerce. Obviously, the task force will be in very capable hands. Membership of the task force will include the New South Wales Chief Scientist, Professor Mary O'Kane,

and industry experts. They will take the opportunities opened up by the Federal Government's visionary national broadband network project. This is all about constructive federalism. The new national broadband network is a fantastic Federal Government initiative. The New South Wales Government will make sure that we make the most of it to generate jobs in this State.

The New South Wales Government will make sure that this opportunity is taken up to benefit, among others, the creative industry, which is a huge generator of jobs and a sector that will benefit massively from the national broadband network. The task force will be charged with key priorities that will include securing the national broadband network headquarters in New South Wales, investigating opportunities to leverage the State Government's telecommunication assets and purchasing power for the national broadband network rollout, ensuring that the planning process proceeds smoothly, promoting the information, communications and technology [ICT] industry, as well as the application of technology, development and training.

The creative industry supports jobs, so we are supporting it. Last year we passed film-friendly legislation, and since then we have seen the New South Wales film industry rapidly gain confidence and increase its activities. The New South Wales Government is no stranger to attracting film production. Perhaps the most famous Sydney-based productions were *The Matrix* series of movies. New South Wales has also been involved in Bollywood productions, and many national productions have been based in New South Wales with the support of the Film and Television Office.

Two big-budget animated feature films that are currently under production in Sydney are *Guardians of Ga'Hoole* and *Happy Feet 2*. The original *Happy Feet* is a favourite of mine, and I am really looking forward to *Happy Feet 2*. Both films currently under production were secured with New South Wales Government assistance in the face of fierce competition. They are being produced in New South Wales on top of two more New South Wales films, *Samson and Delilah* and *Bright Star*, which will be shown along with the world's top movies at Cannes. Just five weeks ago, the Premier announced that Sydney had secured the big-budget Hollywood feature *Green Lantern*. This film not only will confirm Sydney's leadership in the film industry but also will create 500 jobs. That is what the New South Wales Government is all about—jobs, jobs, and more jobs.

Yesterday the Premier informed the House that New South Wales has been chosen by Peter Weir for the post-production work on his latest film, *The Way Back*. That will result in the creation of another 100 jobs in post-production areas such as editing, special effects and sound. Let me repeat for the edification of carping members of the Opposition that the New South Wales Labor Government is about jobs—jobs that the Liberal-Nationals Opposition continues to vote against, thereby sending the message to New South Wales families that the Coalition would see them without jobs. The creative industry supports jobs. High-skill, high-tech jobs add value to our economy and enhance Sydney's role as Australia's digital gateway. But that is just one industry.

The Government has been working hard in the Hunter to help Forgacs Engineering to win a major defence contract for Newcastle. The contract will help the firm to build the navy's three new warfare destroyers, thereby creating approximately 200 jobs and injecting more than \$10 million into the region. That is great news for the Hunter. But the Government is looking for opportunities to create jobs right across the State. As recently as this week, I was pleased to join the Federal Minister for Defence in an area to the south of my electorate of Kiama when he announced a big win for the South Coast. The announcement involved 24 new helicopters. I was talking to personnel at HMAS *Albatross* about the Federal Government's white paper, which is building confidence among both navy personnel and local business people that Federal Government funds will continue to flow into the area. TAFE New South Wales provides important training for many staff at the base, as well as New South Wales police. Many people from my seat often attend this great facility.

This comes after the New South Wales Government held a Jobs Summit and follow-up jobs summit in the Illawarra to work with industry and business to promote growth and support jobs. One of the best initiatives to come out of the Jobs Summit was the plan to establish a green skills taskforce—a hand-picked group of experts who will work at developing green collar jobs. Green jobs mean smart jobs that not only bring employment to individuals but also help re-gear the economy towards a post-carbon future. Unlike the Opposition, which continues to talk New South Wales down, we are embracing the challenges and turning those challenges into job opportunities.

Mrs SHELLEY HANCOCK (South Coast) [6.41 p.m.]: I listened with fascination to the member for Kiama talk about jobs for the future. I accept that among the list he mentioned were job-creating schemes.

However, I am concerned that he mentioned his electorate of Kiama only a few times. Yes, he talked about coming south of his electorate to my electorate of South Coast and he talked about Sydney, Sydney and Sydney, but only a few times did he refer to either the Illawarra or his electorate of Kiama. The member started by saying that our families are doing it tough. I am sure we all recognise that families are doing it tough. The member should have referred to the 17,000 jobs lost to the Illawarra and the South Coast in recent times. That is a well-known fact but the member refuses to accept the truth.

Mr Matt Brown: And the 18,000 jobs created.

Mrs SHELLEY HANCOCK: I listened carefully to everything the member said. He is now interjecting in an ill-mannered fashion.

