

LEGISLATIVE ASSEMBLY

Tuesday 16 June 2009

The Speaker (The Hon. George Richard Torbay) took the chair at 12.00 noon.

The Speaker read the Prayer and acknowledgement of country.

APPROPRIATION BILL 2009

APPROPRIATION (PARLIAMENT) BILL 2009

APPROPRIATION (SPECIAL OFFICES) BILL 2009

STATE REVENUE LEGISLATION AMENDMENT BILL 2009

The Speaker laid upon the table a copy of Budget Estimates 2009-2010, Volumes 1 and 2 of Budget Paper No. 3.

Ordered to be printed.

Bills introduced on motion by Mr Nathan Rees.

Agreement in Principle

Mr NATHAN REES (Toongabbie—Premier, and Minister for the Arts) [12.02 p.m.]: I move:

That these bills be now agreed to in principle.

Debate adjourned on motion by Mr Barry O'Farrell and set down as an order of the day for a future day.

BUDGET SPEECH

[The Hon. Eric Roozendaal was conducted by the Deputy Serjeant-at-Arms onto the floor of the Chamber.]

The SPEAKER: Order! I advise members that the House has requested the attendance of the Hon. Eric Roozendaal, MLC. In accordance with our practice on these occasions, the usual courtesies are to be accorded to the Treasurer, particularly that his Speech should be heard without interruption.

The Hon. ERIC ROOZENDAAL (Treasurer) [12.03 p.m.]: This is a budget to support jobs, rebuild the surplus, and protect services for New South Wales families.

It's a budget crafted to meet the most severe economic challenge in living memory—a fully imported downturn which originated on Wall Street.

Jobs are the heart and soul of this budget.

The SPEAKER: Order!

The Hon. ERIC ROOZENDAAL: We will support, protect and defend jobs in every part of the State and confirm New South Wales as the infrastructure engine-room of the nation.

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

The Hon. ERIC ROOZENDAAL: This is also a fiscally responsible budget—restoring the surplus, without any new taxes.

Economic Outlook

This budget was shaped in the toughest economic conditions in 75 years. The IMF described it in March as "the great recession". Most of our major trading partners are in recession, a fate Australia has largely avoided thanks to the Rudd Labor Government's decisive intervention.

With our globally-linked economy New South Wales was hit first and hardest when the global financial crisis struck. However, economic activity in New South Wales is expected to broadly follow the national average as confidence returns.

Economic activity is likely to remain soft in 2009-10 returning to modest growth of 2¼ per cent in 2010-11. It will rise to above-trend growth in 2011-12 and 2012-13, as excess capacity is absorbed and the economy gathers momentum.

That growth will be sustained by higher consumer spending and increased housing construction activity—underpinned by lower interest rates, lower petrol prices, and government stimulus measures.

Stronger Public Finances

The New South Wales budget is not immune to the effects of global recession—with revenues written down by around \$10 billion over the four years to 2011-12. This impact on the budget result has however been lessened due largely to the positive effect of stimulus measures and our firm control over government expenses.

Today I confirm that in 2008-09, New South Wales will incur its first deficit since 1996—a forecast deficit of \$1.3 billion—reflecting the direct impact of global events on our bottom line. Smaller deficits of \$990 million in 2009-10 and \$116 million in 2010-11 are expected to follow. The budget will then return to surplus with surpluses of \$86 million expected in 2011-12 and \$642 million in 2012-13.

Just two short years and New South Wales will be back in the black.

Remember this Government has delivered a record 12 surpluses since 1996—more surpluses than any previous New South Wales Government—a record that guarantees a quick and decisive return to surplus in this economic cycle.

This Government maintained its commitment to fiscal discipline through:

- ◆ our cumulative 4 per cent agency efficiency dividends,
- ◆ our 2.5 per cent public sector wages cap, and
- ◆ our Mini-Budget, which shaved \$3.3 billion of unnecessary spending.

We will continue to be fiscally responsible and will embark on a strong new program of efficiency improvement through our *Better Services and Value Plan*. This plan includes the creation of a Better Services and Value Taskforce, led by an independent external chair, to:

- ◆ critically examine government agency spending line-by-line,
- ◆ strategically review all State-owned corporations, and
- ◆ rationalise whole-of-government spending in areas such as IT and legal services.

Our plan will also see a comprehensive reform of the public sector amalgamating 160 government agencies and offices to just 13 departments—the biggest overhaul in 30 years.

We will also continue our public sector wages policy requiring offsets for all increases above 2.5 per cent and we'll continue the employment freeze on non-frontline positions.

Our *Better Services and Value Plan* will sustain a new program of efficiency dividends continuing at 1 per cent in 2009-10 and 2010-11 rising to 1.5 per cent in the last two years of the forward estimates.

These are necessary actions ensuring the budget remains structurally sound and improving service delivery for the families of New South Wales.

Borrowing for the Future

When we came to office in 1995, general government net debt was 7.3 per cent of gross State product which we reduced by \$10 billion or to just half of 1 per cent of GSP.

In these very difficult times, our strong balance sheet allows us to borrow prudently for the future.

We will use our strong fiscal position as a shock absorber during this cyclical downturn—an approach made possible because this Labor Government carefully paid off debt in the good years—positioning New South Wales for the tough times.

General government net debt will rise to 3.9 per cent of gross State product in 2010-11 before declining to 3.6 per cent of GSP by 2012-13. That level is appropriate and affordable and less than half the level of debt left by the Coalition in 1995.

Not only will general government net debt as a share of the economy decline over the latter part of the forward estimates, it will become easier to repay as economic growth and revenues improve. We will also use any above-trend revenue to reduce debt along with proceeds from asset sales.

General government net debt will remain modest. For public trading enterprises borrowings will be on a larger scale underpinning our massive building program—delivering the hard infrastructure that will fuel future economic growth.

To put it simply:

borrowing equals infrastructure equals jobs.

Infrastructure and Job Creation

The centrepiece of this budget is job supporting infrastructure investment on an unprecedented scale—a building blitz that takes our investment in jobs to new record levels. \$62.9 billion over the next four years including \$18 billion alone in 2009-10—the largest ever infrastructure investment in a single year by the New South Wales Government.

This funding will support up to 160,000 jobs a year, like:

- ◆ the 300 jobs being generated right now building the new Orange hospital or
- ◆ the 1,250 workers building the Pacific Highway or
- ◆ the 2,000 jobs generated by the Port Botany expansion.

Our building boom extends across the State and across all areas of government.

Thirty seven per cent of our four-year program or \$23.6 billion goes directly to roads and transport.

There is:

- ◆ \$5.7 billion for schools and TAFEs
- ◆ \$4.3 billion for public housing and
- ◆ \$2.2 billion for our hospitals.

Energy and Water Security

A large part of our building program is funding to secure the State's water and energy supplies.

Over the next four years, we will invest a massive \$21.1 billion in energy and water infrastructure—supporting jobs now and building for future economic growth. For example, Tillegra Dam—a \$477 million investment. Not only will it secure Hunter water supplies for the next half-century it will support 280 jobs over construction of the project.

The SPEAKER: Order! Members will remain silent. The Treasurer has the call.

The Hon. ERIC ROOZENDAAL: Our \$16.7 billion five-year energy plan will provide businesses and households with one of the most reliable and affordable electricity services in the world. It will also support around 3,700 jobs filling pay packets in regional New South Wales—like the 20 jobs supported by the Cooma to Bega transmission line; or the 30 jobs on the Kempsey to Port Macquarie transmission line.

In tough times like these, every job counts. And every possible job will be supported.

Improving Public Transport

In 2009-10, the New South Wales Government will deliver a record \$7.1 billion public transport budget, including \$3.1 billion for infrastructure—a massive 68 per cent increase on last year.

At the heart of our transport budget is the first major investment in the Metro—a network that will, in time, spread rapid underground transit links across Sydney.

In 2009-10, we will spend \$581 million for the Sydney Metro. It will be the backbone from which the metro network will branch out. Construction starts next year.

Other key transport commitments include:

- ◆ 28 commuter car parks—\$171 million
- ◆ 424 new buses—\$207 million
- ◆ \$350 million to continue our rail clearways program
- ◆ \$117 million towards 626 new state-of-the-art rail carriages for Sydney, which will be delivered from next year
- ◆ \$125 million towards the purchase of 72 new outer suburban train carriages for the Hunter, Illawarra and Central Coast, and
- ◆ \$186 million to begin the South West Rail link.

The Government understands community demands for improved public transport and I offer this assurance:

The funding is real, the projects are real and they are being delivered.

Community Building

The SPEAKER: Order! The House will come to order, including the member for Wakehurst. The Treasurer has the call.

The Hon. ERIC ROOZENDAAL: The Commonwealth response to the global financial crisis was spot-on:

- ◆ cash upfront to sustain short-term demand
- ◆ larger infrastructure projects to boost long-term development and
- ◆ smaller, medium-term projects to promote employment and build local communities.

Smaller, medium-term projects are particularly important, because it means starting projects quickly and protecting jobs now.

Today I can announce the New South Wales Government will invest in a new fund. The \$35 million Community Building Partnership—to support local jobs and deliver community infrastructure right across New South Wales.

The New South Wales Community Building Partnership will be open to community and sporting groups, non-government organisations and local councils.

Eligible projects will include new and upgraded social infrastructure such as:

- ◆ community halls and playgrounds
- ◆ cultural and sporting facilities
- ◆ parks, cycleways and boat ramps.

Decisions will be made—locally including input from all Members of Parliament—using local knowledge to serve our communities best.

Housing Construction

Housing and construction are critical to the New South Wales economy.

For many years, assistance has been targeted at first home buyers which is entirely appropriate. In fact, the response to our \$3,000 boost for the purchase of newly constructed homes has been so strong that we are extending it until the end of June next year and keeping the stamp duty exemption for first home buyers.

This is our ongoing commitment to first home buyers but to further stimulate the housing construction industry we will provide assistance to other buyers.

Today I announce that from 1 July, the New South Wales Government will implement a new six-month Housing Construction Acceleration Plan—providing a 50 per cent stamp duty cut for purchasers who buy a newly constructed dwelling worth up to \$600,000. That threshold is quite deliberate because 82 per cent of all property sales in New South Wales are valued under \$600,000.

This measure will benefit anyone buying a new dwelling—including empty nesters; growing families who need more room; and "mum and dad" investors seeking the security of bricks and mortar.

This is a building and jobs bonanza. A \$64 million kick start for the housing construction industry that will support employment in every part of the State—and put up to \$11,245 straight back into the pockets of home buyers and investors.

Local Infrastructure Fund

While our stamp duty cut will help individual housing projects, it's clear we also need to open up new precincts where the lack of infrastructure is hindering development.

I announce today the New South Wales Government will provide councils with interest-free loans from a new \$200 million fund to unlock new housing developments.

The \$200 million Local Infrastructure Fund is a partnership to stimulate construction and support jobs—with preference going to projects which are "shovel-ready".

This innovative program will leverage unspent developer levies held by local councils—money we want to put to work, supporting jobs and building infrastructure—the sooner the better.

Our *Local Infrastructure Fund* will target high growth areas where new developments are planned or underway. Funding will go towards council infrastructure such as local roads, kerbing, guttering and stormwater drains.

Supporting jobs. Building communities.

Procurement Reform

Next year the New South Wales Government will spend \$3.9 billion on goods and equipment for our schools, hospitals and other vital services.

I can proudly announce a new purchasing plan—*Local Jobs First* that unashamedly gives priority to Australian-made goods and services. Government agencies must put local businesses first—giving preferred treatment to more than 500,000 firms and small businesses in New South Wales. Our first priority is employment—New South Wales spending to support local jobs.

Better Services

This budget is fiscally responsible and it's socially responsible as well. A Labor budget to the last dollar—

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

The Hon. ERIC ROOZENDAAL:—putting a safety net under people doing it tough—

The SPEAKER: Order! Members will come to order. I do not want to call members to order during the Budget Speech. They will allow the Treasurer to make his Speech.

The Hon. ERIC ROOZENDAAL: As I was saying, a Labor budget to the last dollar—putting a safety net under people doing it tough and providing this year alone \$1.6 billion of concessions to pensioners, older Australians and school students—an increase of \$94 million from last year and providing record funding for services.

Education and Training

A good education is the best start in life which is why we are the first New South Wales Government since 1943 to raise the school leaving age. We know students who stay at school longer earn more over their lifetimes and enjoy more satisfying careers.

That's why from Term One next year, all students must remain in full-time study, vocational training or paid employment until 17 and this budget provides up to \$100 million a year to make our plan a reality.

This Government wants to ensure our young people are job-ready as the recovery takes hold.

This budget continues funding for our \$86 million *Learn or Earn initiative* supporting 5,850 extra TAFE places, 15 new trade schools and an extra 1,250 Group Training apprenticeships.

It also builds on the Government's landmark commitment to create 6,000 cadetships and apprenticeships. Overall, our budget invests a record \$14.7 billion in education including \$2.6 billion to build, equip and upgrade schools throughout the State.

Seventeen major new building projects will commence this year, including Homebush West and Neutral Bay Public schools and Cabramatta and Lisarow High Schools. We will also invest \$99 million in the capital program of TAFE NSW—Australia's largest and finest training provider. This investment is 16 per cent above last year's budget and includes 13 major new TAFE building projects including Macquarie Fields, North Sydney and Wagga Wagga.

In our schools, we will invest \$152 million over four years in teacher quality and leadership. And we will deliver \$1.2 billion over seven years to lift the results of disadvantaged students—a resounding affirmation of Labor values.

Safer Communities

New South Wales crime rates remain stable or falling—a tribute to the hardworking men and women of the New South Wales Police Force—backed by this Government with the powers and resources they need to do their job.

This budget funds an additional 250 police, taking the force to 15,556 officers—rising to a record high of 15,956 by the end of 2011—an unprecedented investment in community safety.

Our police deserve the best possible equipment and support. That's why we will begin the rollout of tasers to frontline police from 1 July. We will also fund more forensic staff to fast-track DNA analysis bringing speed and certainty to the justice system.

I am proud to say this year's budget will see the Government continue delivering on its plan to build and upgrade 37 police stations across New South Wales.

Construction will start or continue on police stations at Burwood, Camden, Granville, Kempsey, Lake Illawarra, Raymond Terrace, Riverstone and Wyong.

We've also allocated \$1.2 million to plan new police stations at Bowral, Coffs Harbour, Liverpool, Manly, Moree, Parramatta and Tweed Heads. We're funding the purchase of land for new police stations at Glendale and Leichhardt and allocating \$4.7 million to complete the redevelopment of Windsor police station.

We're also making other strategic investments, including \$13.1 million to upgrade police communications and \$2.1 million towards a new state-of-the-art police helicopter.

Facilities and equipment to back our police and make New South Wales even safer.

Protecting Vulnerable Children

Social justice means repairing the harm done by poverty, abuse and neglect. At the forefront of that effort is the dedicated work of Community Services and its non-government partners. Over the past seven years, it has been rebuilt and refocused but, as Commissioner James Wood found in his landmark report it is time for new directions and new ideas.

In March, the Government announced an additional \$230 million under our *Keep Them Safe* package and that funding is delivered in full in this budget. But we need to go further to continue the good work and that's why I can confirm the Government will invest an additional \$520 million to protect the most vulnerable children in our society. That's \$750 million of new resources over the next five years.

This is more than new money it's a whole new approach—sharing the task of child protection with human service agencies and the community sector—so that more kids get the help they need to grow up safe and healthy.

Our record \$1.6 billion community services budget includes:

- ◆ \$321 million for prevention and early intervention
- ◆ \$197 million for community support
- ◆ \$628 million for out-of-home care, and
- ◆ \$422 million to protect children at risk.

This is child protection on a new scale rebuilding young lives shattered by abuse and neglect.

All too often, that abuse and neglect accompanies domestic violence—violating the sanctity of the family home. Crisis accommodation offers temporary respite but it can't deliver the long-term stability women and children need to rebuild.

That's why the Rees Government is proud to introduce a new \$16 million initiative to help domestic violence victims find new homes. Our *Safe Start* private rental subsidy plan will house 1,650 families over the next four years giving them a safe and stable home. These vulnerable families deserve our compassion and support, especially in tough times.

Better Health Care

Commissioner Peter Garling said in his report last year that New South Wales has "one of the better public health care systems in the developed world".

But he also recognised the job is becoming harder each year; with patient demand soaring, medical conditions becoming more complex and technology costs rising every day.

We will meet these challenges head on with our record \$15.1 billion health budget—delivering high quality health care and real value for money.

At the heart of our health policy is the Government's response to the Garling report—a real opportunity for generational change. Our blueprint for reform—*Caring Together: The Health Action Plan for NSW*—is backed by \$485 million in new funding over four years. It begins the rollout of 500 new clinical support officers; helping nurses and doctors swap paperwork for patient care.

We will also invest \$72 million over four years to establish or expand 13 medical assessment units helping those with chronic sickness receive treatment faster.

Our hospital rebuilding program is unprecedented in its size and scope. Since 1995, we have rebuilt or upgraded most hospitals across the State from the Tweed to Queanbeyan, from Broken Hill to Blacktown. In this budget, I am proud to confirm two major new projects in partnership with the Commonwealth:

- ◆ a major expansion of Nepean Hospital that will deliver six new operating theatres, more beds, and expanded intensive care services, and
- ◆ the redevelopment of Narrabri Hospital as a multi-functional campus.

The SPEAKER: Order! Members will cease interjecting. The Opposition has the opportunity to reply to the Budget Speech. The Treasurer has the call.

The Hon. ERIC ROOZENDAAL: Funding also continues for two of the largest hospital upgrades in New South Wales history—the \$1 billion Royal North Shore redevelopment and stage two of Liverpool Hospital, costing \$394 million.

And our commitment extends into rural and regional New South Wales with \$31 million for Multi Purpose Services in four country communities which bring together acute, primary and aged care under one roof and \$12.6 million for six HealthOne primary care clinics across New South Wales.

New South Wales leads the nation in cancer treatment and mental health care—a record we proudly protect and build on. Major projects funded in this budget include:

- ◆ integrated cancer centre at Lismore Hospital costing \$27 million
- ◆ new mental health inpatient units in Newcastle and Shellharbour, and
- ◆ new psychiatric emergency care centres at Wollongong and Prince of Wales hospitals.

Each of these facilities means dignity for patients. Respect for staff. And jobs for New South Wales workers.

Conclusion

Jobs are the heart of this budget. Supporting jobs now. And building big to create the jobs of tomorrow.

In the toughest economic circumstances in 75 years this has been a difficult budget to frame. But each measure has been carefully considered with prudence governing our every step.

It is a serious budget for serious times; with a massive investment on infrastructure to support jobs, to cushion the downturn and to lift us back to surplus.

This is also a budget to give hope.

A plan to weather this crisis together—protecting jobs and building for the future.

It's a charter for growth and a roadmap to recovery.

I proudly commit this budget to the people of New South Wales and commend the bills to the House.

FINANCIAL STATEMENTS

Copies of the Budget Speech 2009-10, Budget Paper No. 1, Budget Statement 2009-10, Budget Paper No. 2, and Infrastructure Statement 2009-10, Budget Paper No. 4, tabled and ordered to be printed.

[The Speaker left the chair at 12.34 p.m. The House resumed at 1.00 p.m.]

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

PRIVATE MEMBERS' STATEMENTS

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

SALVATION ARMY RED SHIELD APPEAL

Mr ANTHONY ROBERTS (Lane Cove) [1.05 p.m.]: I draw to the attention of the House the Salvation Army's Red Shield Appeal. This year Australians raised \$6.3 million during the annual doorknock last month. Of this, \$3.3 million was raised in New South Wales. This represents a nationwide increase of 3.4 per cent on the year before and a 10 per cent increase for New South Wales. I am sure all members will agree that that is an incredible response given the current economic climate. What is more, this all occurred while the Salvation Army was out helping people affected by floods in northern New South Wales. This truly embodies the Australian spirit. As the Salvation Army said, "Despite the real economic pressures on many households due to the financial crisis and deepening recession, and the huge generosity of the Australian public to the recent Victorian Bushfire Appeal, it is evident that people are still strongly committed to assist those who are battling."

In Lane Cove the Red Shield Committee included: Zone Chairman John Donald, his deputy Phil Dudgeon, Roger Wescombe, Rex Lewis, Chris Curtis, Kay Walker, Phil Wade, Christabel Wescombe, Paul McGregor, Pascal Hetherington, John Cameron, Lawrie Sullivan, Andrew Kirk, and Captains Phil and June Cardew of the Salvation Army. Others closely associated with the appeal were Genelle Bennett, who arranged catering, Michelle Notley, Jane Higgins and Una Sullivan. Invaluable assistance was also provided by Mark Diggins from St Ignatius College, Phil Cameron from Shore and the manager and staff of the Lane Cove branch of Westpac. Thanks must also go to Lane Cove council staff, who provided the Cove Room free of charge and helped wherever they could and particularly the volunteers who gave their time on the day.

As in previous years, I was involved locally, helping out at Lane Cove shopping centre. This gave me the opportunity to meet with the hardworking volunteers, without whom the entire campaign would not have been possible. Volunteers are an essential part of our society. They are what make this country great, embodying the Australian Spirit and the notions of egalitarianism and mateship. Be it lending a hand to those in need or helping out a mate, the Australian spirit brings out the best in us, and volunteering fits in perfectly with these values. It is no surprise then that in a nation of just over 21 million people we have more than five million volunteers. They are regular people from a broad spectrum of society—rich and poor, young and old, from the city and country—all dedicating a portion of their busy lives to help others. Together they contribute more than 700 million hours of their time. We recently celebrated Volunteers Week, and rightfully so, as these hardworking individuals deserve our recognition and thanks.

By way of background, on 5 September 1880 Edward Saunders and John Gore led the first Salvation Army meeting in Australia from the back of a greengrocer's cart in Adelaide's Botanic Park. From these humble beginnings the Salvation Army has grown in Australia to provide a multitude of services. These include community services, with around 260 community service centres nationwide; crisis and supported accommodation, including refuges for women and their children in crisis and medium term accommodation for the homeless; a wide range of youth support services; recovery services; employment services; emergency services, including the provision of catering to those affected by emergencies and disasters as well as official workers; rural and outback support, including the Outback Flying Service; court and prison support; Red Shield Defence Services; family tracing services; financial counselling; telephone counselling; and aged care.

The Salvation Army offers excellent opportunities for volunteers through its Oasis Youth Support Network, the Salvos Care Line and other functions. I know that members' involvement in the Salvation Army is very impressive. I encourage everyone to visit the website at salvos.org.au. It is also never too late to donate. More information can be found at the website. I again thank all those involved with this year's Red Shield Appeal, especially those who take time out of their busy schedules to help make all this possible. I acknowledge and pay tribute to the hardworking team at Lane Cove. We raised an incredible amount to assist the Salvation Army. I also thank my many friends who assisted on the day in this worthy cause. I know the amount of time and effort put into this event and I congratulate all who participated. Along with others in the community, I look forward to lending a hand again next year.

SCHOOL LIAISON POLICE PROGRAM

Mr GRANT McBRIDE (The Entrance) [1.10 p.m.]: On Monday 8 June at Tumby Umbi campus of the Tuggerah Lakes Secondary College I had the wonderful experience, which we as members of Parliament often have, of seeing firsthand the implementation of the cybercrime workshop for young people. This program was put together by the School Liaison Police Program and operates not only in schools within my electorate but also throughout the Wyong electorate. The School Liaison Police Program was instigated by the Labor Government in 2006 to support high schools and to build relationships between police, students and high schools. Tumby Umbi campus is part of the Tuggerah Lakes Learning Community, and principal Shayne Player is well known for instigating youth community programs and attending to the education needs of her pupils and staff. The School Liaison Police Program is set up to develop innovative local approaches to address youth crime, support victims, and put into practice mentoring schemes. The program blends crime prevention with operational policing by police attending schools to help prevent students from becoming involved with crime or antisocial behaviour.

Catering for victims of crime is one of the main aspects of the program. Students and schools attain a voice in developing policies that make this program consensual and not one that is imposed on them. Through the School Liaison Police Program police address students in many modules on harassment, making informed choices, avoiding risk, general aspects of the law, and cybercrime or cyber bullying, which describes covert psychological bullying behaviours among mainly teenagers through email and chat rooms. Senior Constable Rachel Garling from the Tuggerah Lakes Area Command, who has two children and who, I learned, attended school with my second son on the Central Coast, conducted a lesson. From the way she delivered the program and, most importantly, the respect she received from the year 10 pupils in the classroom it was immediately evident why she had been appointed to her position. Her knowledge of the subject was exceptional and all the students showed great interest.

Constable Garling is responsible for implementing all the school liaison police programs not only in my electorate but throughout the Tuggerah Lakes command, which includes the electorates of The Entrance, Wyong and Swansea. As well as conducting the School Liaison Police Program, Constable Garling is heavily involved with all aspects of the young community in my electorate, including Bateau Bay Police Community Youth Club. Debbie Weeks, a teacher at Tumby Umbi campus, coordinates the program. She is responsible also for running a series of student support programs, including a daily breakfast program for any student that needs a good breakfast to start the day, a homework centre for student support, a Wednesday workout to promote sports activities, and Plan-It-Youth to provide a strong band of mentors.

The programs are conducted out of ordinary school hours. I applaud the Red Bus Company for supporting these programs by providing bus services to allow students to be involved and enable them to get home safely afterwards. Before being elected to Parliament I was employed as an engineer and a TAFE teacher, amongst others—but not a lawyer. I was pleased to meet Debbie Swords, who also had taught engineering at TAFE and now is involved with the support unit for special kids. Debbie is a graduate electrical engineer from the University of Technology Sydney and specialises in teaching students with disabilities, offering alternative programs such as community access to learn about money and social skills, riding for the disabled, technology, computers and woodwork. These programs enable students to learn in different ways to help them become independent with emerging technologies.

Tumby Umbi campus is an award-winning campus set in picturesque bushland grounds with a dedicated caring team that creates vibrant learning experiences that extend self-esteem in adolescents. High expectations for excellence are achieved through innovative teaching and learning programs tailored to individual students and by building strong, inclusive partnerships between parents, students, staff and the

community to ensure success for each student. Tumbi Umbi campus has made it possible for all students to be part of the learning programs—the School Liaison Police Program, community programs and the support unit—made possible through the dedication of principal Shayne Player and her hardworking, can-do staff.

DEBT RECOVERY FROM BUILDING COMPANIES

Mr JOHN TURNER (Myall Lakes) [1.15 p.m.]: Some building trade operators in my electorate have raised with me their concerns following the collapse of Roche Building and Development Pty Ltd. In a letter dated 30 April to associates the Roche company announced that it had to cease trading and no doubt soon would be placed into liquidation. Some six weeks later it was noted that the company had not been placed into administration, which has created a problem in the industry and for homeowners. The *Great Lakes Advocate* noted there had been no movement by the Australian Securities and Investments Commission, no-one had placed the company into liquidation and, according to the Department of Fair Trading, the company has not applied for such a process. Trade providers Steve McCarthy, John McNamara and Broc Buderus claim that Roche Building and Development Pty Ltd owes them collectively more than \$130,000. Mr McNamara said:

With the ongoing associated costs, you're chasing your tail. You're left throwing good money after bad money. At the end of the day, we just want our money.

In a discussion with me concern was expressed that building companies regularly collapse owing substantial amounts of money to tradespeople, who then must determine how much credit they should extend to other builders. It was pointed out to me that historically the Australian credit regime exacerbates the problem because 30-day credit is provided compared with the situation in Europe, where 7 days credit is provided, and in America, where 14 days credit is provided. At the meeting some proposals were forthcoming as to how tradespeople might be safeguarded against future building company collapses. The meeting pointed out that homeowners ultimately are covered under the Home Warranty Scheme—although in this instance there may be complications because the company has not been placed into liquidation—but suppliers are left to fend for themselves. Whilst it was acknowledged to me that commercial insurance is available for this sort of eventuality, it is not a feasible business decision because the premiums in some instances would wipe out the profit of the job.

One proposal was that suppliers should be covered by some form of warranty when builders cannot meet their obligations. Consideration could be given to extending the Home Warranty Scheme to cover suppliers whose products have been used on projects for which the homeowner will receive the benefit. These businessmen suggested a number of views regarding some form of protection other than traditional protection by civil litigation proceedings, which is of little assistance if a builder hides under the veil of incorporation of a \$2 company. I also produced at the meeting a copy of the Business and Construction Industry Security of Payment Act, but they laughed it off saying that it is of less value than the traditional judicial system.

A further alternative discussed with me was that a builder at all times should have the assets to back the cost of the project being undertaken. It was noted that when applying for a licence a builder must demonstrate that he or she has an asset base, but no effective check is made to see if that base has been maintained. Another alternative was for a builder's licence to be graduated in that work only of a certain value can be undertaken, which can be certified that the builder can meet any obligations. A further scenario was that some form of bureaucratic legislation be considered requiring building contractors to please explain why they have not met their credit obligations. This would result in early intervention rather than the sudden collapse of a company that has been in financial difficulty for some time, as often occurs. This is certainly a growing problem and it is creating a multiplier effect in that smaller companies are going under, jobs are evaporating, and people such as those I have been talking to, through no fault of their own, may be forced to lay off people because they have not been paid. As John McNamara of McNamara and Co. said:

This current Roche Building situation is not isolated. As a major supplier to the building industry, we feel the current Home Owners Warranty legislation should be extended to cover suppliers and trades people working in the construction industry. At present, the homeowner is covered to some extent, but the tradesmen & suppliers who provide their services in good faith on a normal 30 day trading account system, have no cover whatsoever.

To date, all we have received from Roche Building is a letter stating that they "have decided to cease trading and will no doubt soon be put into liquidation". We ask: by whom and at what extra cost to us? It seems we don't even receive the courtesy of a phone call. All attempts to contact Roche building have been ignored.

Something has to be done to protect building trade suppliers in instances such as have arisen in this case.

BLACKTOWN AND MOUNT DRUITT HOSPITAL ENDOSCOPY SERVICES

Mr PAUL GIBSON (Blacktown) [1.20 p.m.]: Today I will speak on something very close to my heart—Blacktown hospital. I would not be doing my job as the local member if I did not speak out today. I feel

I can no longer be silent about what is happening at this hospital. In some cases out there people are dying, and they should not be in that situation. Things should be better. Today I want to speak about the gastroenterology and hepatology departments at Blacktown hospital. Some doctors have been to see me and have raised major concerns—concerns that have arisen over the past three or four months, not concerns that have arisen today.

The doctors and I have a range of concerns with regard to the provision of outpatient public endoscopy procedures available to patients in the Blacktown and Mount Druitt local government area. Our initial concern related to the sudden cessation, without any formal consultation, of access to Auburn hospital because funding was cut off for Blacktown and Mount Druitt hospitals to perform outpatient or day case endoscopy procedures. This has resulted in a 55 per cent to 60 per cent reduction in doctors' capacity to perform outpatient endoscopy procedures, predominantly colonoscopy. The effects of this have been communicated to the Sydney South West Area Health Service and every other authority, but until now nothing has happened.

Notwithstanding that, our major concern relates to the fact that for 24 months up to April 2009 the clerical booking staff at Blacktown hospital have been incorrectly—according to doctors in their discussions with Professor Donald MacLellan of the Health Service Performance Improvement Branch of New South Wales Health—reallocating category 2 patients, patients who have to be looked at within 90 days, to category 3, which means that those patients do not have to be seen for 365 days. This reclassification has been occurring without the knowledge of the gastroenterology consultant visiting medical officer who completed the recommendation for admission booking form, and by clerical staff with no formal nursing or medical supervision. This error has been reported to the greater metropolitan clinical task force in gastroenterology and to New South Wales Health, and hopefully we will get an answer from them soon.

On Monday 20 April 2009, after repeated requests, some doctors finally received an email communication regarding this matter. They have been reassured verbally that the booking clerical staff will no longer be able to alter any patient category without input from the practitioner involved. Doctors tell me that at the moment up to 500 people are on the waiting list at Blacktown hospital for a colonoscopy or endoscopy procedure. If things continue the way they are, within 18 to 20 months that figure will blow out to more than 2,000 patients. Doctors tell me that somewhere in the vicinity of two to four of every 100 people on that list will be diagnosed with cancer and some will die before they have these procedures.

As I said, the impact of the cessation of services at Auburn hospital will be a significant problem in a short time, and we are seeing that already. One doctor told me that at Blacktown hospital at present he has 10 patients within category 1, that is needing to be seen within 30 days; approximately 50 patients in category 2, needing to be seen within 90 days; and approximately 100 patients in category 3. Currently about 20 patients are still officially but incorrectly in category 3 who were assigned category 2 classification by their doctor and who were reassigned by the hospital clerical staff. These patients have been identified now and have admission dates for procedures within the next 60 to 90 days, but even so they are 100 days overdue for their procedures. I cannot envisage a situation where any of the current Blacktown-Mount Druitt consultant gastroenterology staff will be able to help rectify the inevitable waiting list problem.

I expect that the Sydney South West Area Health Service and New South Wales Health will almost certainly need to recruit senior locums from elsewhere at very high cost. That is only one of the problems surrounding Blacktown hospital. I have had a quick look at the budget papers today and I cannot see anything in there that addresses this problem at all. This is above politics. We are talking about a life-and-death matter. I would not be doing my job as the local member if I did not mention this. I am a member of the Government and a proud member of the Labor Party, but I also represent 50,000 people who have great faith in me.

GREYHOUND MUZZLING

Mr RAY WILLIAMS (Hawkesbury) [1.25 p.m.]: I bring to the attention of this House an important issue regarding the unnecessary muzzling of domestic greyhound dogs in public, when they are not being used for racing purposes. Karen Wendall, a constituent of mine from Kenthurst, has made representations to me concerning certain criteria contained within the New South Wales Companion Animals Act regarding the use of muzzles on greyhound dogs when they are walked in public. The problem with the Act is that it does not distinguish between a greyhound that is fit and is being prepared for racing and a greyhound that is not being used for racing or a greyhound that may have retired from racing. This is an issue that interests me greatly because the attrition rate of animals used for racing purposes across New South Wales every year is immense.

Thousands of greyhounds and racehorses, including both trotters and gallopers, are either euthanased or sent to the abattoirs each year when their use-by date is up. The figures each year are staggering but this issue is

rarely ever spoken about. As a person who has had a long history of involvement in the thoroughbred racing industry I know that our horses, which are thoroughbreds, are the fortunate ones. They are lovely looking creatures and are quickly sought after following the completion of their careers for use in dressage, eventing, jumping or recreational activities. Unfortunately, standard breeds, or trotters as we know them, and greyhounds are not so lucky. Standard breeds have a gait that is not conducive to the various uses such as dressage or jumping, and these horses require extensive retraining in order to break their natural trotting gait.

They are also not quite as pretty as thoroughbreds and their fate is usually sealed after retirement, unless they happen to be successful and are either a stallion or a mare and can be used for breeding purposes. However, this is very rare and a small percentage—usually less than 5 per cent—will end up being used for breeding. The rest will simply end up being sent to the abattoirs and used for dog food. Unfortunately, greyhounds also face a dismal fate after their careers on the racetrack. The vast majority are no longer needed or wanted; therefore many thousands are destroyed each year. This is unfortunate because greyhounds make ideal pets and, following their racing career, can settle into the role of a loving domestic pet with little fuss. Once their career is over they also lose any aggressive traits they may have picked up during their racing career and if appropriately assessed prior to being placed into a domestic situation pose no threat to either owners or the general public.

For this reason, and due to the many thousands of greyhounds who could be placed into loving homes following their careers on the track, we should immediately amend the Companion Animals Act to permit greyhounds who are not in racing mode but are in a domestic situation to be walked in public without a muzzle. This is also supported by the Greyhound Adoption Program (NSW) Inc., which successfully places many retired greyhounds into family environments each year. The society feels that greyhounds are friendly, sweet-natured creatures and that it is distressing that these laws are still in place in New South Wales. The muzzling legislation in Victoria was amended 10 years ago. South Australia and more recently Queensland have followed suit, leaving only New South Wales with these restrictive and outdated laws.

The Greyhound Adoption Program (NSW) Inc. has campaigned for some time to have the greyhound muzzling legislation amended as the law discriminates against greyhounds in New South Wales. The society says greyhounds have a wonderful nature but because they are muzzled in public they have developed an undeserved reputation for being aggressive. In the opinion of the organisation the requirement for the muzzling of the dogs in public deters many people from adopting them. It should be pointed out that the Greyhound Adoption Program (NSW) Inc. is only endorsing the amendment of the muzzling legislation for greyhounds that have undergone appropriate temperament assessment by the organisation, as is now the case in Victoria, South Australia and Queensland. It is noted that some greyhounds, as with all other dog breeds, are not suited as pets, and therefore temperament assessment is vital.

Only dogs that have successfully graduated from the Greyhound Adoption Program (NSW) Inc. should be permitted to be in public without a muzzle. Those dogs have been fully temperament tested with other dog breeds, including small dogs, and have been assessed in foster homes for several weeks before being re-homed as pets. Provisions of the New South Wales Companion Animals Act regarding the muzzling of domestic greyhounds in public are outdated and warrant amendment because every year this unfair law contributes to the death of many thousands of young and healthy greyhound dogs who otherwise could provide so much pleasure to families. While this request should not be interpreted as a vote for a blanket lifting of all muzzling requirements for all breeds throughout New South Wales, I call on the Premier to immediately amend the Companion Animals Act on behalf of thousands of New South Wales greyhounds whose lives could be saved by a simple Act of this Parliament.

HOXTON PARK ROAD UPGRADING

Dr ANDREW McDONALD (Macquarie Fields—Parliamentary Secretary) [1.30 p.m.]: Today I draw attention to the upgrading of Hoxton Park Road. I was privileged to turn the first sod for the upgrade of the western part of the road on 11 May with the Minister for Roads, the Hon. Michael Daley, and the Minister for Ageing, Minister for Disability Services, and Minister for Aboriginal Affairs and local member for Liverpool, the Hon. Paul Lynch. Hoxton Park Road links the central business district of Liverpool and Cowpasture Road and is a major link to both the M7 and, indirectly, the M5. During morning peak hour the road is considerably congested, but the much-welcomed upgrade will significantly increase the capacity of this major arterial road, thereby reducing travel time, in particular for motorists in my electorate.

The upgrade will cost \$71 million. Hoxton Park Road will become a four-lane road for its whole length from the Hume Highway to Cowpasture Road and will include a median strip. The tender for construction was

awarded to Cut & Fill. The contract will run for approximately 94 weeks and completion is scheduled in early 2011. Although \$71 million sounds a lot for such a short distance, the project involves necessary land acquisitions, and all the existing utilities will be placed underground. I note that today's budget allocates \$15 million this year as my electorate's contribution towards the works.

The new median strip will reduce the risk of head-on collisions for the 32,000 vehicles that travel along that road every day. There is also future capacity either for an extension of the existing bus transitway lanes or for more traffic lanes. From a health point of view, I am pleased that there will also be a cycleway to connect with the M7 track and provide safe bicycle access to the Liverpool central business district. The Rees Government has so far invested more than \$180 million on the upgrading of Cowpasture Road and Hoxton Park Road. It was only recently that I spoke about the upgrade of Cowpasture Road, which continues to progress well. Planning for the upgrading of Camden Valley Way from Bernera Road to Cowpasture Road is also well underway. I note that \$22 million has been allocated in today's budget to meet the cost of those works.

Once complete, the Hoxton Park Road upgrade will include new traffic lights at the intersection of Hoxton Park Road and Glen Innes Road, a new service road between First Avenue and Dorrigo Avenue, which will improve access to the local Hoxton Park shops and residential estates, new bus stop bays along Hoxton Park Road at Glen Innes Road, Dorrigo Avenue and First Avenue, and, as I mentioned, a new shared pedestrian and cycle path on the northern side of Hoxton Park Road linking to the M7 pedestrian cycleway. This project supports the construction industry with over 3,000 direct and indirect jobs that we expect will be created over the course of the two-year project. I hope all locals will be patient while the works are being undertaken. Typically the work will take place on Mondays to Fridays between 7.00 a.m. and 6.00 p.m. and on Saturdays between 8.00 a.m. and 1.00 p.m. This is much-welcomed infrastructure. I commend the Minister for Roads to the House for making it happen.

CASINO TO GOLD COAST RAIL PROPOSAL

Mr GEOFF PROVEST (Tweed) [1.34 p.m.]: I inform the House of significant issues that have taken place in recent times in the Tweed. Approximately five years ago this northern cross-border district lost a train service from Casino to Murwillumbah. The rail service was discontinued by the then Treasurer, Michael Costa, and to this day that has been a big mistake. For a number of years we have campaigned for a return of that rail service, but recently I convened a quite different meeting—one attended by the shadow Minister for Transport and member for Willoughby, Ms Berejiklian. I also invited mayors from five different local councils—the Tweed, Byron Bay, Ballina, Lismore and Richmond Valley—as well as representatives from Trains On Our Tracks [TOOT], which is led by someone who has campaigned tirelessly for the return of the Casino to Murwillumbah rail service, Karin Kolbe. In a bipartisan gesture, I also invited to the meeting Mr Ian Cohen from the Greens, and key stakeholders, including the executive director of the Southern Cross University, Malcolm Marshall.

At an earlier briefing it was revealed that the Gold Coast airport currently is involved in a \$140 million upgrade. Part of the upgrade project includes a heavy rail corridor for electric trains from Brisbane through Nerang to the Gold Coast airport and a light rail service from Southport down the coast. Members may recall that the Federal Government's budget included an allocation of \$260 million for part of the track to Broadbeach, on the Gold Coast. Those in attendance at the meeting were focused on looking outside the square to resolve the transport issue in the northern and border districts of New South Wales. Currently there is no plan to recommission the rail service from Casino to Murwillumbah, so the meeting decided to turn the campaign towards not only a return of that rail service but also a continuation of the service to the Gold Coast. The justification for the campaign is that the district could be part of a cross-border transport hub. People have campaigned tirelessly for an integrated transport system for the northern border district of New South Wales.

The Government should plan a corridor and connect it to the Gold Coast airport to allow people on each side of the border to travel to Brisbane or from the Gold Coast southwards. The area needs a daily commuter service. While I am not advocating the return of the XPT, the area requires a minimum of eight and up to 16 services from Casino to the Gold Coast airport, which currently is one of the busiest regional airports in Australia. Last year alone, five million people arrived at Coolangatta Airport, and 38 per cent of those headed south. That is a significant number of people. I have also held informal discussions with our Queensland counterparts from the Liberal-National Party and the Labor Party. They agree that by linking transport services to New South Wales, Queensland projects would be far more economically viable and would greatly assist development of the region. It is little wonder that the Queensland Labor Government funded five kilometres of

road inside New South Wales, although subsequently the then New South Wales Treasurer sent the Queensland Premier, Anna Bligh, a bill for \$250,000 for land tax, which was crazy. What we need is an integrated transport arrangement.

I have been ably assisted by the member for Ballina, Don Page, the member for Lismore, Thomas George, and the member for Clarence, Steve Cansdell. We all envisage realisation of potential in the future for the northern cross-border region. The Tweed is one of the highest growth areas in Australia by a factor of 2.2 per cent, but it also experiences a high level of unemployment. My Coalition colleagues and I will be taking this proposal forward. We have scheduled a meeting for the end of this month to put together a viable alternative to simply reinstituting the Casino to Murwillumbah rail service. Two years ago the State Labor Government announced a cross-border transport study headed by the directors general of different departments. Guess what? Two years later, through freedom of information discovery and other means, we have revealed that a five-page report has been presented, and all it suggests is that we may be able to use buses in the future. The northern cross-border region needs an integrated transport system and the key to that is to begin planning a rail corridor link from Murwillumbah to the Gold Coast. I refer to the proposal as the Casino to the Gold Coast rail line, because that is the future. My Coalition colleagues and I will not rest until we achieve an integrated transport system. Once again, I am 100 per cent committed to the Tweed.