ACTING-SPEAKER (Mr Thomas George): Order! The member for Kiama will remain silent. He was heard in silence.

Mr Matt Brown: Point of order: We are discussing a matter of public importance. I have been listening intently to the member for South Coast and she has not put forward one positive initiative about jobs. She is simply trying to generate debate.

ACTING-SPEAKER (Mr Thomas George): Order! There is no point of order. The member for South Coast has the call.

Mrs SHELLEY HANCOCK: The member for Kiama has been here since 1999 but he has no idea about order in this place. He talked about broadband. I am sure he is aware that towns in his electorate with fewer than 1,000 people will not receive broadband. Concern about that has been expressed in the area. The member talked about the film industry, *Green Lantern* and his love of the *Happy Feet* films. I am sure that is relevant to his electorate! Again, all the jobs are being created in Sydney. This matter of public importance is about jobs for the future, and I expected the member for Kiama to talk about jobs in the Illawarra.

I take members back a number of years to when the member for Kiama, the former mayor and the former corrective services Minister were selling us the south Nowra correctional centre project on the basis of local jobs. Indeed, press releases in my office show the member for Kiama saying that 70 per cent of jobs would be local, that is, south of Minnamurra and north of Batemans Bay. That has not happened. We were sold a lie. Last week I was given a list of subcontractors for the project. Subcontractors in the Kiama and South Coast electorates are bitterly disappointed that they have been left out, and that jobs are going elsewhere. According to the list, a contract for steel windows and doors is going to a Queensland company.

That is creating jobs for the future—in Queensland! This Government is sending jobs to Queensland. A contract for precast concrete has gone to a Queensland company. The member cannot tell me that not one company in New South Wales could provide precast concrete. The list includes surveyors from Camden, metal roofing from Cessnock, termite treatment from Campbelltown, concrete works from Sydney, formwork from Sydney, security services from a company in Sydney and steelwork from a company in the Australian Capital Territory with offices in Vietnam. The list goes on.

I have correspondence from PRM Architects, Town Planners, which is located in the Kiama electorate. That company is extremely concerned that it has been overlooked in terms of local employment when that was promised years ago. So much for jobs for the future! Obviously, the member for Kiama was reading a prepared speech about that. I am concerned also that the member for Kiama did not even bother to attend the emergency jobs summit. He was not there; he was at a fundraiser in Sydney. As it takes an hour to drive from Sydney to Wollongong, he would have had time after the lunch to attend the jobs summit. I am sure the member for Shellharbour, the Minister for Transport, and Minister for the Illawarra and the member for Wollongong attended the jobs summit. However, the member for Kiama was missing in action: he was at a fundraising lunch in Sydney.

ACTING-SPEAKER (Mr Thomas George): Order! The Parliamentary Secretary will remain silent.

Mrs SHELLEY HANCOCK: The member for Shellharbour is rude. As the Premier had convened a jobs summit in the Illawarra, where the unemployment rate is high, I am sure he was disappointed that the member for Kiama was obviously more concerned about the film industry in Sydney. This was a Labor Party function and the member for Kiama was not there.

Mr Matt Brown: You weren't there.

Mrs SHELLEY HANCOCK: I was not invited. On Monday this week the Prime Minister was in town, talking about employment in the Illawarra and focusing on solutions to that.

Mr Matt Brown: Were you there?

Mrs SHELLEY HANCOCK: Where was the member for Kiama? He was not mentioned. He was not there.

ACTING-SPEAKER (Mr Thomas George): Order! The member for Kiama will have the opportunity to reply to the debate.

Mrs SHELLEY HANCOCK: The member for Kiama was in my electorate, standing beside the defence Minister, Joel Fitzgibbon. The member did not have anything to say but he stood beside the Minister to take advantage of the photo opportunity. However, he missed out on meeting with the Prime Minister.

Mr Matt Brown: Where were you?

Mrs SHELLEY HANCOCK: I was in Wollongong talking about jobs. The member for Kiama is a member of the Illawarra Labor group but he was not there. It was disappointing. The member for Wagga Wagga reminded me that the member for Kiama has raised this matter of public importance because he has several tenants in several properties. I am sure he is worried about them losing their jobs and not being able to pay their rent. Perhaps he will have to sell the properties. This afternoon the member has brought a personal concern about local employment to the Chamber. It would be sad if the member's tenants became unemployed and were unable to support the member in the lifestyle to which he has become accustomed, swanning around the country and overseas. It is a sad day.

Mr David Harris: Point of order: I am loath to raise a point of order during debate on a matter of public importance but it sounds like the member for South Coast is attacking the member for Kiama. That should not be done during debate on a matter of public importance; it should be done in another way.

ACTING-SPEAKER (Mr Thomas George): Order! The member for South Coast has completed her contribution.