EAST HILLS ELECTORATE PROJECTS

Mr ALAN ASHTON (East Hills) [1.39 p.m.]: In the past few years I have referred on many occasions in this House to the need for security fences for schools in my electorate. I know it is an issue that concerns every member of Parliament. As recently as last week I issued a press release calling for funding in today's budget for commuter car parking at Revesby. I have also been actively trying to secure funding for a gymnasium at Picnic Point High School. Together with Madam Assistant-Speaker, the member for Menai, I have also been hassling Ministers for continuation of the work on the northern approach to Alford's Point Bridge. Although I do not want to anticipate future debate on the budget, it was interesting to hear today that some of those issues will be addressed, assuming the budget legislation passes the House.

I am pleased that Alford's Point Bridge will receive a \$20 million upgrade and that \$645,000 has been allocated to the East Hills electorate for maintenance of traffic lights. Bankstown City Council has lobbied me for extra funding to clear the duck pond area of Henry Lawson Drive that runs between Carinya Road up towards Padstow Heights, in the Menai electorate. It is an unnamed creek. A funding allocation of \$300,000 has been made to clean out the salvinia weed, which is so bad that one can almost walk across the creek. It is good news that funding has been made available for this unnamed creek—I could think of a couple of names for it, but I shall leave that for another time.

As members would know, once security fencing is provided for some schools every member of Parliament is under pressure to provide funding for every school. The principal of Milperra Public School has lobbied me, and this year \$182,000 will be allocated for security fencing at that school. The allocation of that funding for just one school demonstrates how much the Government is spending on schools. After this incredible program is completed, only one school in my electorate will need security fencing. Picnic Point High School, my old stamping ground as a student and a teacher, will get a gym. I have been lobbying hard for a toilet upgrade at Condell Park Public School and it will receive nearly \$500,000 as part of its building program, while Tower Street Public School will receive \$400,000 as part of the principal's priority building program commitment.

Also of critical importance to me is a press release I put out just last week demanding—for the third or fourth time, and also in three or four private member's statements—funding for a commuter car park at Revesby. The Government is undertaking a \$500 million project for the Kingsgrove to Revesby track quadruplication, with \$100 million already having been spent on extra track. The missing link has always been the funding for extra commuter car parking. If I read between the lines of the Budget Speech today, there is a good chance that the commuter car park in Revesby will go ahead.

Several weeks ago when I spoke to two bureaucrats about this matter I said how important it was to have that missing link. I was amazed when they said—and I am sure all members have heard this at times—that they did not really understand the great need for commuter car parking at Revesby because they imagined everyone would walk or ride their bikes to the railway station. I implied that Revesby was not in the electorate of Sydney; that people drive in my electorate, as they do in the Kogarah and Menai electorates, and they need somewhere to park before they commute to the city.

We want more people to travel on the trains, and there is evidence that more people are catching trains. But when that happens, the criticism is made that the trains are overcrowded. It is a difficult issue but today we heard there are to be extra carriages and the like. The car park is to be approved; the money is there, which is good news for people who previously parked in and around the streets of Padstow. They will be able to park at Revesby station. I do not want to speak about the budget now because I can do that later. I am very pleased with today's news, which is a result of the pressure I have put on Ministers and the Treasurer.

BUS LANE OFFENCE PENALTIES

Mr MICHAEL RICHARDSON (Castle Hill) [1.44 p.m.]: For the last seven months I have been campaigning for the Government to address the outrageous situation whereby motorists who inadvertently stray into a bus lane lose three demerit points. The problem is most marked on the north-west transitway between Blacktown, Rouse Hill and Parramatta, where, according to the *Blacktown Advocate*, more than 17,500 infringement tickets worth more than \$42 million have been issued since April last year. It also affects the Sydney central business district [CBD], where bus lanes have been newly created and the opportunity to move into a general traffic lane is severely circumscribed. For example, if one drives east along Bathurst Street, turns left into Elizabeth Street, then right into Park Street, one can very easily unintentionally find oneself in a bus lane. A penalty of \$243 plus the loss of three points is simply not justified in these circumstances.

The *Blacktown Advocate* says the "T" in T-way stands for trap. Mr Conrad Benisch of Balgowlah received two tickets and lost six points for driving in the transitway lane along Sunnyholt Road during two separate visits to Blacktown, in November 2008 and January 2009. The November journey was the first time he had ever visited Blacktown, so one can understand his lack of familiarity with road conditions. He told the *Blacktown Advocate*:

You turn left and a few metres later you find yourself on a T-way and you can't get out.

And, of course, he was booked by the cameras strategically located every 1.5 kilometres along the length of the transitway. Mr Benisch attended Parramatta Local Court to fight the fines. He won both times and will pay no fine but will still lose six points from his licence. Incredibly, the second time he appeared, some 62 of the 94 cases being heard were transitway matters, that is, two-thirds of the matters listed for that day! According to Mr Benisch, the magistrates who heard his case said there must be something wrong with the signage because of the incredible number of motorists coming before them for the same offence. Yet that has cut no ice with the Minister and his department. A second article in the *Blacktown Advocate*, published on 12 June, stated:

Roads Minister Michael Daley has confirmed there will be no changes to the T-Way infringement system. A spokesman said the Government had no plans to make changes that could compromise the integrity of the T-Way network.

It added:

The RTA will continue to ensure signposts and road marking leave no doubt that motorists are entering a T-Way area.

This is sheer arrogance on the part of the Minister and it is indicative of the deep-seated malaise affecting the New South Wales Labor Government. For a Minister—any Minister—to ignore so blatantly numbers like these, as well as calls by magistrates for changes to be made, is breathtaking in the extreme. It is possible to make the system fairer for everyone without risking jamming bus lanes with cars and trucks. The \$243 fine would be sufficient deterrent to stop people driving in bus lanes without the additional penalty of three demerit points.

Demerits are supposed to deter dangerous driving practices, not to punish motorists who inadvertently stray into the wrong lane. There is no useful social purpose served by this unreasonably harsh penalty. Not only is it demoralising, it angers motorists and makes them less, rather than more, likely to obey the rule of law. Laws only work where they are fair and just and agreed on by the majority of the people. When ordinary, law-abiding citizens face losing their licence because the Roads and Traffic Authority cannot get its signage right, that principle breaks down.

It is not only at the Blacktown end of the transitway that massive numbers of tickets are being issued. At the Parramatta end, around Westmead Hospital, an even bigger trap exists. Mons Road, behind Westmead Private Hospital, ends and the transitway takes over. Dozens—possibly hundreds—of my constituents have been fined for driving onto the transitway bridge at the end of Mons Road. Following my previous speech on this

matter in Parliament and representations to the Ministers, the signs at the entrance to the bridge have been enlarged but it does not alter the fact that the road there is at best ambiguous and at worst a complete trap for motorists.

My constituent Ron Jessel, driving round looking for a parking spot, was booked four times in the one day by the camera on this bus bridge. The record, as I understand it, is eight times in a single day—that is, fines totalling almost \$2,000 and a loss of 24 points off the driver's licence. Clearly, if a single motorist is booked by the same camera at the same spot eight times in the space of 12 hours, something is drastically wrong. Yet the Minister has never admitted there is a problem and he is now saying there will be no changes that "will impair the integrity of the transitway system". Quite frankly, it is the integrity of the Government that is at stake here, not the integrity of the transitway system.

The turning circle at this point—I use the word "circle" advisedly—is so inadequate that it is impossible to turn round in anything bigger than a Mini without backing up, essentially doing a three-point turn with buses bearing down on you. Even with the bigger warning signs it is quite possible to make a mistake and drive onto the bus bridge because the Government has made such a mess of the interface between the public road and the transitway.

The Minister recently announced with a fanfare of trumpets that he would be reviewing the demerit points system because so many drivers were losing their licences. In 2008 more than 60,000 motorists had their licences suspended, an increase of 275 per cent on 2003. The Government intends to reduce the number of points lost for low-range speeding offences from three to one and to increase the points penalty for doing more than 20 kilometres an hour over the limit from three to four points. From 1 July someone travelling at 60 kilometres an hour in a 50 kilometres an hour zone will lose one point and be fined \$84 while a motorist erring into a bus lane will be fined \$243 and lose three points. How is this just?

The Minister should have carried out a full review of the demerit points system at the same time as he was lowering points lost for low-range offences. Had he done so he could not have failed to notice the inequity of making the penalty for straying into a bus lane three times that of doing 10 kilometres an hour over the speed limit. I call on the Minister for Roads and the Government to stop wasting court time and to make the penalty for driving in a bus lane commensurate with the offence. This is not an offence that endangers public safety. It is time the Government ceased treating it as though it does.

BATHURST COMMUNITY CABINET MEETING

Mr GERARD MARTIN (Bathurst) [1.49 p.m.]: Today I speak about the community Cabinet meeting held in my electorate last Wednesday, 10 June 2009. It was enthusiastically received across the electorate, particularly in Bathurst, where the meeting was held. About three or four Cabinet meetings have been held in my electorate since I have been the local member but the new format introduced by Premier Rees is much more user-friendly and less structured. It is obvious that people are reacting favourably to the new format. Basically, the day starts with a formal meeting of Cabinet, where it does its normal business. As the local member I had the opportunity to make a submission to the full Cabinet. I touched on major issues that I thought were impacting on my electorate; I spoke about the need for the Bells Line expressway, job creation programs around information technology, which we have an opportunity to develop in Bathurst because of the existing infrastructure, and some areas of need such as more funding for respite care and in the community services area. The Cabinet meeting was held in the Vice-Chancellor's residence, the Grange, at Charles Sturt University.

Community meetings were then held with Ministers. People made appointments and had one-on-one meetings, either as individuals or groups, with the Minister of their choosing. We then moved to an open format, using the convention centre facilities above the pits at Mount Panorama racing circuit. This was the high point of the day. All Ministers, chiefs of staff and director generals were seated at tables around the room, with banners identifying them. People who had registered picked the Minister they wanted to speak to—sometimes they had to line up—and then worked through the issue. There was a great buzz in the room during that time. Many people have commented to me on how great and informative it was to meet Ministers and departmental heads face to face.

The day concluded with a community forum, with the Premier and Ministers seated on the stage. I gave a brief introduction and then threw the meeting open to the public; the Premier handled it from there. People who were unannounced got up and asked questions of either the Premier or the respective Minister. Although the community forum was scheduled to run for an hour, it ran for closer to an hour and a half because of the

people's enthusiasm. None of the people who attended the forum tried to grandstand; everyone was constructive. People asked their questions and got answers. It was a good dialogue between the Cabinet and the community. The Premier and some key Ministers will return to my electorate in four to six weeks to report on issues that were raised with them.

While the Premier was in my electorate he made a couple of major announcements. First, he announced the abolition of the pensioner booking fee for CountryLink travel—something my Country Labor colleagues and I had been campaigning for for some time. The Premier also announced that all children under 16 years travelling with a fare-paying adult will be able to travel anywhere in New South Wales on CountryLink for \$1. That will be a boon for families travelling around the State for holidays and so on. The Premier also visited Bathurst Base Hospital. The Government has invested \$100 million in a magnificent new hospital. Despite negative comments from the Opposition from time to time, this great hospital is doing a great job. The Premier also locked in the necessary funding for the 1870s heritage building, which is such a magnificent architectural landmark in Bathurst, to be part of the new hospital.

The only negative aspect is that former mayor Ian McIntosh got involved in an open letter, apparently through the media, challenging the Government, saying it is the worst Government ever in terms of looking after country New South Wales. However, he did not approach any Ministers or seek an appointment when he had the opportunity to do so. I find that strange, because I have had a lot to do with Ian over the years. Obviously there is some sort of political imperative there. Unfortunately, after the Cabinet left my electorate the current mayor, Councillor Paul Toole, also became involved in a public campaign, saying that the Government is neglecting regional New South Wales. I find it all a bit puzzling. The mayor must have been asleep when the Government spent \$100 million on the hospital, gave \$15 million to the council to upgrade its water supply, and provided \$10 million to upgrade Mount Panorama and so on. Those gentlemen need to explain why they have undertaken this public campaign when they had equal opportunity to meet with the Premier and Ministers.

MEN'S HEALTH

Mr PETER BESSELING (Port Macquarie) [1.54 p.m.]: Today I refer to the important issue of men's health, how steps are being taken in the Port Macquarie electorate to deal with the issue, and how further effort is required by all members of the community to raise awareness of these issues. This is highly appropriate given that this week is Men's Health Week. Only last week a group of men gathered together to mark the first anniversary of the death of local businessman, husband, father, grandfather and all-round good bloke Jim Bruce, who passed away at the all too young age of 62. Jim had battled prostate cancer for more than four years, after establishing a marine, engineering, dredging and defence company along the banks of the Hastings River that had grown to employ more than 90 people, a vast majority of whom were locals.

It was clear to see by the gathered throng of mainly men that Jim's life had had a big impact upon them and that he had left behind a clear legacy of friendship and memories, particularly to his son, Jamie, who now heads up the business and is involved in the local community, as was his father. In keeping with their giving nature, Jim and his wife, Dawn, were particularly active in raising money for cancer through the Hastings Cancer Trust, which was set up to support local cancer initiatives. Unfortunately, stories like Jim's are all too common as each year in Australia close to 3,000 men die of prostate cancer—equal to the number of women who die from breast cancer annually. Around 18,700 new cases are diagnosed in Australia every year. The greatest news about prostate cancer is that it can be cured if detected and treated while still confined to the prostate gland, but it requires the initiative of the individual to actively seek regular testing.

It is a testament to the ability of men to keep their own counsel that there was only one discussion surrounding prostate cancer at Jim's remembrance gathering, even though it was the one thing that brought us together, the one thing we all are susceptible to and the one thing that we as men can all prevent. The discussion was with Jamie and surrounded his future efforts to raise awareness of the disease that denied him and his family time with their father and grandfather. I note my unequivocal support of Jamie in bringing the attention of the House to all the efforts of individuals and groups to encourage men to attend their general practitioner and get a prostate check-up. I am almost certain that many members of this House are aware of how stubborn men can be and how apathetic we are when it comes to issues of our health. It is only when health issues become so obvious that drastic action is necessary that men ultimately seek the advice of a health professional or head to their local general practitioner.

There are many personal examples of this being the case, to which I am sure my wife can attest. However, I make this plea to all men and to anyone who is a friend or relative of any man: take a proactive

interest in your health by getting regular health checks and seeking help with any health issue that you might have. Apart from health professionals, a number of national, State and local support groups are able to provide advice as well as a number of initiatives that help raise money and awareness and also deal directly with men's health-related problems. Many in our community and also within this Parliament are strong supporters of Movember. I particularly note the efforts of the Port Macquarie Pirates and Hastings Valley Vikings rugby clubs in their continued good work in supporting Movember. I also note the efforts of groups such as Beyond Blue and the many local Men's Sheds in supporting men's health issues.

I also note that many other organisations—for example, the State Emergency Service, the formerly named Sea Rescue and Coastal Patrol and the New South Wales Rural Fire Service—play a crucial role in our area in providing men with a social outlet, as well as a sense of achievement in knowing that their skills and labour are being applied for the benefit of the community. It is right that awareness about issues such as heart disease in women and breast cancer are raised in our communities, but it is equally important that we understand and support the efforts to deal with matters concerning men's health and, in particular, efforts to promote the importance of preventative measures dealing with prostate cancer. If Jim Bruce can leave a permanent legacy for communities outside Port Macquarie, I think that this would be a fitting and worthwhile cause for celebration for future commemorative gatherings.

TAMWORTH ELECTORATE INVESTMENT

Mr PETER DRAPER (Tamworth) [1.59 p.m.]: Unfortunately too many people involved in the political process continually play the politics of negativity. Sadly, the electorate of Tamworth sees more than its fair share of political operatives who think there is value in searching for negatives, rather than highlighting the many positives of our district. Despite the world financial crisis there is a lot of optimism in the north-west, and I can assure everyone that the electorate of Tamworth is well and truly open for business. There are many reasons why the district is attracting individuals and businesses. People like the lifestyle, the healthy environment, and the vibrant retail sector. We boast excellent sporting facilities, a wonderful array of educational opportunities and many employment options. Businesses are investing in the region because of its growing population, its central location between Sydney and Brisbane, and the positive attitude from existing business and local government.

Investment has made the district an attractive location for families to live. A recently completed \$6.3 million upgrade of training facilities at Tamworth TAFE provides an important base to address the skills shortage challenging country New South Wales. Opportunities for education in the region have been greatly enhanced with recent announcements that most schools will receive infrastructure upgrades. I am delighted that \$8.1 million is being spent to build the new Bullimal School for Specific Purposes, to give kids with disabilities the best educational opportunities. Recently \$9.1 million in State funding flowed to the Tamworth Sewerage Augmentation Reuse Project, well over \$4 million into new public housing, and \$519,000 to fight noxious weeds. We have seen investment in local State Emergency Service units, \$30 million in rail infrastructure upgrades, and nearly \$2 million for the Namoi Sustainability Environmental Project. Tamworth and Gunnedah councils received \$20,000 each to upgrade children's playgrounds, while many grants have recently been provided for sporting projects and recreational facilities.

It is also critical to provide funding to community organisations for their special projects. Examples include \$9,200 for toilets at Gunnedah Presbyterian Church, \$7,000 to air-condition Kootingal Preschool, \$4,800 for Senior's Week events, \$3,000 for Gunnedah Rural Museum, \$2,500 for Carinya School's environmental program, \$2,500 for Manilla Historical Society, \$1,500 to Gunnedah Riding for Disabled, and \$2,000 for Manilla Rugby League Football Club. Just last week the Breeza Progress Association was thrilled to receive \$49,500 to help restore its local hall.

Investment from government makes my local area attractive for business, and builds confidence, despite world events. Peel Valley Exporters recently announced a \$9.2 million expansion program, which will create up to 200 new jobs. Australia Asia Flight Training Pty Ltd is in the process of developing its Australian Wings Flying Academy, a residential flying college at Gunnedah. The college will accommodate 200 students at the Gunnedah airport campus, drawn from the Asia Pacific, the Indian Subcontinent and the Gulf States, plus Australia. With over 80 direct and indirect employees, it will provide fully serviced accommodation, dining facilities, air-conditioned lounges, computer laboratories, quiet areas, and a gymnasium. Aircraft hangers will be constructed to maintain the fleet of over 30 modern training aircraft. Additionally, administration buildings, classrooms, flight briefing, planning and instructional areas, plus facilities for three flight simulators will see a massive investment in Gunnedah.

In another vote of confidence for the region, Redimix Concrete was established in Tamworth last year. The directors could see a need for a "locally owned and independently operated" concrete plant, and developed a site in Glen Artney industrial estate. Redimix Concrete was up and running by January this year, with its state-of-the-art, environmentally sensitive batching plant able to produce 120 cubic metres per hour, serviced by a fleet of purpose-built modern agitator trucks. The plant meets all Environment Protection Authority water, noise and dust management requirements; every drop of rainfall water is harvested, contained and recycled in the concrete manufacture process, while waste concrete is taken to the quarry and recycled into road base. I congratulate Managing Director James McDonald and his colleagues Bruce Chapman and Brian Crow on their vision and their faith in the region. Between them they have some 77 years of experience in the industry, and they are delighted that today the plant is fully operational. The Redimix Concrete plant employs six local people to cater for the domestic and commercial markets, and offers a quality product with outstanding service to match.

In recent weeks we have seen \$23 million invested in local schools to build halls, outdoor learning areas, classrooms, libraries and other vital infrastructure. In addition, over \$5 million is being spent to upgrade and refurbish existing public housing in the electorate. Together with Minister Borger I visited a block of units undergoing a \$750,000 upgrade. These sorts of initiatives create jobs, but they also boost confidence in the local area. The district has a robust economy with a blend of opportunities, including farming, manufacturing, mining, poultry, education, sport and tourism. It fosters the sort of confidence and vision that makes the electorate of Tamworth a wonderful place to live and a great place to do business.

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

Private members' statements noted.

[The Assistant-Speaker (Ms Alison Megarrity) left the chair at 2.04 p.m. The House resumed at 2.15 p.m.]

DEATH OF MS MILA MITAR

The SPEAKER: It is with regret that I inform the House of the passing of Ms Mila Mitar on Monday 15 June 2009. Mila was a long-serving member of the cleaning staff in the Parliament's Building Services section and sadly passed away suddenly on Monday morning. On behalf of the House, I extend deepest sympathies to Mila's family and friends and hope that at such a difficult time it is of comfort to know that the thoughts of those at Parliament House are with them.

Members and officers of the House stood in their places as a mark of respect.

ASSENT TO BILLS

Assent to the following bills reported:

Civil Procedure Amendment (Transfer of Proceedings) Bill 2009
Crimes (Sentencing Procedure) Amendment (Council Law Enforcement Officers) Bill 2009
Energy Legislation Amendment (Infrastructure Protection) Bill 2009
Heritage Amendment Bill 2009
Industrial Relations Amendment (Jurisdiction of Industrial Relations Commission) Bill 2009
Motor Accidents (Lifetime Care and Support) Amendment Bill 2009
Succession Amendment (Intestacy) Bill 2009

BUSINESS OF THE HOUSE

Notices of Motions

Government Business Notices of Motions (for Bills) given.

BUSINESS OF THE HOUSE

Routine of Business

[During the giving of motions to be accorded priority]

The SPEAKER: Order! I note the advocacy of the member for Murray-Darling for the New England. He will cease interjecting.

QUESTION TIME

[Question time commenced at 2.22 p.m.]

BUDGET FORECASTS

Mr BARRY O'FARRELL: My question is directed to the Premier. How can anyone believe his budget when six months ago he said expenses would grow this year by 5 per cent, but today's budget confirms they have blown out to 8 per cent, and he claims that miraculously in two years they will be 2.8 per cent?

Mr NATHAN REES: Earlier today, as part of the New South Wales budget, we announced \$62.9 billion in infrastructure investment over the next four years. That is \$62.9 billion in infrastructure investment over the next four years, acknowledging \$5 billion from the Federal Government. This underpins 160,000 jobs each year for the next four years and includes a record budget in Health of some \$15.1 billion; a record budget in Education of \$14.7 billion; a budget of \$7.1 billion in Transport; a record budget of \$4.4 billion in Roads; a record budget of \$2.62 billion in Police; and a record budget of \$1.6 billion in Community Services. In each of those areas there will be job-generating infrastructure investment. For the financial year 2009-10, in Transport there will be 54,240 jobs arising out of the infrastructure investment; in electricity, 31,040 jobs; in Education and Training, 23,680 jobs; in Housing, 17,920 jobs.

The SPEAKER: Order! The member for Clarence will cease interjecting. To save time, I place him on two calls to order. The Premier has the call.

Mr NATHAN REES: In Water, 8,320 jobs; in Environment and Natural Resources, 6,560 jobs; in Health, 5,440 jobs; in public order and safety, 4,000 jobs; in recreation and culture, 2,080 jobs; and 6,700 miscellaneous positions. This is a grand total of 160,000 jobs being delivered over the next four years as part of a record budget, a record delivery of infrastructure in New South Wales, as we set ourselves up—

The SPEAKER: Order! There is too much audible conversation in the Chamber. If members wish to conduct conversations they will do so outside the Chamber. The Premier has the call.

Mr NATHAN REES: There will be a record investment in infrastructure spending in New South Wales to underpin 160,000 jobs each year for the next four years as we buttress the New South Wales economy, its people and its families from the worst impacts of the global recession.

INFRASTRUCTURE INVESTMENT AND JOBS

Mr DAVID HARRIS: My question is directed to the Premier. What action is the Government taking to invest in jobs and a better future in New South Wales?

Mr NATHAN REES: I thank the member for his question and longstanding interest in this vital matter. The budget that we heard announced in the House earlier today is a budget that invests in jobs. The budget is one for consolidation, recovery and growth. It delivers record spending on social services—\$15.1 billion for Health and \$14.7 billion for Education. Above all, it delivers \$62.9 billion in infrastructure spending over the next four years, including \$18 billion in 2009-10 alone. This is a budget that invests massively in jobs to build better hospitals, better schools and safer roads. It confirms the New South Wales Government's reputation as responsible economic managers, evidenced today by Standard and Poor's affirmation of New South Wales' triple-A credit rating.

The SPEAKER: Order! Government members will come to order. I call the Minister for Finance to order. I call the member for Coffs Harbour to order.

Mr NATHAN REES: Mr David Elliott of the Civil Contractors Federation said:

The civil construction industry is thrilled at the announcement of more than \$60 billion spend in infrastructure over the next four years.

This is by far the largest infrastructure investment by any New South Wales Government. Every dollar, every cent, supports jobs—160,000 jobs this coming financial year, and 160,000 reasons to welcome and support this budget.

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

Mr NATHAN REES: In 2009-10 we will deliver a record \$3.1 billion for transport infrastructure, that is, a massive 68 per cent on last year's budget. The biggest allocation of that money goes to the CBD Metro, \$580 million in 2009-10. In other words, this project is real, fully funded and ready to go, not ready to be shelved. Other allocations include \$171 million for 28 commuter car parks, \$207 million for 424 new buses—

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

Mr NATHAN REES: And \$117 million towards 626 new state-of-the-art rail carriages for Sydney, all of which are well on the way to completion and will be on the tracks from next year. That is a bumper transport budget in anyone's books and every member of this House should be proud of it. In the face of global recession the New South Wales Government has responded rapidly and decisively with a \$70 million Major Investment Attraction scheme to attract large projects to New South Wales; Western Sydney Regional New South Wales Employment Funds, together worth \$19 million over two years; \$3 million boosts to the Hunter and Illawarra Advantage Funds; \$6 million to retrain workers who have lost their jobs and \$6.9 million to fast-track the planning system. All of these job-supporting measures are delivered in this budget in full, on track and on time, as promised.

As the Treasurer outlined earlier today, we have not stopped there. We are embarking on a landmark \$35 million community building partnership to support local jobs and deliver community infrastructure right across New South Wales. That is \$300,000 to each and every electorate in New South Wales and an extra \$100,000 for those electorates with higher unemployment levels. Every member in this place will have a stake in this program, encouraging local groups and councils to put forward ideas.

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

Mr NATHAN REES: I can take the Leader of the Nationals off the list if he likes. Everyone in this House can play a role in deciding the final projects, no matter what their political stripe. The same job-creating impetus is behind our stamp duty cut for new homes. Our assistance for first home buyers is already among the most generous in the country, giving first home buyers purchasing a new home a break of up to \$41,990, which is already having a positive impact on home construction especially in western and south-western Sydney. We want that effort to go even further with a building and jobs bonanza. That is why we are cutting stamp duty on all new dwellings for all non-first home buyers as well. As of 1 July our housing construction acceleration plan will provide a 50 per cent stamp duty cut for purchasers who buy a newly constructed dwelling worth up to \$600,000.

The Urban Taskforce said our stamp duty reduction for new homes is the "strongest measure taken by any government in Australia to support new home construction". The other big news for the housing industry is our new \$200 million interest-free loan fund to unlock new housing developments. That is terrific public policy, ending the bickering between councils, Government and developers over who pays for what. As the Urban Taskforce rightly put it, "The New South Wales Government has put its money where its mouth is ... they're clearly serious about supporting a construction-led recovery". This would not be a Labor budget without a record spend on health and we have delivered yet again.

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

Mr NATHAN REES: The coming financial year will see record spending on health in New South Wales of \$15.1 billion, the biggest slice of the State budget and a 10.2 per cent increase over last year. This budget delivers the first year's funding of our health action plan, Caring Together, in response to the Garling report. The budget also delivers more beds for our public hospital system, including 69 medical assessment unit beds, 30 general ward beds, three additional intensive care beds and four additional neonatal cots. That is just a snapshot of a long list of health initiatives delivered in this budget. No government has spent more on health.

I conclude by reminding the House that all these measures come wrapped up in a framework of fiscal responsibility. I refer to the reduction of payroll tax to 5.5 per cent, in contrast to the 7 per cent rate left by the Coalition. It is a measure that the New South Wales Business Chamber said is "the right decision". We will restore the surplus quickly and decisively and be back in the black after two short years of modest and necessary deficits equal to just 1 per cent of outlays. This is a budget based on fiscal integrity, improving services and supporting jobs. This is a Labor budget from beginning to end, a budget I welcome, endorse and support.

BUDGET FORECASTS

Mr ANDREW STONER: My question is to the Premier. How can anyone believe his budget when in the year his projected—

The SPEAKER: Order! The Minister for Finance will cease interjecting. I call the Minister for Finance to order for the second time. The Leader of the Nationals will state his question. I call the Minister for Planning to order.

Mr ANDREW STONER: How can anyone believe the Premier's budget when in the year he projects his budget bottom line to start improving, New South Wales Treasury predicts a 1.75 per cent drop in employment and a fall in New South Wales output?

The SPEAKER: Order! The Minister for Finance will come to order. I call the Minister for Finance to order for the third time.

Mr NATHAN REES: Earlier today when Standard and Poor's delivered its assessment and analysis of the New South Wales budgetary position it had this to say about the restoration of the triple-A credit rating and the stable outlook: "The ratings reflect a moderately low debt burden and strong economic structure". It is not us saying that, it is the ratings agency.

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

Mr NATHAN REES: With regard to what the member for Oxley can expect out of this budget, I will start with health. There is nearly \$300,000 for clinical support officers for Macksville hospital, Dorrigo Hospital, Bellinger River District Hospital, Kempsey hospital and Wauchope hospital to enable doctors and nurses to spend less time on paperwork and more time caring for patients. There is \$1.7 million for six additional beds at Wauchope hospital in the member for Oxley's electorate. In education, there is some \$360,000 for new security fencing at Bowraville and Wauchope, and funding for upgrades to specialist learning units at Wauchope High School; \$300,000 for toilet upgrades at Bowraville; and \$880,000 for roof upgrades at Wauchope. There is \$8.8 million to begin construction on the new \$14 million Kempsey police station. That is what the member for Oxley has to look forward to out of this budget.

However, I will say this: As we have said before, New South Wales is not immune from the global recession. We have said that repeatedly and we have been saying it for some time. We have seen our revenue base slashed by around \$10 billion over the estimates period. As a result the budget is expected to be in deficit of \$990 million this financial year, returning to surplus in two short years. We will use our strong balance sheet now to support jobs and maintain front-line services, supporting the economy through the global downturn.

EDUCATION INVESTMENT

Mr GEOFF CORRIGAN: My question is to the Minister for Education and Training. What action is the Government taking to invest in a better future for New South Wales students?

Ms VERITY FIRTH: The Rees Government will spend a record \$14.7 billion on education and training in 2009-10. The depth of the investment underscores the high priority this Government places on preparing our young people for the future. This amount includes a record spend on new and upgraded school and TAFE facilities for our students and teachers. While the Federal Labor Government is investing in schools through its historic Building the Education Revolution program, the New South Wales State spend on infrastructure is also at record levels. In fact, the New South Wales Government capital spend on schools is up 22 per cent on last year and capital spending for our TAFE facilities is up 54 per cent.

This year's budget delivers funding to continue with our landmark \$2 billion Building Better Schools package. This package includes new school halls, gyms, science laboratories, kitchens, security fences and sports facilities. The budget also delivers new funding to undertake significant upgrades of 17 schools across the State, including Cabramatta High School, Callaghan College at Wallsend, Homebush West Public School, Hurstville Boys High School and Hurstville Public School, Jerrabomberra Public School, Neutral Bay Public School, Roseville Public School and Wauchope High School, among many others. Major new TAFE upgrades will start this year at Dubbo, Macquarie Fields, Randwick, Shellharbour, Wagga Wagga and Wollongong.

In total, this budget starts 17 major new building projects in schools and 13 in TAFEs, as well as continuing major multi-year building works at another 38 schools and 26 TAFE colleges. A record \$440 million has been allocated for school maintenance, with more than \$1 billion scheduled over the next four years. The budget continues this Government's massive investment in information technology for our students, including our ongoing rollout of the New South Wales Connected Classrooms initiative, which is delivering interactive whiteboards, videoconferencing facilities and online learning tools to every New South Wales public school.

I am very pleased to say that this budget also delivers the investment to implement the landmark school leaving age reform passed last month by the Rees Government. This major reform is about creating a flexible, skilled and educated workforce. From next year, all students in this State must remain at school until the end of year 10. After completing year 10, any student under 17 who wants to leave school will need to be in another form of education, an apprenticeship or paid employment. As guaranteed by this budget, the Rees Government will spend \$25 million over the next five years to build extra classrooms, laboratories and vocational facilities. The budget also contains recurrent funding, building up to \$100 million per year as the reform is fully implemented. This will fund more than 800 new teaching and support positions for an estimated 9,000 additional students in our schools and TAFE institutes.

This budget also expands our investment in special education by a further \$51 million—from \$1.05 billion to \$1.106 billion. This funding supports students with special needs across the State with additional specialist support staff, equipment and transport services. Spending on equity programs for disadvantaged students will top \$1.6 billion in 2009-10. The budget contains a number of other important initiatives, including \$16 million over four years to establish the new Australian Curriculum Assessment and Reporting Authority in Sydney, \$33.2 million over four years to provide extra mentoring and class preparation time for beginning teachers, and \$117.4 million over four years to continue to expand the Best Start literacy and numeracy initiative for kindergarten students to every school across the State.

In a brand new initiative, \$2.25 million of new funding has also been allocated over four years to establish bilingual primary schools to provide intensive primary school teaching in priority Asian languages. The Rees Government's commitment to TAFE and to other vocational education and training programs will be further boosted with recurrent funding of almost \$2 billion—an increase of \$104 million on the figures for 2008-09. The incredibly popular Learn or Earn initiative will continue with \$86 million over the next four years, including \$21 million in 2009-10 to provide an additional 5,850 training places in TAFE, the establishment of more trade schools, and the expansion of the Group Training Program.

The 2009-10 budget demonstrates the Rees Government's commitment to education and training. It contains a record State infrastructure spend, complementing the investment of the Federal Government to support jobs in local communities and to deliver new and upgraded facilities for our students. It implements our historic school leaving age legislation, continues our investment in industry-standard vocational education facilities, and focuses our spending on key priority areas, including disability and equity funding, literacy and numeracy, support for early career teachers, and the teaching of Asian languages. This is where Labor stands on education and training—a \$14.7 billion investment to prepare our young people for the future. Today the Treasurer in his Budget Speech told the House that this budget is a Labor budget. I am so thankful that in these economic times Labor is in government.

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

Ms VERITY FIRTH: During an economic downturn only Labor governments know that we need to invest in infrastructure to create jobs. Only Labor governments know that jobs should be our first and overarching priority. Only Labor governments understand that record spending in education and training is now more important than ever for our young people, for retrenched workers, and for existing workers looking to up-skill and to protect their jobs. Only Labor governments believe that it does not have to be every individual for himself or herself, that governments can and do have a role to play in ensuring that all families and all citizens have access to a quality education, a decent health care system and a social safety net to support them when times get rough. What is the Opposition's plan? We have heard nothing from Opposition members. What is their plan? All they can do is criticise. It is now up to them to tell us and to tell the community what is their plan for education.

BUDGET FORECASTS

Mr MIKE BAIRD: My question is directed to the Premier. How can anyone believe the Premier's budget for next year when for the last four years New South Wales has had an unemployment rate higher than the national average and he now forecasts New South Wales as being 0.5 per cent below the Federal Government's forecast?

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

Mr NATHAN REES: I stand by every page of our budget documents and the estimates contained within them. As the independent ratings agency said of our debt level, it is a moderate level of debt. When the Leader of the Opposition was asked about how much debt he would be prepared to carry he said, "How long is a piece of string?"

COUNTRYLINK FARES AND FEES

Mr GERARD MARTIN: My question is addressed to the Minister for Transport. What action has the Government taken to promote the use of CountryLink and to ease pressure on families and pensioners?

Mr DAVID CAMPBELL: Mr Speaker—

The SPEAKER: Order! I call the member for South Coast to order. I call the member for Willoughby to order for the second time. The House will come to order. If members continue to interject I will not hesitate to place them on three calls to order. The Minister has the call.

Mr DAVID CAMPBELL: I thank the member for Bathurst for his hospitality but, most importantly, I thank the Bathurst community for its hospitality when cabinet met in Bathurst last week. My colleagues on the front bench received a warm reception, notwithstanding the temperature on the day. I am delighted to update the House on the latest changes to CountryLink kids fares and the pensioner booking fee. In the context of the recent answers to questions of the Premier and the Minister for Education and Training, this question and the answer I am about to give demonstrate that this Government is committed to spending a lot of money on infrastructure. Indeed, that is also the case in the Transport portfolio.

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

Mr DAVID CAMPBELL: This Government is committed to improving services for families right across New South Wales. Members would be aware of the successful CountryLink \$1 fares for kids that the Government provides over the school holidays. These excellent fares have enabled thousands of families to travel across our State without blowing their budgets. I am pleased to advise the House that last week the Premier announced we would be making things a little easier for families the whole year round. From July the \$1 kids fares will be available all the time and not just in school holidays. The kids fares is a great option for families who want to get out of town but who are doing it tough on a tight budget.

Hopefully these cheap travel fares will encourage even more families to get out, to explore country New South Wales and to give a boost to our regional and rural economies. CountryLink and Tourism NSW have been working together—the Minister for Tourism and I were talking about how they are working together—to encourage people from the city to explore country New South Wales. The CountryLink network spans far and wide, with families able to access this offer to travel to 360 destinations including Queanbeyan, Bathurst, Dubbo, Coffs Harbour, Katoomba, Moree, Broken Hill and Armidale. Families could also travel, for example, to Forster on the CountryLink network.

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

Mr DAVID CAMPBELL: Forster, of course, is the Leader of The Nationals wave of the week, or wave of the month, as it has been unchanged now for a month or so. I am sure that country people will be disappointed that the Leader of The Nationals is turning his back on them once again. I will have something more to say about that later. I am also pleased to update the House: the Rees Government has abolished the booking fee for pensioners.

The SPEAKER: Order! The House will come to order. I call the member for South Coast to order for the second time.

Mr DAVID CAMPBELL: The Government has abolished the booking fee for pensioners when they use their free travel vouchers for regular fares. From 1 July there will be no more \$10 booking fee, and that means pensioners will be able to use regular economy class CountryLink services free of charge up to four times a year. That is fantastic news for pensioners and their families and will be a shot in the arm for country economies. Not surprisingly, when the Premier made the announcement last week, he received a spontaneous

ovation from Bathurst pensioners who were at the media conference. The member for Bathurst will recall the spontaneous applause and thanks given to the Premier as a result of his announcement. A little earlier when I was in the foyer of Parliament House I was talking to the Mayor of Forbes, Councillor Phyllis Miller. She indicated to me the support that this has received from the Orana community that she represents.

Ms Linda Burney: She is in the gallery.

Mr DAVID CAMPBELL: As the Minister for Community Services pointed out, it just so happens that Councillor Miller is in the Speaker's gallery. This initiative will make life easy for pensioners wanting to visit specialists in the bigger cities, to visit their grandchildren and to visit their families, wherever they are in New South Wales. These changes are the result of the hard work of our rural and regional Labor colleagues, whom I commend. In particular, I commend Country Labor for its continuing efforts in this regard.

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

Mr DAVID CAMPBELL: Country Labor members, whether members of this House or party members throughout New South Wales, have been consistent and stoic in their advocacy for this proposal. The Rees Government is committed to delivering better and more affordable transport services across this State. It is a far cry from the dark old days when those opposite ran an axe through rural rail lines all over New South Wales. Does anyone remember Goulburn to Crookwell or Queanbeyan to Bombala? Do Loftus to National Park or Nyngan to Bourke ring any bells, Barry?

Mr Wayne Merton: Point of order: The question was quite specific in nature. It dealt with improvements to CountryLink. I suggest the Minister get back on his train to Damascus and deal with the question.

The SPEAKER: Order! There is no point of order.

Mr DAVID CAMPBELL: Indeed, if the Coalition had not closed the rail lines CountryLink services probably would be running in places like Henty to Rand, Wagga Wagga to Tumbarumba and then to Ladysmith, and Greenthorpe to Grenfell. They are just a few of the rail lines that the Liberals and The Nationals axed from their heartland when they were in government. Instead of improving services in the bush, the Coalition axed them.

The SPEAKER: Order! Members from both sides of the Chamber will cease interjecting.

Mr DAVID CAMPBELL: Barry and his predecessors wielded the axe, which is exactly what they will do if they ever return to the government benches, particularly since they have hired Max the Axe. No doubt when they cut those rail lines Coalition members delivered all sorts of spin as they wandered around their electorates.

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

Mr DAVID CAMPBELL: The New South Wales Government will continue to work day in and day out to deliver better transport services to everyone across New South Wales. The removal of the pensioner booking fee and the extension of the \$1 kids fares is great news for regional and rural communities. Both initiatives have been welcomed widely, as I have indicated. CountryLink's fleet is currently undergoing a \$54 million refurbishment, with 60 carriages already completed. I encourage people to visit the CountryLink website and start planning their next getaway to take advantage of these great deals. These initiatives provide support for families and pensioners in the country and in the metropolitan areas of our State. They are funded by the Rees Government as part of its record \$7.1 billion transport budget.

HEALTH INFRASTRUCTURE

Mrs JILLIAN SKINNER: My question is directed to the Premier. How can anyone believe the budget when, in spite of the Premier's claims to increase major infrastructure expenditure—

The SPEAKER: Order! Government members will cease interjecting. The member for North Shore has the call.

Mrs JILLIAN SKINNER: —health infrastructure funding has been cut by \$236 million, or nearly 30 per cent, reducing health infrastructure spending to just 3.4 per cent of total infrastructure spending, the lowest level ever?

The SPEAKER: Order! The member for North Shore has asked her question. The House will come to order.

Mr NATHAN REES: We will invest \$603 million in building better health infrastructure throughout New South Wales.

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

Mr NATHAN REES: And we will continue our investment of \$1.6 billion on three major hospital upgrades in New South Wales, including the \$973 million redevelopment of Royal North Shore Hospital, the \$394 million expansion of Liverpool Hospital and the \$251 million expansion of Orange hospital.

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

Mr NATHAN REES: In respect to the member for North Shore's electorate I can advise the House that \$2.11 million has been allocated for 24 clinical support officers at Royal North Shore Hospital.

Mrs Jillian Skinner: It is not my electorate, mate, get your facts right.

Mr NATHAN REES: It is the nearest major hospital to you.

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

Mr NATHAN REES: There is a \$24.6 million allocation in 2009-10 for the redevelopment of the main hospital and community health facility, and for the research and education building, which has been jointly funded by the University of Sydney, as well as funding for health technology—

Mrs Jillian Skinner: Tell us about Tamworth and Dubbo.

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

Mr NATHAN REES: You will get your chance in your budget reply speech. Funding also is foreshadowed in this budget for health technology, including a replacement magnetic resonance imaging unit and positron emission tomography services, both of which are important in the diagnosis of disease at Royal North Shore Hospital.

WESTERN SYDNEY JOBS

Mrs KARYN PALUZZANO: My question is addressed to the Minister for Western Sydney. What action is the Government taking to invest in a better future and support jobs in western Sydney?

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

Mr DAVID BORGER: I thank the member for Penrith for her interest in western Sydney. As part of this Government's budget, we will be investing more than \$8.5 billion in western Sydney. Being a western Sydney resident, I can tell the House that it is one of the fastest-growing regions in the State—1 in 10 Australians live in western Sydney—and this investment will make a huge difference to the many people who live in the region. The investment will boost public transport, education, roads, social housing and health services. The Opposition's commitment to western Sydney can be summed up by this single fact: Its spokesperson on western Sydney does not even live in western Sydney.

The SPEAKER: Order! The House will come to order, including Government members. The Minister has the call.