Mr NINOS KHOSHABA (Smithfield) [6.48 p.m.]: The New South Wales Government is providing jobs for the future. As families move into the toughest economic times we have faced since the Great Depression they want to know that their Government has a plan. I can tell them that we do. The Government is investing in infrastructure. We have a billion dollar investment in infrastructure—the largest of any State in the country. We are doing this because we know that investment in infrastructure is a direct investment in jobs. And what is the Opposition's plan? Nothing except to vote against the very thing that will help secure jobs, investment and homes.

We heard from the member for Kiama about our boost to jobs in defence, infrastructure and the entertainment industries. Since my electorate is in western Sydney—arguably the industrial hub of Sydney—I will talk about what we are doing to support the construction industry and the jobs that it supports. Over the next three years the Commonwealth and New South Wales governments will invest \$3 billion to build about 9,000 additional social housing homes and deliver an extra 37,000 jobs and apprenticeships across New South Wales at a time when they are needed the most. It is a true measure of our commitment to New South Wales families in these tough times. These new jobs and new homes for people who are really doing it tough make it all the more astonishing that the Opposition opposes this much-needed economic relief package.

During the Howard years public housing suffered from chronic underinvestment by the Federal Government, and it looks like members opposite are happy to continue that trend. But we will not let that happen. The Rees Labor Government is committed to ensuring that the people who need our help the most can count on a roof above their heads. It is committed to supporting families and breadwinning jobs. In total, the funding that the Federal and State governments are investing in public housing will result in an extra 37,000 jobs and apprenticeships for New South Wales. This is great news for the economy and for people struggling to keep their heads above water.

The maintenance package alone will result in 630 new jobs in this financial year and more than 1,800 new jobs in the next financial year. These extra jobs coming to communities such as mine across New South Wales will be a big boost for families doing it tough in these uncertain economic times. That is a real boost to employment and it will make a difference to the state of the economy. What the economy cannot afford is an Opposition that does not support these measures that protect families and protect jobs—or worse, an Opposition that does not know what it supports. The people of New South Wales should be assured that, unlike the Opposition, the Government is working hard, cutting red tape, fast-tracking approvals and finding new and creative ways of partnering with the private sector to meet its goals. Unlike the Opposition, the Government is showing real leadership in these tough times and is moving fast to secure this investment.

Mr MATT BROWN (Kiama) [6.51 p.m.], in reply: I appreciate the contribution of the member for Smithfield, who does a wonderful job supporting his electorate and jobs. I am very disappointed in the contribution of the Liberal Party. It saddens me that this once-great party has nothing to contribute in relation to jobs.

Mrs Shelley Hancock: Point of order: My point of order is on relevance. Clearly, the matter of public importance is jobs for the future. The member for Kiama is blatantly talking about the structure of the Liberal Party, which has nothing to do with this discussion.

ACTING-SPEAKER (Mr Thomas George): Order! I am sure the member for Kiama is just about to refer to the matter of public importance.

Mr MATT BROWN: I am. I would have thought the member for South Coast, who has been a member since 2003, would know the standing orders by now. Being the member for Kiama is a taxing job, as I have to deliver for two electorates because the member for South Coast does not engage with anyone to attract investment in her electorate.

Mrs Shelley Hancock: Point of order—

ACTING-SPEAKER (Mr Thomas George): Order! Does the member for South Coast have a point of order?

Mrs Shelley Hancock: If the member for Kiama wants to attack me personally then he should do it by substantive motion. His statement is absolutely inappropriate and he knows it. He is just juvenile.

ACTING-SPEAKER (Mr Thomas George): Order! I uphold the point of order. The member for Kiama knows that attacks on other members must be by way of substantive motion.

Mr MATT BROWN: I thought that the member for South Coast—

ACTING-SPEAKER (Mr Thomas George): Order! I am sure the member for Kiama is about to reply to the debate.

Mr MATT BROWN: Yes, we know all about the film industry. In fact, quite a few films have been shot in the South Coast electorate, for example, *The Man Who Sued God*. The area has serious job issues and I am glad that I have been able to work hard to get a mandate for ethanol in this State to secure jobs at the Bomaderry plant. I am pleased that I worked hard to secure the jail in the Shoalhaven, which when completed will employ 200 staff and inject \$10 million a year into the local economy, let alone the \$135 million injected whilst it is being built.

Mr Daryl Maguire: Point of order: I have listened carefully to this debate, as have other members in this Chamber. The member for Kiama should respond to matters raised by the member for South Coast and the member for Smithfield rather than introduce new material.

ACTING-SPEAKER (Mr Thomas George): Order! The member for Kiama has concluded his speech.

Discussion concluded.

**The House adjourned, pursuant to sessional orders, at 6.54 p.m. until
Thursday 14 May 2009 at 10.00 a.m.**