Mr Barry O'Farrell: He cuts the grass in your electorate.

Mr DAVID BORGER: Could you not get someone else, Barry? I should just continue. This Government is investing record amounts of infrastructure during a very difficult economic climate to secure and protect jobs in front-line services. We are building a better future literally street by street and neighbourhood by neighbourhood. This year's budget for western Sydney includes a record \$2.374 billion investment in health, which means more doctors and nurses where they are needed for the people, expanded community health services and further reductions in elective surgery times; a record \$410 million for new and upgraded roads in the region and for road safety; \$171 million to build commuter car parks, 17 of which are in western Sydney; and \$36.5 million for 87 extra buses.

The budget also includes a \$336 million investment in energy infrastructure; \$218 million in social housing for the elderly, the most disadvantaged in our community; more than \$45 million to upgrade local schools and TAFE; and \$32 million to build more police stations across the region, including in my electorate of Granville. Securing jobs is critical in western Sydney, and to help create much-needed jobs we are investing \$12 million over the next four years on the Western Sydney Employment Fund to support businesses to expand or establish operations in the region. Through this fund we will target specific sectors in western Sydney like advanced manufacturing and environmental industries—those with real opportunities for growth.

The member for Vacluse and I attended a recent manufacturing seminar for hundreds of businesses throughout western Sydney. When asked what was the most important positive thing on the horizon for industry, those businesses said government investment in stimulus and infrastructure. The member for Vacluse heard that response. It was good to see him there. It is a pity no Opposition members from western Sydney attended. The budget has been designed to tackle the challenging economic climate, to protect jobs and to improve infrastructure at the same time. This budget continues the Labor Government's commitment to the three regional river cities of Liverpool, Penrith and Parramatta. As part of today's budget we will invest \$135 million to upgrade Liverpool Hospital, which is part of the Government's \$394 million expansion of that hospital.

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

Mr DAVID BORGER: It is predicted that almost one million people will live in the south-west of Sydney and that the Liverpool Hospital will be the major hospital for the region. By expanding the hospital, we not only will be providing a better service to patients but also will be investing in that town centre, creating more jobs and helping to boost local businesses, all of which will be a huge shot in the arm for Liverpool's local economy. In Parramatta, we have the most successful example of government decentralisation in Australia, and the Government has delivered that in various ways. We have relocated literally thousands of new jobs to western Sydney.

I notice the member for Parramatta nodding: she knows that those thousands of jobs have gone to the right places—where people can access them and get trains and buses to travel to work. Residents are now able to work in head offices of the NSW Police Force, the Heritage Office, Sydney Water, the Department of State Revenue and the Attorney General's Department in Parramatta. Offices of the whole justice network of the State are now located in the middle of Sydney—in Parramatta. As part of the current budget, the Government is investing millions of dollars over two years to operate a regular commuter ferry service between Parramatta and the Sydney central business district. The Government has listened to local commuters and the community, and we have delivered accordingly.

Ms Gladys Berejiklian: No, you have not.

Mr DAVID BORGER: The Liberal Lord Mayor of Parramatta, Councillor Tony Issa, warmly welcomed this news: he thinks it is a great thing. I suggest the member for Willoughby get on the bus with Tony.

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

Mr DAVID BORGER: The hardworking member for Parramatta is very happy about this investment, even if certain members opposite are not. Penrith is one of the fastest-growing areas in western Sydney. As part of this budget, we are investing more than \$42 million to strengthen the city's energy infrastructure and to ensure that the growing Penrith region is well serviced. As I have said, western Sydney is one of the fastest-growing parts of the country. It has more than two million residents, including our Premier. As part of

this year's budget, an extra \$22 million will be invested to improve facilities at the Western Sydney Parkland, which is a central park for Sydney that is approximately 25 times the size of Centennial Park. Our investment is designed to ensure that the diverse families of western Sydney, including migrant families, will be able to enjoy a landmark park and native bushland right in their own backyard.

It is important to note that the Government's \$22 million investment is expected to create approximately 60 construction jobs a year—good, local jobs—over four years. This is yet another demonstration of how the Government's record spending on infrastructure is making a difference to the towns and suburbs of our regional areas. Each dollar we are investing is being used to support local jobs. Despite what members opposite would have us believe, the Government is making a massive investment in western Sydney. But members should not just take my word for it. Today the President of the Western Sydney Regional Organisation of Councils said:

It is pleasing to see the increased investment in infrastructure to create jobs in Western Sydney. Our region is particularly vulnerable from the economic crisis and these measures will be vital in job creation.

Western Sydney is one of the fastest growing regions in the State and today's budget acknowledges the importance of providing services to these communities.

I am proud to say that today's budget is the latest chapter in the Government's long-term investment in western Sydney that will drive jobs and infrastructure.

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

SOUTH-WEST AND NORTH-WEST RAIL LINKS

Ms GLADYS BEREJIKLIAN: My question is directed to the Premier. Will he tell the residents of south-west and north-west Sydney, who are stuck in traffic congestion each day, whether he agrees with claims his Treasurer made today that the south-west and north-west rail links are unnecessary spending?

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

Mr NATHAN REES: The simple fact of the matter is that stage one is in the budget, but key features of the Roads budget announced today are that \$1.8 billion will be spent on building new roads.

Ms Gladys Berejiklian: Rail!

Mr NATHAN REES: I will come to rail shortly. The Government has provided \$1.8 billion to build new roads, \$1 billion for maintenance of the State's existing roads, \$3 billion for rural and regional roads, and \$325 million for improvements to the traffic network.

Ms Gladys Berejiklian: Rail!

Mr NATHAN REES: I am coming to rail, so relax. Also, \$700 million will be spent on the Pacific Highway. With regard to rail, \$7.1 billion of the Transport budget will be spent on delivering new trains, new buses and new commuter car parks, and \$3.1 billion will be invested in delivering rail infrastructure upgrades, such as new train carriages, new buses and an expanded program of commuter car parks. The first stage of the works referred to by the shadow Minister involves delivery of the \$619 million Glenfield transport interchange. That is already there.

The SPEAKER: Order! I call the member for Willoughby to order for the third time. The Premier has the call.

Mr NATHAN REES: As I said, the first stage of the works involves delivery of the \$619 Glenfield transport interchange, but that is just one element of the \$7.1 billion public transport fund outlined in today's budget. It also includes \$248 million for this year alone for new train carriages, and \$207 million for new buses. It includes the abolition of the CountryLink booking fee and the expansion of the \$1 holiday fare deal for children under 16.

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

Mr NATHAN REES: The Government also has provided for heavy investment in transport infrastructure with allocations for the planning and construction of 28 separate commuter car parks right across Sydney. Sydney's growth centres are being planned around a road and public transport network that is designed to meet demand in all areas. The second stage of the duplication of the line referred to, including the new track and upgrades, will occur as the population demands it. They are the simple facts of the matter. I turn now to outline investments in the Willoughby electorate. Major investments include \$17 million for development and maintenance of the Willoughby road network, including \$2.7 million for the completion of the Falcon Street pedestrian bridge; an allocation of \$650,000 from the Climate Change Fund to Willoughby City Council for water recycling and energy efficiency; and an allocation of \$820,000 for the continued upgrade of classrooms and staff facilities. I could go on.

The Government has engaged in record expenditure on roads and record expenditure on public transport as we continue to consolidate our success in public transport characterised over the past two years by a 95.6 per cent on-time running schedule and a 5 per cent increase in patronage for our rail system, a 2 per cent increase in patronage for our bus system, and an additional 385 bus services. This is a comprehensive public transport and road plan for New South Wales. All of that is outlined in today's budget.

HUNTER REGION INFRASTRUCTURE INVESTMENT AND JOBS

Mr FRANK TERENCE: My question is addressed to the Minister for the Hunter. What action is the Government taking to invest in a better future and support jobs in the Hunter?

Ms JODI McKAY: I know the member for Maitland is thrilled with the budget that was delivered today, and so are his constituents. It is a very good, solid budget for the people of Maitland. Jobs, hospitals, infrastructure and schools are certainly the big winners for the Hunter in this budget. There is \$1.4 billion in capital expenditure allocated to our region. This budget delivers record levels of investment in health, transport, and water as well as significant investment in upgrading energy and education resources across the region. I am certainly pleased that the Government has responded to the need for increased health resources by the allocation of \$90.4 million, which represents an increase on last year's expenditure on health. That is an investment in the region of \$1.27 billion, both in health infrastructure and for health service delivery. This Government knows what the residents of the Hunter region want, which is in stark contrast to the Leader of the Opposition who this morning on Newcastle radio was asked what his priority would be in the budget for the Hunter region. That was an extraordinary opportunity to put forward his priorities for the Hunter region.

Mr Barry O'Farrell: Payroll tax.

Ms JODI McKAY: Not one infrastructure project and not one project that was about generating jobs in the Hunter region was put forward by the Leader of the Opposition. Instead, he nominated payroll tax as the most important issue for the hardworking families of the Hunter region—not transport, not health, not schools, and not police.

The SPEAKER: Order! The House will come to order. All members who have been called to order are now deemed to be on three calls to order. Question time will be concluded in an appropriate way. The Minister has the call.

Ms JODI McKAY: I thought the Leader of the Opposition would have spoken to the member for Upper Hunter or the member for Port Stephens to find out what projects were important to the people of the Hunter region.

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

Ms JODI McKAY: Instead, it is obvious that the Leader of the Opposition is talking only to the shadow Minister for the Hunter, who happens to live on the Central Coast and is used to lobbing press releases into the Hunter region and hoping desperately that they land somewhere useful. I encourage the Leader of the Opposition to talk to the member for Upper Hunter and the member for Port Stephens to find out what the people of the Hunter want.

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

Ms JODI McKAY: Recently the Premier announced an extra \$3 million for the Hunter Advantage Fund, which is also in the budget, to expand and to support jobs, particularly focusing on emerging green

industries. The Hunter will also benefit from a record spend in transport, with three of the State's most significant transport projects occurring in our region. They are the 626 trains being assembled in an upgraded facility at Cardiff in the Wallsend electorate, supporting about 300 jobs; the OSCar carriages being built at Broadmeadow in my electorate of Newcastle, supporting 220 jobs; and bus builder Volgren building a new facility at Tomago where it will deliver 150 bendy buses for the Government, supporting 250 jobs. These three transport projects are underway in the Hunter region, delivering 770 direct jobs to the Hunter. In Roads we will see funding for projects across the region, including the Hunter Expressway from the F3 to Branxton, funding to complete the upgrade of the Pacific Highway between Karuah and Bulahdelah, the third Hunter River crossing in the Maitland electorate, and funding for planning of the Newcastle inner-city bypass between Shortland and Sandgate—another project in which the member for Wallsend has an interest.

The SPEAKER: Order! I remind the Leader of The Nationals that he is on three calls to order.

Ms JODI McKAY: The Government will also support jobs and increase community safety with a \$9.1 million investment in new police stations in the Hunter. That is \$1.3 million to buy land at Glendale and \$7.8 million to commence construction of a new police station at Raymond Terrace. This will be the headquarters for the new Port Stephens Local Area Command. This project has a total investment of \$13 million. As well as creating jobs in construction, it is about improving the safety of the community of Port Stephens. There is also a large investment in capital works being undertaken by Hunter Water. More than \$181 million will be invested to increase the region's water storage capacity. I am pleased that that will support about 500 jobs in the Hunter region. Some \$231 million will be spent on securing the region's energy supply; and \$75 million will go towards the development of new substations at Jesmond, Adamstown, Kurri Kurri, Raymond Terrace, Tomaree, Rathmines and Mayfield West. This budget supports jobs in the Hunter by providing the region with important infrastructure and enhanced front-line services.

Question time concluded at 3.13 p.m.

DEATH OF MR "JOHN" GIOVANNI PICCOLI

The SPEAKER: I draw the attention of members to the recent passing of "John" Giovanni Piccoli, the father of the member for Murrumbidgee, who passed away yesterday morning aged 75 years. I am advised that the funeral will be held in Griffith on Thursday. I am sure members will join me in offering condolences to the member for Murrumbidgee and his family at this time.

Members and officers of the House stood in their places as a mark of respect.

LEGISLATION REVIEW COMMITTEE

Report

The Clerk announced the receipt of the report entitled "Legislation Review Digest No. 8 of 2009", dated 15 June 2009.

PETITIONS

National Parks Tourism Developments

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

Wagga Wagga Base Hospital

Petition requesting funding for and the commencement of construction of a new Wagga Wagga Base Hospital in this parliamentary term, received from **Mr Daryl Maguire**.

Tumut Renal Dialysis Service

Petition asking that the House support the establishment of a satellite renal dialysis service in Tumut, received from **Mr Daryl Maguire**.

Tumut Hospital and Batlow Multiple Purpose Service

Petition asking that vital equipment be provided immediately to both Tumut Hospital and Batlow Multiple Purpose Service, received from **Mr Daryl Maguire**.

Tumut Hospital Anaesthetic Services

Petition asking that anaesthetic services at Tumut Hospital be made available immediately, received from **Mr Daryl Maguire**.

Bellinger River District Hospital Maternity Unit

Petition requesting that the Bellinger River District Hospital Maternity Unit be fully operational without delay, received from **Mr Andrew Stoner**.

Schofields Railway Station

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

Hawkesbury River Railway Station Access

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

Bus Service 311

Petition requesting improved services on bus route 311, received from **Ms Clover Moore**.

Berowra Housing Density

Petition requesting that Berowra and Berowra Heights remain low-density dwellings or that adequate infrastructure be provided for the proposed high-density dwellings, received from **Mrs Judy Hopwood**.

Garrawarra Land Sale

Petition opposing the sale of land at the Garrawarra Centre in Waterfall, received from **Mr Malcolm Kerr**.

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**.

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**.

Police Evidence and Police Integrity Commission

Petition requesting an investigation into the veracity of evidence given under oath by New South Wales police and a release of the findings of the Police Integrity Commission mentioned in reference document 5394/72, received from **Mr Steve Whan**.

Iron Cove Bridge Project

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

West Ryde Department of Housing

Petition requesting community consultation on the construction of Department of Housing homes in the West Ryde area, received from **Mr Victor Dominello**.

Hunter-Central Coast Tenants Advisory Council

Petition requesting that funding for the Hunter-Central Coast Tenants Advisory Council continue and that it remain in its current premises, received from **Mr Grant McBride**.

BUSINESS OF THE HOUSE**Business Lapsed**

General Business Notices of Motions (General Notices) Nos 1 to 6 on the Business Paper for Friday 5 June 2009 lapsed pursuant to Standing Order 105 (3).

BUSINESS OF THE HOUSE**Suspension of Standing and Sessional Orders: Bills**

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [3.16 p.m.]: I move:

That standing and sessional orders be suspended to permit the introduction and passage through all stages at this or any subsequent sitting of the following bills:

Government Information (Public Access) Bill 2009

Government Information (Information Commissioner) Bill 2009

Government Information (Public Access) (Consequential Amendments and Repeal) Bill 2009

Personal Property Securities (Commonwealth Powers) Bill 2009

There is a matter of urgency particularly in relation to the Personal Property Securities (Commonwealth Powers) Bill 2009. The Standing Committee of Attorneys-General has agreed to pass legislation referring power to the Commonwealth Parliament. Therefore, it is important for New South Wales to synchronise with the other States in getting this legislation passed. In order to facilitate the orderly arrangement of this legislation around the nation, the Government is seeking to deal with that bill urgently. In relation to the Government information bills, which are cognate bills, there have been exposure draft bills before the Parliament since 6 May 2009. Again, these reforms are well underway in Queensland and in the Commonwealth, and the Government needs to coordinate the introduction of the legislation within this period.

Mr BRAD HAZZARD (Wakehurst) [3.18 p.m.]: It is becoming all too typical of this Government that it simply cannot manage a chook raffle. Today the Treasurer delivered a budget based more on fantasy than on fact. The Government seems to be incapable of running any aspect of this State. When the Premier was asked about traffic jams in Sydney he thought that being in traffic is the same as being in love. The Treasurer, who spends far too much time with a Premier who is away with the pixies, described today's \$1.3 billion deficit as "bigger than a bread box, smaller than an elephant". When we have a Premier who thinks being struck in traffic is like being in love and a Treasurer who thinks his \$1.3 billion deficit is somewhere between a bread box and an elephant, we have a serious problem in New South Wales.

Is it any surprise that today a series of Labor members of Parliament have ignored some of the basic facts—for example, that today's Health capital expenditure is the lowest on record? We have not heard one word from them about what this Government has failed to do. The member for Penrith, who is at the table, might like to comment that we have not heard one word about the much-promised Penrith fast rail link that has been axed.

[Interruption]

The SPEAKER: Order! Government members will not encourage the member for Wakehurst.

Mr BRAD HAZZARD: Last year the member for Kiama had a special celebration, which I could refer to. That is the sort of value we get out of the Labor members of Parliament in this place. I refer to the Parramatta

to Epping rail link—promised; axed! I refer to the Hurstville to Strathfield rail link—promised; axed! I refer to the high-speed link from Sutherland to Wollongong—promised; axed! The member for Wollongong is in the Chamber; we have not heard a word from her about the axing. She managed to duck from the table of knowledge in Wollongong and the corruption she was in the thick of.

[Interruption]

She was right in the thick of the kebab! Speaking of kebabs—

Ms Noreen Hay: Point of order: If the member for Wakehurst wants to raise questions about my activities, he should use the appropriate forms of the House. The member for Wakehurst using this debate as an opportunity to attack me on a personal basis is absolutely out there.

The SPEAKER: Order! I have heard enough on the point of order. I remind the member for Wakehurst that he can attack another member only by way of substantive motion.

Mr BRAD HAZZARD: I was observing that some Labor members of Parliament have not stood up for their electorates during a succession of attacks on infrastructure in Labor areas. The member for Wollongong got worried about a kebab, but she is not worried about the Government's cuts to the high-speed rail link from Sutherland to Wollongong. The Opposition should have received adequate notice of these bills. It is ridiculous for the Leader of the House to seek the agreement of the Opposition to introduce a series of bills in the second last week of these sittings and rush them through all stages. If the Leader of the House wants members of Parliament to consider legislation properly—which is what the people of New South Wales expect—then the Opposition is happy to sit for longer periods. The people of New South Wales expect the budget and legislation to be considered properly. The Leader of the House should give notice of these bills today and allow the House to deal with them in the normal course of events.

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

Mr BRAD HAZZARD: There is no justification whatsoever for these bills to be rammed through the House. On behalf of the Opposition and the community, I demand adequate time to consider the bills. I want to ensure that there is meaningful debate on them.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [3.23 p.m.], in reply: I understand what the member for Wakehurst is saying in relation to the Opposition having adequate time to consider the bills. I reiterate that exposure drafts of the Government information bills have been on the table since 6 May and a number of submissions have been received. Those bills are hardly surprising to the Opposition. As I have already said, the urgency in relation to the Personal Property Securities (Commonwealth Powers) Bill 2009 is the result of a resolution of the Standing Committee of Attorneys-General and the need to synchronise the legislation across the nation. That is why I moved this motion today.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 50

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

Noes, 40

Mr Aplin	Mr Hartcher	Mr Roberts
Mr Baird	Mr Hazzard	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	Ms Moore	Mr R. W. Turner
Mr Dominello	Mr O'Dea	Mr J. D. Williams
Mr Draper	Mr O'Farrell	Mr R. C. Williams
Mrs Fardell	Mr Page	
Mr Fraser	Mr Piper	<i>Tellers,</i>
Ms Goward	Mr Provest	Mr George
Mrs Hancock	Mr Richardson	Mr Maguire

Pair

Mr Rees

Mr Piccoli

Question resolved in the affirmative.**Motion agreed to.****BUSINESS OF THE HOUSE****Suspension of Standing and Sessional Orders: Routine of Business****Mr JOHN AQUILINA** (Riverstone—Parliamentary Secretary) [3.31 p.m.]: I move:

That standing and sessional orders be suspended at this sitting to permit:

- (1) the extension of the sitting to permit the consideration of Government business after the conclusion of the matter of public importance; and
- (2) the House to adjourn on motion.

Standing orders have been suspended to allow the passage of two items of legislation together with other items of legislation at this and subsequent sittings. It is important that we maximise the time of the House that is available to us. It is anticipated that, if the House agrees, after completion of the matter of public importance this evening we will continue to sit on Government Business. I have undertaken to make arrangements with Hansard and others so that we do not have a dinner recess this evening and continue to sit through to debate legislation until an appropriate hour.

Mr BRAD HAZZARD (Wakehurst) [3.32 p.m.]: The Opposition has indicated that it would prefer this course of action was not followed, but it is not going to oppose it.

The SPEAKER: Order! The Leader of the Opposition will not interject on the member for Wakehurst.

Mr BRAD HAZZARD: The Opposition would have been happy to sit during the normal hours of the Parliament and to ensure that it was not facilitating the flight of Labor members of Parliament to warmer climes during the winter break by finishing early, in two weeks time. The Opposition is happy to sit longer—

The SPEAKER: Order!

Mr BRAD HAZZARD: Look at them all on the other side, as keen as mustard to get out of here as quickly as possible and head off to warmer climes to do all those sorts of things that Labor members do—snouts in the trough. Mr Speaker, we will not oppose the motion.

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

BUSINESS OF THE HOUSE**Suspension of Standing and Sessional Orders: Appropriation Bill 2009 and Cognate Bills**

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [3.33 p.m.]: I move:

That on Thursday 18 June 2009 standing and sessional orders be suspended at 11.00 a.m. to permit the Leader of the Opposition and the Leader of The Nationals to speak on the Appropriation Bill and cognate bills.

Mr BRAD HAZZARD (Wakehurst) [3.33 p.m.]: The entire Opposition is very supportive of the motion.

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

Motion agreed to.

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY**Infrastructure Investment and Jobs**

Mrs KARYN PALUZZANO (Penrith—Parliamentary Secretary) [3.34 p.m.]: This motion should be accorded priority because the budget invests in jobs for the better future of New South Wales. It should be accorded priority because it will support 160,000 jobs in all of our communities. The motion should be accorded priority because it outlines a record \$62.9 billion building program over the next four years, which is the largest infrastructure investment program in New South Wales history. It should be accorded priority because the 2009-10 New South Wales budget does not introduce any new taxes.

This motion should be accorded priority because there are record budgets not only in Health, Education, Transport, Community Services, Police and Emergency Services, but a record \$53.9 billion in the 2009-10 budget is invested in essential front-line services for families across New South Wales. The motion should be accorded priority because there is a record in Health of \$15.1 billion, a record in Education of \$14.7 billion, a record in Transport of \$7.1 billion and in Roads of \$4.4 in the 2009-10 budget. There is a record \$1.6 billion in the Community Services budget, \$2.62 billion in Police, and a record \$903 million in the Emergency Services budget.

The motion should be accorded priority because there will be a \$6 million fund to retain workers in western Sydney. At a time when there is a global economic shortage, we are investing in local jobs and jobs where most of the people live in western Sydney. The motion should be accorded priority because there is a new fund for community partnerships, which is about building partnerships with every community, whether it is a community represented on this side of the House or opposite. It should be accorded priority because this building partnership will support local jobs, stimulate growth and improve community services.

In every electorate, whether represented by this side of the House or the other, community groups will be eligible to submit applications for funding to help support local infrastructure and local jobs. In every electoral district around \$300,000 will be invested in building local communities. The motion should be accorded priority because this Government invests in social spending. Those areas that have higher unemployment will receive an additional \$100,000 under the community building partnership. The motion should be accorded priority because building stimulates local communities—local chippies, sparkies and builders in our communities will benefit.

The motion should be accorded priority because, as well as not introducing any new taxes, we are providing a New South Wales housing construction acceleration plan, which will see a 50 per cent cut in stamp duty per dwelling for all newly constructed dwellings up to the value of \$600,000 purchased in New South Wales from 1 July 2009 to 31 December 2009—a saving of up to \$11,245 per dwelling. We would like to hear whether the Opposition supports the 50 per cent cut in stamp duty. Will the Opposition support first home owners in its local communities continuing to receive an additional \$3,000 for the purchase of newly constructed dwellings up to 30 June 2010?

Will the Opposition support the community building partnership? Will it support the \$200 million investment in interest-free loans to local councils to help fund local infrastructure projects? Will it support the new government purchasing plan to give more than 500,000 New South Wales small and medium-size

businesses preferred treatment and put local jobs first? Will it support saving New South Wales businesses approximately \$2.7 billion over the next five years by delivering the announced cuts to payroll tax from 5.75 per cent to 5.65 per cent on 1 January 2010? Will it support the implementation of the New South Wales Better Services and Value Plan, the biggest reform of the public sector—

Mr Andrew Stoner: Point of order: The purpose of this debate is that the member establish the priority of the motion, not debate the motion. She has entered into the debate and there is plenty of time for that.

The SPEAKER: Order! I will not rule on the point of order as the member for Penrith's time has expired.

[Time expired.]

Budget Forecasts

Mr BARRY O'FARRELL (Ku-ring-gai—Leader of the Opposition) [3.39 p.m.]: My motion should be given priority because regrettably the member for Penrith's motion is based on the same fantasy that populates the 11-page Budget Speech delivered by the Treasurer in this House today. It is not just the Premier claiming credit for Kevin Rudd's stimulus package that should have him hanging his head in shame. Now the Government is trying to adopt the language of the Federal Government. We heard throughout the Treasurer's Budget Speech today about fiscal responsibility and about being fiscally responsible. Families in New South Wales, including families in western Sydney, know that the last time they heard that sort of language it was referring to Kevin Rudd as a fiscal conservative.

What have we seen over the past 18 months? We have seen the nation's credit card limit expand to \$300 billion. When families in New South Wales hear Labor Party politicians talk about fiscal responsibility or fiscal conservatism they tremble in their homes because they know that their families, their grandchildren and great-grandchildren are going to be paying off those debts. This budget is built on a fantasy. As I sat here today listening to Treasurer Eric Roozendaal I thought I was at Fantasy Glades in the Port Macquarie electorate, but I have been assured that Fantasy Glades has closed. The budget is based on fantasy forecasts.

In the budget last year we were told that the growth of expenses in New South Wales, how much it costs to run the State, would be 4.2 per cent this year. In the mini-budget we were told it would be 5 per cent. In this budget it has come in at 8 per cent. That is the single biggest affliction of this State Government over the past 14 years. It is the reason that that \$17.5 billion in record revenues has been wasted. There is nothing to show for it—it has not been put into infrastructure, it has not been put away for a rainy day such as we are currently experiencing. Yet miraculously, Eric Roozendaal, who is clearly one of the Brothers Grimm, believes that in two years time we will get expense growth in New South Wales back to 2.8 per cent. That would have to be the biggest miracle ever seen in this State.

There is some hope. In the budget there is reference to the Better Services and Value Commission. It is to be chaired by an independent person. I suspect that condition has been imposed on the State by Standard & Poor's. Not since Otto Niemeyer came out to Australia in the 1930s, when another Labor Government ratcheted up debt and then defaulted, have we seen such drastic action when it comes to State finances.

Mr Gerard Martin: Point of order: I refer to the point of order that was taken previously by the Leader of the Nationals when the member for Penrith was speaking. This is exactly the same thing. The Leader of the Opposition is just bucketing on; he is not talking about why his motion should have priority.

The SPEAKER: Order! I extend a degree of latitude during these debates. I will hear further from the Leader of the Opposition.

Mr BARRY O'FARRELL: The member for Bathurst does not understand that his grandkids and great-grandkids will have to pay off the \$100 million debt that this State Government has delivered to New South Wales. He knows even less than I thought he did. The other miracle in this budget paper relates to unemployment.

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

Mr BARRY O'FARRELL: This is meant to be a budget about jobs. It is protecting only one job—the job of the leader of the Government, which is under threat from the member for Rockdale.

The SPEAKER: Order! The member for Bathurst will contain himself.

Mr BARRY O'FARRELL: The reality is that over the past four years the New South Wales unemployment rate has been higher than the national average. What does this fantasy document tell us? What is the fantasy forecast in the budget that was delivered earlier today? It is that New South Wales unemployment will be at or below the national average. It simply does not add up. What should concern the member for Bathurst is the fact that this State Government has claimed that we are about to have a record spend on health infrastructure. Here is proof positive of the fantasy. Last year's budget release, issued by someone called Reba Meagher—remember her?—said that the record infrastructure budget was \$839.5 million.

Mr Gerard Martin: Point of order: It is the same point of order. This is an absolute abuse. The Leader of the Opposition is really challenging your authority, Mr Speaker.

The SPEAKER: Order! I have heard enough on the point of order. The Leader of the Opposition will state why his motion should be accorded priority.

Mr BARRY O'FARRELL: The fantasy involved here is that this year's release says the record spend will be \$603 million, 28 per cent less than last year. That is a fact supported by two press releases put out by those opposite over the past 12 months. The other fantasy was that New South Wales was supposed to be the engine room of infrastructure across the nation. It is more a two-cylinder engine than a hybrid or a V8. Ask families outside this place. [*Time expired.*]

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

The House divided.

Ayes, 50

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

Noes, 40

Mr Aplin	Mr Hartcher	Mr Roberts
Mr Baird	Mr Hazzard	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	Ms Moore	Mr R. W. Turner
Mr Dominello	Mr O'Dea	Mr J. D. Williams
Mr Draper	Mr O'Farrell	Mr R. C. Williams
Mrs Fardell	Mr Page	<i>Tellers,</i>
Mr Fraser	Mr Piper	Mr George
Ms Goward	Mr Provest	Mr Maguire
Mrs Hancock	Mr Richardson	

Pair

Mr Rees

Mr Piccoli

Question resolved in the affirmative.**INFRASTRUCTURE INVESTMENT AND JOBS****Motion Accorded Priority****Mrs KARYN PALUZZANO** (Penrith—Parliamentary Secretary) [3.52 p.m.]: I move:

That this House:

- (1) congratulates the Government for its record investment in hospitals, roads and schools in the New South Wales budget;
- (2) notes that the budget will support 160,000 jobs through a record \$62.9 billion building program over the next four years—the largest infrastructure investment in New South Wales history; and
- (3) calls on the Opposition to get behind the record budget designed to support jobs in the global economic downturn.

The New South Wales Government delivered a budget that will invest in jobs and promote a better future for the people of western Sydney. Its record \$62.9 billion building program over the next four years—the largest infrastructure investment program in the history of New South Wales—will support 160,000 jobs a year. The 2009-10 budget will not introduce any new taxes. There is record spending on essential front-line services for families in New South Wales—on health, education, transport, community services, police and emergency services. I call on all Opposition members to support this motion as they know that examples of this record infrastructure spend are outlined in every electorate in New South Wales.

As a result of this budget Penrith will benefit from local jobs, infrastructure and essential front-line services. New South Wales is investing in a better future for the hardworking families of Penrith. Penrith is a big winner from the New South Wales budget, which will invest in local priorities to help build a better future for the Penrith community and all other communities. Major budget investments include the expansion of Nepean hospital, which will involve the construction of a new building to accommodate six new operating theatres, additional overnight, day-only and extended day-only beds, additional medical assessment beds, expanded intensive care, a renal dialysis service and enhanced mental health and oral health services.

Those members who have had time to read the budget papers will know that this Government is wisely investing in families in New South Wales. Nepean hospital is one of the silent projects in the 2009-10 budget. No budgetary allocation has been made as this Government has not yet gone to tender. I give as an example families in Penrith who want to put up a new fence, construct a new driveway or do some work around their homes. A family would not say to a builder, "I have \$5,000. Would you give me a quote for a new fence?" Tendering involves going through a silent process. I would like to hear what Opposition members have to say about such a process.

New South Wales is smart with its budget and it is wise with its silent tendering process. The Penrith community will benefit from an upgrade and expansion of Nepean hospital. This budgetary allocation is in addition to the Federal Government's \$97 million allocation for Nepean hospital. Many millions of dollars will be spent on Nepean hospital over the next few years as a result of this Government's wise planning. This Government's 2007 master plan for the Nepean campus resulted in the allocation of Federal Government health dollars in this budgetary process. I have spoken to nurses and families in the Penrith electorate and also to senior clinicians who welcome the \$1.84 million allocation for 21 clinical support officers for Nepean hospital. The Premier said today in question time that the Deputy Leader of the Opposition would also receive clinical support services in her electorate.

Mr Mike Baird: Point of order: I love the people of Penrith—**ACTING-SPEAKER (Mr Matthew Morris):** Order! What is the member's point of order?

Mr Mike Baird: The member for Penrith should come back to the leave of the motion, which has nothing to do with Penrith.

ACTING-SPEAKER (Mr Matthew Morris): Order! Does the member's point of order relate to relevance?

Mr Mike Baird: Absolutely.

ACTING-SPEAKER (Mr Matthew Morris): Order! I do not uphold the point of order. The member for Penrith has the call.

Mrs KARYN PALUZZANO: Over the next four years the people of Penrith will benefit from this \$62.9 billion infrastructure project. Opposition members do not like the proposed upgrade of Nepean hospital and they have made some cynical comments. Do Opposition members support the \$1.84 million budgetary allocation for 21 clinical support officers, or the \$1.71 million allocation for six acute hospital beds at Nepean hospital? The Penrith electorate forms part of New South Wales and it should benefit from this 2009-10 budget. There is also a budgetary allocation of \$1.44 million to roll out 10-hour night shifts for nurses. For some time nurses have been looking forward to the implementation of 10-hour night shifts at Nepean teaching hospital.

Over the past few years the people in my electorate have lobbied for a set of traffic lights at Mulgoa Road and Jamieson Road. The Government allocated \$10 million as part of its \$17.6 million allocation for roads and traffic management in the Penrith electorate, which forms part of New South Wales. An amount of \$1.98 million has been allocated towards the \$6 million easy access upgrade of CityRail's Emu Plains station. Anyone who travels on the train, as I do, would be aware of that magnificent easy access upgrade, which will provide essential services to Emu Plains commuters. Extra car parking spaces will also be provided at Emu Plains. The New South Wales Government is building for the future of local communities despite these tough economic times.

Mr MIKE BAIRD (Manly) [3.59 p.m.]: The Opposition opposes the motion and I shall move an amendment to it. We have anticipated this budget day for a considerable period. Unfortunately, the people of New South Wales have been let down. I move:

That the motion be amended by leaving out all words after "That" with a view to inserting instead:

this House condemns the Government for delivering a 2009-10 State budget that contains more fantasy than fact.

The Treasurer said that this was a true Labor budget. He is exactly right. It is true Labor in that it lacks credibility. One cannot believe anything that is in it, and I have had the opportunity to read only quickly the key parameters. I look forward to reading it tonight in much more detail, but there is enough evidence to indicate that it is all spin and all about platitudes. This is supposed to be a budget about jobs; we heard many words about jobs. If that were really the case, we would say, "Well done." But that is not the case because when one looks beyond the covers—the new logo is terrific—it is a major disappointment for the people of New South Wales. Why? It is a story about the financial incompetence of this Government over the past 14 years.

One must be prepared for every economic cycle, but we are not prepared for this economic onslaught. Without Kevin Rudd over the next four years the underlying deficit for the people of this State is \$8 billion, which is increasing debt per household rapidly. At the same time the budget is a story about higher unemployment figures. Unemployment in this State is higher than the national average. I shall refer to that in more detail later. A highlight of this budget is that the reality of the forward projections and the lack of credibility in some forecasts suggest that the position may well be worse than an \$8 billion underlying deficit for the people of this State.

New South Wales has had an unemployment rate above the national average since September 2005. Therefore, it came as quite a surprise that one of the first projections in the budget is that the jobless figure will drop below the national figure in 2009-10, and not just by a little. The New South Wales budget papers forecast an unemployment rate of 7.75 per cent, compared with the Federal Government's estimate in its budget of 8.25 per cent—a difference of 0.5 per cent. What would that do to the numbers presented today? How can there be such turnaround? Hundreds of thousands of jobs are at risk in this State. If we do not do them justice by doing the hard work and predicting the real position, I believe there will be no turnaround. It is fantasy to say otherwise.

Also confirmed today, even though we did not hear it in the Treasurer's Speech, was that this State is in recession. That is right. We said it, but it has been denied that this State is in recession. While the rest of the

country is growing, New South Wales is contracting at a rapid rate. The budget confirmed today that we are in recession. Both gross State product and State final demand are negative for 2009-10. The people of this State know that New South Wales is in recession while the rest of the country grows. Kevin Rudd has bailed us out. I have spoken about the underlying deficit of \$8 billion, but I refer now to expenses because that is where we get to the nitty-gritty of all that is wrong with this Labor budget.

One reason New South Wales is struggling is its ongoing failure to align expenditure growth with revenue growth. We heard how the mini-budget was an important priority to regain control of the State's expenses. No wonder the ratings agencies continue to talk about that. I shall refer further to that shortly. The ratings agencies say that one reason the triple-A rating has been at risk for the past few years is expenses. The first page of the budget statement declares in part that we have "a five point Better Services and Value Plan to improve service delivery and contain the growth in expenses. The Plan maintains the ... wages policy ... public sector staff freeze, amalgamates [services]", and then states, "line-by-line audits of agency activities and performance reviews of state owned corporations" will be done to review expenses.

The joke is that Joe Tripodi probably will head the committee to determine the matter. It is not independence; it is the Government's internal approach, "By the way, we've got to be seen to be doing something about expenses." In 2006-07 growth in expenses was 7.9 per cent, in 2007-08 it was 5.7 per cent, and in 2008-09 it was 8 per cent notwithstanding that six months ago the mini-budget stated that it was supposed to be 5 per cent. Where are the savings in the mini-budget? What has been delivered? What has not been delivered? We need to hear accountability from those opposite. Next year expenses are supposed to grow to 7.6 per cent and then we heard the Treasurer say we are going to be back in the black. It will be a modern-day miracle if expense growth goes back to 2.8 per cent. No-one believes those figures. No-one believes we are going back into the black. We are in the red, and as Split Enz said, "I see red". I see red for a long time. That is not the sort of budget to produce. It has no credibility.

Standard and Poor's admits there is a linkage in support from the Federal Government, but gives us a strong warning. If Joe Tripodi were in the House I would tell him that he carries the triple-A rating on his back. I understand that his attempt to sell the electricity assets is causing increasing concern in the Labor caucus, as it should for the people of this State. Over the past 48 hours I have heard from two investment banks, one law firm and a bidder for those assets that that transaction is in all sorts of trouble. The triple-A rating is now hinged on an electricity sale overseen by Joe Tripodi. On his international roadshow I understand no material interest was shown in the sale. We have a budget that puts to the people of New South Wales a plan that does nothing more than put us into the red for the foreseeable future and puts the problems off until tomorrow. Today the Government has taken money for its own purposes and not looked after the interests of the State.

Mr NINOS KHOSHABA (Smithfield) [4.06 p.m.]: I support the motion of the member for Penrith. The budget delivered today by the Treasurer of New South Wales, the Hon. Eric Roozendaal, is a positive budget with \$62.9 billion being invested across New South Wales over the next four years and the biggest building program in our State's history supporting up to 160,000 jobs. Like many other members, I am pleased to advise that my electorate of Smithfield is a big winner out of the New South Wales budget, a budget that invests in local priorities to help build a better future for our economy. I am pleased to advise that the Smithfield electorate will receive \$3.9 million for road upgrades and traffic management; \$3.57 million to upgrade scours at Prospect Reservoir; and \$430,000 to upgrade upstream embankment stabilisation at Prospect Reservoir.

The Smithfield electorate will also receive \$1.9 million for upgrades to social housing homes in Smithfield; \$700,000 for upgrades to local schools as part of the Principals Priority Building Program commitment; \$525,000 for trade school equipment for Wetherill Park TAFE; \$830,000 for new community living accommodation for people with a disability; \$563,000 for four clinical support officers for Fairfield Hospital to enable doctors and nurses to spend less time on paperwork and more time caring for patients; \$198,400 for one full-time and one part-time clinical initiative nurse to provide care and treatment in the Fairfield emergency department; the statewide rollout of digital medical imaging due for completion at the end of 2009, which will benefit the people of Smithfield; and \$630,000 towards the mobile forensic laboratory at Pemulwuy, and much more.

The people of Smithfield not only will benefit from those projects I have just mentioned, but also will benefit from the \$1.92 million towards the \$33.75 million program to install closed-circuit security television systems on buses to improve passenger and driver safety; the \$16.99 million for the Taxi Transport Subsidy Scheme in the Sydney region, which subsidises the cost of taxi transport for people with disabilities; and the \$8.82 million towards the purchase of 21 new growth buses for private bus operators in south-west Sydney. Constant bickering can be heard from Opposition members, who have no credibility or policies, as I mentioned earlier.

Mr Daryl Maguire: Who wrote this speech? That is not true.

Mr NINOS KHOSHABA: The member knows it is true.

Mr Daryl Maguire: That is not true, and you know it. Who wrote the speech? Tell us who wrote your speech?

Mr NINOS KHOSHABA: I wrote the speech.

ACTING-SPEAKER (Mr Matthew Morris): Order! Members will cease interjecting.

Mr NINOS KHOSHABA: Members opposite have used scare tactics. When the Treasurer was in this place all Opposition members heard the budget.

ACTING-SPEAKER (Mr Matthew Morris): Order! The member for Wagga Wagga will cease interjecting.

Mr NINOS KHOSHABA: The Rees Labor Government is building for the future in local communities, despite tough economic times. I congratulate the Premier, the Treasurer, and this Government. I call on members opposite to do the right thing by their electorates and support the motion.

Mrs JILLIAN SKINNER (North Shore—Deputy Leader of the Opposition) [4.09 p.m.]: This is a budget that puts the people last, particularly in relation to some of the infrastructure spending on health, on which I will focus during my remarks. Capital expenditure on health has decreased as a percentage of total government spending from 11 per cent in the 1994-95 budget, when the Coalition was last in government, to 3.4 per cent this year, which is the lowest level ever of health infrastructure spending as a proportion of the total budget.

Many of the budget's programs either already have been announced in the past, or have been funded by the Federal Government. For example, the member for Penrith mentioned funding for the Nepean and Narrabri hospitals. The Federal Government provided that funding, and both projects were announced in previous State budgets. Allocations for the Royal North Shore Hospital, the hospital at Orange and Liverpool Hospital are re-announcements. In fact, Liverpool Hospital funding was announced in a newsletter from the former Premier, Morris Iemma, in 2006. The Government claims to have spent \$129,751,000, but in fact underspent last year's allocation to the tune of \$108 million, yet there has been a blow-out in total estimated costs.

As the Australian Medical Association stated in its press release today, health has fallen into last place in the list of infrastructure funding. The press release points out that taking into account the total budget package over four years for Health, the State's increasingly ageing population is now seen as the State's lowest priority. New hospitals that have been announced by Labor already, such as Tamworth, Bega, Dubbo, and the northern beaches, received nix in the budget—Labor has betrayed those communities. The Australian Medical Association also pointed out in relation to the current budget that it is too little too late. When I hear Labor members referring to six nurses here and three beds there, I know that it is just a farce. The reality is that the extra beds promised in this budget go nowhere near addressing the problem that is causing emergency access block and patients being stuck in emergency departments.

Last week I met with members of the Nepean Hospital medical staff council, who are up in arms about the Government's failure to provide recurrent funding that would enable them to get on with treating their patients. This is a budget that in recurrent expenditure has decreased from \$839 million to \$600 million—a decrease of 28 per cent in the capital works budget for health this year. That is a disgrace.

Mr GEOFF CORRIGAN (Camden) [4.12 p.m.]: Usually I enjoy listening to the member for Manly because he is quite a lucid speaker on macroeconomic theory and similar matters, but today I was very disappointed to hear his critique of the State Government's budget. I refer the House to the latest e-clip from the Parliamentary Library, which quotes ABC radio:

The New South Wales Government has been buoyed by a positive response from credit ratings agencies to its Budget, handed down on Tuesday.

Both Moodys and Standard and Poor's have reaffirmed the state's AAA rating.

Standard and Poor's has released a statement saying that the state has been moved from a negative to a positive outlook.

It has pointed to the New South Wales Government's pledge to make structural improvements to its financial position, despite a likely cyclical deterioration.

I have been around a lot longer than has the shadow Treasurer. From 1987 to 1989, which was the last time we had an economic downturn, I worked in a financial institution. We are going through a 21-year cycle at the moment. We are at the bottom of the cycle and we are moving up. My opinion is that New South Wales is far better placed to cope with the likely upturn in the market and the economy over the next few years than are the other States. We are the smart State. We rely on the financial sector and, something that is not often mentioned, the wonderful manufacturing sector. There are some great people in the tool-making industry in the Macarthur area, which is in my electorate. Although business is quiet at the moment, as soon as their business picks up we know that there will be a move on in New South Wales.

Interestingly, Ross Gittins, who on some occasions has been very critical of the Government, has at least said that we are in a deficit, which is normal and to be expected, and that nothing can be done about it because it is a global economic crisis. He also said, among criticisms he made, that the Government is well placed to deal with the current financial conditions. In fairness, I admit I am paraphrasing his statement because I cannot locate my copy of it. As the Treasurer said, he has given us a comprehensive plan to deal with the current financial crisis and the position in which we find ourselves. The Treasurer has outlined a comprehensive strategy that involves an allocation of \$62.9 billion over four years, as the member for Penrith pointed out.

I particularly liked the Treasurer's comments that jobs are the heart of the budget and that the Government is trying to look after jobs in New South Wales. I am sure the Opposition will join me in recognising that the State budget is a roadmap to recovery. Let *Hansard* record that Opposition members are nodding their heads in agreement. This is a wonderful budget—a roadmap to recovery—that provides for a building blitz in the order of \$62.9 billion over four years. The budget also provides for matters mentioned by the member for Smithfield, such as building community partnerships, a social infrastructure fund, and a better services task force, which also was referred to by the Opposition. This is a wonderful budget and it presents a great opportunity for New South Wales. I look forward to its implementation.

Mrs KARYN PALUZZANO (Penrith—Parliamentary Secretary) [4.15 p.m.], in reply: I thank members who have contributed to the debate and who have acknowledged that New South Wales has introduced a budget that will promote jobs and support families well into the future. I note that the member for Manly has supported the Waratah; it is great that he is right behind the floral emblem of New South Wales. I also thank him for acknowledging Kevin Rudd's nation building stimulus package. I note that the Federal Opposition did not support the legislation giving effect to the package and voted against it. That is quite disappointing because it means the Federal Opposition does not back the families of New South Wales.

The stimulus package provides for an increase in health funding to address the inequality in health funding distribution suffered by New South Wales over many years at the hands of the Howard Government. New South Wales not only had millions ripped off its share of the GST but also suffered a decline in Federal Government contributions to health funding. The Federal Government's contribution declined to 40 per cent. It was not a fifty-fifty arrangement. The Federal Government's nation building stimulus package provides an increase in the Federal Government's contribution, for which New South Wales thanks Kevin Rudd. That funding is important to the people of western Sydney, particularly those in the Nepean area.

I wish the Deputy Leader of the Opposition and member for North Shore would understand that the \$97.6 million provided by the Federal Government will be added to funding from the New South Wales Government that will be made available through a silent tender process. That means there will be funding for additional services as well as extra funding that will be provided for clinicians and workers at the Nepean Hospital. It is upsetting that the Deputy Leader of the Opposition is misleading the House. Other Opposition members have circulated a misleading statement outside the House that suggests I do not support the families of "Cranbrook". I do not support "Cranbrook" school.

Mr Mike Baird: There you go. You have said it.

Mrs KARYN PALUZZANO: There is an "e" in Cranebrook that is missing from the media release that was sent to my electorate today. I cannot wait until the editors of newspapers get hold of the Opposition and pursue the story about Opposition members wanting me to support an elite private school. It shows that members opposite support people who live in the eastern suburbs, but do not even know how to spell the names of high schools in western Sydney.

It should also be noted that the member for Manly has not read the budget papers and therefore would not know that the budget provides for minor capital works funding of more than \$300 million, or that part of that allocation will be used to build a security fence at the Cranebrook High School—that is Cranebrook, with an "e" between the "n" and the "b". The Government will build the security fence for which the community has been petitioning and I wholeheartedly support that. I do not like the way the Opposition is misleading the people of Penrith. The Opposition is 100 per cent wrong. Members opposite should support the motion.

Question—That the words stand—put.

The House divided.

Ayes, 54

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

Noes, 35

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

Pair

Mr Rees

Mr Piccoli

Question resolved in the affirmative.

Amendment negatived.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 52

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

Noes, 38

Mr Aplin	Mr Hartcher	Mr Roberts
Mr Baird	Mr Hazzard	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
Mrs Fardell	Mr Page	Mr R. C. Williams
Mr Fraser	Mr Piper	<i>Tellers,</i>
Ms Goward	Mr Provest	Mr George
Mrs Hancock	Mr Richardson	Mr Maguire

Pair

Mr Rees

Mr Piccoli

Question resolved in the affirmative.**Motion agreed to.**

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

COURTS AND OTHER LEGISLATION AMENDMENT BILL 2009**Agreement in Principle****Debate resumed from 5 June 2009.**

Mr GREG SMITH (Epping) [4.33 p.m.]: The Courts and Other Legislation Amendment Bill 2009 amends the Administrative Decisions Tribunal Act 1997, the Anti-Discrimination Act 1977, and various other Acts to which I will refer. The Administrative Decisions Tribunal Act 1997 is amended to ensure that an appeal panel, constituted by a single judicial member, may deal with both an application for leave to appeal against an interlocutory function exercised by the tribunal and the appeal, if leave is granted. An interlocutory function exercised by the president alone will be dealt with by a full appeal panel. The amendments have been made

consequent upon the decision of the Court of Appeal in *Avilion Group Pty Ltd v The Commissioner of Police* [2009] NSWCA 93, where the court, comprised of President Allsop and appeal justices Giles and Macfarlan, found that the President of the Administrative Decisions Tribunal, sitting alone, did not have the statutory authority to hear the appeal.

The Anti-Discrimination Act 1977 is amended to enable the board to give access to information obtained under the Act to academics and other persons for research and other specified purposes. The Children (Criminal Proceedings) Act 1987 is amended to mirror section 17A of the Crimes (Sentencing Procedure) Act 1999. The proposed amendments will enable the courts to make limited non-association orders prohibiting an offender from associating with a specified person for a specified term, and to enable the court to make a limited place restriction order prohibiting an offender from frequenting or visiting a place, except at specified times or in specified circumstances. The Civil Procedure Act 2005 is amended to provide that the amounts attached under one or more garnishee orders must not reduce the net weekly wage or salary paid to a judgement debtor to less than the full amount of the standard workers compensation weekly benefit.

The Crimes (Sentencing Procedure) Act 1999 is amended to include within the definition of "close family" persons who are, or have been, of the extended family or kin of an offender who is an Aboriginal person or Torres Strait Islander; expand the list of places that may not be included in place restriction orders to include places the offender regularly attends to receive certain health, legal and welfare services; enable the court to make a non-association order prohibiting an offender from associating with a specified person for a specified term except at specified times or in specified circumstances; enable the court to make a place restriction order prohibiting an offender from frequenting or visiting a place except at specified times or in specified circumstances; and enable the court to impose orders, despite the restrictions relating to close family members and places and districts and require the court to give reasons for making such an order in specified exceptional circumstances.

These amendments flow from certain recommendations made in the New South Wales Ombudsman's Final Report of the Review of the Justice Legislation Amendment (Non-association and Place Restriction) Act 2001. Embarrassingly for the Government, the Law Enforcement (Powers and Responsibilities) Act 2002 is amended to remove an ambiguity in the language of provisions inserted by the Law Enforcement (Powers and Responsibilities) Amendment (Search Powers) Act 2009. The amendments make it clear that an application for a covert search warrant, and any covert search warrant, must include the name of the occupier of the premises the subject of the warrant. The Parliamentary Secretary, the member for Miranda, has suggested this is a minor clarifying amendment. The Law Reform Commission Act 1967 is amended to enable the tabling when Parliament is not sitting of interim and final reports on the Law Reform Commission's work under a reference, similar to the Independent Commission Against Corruption and the Police Integrity Commission legislation.

The Local Court Act 2007 is sensibly amended to make it clear that, subject to any directions of the Director General of the Attorney General's Department, or the director general's delegate, functions conferred on a registrar are exercisable by the registrar in respect of one or more designated places in the State. I have kept members in suspense for too long—the Opposition is not opposing this legislation. Arguments in favour of it include the amendment to the Administrative Decisions Tribunal Act that will reduce delay and encourage costs savings by enabling appeal matters to be determined by one judicial member rather than a panel of three. The amendments to the Children (Criminal Proceedings) Act 1987 and the Crimes (Sentencing Procedure) Act 1999 respond to the Ombudsman's recommendations and allow a degree of flexibility in regard to the imposition of non-association and place restriction orders.

The Law Reform Commission Act amendments will reduce delays in the tabling of reports before Parliament. The Civil Procedure Act amendments will ensure that judgement debtors have adequate funds upon which to live whilst paying off fines. We sought consultation with the Law Society, the Bar Association, the Director of Public Prosecutions and Legal Aid. The Law Society has provided a submission, which suggests that the bill contain a definition of "Aboriginal person" or "Torres Strait islander". Perhaps that is something the Government may consider. Otherwise, we do not oppose the legislation.

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [4.40 p.m.], in reply: I thank the member for Epping for his contribution to the debate. The Courts and Other Legislation Amendment Bill 2009 contains miscellaneous amendments arising from the regular review of courts-related legislation and other legislation. The amendments will ensure that court and tribunal procedures and criminal procedures continue to be as effective as possible. The amendments will also support the effective administration of justice in New South Wales. The bill will clarify appeals processes in the Administrative Decisions Tribunal consequent, as the member for Epping said, on the decision in *Avilion Group Pty Limited v Commissioner of Police*.

The bill will also enable the Anti-Discrimination Board to collaborate in research, which will have public benefits. I note in that context that academics will have access to files held by the Anti-Discrimination Board, but they will not be able to publicly release any personal information in those files. They will not be able to disclose personal information that has not already been made public by the Anti-Discrimination Board. In fact, the bill extends the secrecy provisions of the Act to cover academics provided with information by the board for research purposes and any breach of those secrecy provisions carries a maximum penalty of 10 penalty units.

The bill will also ease the financial hardship on debtors whose wage or salary is subject to a garnishee order. It seeks to strike an appropriate balance between debtors and creditors. The bill will implement recommendations made by the Ombudsman in relation to non-association and place restriction legislation. It will also resolve several minor administrative and drafting matters. The bill has been the subject of consultation with the affected courts and tribunals, and with the Law Society and the Bar Association of New South Wales. I commend the bill to the House.

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

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.

ELECTRICITY SUPPLY AMENDMENT (GGAS ABATEMENT CERTIFICATES) BILL 2009

Agreement in Principle

Debate resumed from 5 June 2009.

Mr ANTHONY ROBERTS (Lane Cove) [4.43 p.m.]: I indicate that I am not leading for the Opposition on the Electricity Supply Amendment (GGAS Abatement Certificates) Bill 2009. The objects of the bill are as follows:

- (a) to prevent a person from applying for accreditation as an abatement certificate provider under Part 8A of the *Electricity Supply Act 1995* ... on or after 1 July 2009 ...
- (b) to provide that an abatement certificate cannot be created under Part 8A of the Principal Act in relation to category A generation occurring on or after 1 July 2009 ...
- (c) to provide that compensation is not payable by the State in relation to the enactment, making or operation of Part 8A of the Principal Act, any Act that amends that Part ... or the termination of the scheme set out in that Part or related conduct or actions.

I refer to schedule 1, Amendment of the Electricity Supply Act 1995 No. 94. Schedule 1 [1] updates two references to the head of the Cabinet office. This amendment is consistent with clause 2 of the Public Sector Employment and Management (Cabinet Office) Order 2009, which provides that those particular references are to be construed as being to either the Director General of the Department of Premier and Cabinet or the Deputy Director General of the Department of Premier and Cabinet. Schedule 1 [5] provides that a person may not apply for accreditation as an abatement certificate provider under part 8A of the principal Act on or after 1 July 2009. Schedule 1 [6] provides that an abatement certificate cannot be created under part 8A of the principal Act in relation to category A generation that occurs on or after 1 July 2009.

Any such abatement certificate cannot be created after 1 October 2009 or, if a later day is prescribed, three months after that later day. Schedule 1 [7] provides that compensation is not payable by or on behalf of the State in relation to the enactment, making or operation of part 8A of the principal Act, any Act that amends that part or any instrument under that part, or in relation to any statement or conduct relating to any such enactment, making or operation or any statement or conduct in relation to accreditation as an abatement certificate provider or to abatement certificates. Schedule 1 [8] permits the regulations to contain provisions of a savings or transitional nature consequent on the enactment of the proposed Act.

In 2003 New South Wales started a mandatory emissions trading scheme in the form of the Greenhouse Gas Reduction Scheme [GGAS]. The Rudd Government followed this with the Carbon Pollution Reduction

Scheme [CPRS], which is intended to start in 2011 and its 5 to 25 per cent target has bipartisan support. Most parts of GGAS will cease and transfer to the Carbon Pollution Reduction Scheme in 2011. As the Carbon Pollution Reduction Scheme will not drive the immediate uptake of energy efficiency, the New South Wales Government announced the New South Wales energy efficiency strategy to continue the demand side abatement part of GGAS. Transition from GGAS to the CPRS involves many parties that invested in good faith in abatement certificates because of GGAS and hence it must be well managed.

I pay tribute to the Hon. Catherine Cusack, the shadow Minister for Climate Change and Environmental Sustainability, for the wonderful work she has done. The number of certificates needs to be reduced to ease participants out of the scheme and this will unlikely occur without closing off opportunities to create them. There is a general acknowledgement that GGAS should be wound up and be replaced by a Federal scheme, so there has been a certain expectation of the bill. Nonetheless, consultation by Government was scant before introducing the bill to Parliament and the exact details of the transition were not completely anticipated. Category A projects in generation refer to projects that predate GGAS—that is, prior to 1997. These are abatement projects that had been brought to account under precursor voluntary benchmarks and that the Government included in GGAS. These were included on the basis that it would provide credit for early action and provide a flow of certificates for compliance in the early years of GGAS.

The Commonwealth has recognised that these projects, like other generation projects that have participated in GGAS to reduce their emissions intensity, will not be disadvantaged in the transition to the CPRS, and has clearly indicated that no compensation will be payable for category A projects. The Coalition previously raised concerns with GGAS over its administration, arguing that accredited activities had been undertaken previously, which meant that claimed abatements were far less than actual abatements. When introducing the bill to Parliament the Government noted that category A projects had clearly been assessed as economically viable without the additional GGAS revenue that they were subsequently able to achieve. There are a number of arguments for and against this, but the member for Goulburn, who will lead for the Opposition in the debate, will raise those and the various stakeholder positions. The Opposition does not oppose the bill. However, we have some serious concerns, which the member for Goulburn will elaborate on.

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [4.48 p.m.]: I support the Electricity Supply Amendment (GGAS Abatement Certificates) Bill 2009. The bill provides for the reduction in the number of excess Greenhouse Gas Reduction Scheme certificates by stopping any new applications for accreditation under GGAS from 1 July 2009 or another date nominated by the Minister. GGAS commenced in 2003 and was established under the Electricity Supply Act 1995. GGAS is designed to reduce the greenhouse gas emissions associated with the production and use of electricity in New South Wales and to encourage activities to offset the production of greenhouse gas emissions. GGAS does this by using project-based activities to offset the production of greenhouse gas emissions.

Those who buy or sell electricity in New South Wales are required to meet their allocation of a mandatory greenhouse gas benchmark. This means that these participants need to surrender GGAS abatement certificates to offset the emissions impacts of their business. Each certificate represents one tonne of greenhouse gas emissions reduction. GGAS will end with the start of the Carbon Pollution Reduction Scheme [CPRS]. It is currently anticipated that this will be on 1 July 2011. The New South Wales Government has agreed to reduce the number of surplus GGAS abatement certificates before the transition to the CPRS.

GGAS abatement certificates are bankable and there is no expiry date for them once they have been created. This has led to an oversupply of certificates. We need to address the continued generation of new certificates, which can become surplus certificates. The amendment bill provides for the refusal of new applications for accreditation from 1 July 2009 or a date to be specified by the Minister. This is necessary to reduce the potential impact of transition to the national Carbon Pollution Reduction Scheme on current holders of GGAS certificates.

The changes provided for in the amendment bill are designed to facilitate the transition from GGAS to the national Carbon Pollution Reduction Scheme. New South Wales is proud of the achievements of GGAS. However, New South Wales needs to plan for the transition from GGAS to the new national scheme, and the amendments proposed in this bill are aimed at facilitating this transition. The bill before the House provides for a reduction in the number of GGAS abatement certificates that will be surplus at the end of GGAS. Reducing the number of surplus certificates will reduce the burden of transitioning to the new scheme. This is an aspect that I totally support.

The objects of the bill are to prevent a person from applying for accreditation as an abatement certificate provider under part 8A of the Electricity Supply Act 1995, the principal Act, on or after 1 July 2009 or any later date that may be prescribed. A further object is to provide that an abatement certificate cannot be created under part 8A of the principal Act in relation to category A generation occurring on or after 1 July 2009 or on a later date that may be prescribed. The third object of the bill is to provide that compensation is not payable by the State in relation to the enactment, making or operation of part 8A of the principal Act, any Act that amends that part, including the proposed Act, or the termination of the scheme set out in that part or related conduct or actions. I commend the bill to the House.

Ms PRU GOWARD (Goulburn) [4.53 p.m.]: I lead for the Opposition on the Electricity Supply Amendment (GGAS Abatement Certificates) Bill 2009. While we will not be opposing this bill, I will raise a couple of issues with which the Opposition has some concerns. They relate particularly to category A projects, which we recognise is the least expensive way to create certificates and certainly predates the scheme, but it will increase the cost of certificates as the Greenhouse Gas Reduction Scheme [GGAS] winds up. That is of significant interest to industry and, in particular, industries that are involved in industrial use. Another issue that might be raised about the amendment bill is the exclusion of basically all the major polluters. Again, this is in line with the Federal Government's Carbon Pollution Reduction Scheme [CPRS]. However, it must be noted that if this scheme and the Federal scheme exclude or reduce the impact on our major polluters, the major producers of carbon gases, the efficacy of the scheme will be pretty limited.

Of course, stakeholders in New South Wales largely expected this to happen with the advent of the CPRS. We are not quite sure when it will happen but it is intended to start in 2011. The scheme has a degree of bipartisan support and in that case it makes no sense to have a New South Wales-based scheme operating. Members will recall it is a scheme that has been widely criticised by the Opposition on a number of occasions. We do not believe it will drive the immediate uptake of energy efficiency, basically because there are so many exemptions from the scheme. I understand that industry recognises the inevitability of the scheme but notes the poor timing of the changes. The adjustments will now be required to be made during a recession. Industry acknowledge the scheme's necessity but has drawn our attention to the difficulty it will have in adjusting during a recession when times for business are already tough.

The Energy Retailers Association of Australia heard about this bill only when contacted by the Opposition, and that is another source of concern. The Government has spoken many times about the importance of addressing climate change but when it came to introducing an amendment bill to its own scheme it did not see fit to consult widely with people such as the Energy Retailers Association. The Civil Contractors Federation will largely be excluded from this scheme because it represents many large producers of carbon gases. I again make the observation that this limits the scheme's efficacy. I understand the Energy Retailers Association is now in discussion with the Government to potentially establish a form of transition that will minimise the cost to it. I hope it will keep the Parliament and our parties briefed on this. It would be advisable for the Government to consider moving amendments to transition these measures over a period of months instead of making the change—kerbang!—on 1 July.

In the past we have criticised category A certificates within GGAS as they allowed people to claim for actions undertaken prior to the scheme's commencement. It should be noted that the amount of emissions from GGAS claimed by the Government is inflated because of the use of category A certificates. The inclusion of provisions relating to the liability of the State is evidence of the poor planning of the entire GGAS scheme. We are very disappointed that the Government has been so hasty and secretive in introducing this bill. Notwithstanding the concerns I have already identified, prior warning and provision for a smoother transition, particularly in such a significant recession, would have been desirable and would not have been too much to ask of the State Government. The Opposition does not oppose the bill.

Mrs BARBARA PERRY (Auburn—Minister for Local Government, and Minister Assisting the Minister for Health (Mental Health)) [4.59 p.m.]: I support the Electricity Supply Amendment (GGAS Abatement Certificates) Bill 2009 and note that the Opposition will not be opposing the bill. This bill provides for the removal of opportunities to create GGAS abatement certificates from generation projects that were commissioned prior to the commencement of GGAS known as category A projects—the projects referred to earlier by the member for Goulburn. The Greenhouse Gas Reduction Scheme, or GGAS, is intended to reduce greenhouse gas emissions associated with electricity production and use in New South Wales. GGAS does this by offsetting the production of greenhouse gas emissions.

Project-based emission reduction activities create GGAS abatement certificates that can be bought and sold to offset other emissions. Those who buy or sell electricity in New South Wales are required to meet their

allocation of a mandatory greenhouse gas benchmark. That means that these participants need to surrender GGAS abatement certificates to offset the emissions impacts of their business. Each certificate represents one tonne of greenhouse gas emissions reduction. The New South Wales Government has agreed to reduce the number of surplus GGAS abatement certificates before the transition to the Carbon Pollution Reduction Scheme, which is due to start on 1 July 2011. Currently, there is an oversupply of certificates. In order to reduce the potential impact of the transition to the national Carbon Pollution Reduction Scheme we need to reduce the number of surplus certificates. The second objective of the bill is to remove opportunities to create GGAS abatement certificates from generation projects that were commissioned prior to the commencement of GGAS known as category A projects. Turning to that section of the bill, category A generation refers to output from generation projects that pre-dated GGAS prior to 1997.

At the beginning of GGAS these projects were recognised as important in demonstrating early action in emissions abatement, and they generated abatement certificates for compliance in the early years of GGAS. Removing these pre-GGAS projects will not only reduce the level of the surplus of GGAS certificates; it will also improve GGAS overall. Reducing the level of the surplus of GGAS certificates is something that New South Wales must do in order to transition to the national Carbon Pollution Reduction Scheme. The changes provided for in the amendment bill are designed to facilitate the transition from GGAS to the national Carbon Pollution Reduction Scheme. The bill before the House clearly provides for a reduction in the number of surplus GGAS abatement certificates. Removing pre-GGAS projects will reduce the level of the surplus of GGAS certificates and will better position New South Wales to transition to the new Carbon Pollution Reduction Scheme. For this reason I commend this bill to the House.

Mr MICHAEL RICHARDSON (Castle Hill) [5.03 p.m.]: In 2003 the New South Wales Government established the mandatory Greenhouse Gas Emissions Trading Scheme. Purportedly, the scheme 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 Parliamentary Secretary's agreement in principle speech described the planned operation of the GGAS scheme. Sadly, GGAS quickly descended from those lofty ideals into an impractical morass and the Government needs this bill to escape from that morass.

The purpose of this bill is to amend the Electricity Supply Act to clear the surplus GGAS certificates at the fortuitous and long overdue end of the Greenhouse Gas Reduction Scheme. I have a long and proud public record of opposing the GGAS scheme, of highlighting its many failures, and of calling for its removal as an unnecessary impost on business that has not assisted the environment. I am heartened that the Government has finally got around to doing what I have suggested, although not for the reasons that I put forward then and now. This bill is tacit admission from the Government that it gave away too many certificates and that it paid too much money for emissions that were never saved. The GGAS scheme, which is proudly touted as world's first, is officially world's worst.

The member for Shellharbour said in her agreement in principle speech that now that the details of the national scheme are better known it is time that New South Wales completes the provisions for the transition to a national scheme. Are the details of the national scheme better known? There are still major questions not just over the details of the national scheme but also over whether such a scheme will ever exist. The Senate will not pass the Commonwealth Carbon Pollution Reduction Scheme in its current form. This bill is designed, somehow or other, to fold the GGAS scheme into a scheme that will not be passed by the Federal Government. I do not understand why the New South Wales Government has introduced the bill at this time before the next round of international carbon trading discussions in Denmark in December.

In the current climate the Rudd Government's scheme is so expensive that business will not support it and it is so weak in reducing emissions that the environmental lobby will not support it. Both ends of the debate are opposed to the Rudd Government's proposals. If the art of negotiation is to leave all parties equally unhappy, Kevin Rudd has succeeded spectacularly. Unlike his pledge to support cooperative federalism, in this case Kevin Rudd has galvanised universal opposition. The Prime Minister can claim that he has an electoral mandate for his actions but those same voters elected the Senate. When the Greens have more in common with minor party climate sceptics in voting against a Labor government, clearly the politics of the matter have been lost. The second major question that has to be asked is: When will it start?

Kevin Rudd bowed to business pressure and to pressure from Malcolm Turnbull in the Liberal Party that the current financial climate is not a good time to introduce what, in essence, is a new tax. Despite promising the electorate before the 2007 election that the scheme would be operational in 2010, so far he has delayed it until 2011. Who knows how many other back downs there might be? It begs the question: What will

happen during this gap and any subsequent ones? When the member for Shellharbour said in her agreement in principle speech that the details of the national scheme were better known, she left out the important details of whether it would start and, if so, when.

This bill has three main functions: first, to prevent a person from applying for accreditation as an abatement certificate provider; second, to provide that an abatement certificate cannot be created under part 8A of the Act in relation to category A generation; and, third, to provide that compensation is not payable by the State in relation to part 8A of the Act or the termination of the scheme. Schedule 1 [5] to the bill provides that a person may not apply for accreditation as an abatement certificate provider under part 8A of the principal Act on or after 1 July this year, or any later date that may be prescribed. In my opinion, this provision to ban new accreditation participants is unnecessary. Who would want to join a scheme that is on its last legs anyway?

One can track the number of new participants in the GGAS scheme on its website. The member for Shellharbour is looking quizzically at me. She should look at that website before coming into this Chamber and making the sorts of statements that she made. If she looks at that scheme she will find that the numbers have been in terminal decline since 2008. In the past three months there were no new energy efficiency accreditation participants. In fact, there have been none since the spectacular collapse of the New South Wales Greenhouse Abatement Certificates [NGACs], which fell from around \$15 at their peak to \$3.50 just recently. As I noted in debate a few weeks ago, the Government's demand side management was based on giving away energy-saving light bulbs and water-saving showerheads.

A couple of companies—Fieldforce Services Pty Ltd and Easy Being Green Pty Ltd—were set up primarily to do just that. More than 26 per cent of abatement certificates that were written were for compact fluorescent lights and showerhead giveaways. Before 2007 some 9.5 million abatement certificates worth more than \$118 million were written for light bulbs and showerheads. IPART estimated initially that 80 per cent of the mini-fluorescent globes given out will be installed and as a consequence household energy use would reduce significantly. The real figure proved to be 40 per cent as 60 per cent of the bulbs were stored in cupboards. That meant that \$60 million of electricity consumers' money was spent on storing lightbulbs in cupboards. When IPART realised its mistake it halved the number of certificates for bulb giveaways. Of course, the market for the abatement certificates collapsed as a result and companies like Easy Being Green sacked hundreds of workers. It became patently obvious that even unwise investors should steer clear of the GGAS debacle.

Schedule 1 [6] to the bill provides that an abatement certificate cannot be created under part 8A of the principal Act in relation to category A generation that occurs on or after 1 July 2009, or any later date that may be prescribed. Any such abatement certificate cannot be created after 1 October 2009, or if a later date is prescribed, three months after that later date. To follow Mr Rudd's recent move into the vernacular, this provision is all about locking the stable door after the horse has bolted. What is worrying is that the door was left open for so long. The University of New South Wales Centre for Energy and Environment Markets reported in 2005 that up to 70 per cent of certificates created under the New South Wales Greenhouse Gas Abatement Scheme were for pre-existing projects. Acknowledging that that looks and sounds bad, the Government now euphemistically calls them category A generators. Of the schemes that received money 70 per cent already existed and would have operated even if the scheme had never been introduced. The member for Shellharbour said in her agreement in principle speech:

GGAS is a baseline and credit form of emissions trading scheme, where certificates or credits for actions that reduce or abate emissions are created, compared to a baseline representing previous practices, business as usual or, in some cases, current industry practice.

No wonder the international community rejected this perverse scheme. Under the Kyoto Protocol, schemes are accredited only if they would not proceed without the extra financial incentive of carbon credits. But 70 per cent of GGAS projects already operated successfully without the extra funds; taxpayer funds in the form of certificates became icing on an already large cake. This provision should have been enacted in 2003. The only reason to wait until 1 October is to give transition time to those companies wishing to extend their improbable run to the last possible moment. They should never have been funded in the first place; they were operating successfully without that extra support and now apparently they need three months to be weaned off the teat.

Schedule 1 [7] provides that compensation is not payable by or on behalf of the State in relation to the enactment, making or operation of part 8A of the principal Act, any Act that amends that part, including the proposed Act, or any instrument under that part, or in relation to any statement or conduct in relation to any such enactment, making or operation or any statement or conduct in relation to accreditation as an abatement certificate provider or to abatement certificates. I agree with the Legislation Review Committee that the right to

seek damages or compensation is an important personal right and should not be removed or restricted by legislation unless there is a compelling public interest to do so. What is the compelling public interest? The member for Shellharbour said that it is the emergence of the Federal scheme, but that excuse has been torpedoed already. I can only surmise that many wealthy businesses believed the Government's initial GGAS spin and signed up. They have invested considerable time, effort and money in the scheme. Now that it is going to end, their investment is worth nothing and, rightly, they are angry about the situation. Their only recourse was damages in the courts and now that is being threatened too. The denial of compensation in this bill is complete and absolute.

The other problem with GGAS is that this bill does not attempt to fix the problem of State leakage. Almost one-third of the \$790 million worth of certificates written over the first five years of the scheme were for projects outside the State. New South Wales electricity consumers paid about \$240 million to help other States and there was absolutely no reciprocity. The situation is that we are all in this together; we are all part of the problem and, therefore, we are all part of the solution. Every State has to pull its weight in reducing greenhouse gas emissions. I support this bill as the Government now admits that GGAS was a failure and finally it is doing something about the cause of that failure, albeit far too late. Preventing new creditors from getting onto this sinking ship is wise but unnecessary. The market already knows that GGAS is dead; this bill is just the headstone.

Crediting projects that existed before GGAS should not happen and should never have happened; 70 per cent of all funds spent on this scheme have been wasted. The Government should have stopped this at the start, not left it to the end. I have serious reservations about the Government's proposal to deny compensation to those who believed the Government's lies that GGAS was a workable system. I do not accept that the Federal scheme provides grounds to do this. This is a mean-spirited approach from a mean-spirited Government. Labor made the mistake when it started GGAS, now it expects the investors to carry its can.

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

STATE EMERGENCY AND RESCUE MANAGEMENT AMENDMENT BILL 2009

Agreement in Principle

Debate resumed from 5 June 2009.

Mr ANTHONY ROBERTS (Lane Cove) [5.15 p.m.]: It is with a great deal of pleasure that I speak to the State Emergency and Rescue Management Amendment Bill 2009. The purpose of this bill is to amend the State Emergency and Rescue Management Act 1989. Its stated purposes are to provide for the appointment of a State Emergency Recovery Controller and a Deputy State Emergency Recovery Controller, to make provision with respect to functions and responsibilities of the State Emergency Recovery Controller, and to provide that the State Emergency Recovery Controller is to be a member of the State Disasters Council and the State Emergency Management Committee. Schedule 1 [1] amends section 3 of the principal Act to include definitions of the term "State Emergency Recovery Controller" and "recovery agency", which is an agency identified in the State Disaster Plan as the agency primarily responsible for controlling the recovery from an emergency.

Schedule 1 [2] amends section 10 of the principal Act to provide that the State Emergency Recovery Controller exercises his or her functions under the principal Act subject to the control and direction of the Minister. Schedule 1 [3] amends section 10 (4) of the principal Act to provide that the Minister may delegate certain functions under the principal Act to the State Emergency Recovery Controller. Schedule 1 [4] amends section 11 of the principal Act to provide that the State Emergency Recovery Controller is to be a member of the State Disasters Council. Schedule 1 [5] amends section 12 of the principal Act to provide that the State Disaster Plan is to specify the responsibilities of the State Emergency Recovery Controller. Schedule 1 [6] amends section 14 of the principal Act to provide that the State Emergency Recovery Controller is to be a member of the State Emergency Management Committee. Schedule 1 [8] inserts proposed subdivision 5 in division 1 of part 2 of the principal Act.

Proposed section 20A provides that the Minister may appoint a senior executive officer, with experience in emergency management, as the State Emergency Recovery Controller, and a senior executive officer or senior officer, with experience in emergency management, as the Deputy State Emergency Recovery Controller, to exercise the functions of the State Emergency Recovery Controller during any absence of, or

vacancy in the office of, the State Emergency Recovery Controller. Proposed section 20B makes provision for the responsibilities and functions of the State Emergency Recovery Controller. In particular, the section deals with the following matters: the circumstances in which the State Emergency Recovery Controller is responsible for the recovery from an emergency, the circumstances in which the State Emergency Recovery Controller may assume responsibility for the recovery from an emergency when the State Disaster Plan designates a recovery agency with primary responsibility for controlling the recovery from the emergency, and the authority of the State Emergency Recovery Controller to issue directions to certain agencies and appoint officers to control particular activities of certain agencies, where the State Emergency Recovery Controller is responsible for controlling the recovery from an emergency.

As members in this House are aware, this bill responds to the recent mid-North Coast floods, which resulted in the New South Wales Government declaring up to 14 local government areas as natural disaster areas. Present in the Chamber are two strong rural members who are great supporters of our local State Emergency Services, Rural Fire Services and other organisations—the member for Wagga Wagga and the member for Lismore. They will contribute to the debate on this bill on behalf of the Coalition. On 22 May this year Sydney received reports that mid-North Coast regions had borne the brunt of torrential rain of up to 405 millimetres over 72 hours and winds gusting up to 130 kilometres an hour. Communities in those areas suffered a large amount of distress and personal hardship. I reiterate the wonderful work of our volunteers. On this day more than 308 State Emergency Services volunteers worked on the ground, with members of the Rural Fire Service and New South Wales Fire Brigades assisting. On that day alone the State Emergency Services received more than 1,500 requests for help from the Queensland border to Coffs Harbour. As usual, our wonderful New South Wales volunteers responded magnificently.

The bill attempts to streamline the manner in which emergencies are dealt with. Through the creation of two new statutory positions, the State Emergency Recovery Controller and the Deputy State Emergency Recovery Controller, responsibility will be placed with those officers for emergency response operations in the event that there is no single combat agency with designated responsibility. The State Emergency Recovery Controller [SERCon] also will become a member of the State Disaster Council and the State Emergency Management Committee. The SERCon's primary roles are to create a sustainable emergency recovery capability for New South Wales and to control recovery from an emergency that affects more than one district, or other areas for which he or she assumes responsibility. In essence, with the support of personnel and emergency management New South Wales, the officer will be responsible for planning and preparing for emergency recovery operations.

The shadow Minister for Emergency Services, Melinda Pavey, is doing a magnificent job. The Rural Fire Service Association and State Emergency Service volunteers are very supportive of this initiative. Those organisations do not have many issues with the bill, but they make the point that to date the process has been somewhat disjointed. Hopefully this legislation will address and resolve the issues. I take the opportunity of leading in this debate for the Coalition to commend the wonderful role that the State Emergency Service and Rural Fire Service volunteers play. The Rural Fire Service comprises more than 2,100 volunteer brigades with a very impressive total membership of 17,000 volunteers who provide a large proportion of the service's cooperation and risk management capability. The State Emergency Service is very dedicated to assisting the community and has more than 232 units comprising more than 10,000 volunteers who are located throughout the State.

As a former shadow Minister for Emergency Services, last year I visited the Mid North Coast and the North Coast. I met many wonderful volunteers who give so much of their time and effort. A couple of issues that should be raised as part of the debate are the increases in costs, particularly during the current global financial crisis, of volunteers undertaking their duties. I believe that is an issue that the Government and the Federal Government should address in the future. I make a plea to the Government to ensure that a standard level of equipment is provided to emergency service volunteers, particularly to State Emergency Service personnel. As soon as one leaves Newcastle-Sydney-Wollongong and crosses the Great Dividing Range, one notices the disparate range of equipment available. Having said that, I reiterate that the Coalition will not oppose the bill. The Coalition will support the legislation. Once again, I pay tribute to the men and women who put their lives on the line in times of crisis.

Ms LYLEA McMAHON (Shellharbour—Parliamentary Secretary) [5.23 p.m.]: I support the State Emergency and Rescue Management Amendment Bill 2009. The process of rebuilding, restoring, and returning to normal in the wake of a disaster, such as a major bushfire, a flood, a storm or other catastrophe, is difficult, draining and demanding. This is the case for everyone and everything that is affected—individuals, businesses

and communities. It takes enormous financial, emotional and practical support to overcome a disaster. As we have seen for much of this year in the flooded areas in the northern part of the State, the Government provides that much-needed support and assists disaster-struck communities to get back on their feet. The bill gives legislative backing to the Government's work by setting out clearly and directly the clear lines of accountability and responsibility for the State's disaster recovery arrangements. The Government already has demonstrated the effectiveness and efficiency of these arrangements in response to numerous emergencies over the years, the latest being last month's northern New South Wales floods.

As the emergency response wound down, the recovery process was launched to assist the affected communities from the northern border southwards. From a community perspective, the focal point of the process is the establishment of a one-stop-shop recovery centre to provide advice, assistance and support. This was again the case in response to the recent floods, with recovery centres operating at Lismore, Grafton, Kempsey and Coffs Harbour. The Coffs Harbour centre, along with two satellite centres at Urunga and Bellingen, were still working to assist people in need following the 31 March storms and floods on the mid North Coast when the latest floods occurred. After 10 weeks of operations, the Coffs Harbour and satellite centres closed on Friday 12 June, having provided help and information to more than 1,200 victims of the disasters. As said by the Bellingen Shire Mayor, Councillor Mark Troy, who co-chaired the Coffs Coast Recovery Committee, these centres proved invaluable to people in need. The mayor said:

All three operated smoothly from the minute the doors opened and the Committee would like to pass on its thanks to the staff from the wide range of agencies and organisations involved for their hard work.

Councillor Troy's recovery committee co-chair was the Coffs Harbour Mayor, Councillor Keith Rhoades, who also paid tribute to the centres and their staff. He said that the Coffs Harbour Recovery Centre had been called upon to act as an evacuation centre for Grafton residents who also had been forced from their homes by last month's floods. He stated:

The lessons its staff learnt from the March 31 event were put to very good use on that weekend and helped to minimise the distress for all those involved.

The centres are examples of practical, on-the-ground government support for people enduring hardship. Surely this is one of the most important roles of government—providing worthwhile, concrete assistance to help people to get back on their feet after being knocked sideways by an event that is beyond their control. The arrangements outlined in the bill and in the forthcoming amendments to the State Disaster Plan will ensure that that type of assistance is provided in a systematic and cohesive manner to communities who are recovering from disasters and emergencies. The establishment of the State Emergency Recovery Controller to lead this process is a welcome appointment that will guide the recovery process into the future. The appointment of recovery coordinators, such as the former New South Wales Police Force Commissioner, Ken Moroney, to work on a day-to-day basis by helping to clear roadblocks along the road to recovery is yet another practical way of ensuring that help gets through to those who need it, without bureaucratic, logistical and other impediments. I commend the bill to the House.

Mr THOMAS GEORGE (Lismore) [5.27 p.m.]: I support the State Emergency and Rescue Management Amendment Bill 2009. The object of the bill is to amend the State Emergency and Rescue Management Act 1989, which is referred to as the principal Act, to provide for the appointment of a State Emergency Recovery Controller and a Deputy State Emergency Recovery Controller, to make provision with respect to functions and responsibilities of the State Emergency Recovery Controller, and to provide that the State Emergency Recovery Controller will be a member of the State Disasters Council and the State Emergency Management Committee. The bill also makes a consequential amendment to the State Emergency Service Act 1989. I am pleased that the Minister for Emergency Services is at the table because I compliment both the State and Federal governments on their initiative.

On 21 May, Lismore was faced with the prospect of a flood. The Minister for Emergency Services was in Lismore that night. When the flood hit, it certainly devastated parts of south Lismore and north Lismore and proceeded to devastate the lower river areas of my electorate. I note the presence in the Chamber of the member for Clarence, whose electorate also was flood affected. I also note the presence in the Chamber of the member for Tweed. The northern end of my electorate around Murwillumbah also was flooded. I pay particular credit to Ken Moroney, who was coordinator of the region's North Coast Flood Recovery Committee, as well as Heinz Mueller and Stacey Tannos, who were very active in the early stages of the formation of the recovery committee. The committee was chaired by the mayor of Lismore, Mrs Jenny Dowell, who had a lot of involvement in the meetings held at the Richmond Local Area Command. I thank Superintendent Bruce Lyons for his support and all the police who were involved in setting up the recovery centre.

Every government department with an office in or associated with Lismore was represented at the first meeting at the Richmond area command. The support offered by all the government departments in creating the recovery centre was great. Lismore City Council, under the direction of Jenny Dowell, indicated that Isabel Perdriau would be the manager of the centre. The recovery committee got on the job quickly and obtained premises in Conway Street, Lismore, to establish the centre. Once the centre was up and running it received something like 556 personal representations as well as about 170 representations by phone. I am sure the Minister would not mind if I made a couple of suggestions about establishing recovery committees. First, the local member must be personally notified about a committee being established, rather than find out through other avenues.

The office of the local member has handled these processes in the past. While people may be on different sides of the fence politically, during a disaster such as flooding, politics does not come into it. Often times the local member has previous experience of dealing with disasters, and he needs to be there officially. In this case I attended the meeting, during which I indicated that another shire adjoining our shire, Tenterfield shire, was not involved in the original discussions although the flooding had caused the same problems in every coastal shire. I pay tribute to Genevieve Slattery, who is in the Chamber, and thank her for assisting the Minister while he was in Lismore. Once I made representations and brought the matter to the committee's attention, the Tenterfield shire council were soon brought into the national disaster program. I thank the Minister and his staff for quickly bringing the other shires into the process because they had suffered damage from the flooding as well.

This may not directly relate to the bill, but I place on record my concerns about the State Emergency Service [SES] making decisions based on information from the Bureau of Meteorology. The bureau does not have equipment in many coastal areas and up in the hills, although it might have some equipment on the main rivers. A lot of water comes down from Hogarth Range, Rappville and Mummulgum, one side of the Richmond Range and into the lower river area, but the bureau does not have equipment measuring the amount of water falling or coming down the creeks in that area. That creates a big problem for the lower river area because people can only guess the amount of water coming down. The bureau must work out where it does not have appropriate electronic measuring equipment, and it must develop local contacts who can be tapped into by the SES. Most SES workers have their own contacts, but that is not the way it is properly done.

Where there are no proper facilities in place, I call on the Minister to have SES establish local contacts so that it is provided with a broader range of information, including more accurate readings about the expected volume of water coming down into the lower river area. I am sure the SES could establish contact with many local people, and it should be encouraged to do so. I thank the Rural Assistance Authority [RAA] and the natural disaster committee. Many trees in the horticultural industry were blown down and a lot of damage was done by storm and wind. Unfortunately, under the natural disaster arrangement of grants money was available only for flood damage.

However, through the good work of the Minister for Primary Industries, together with the RAA and natural disaster funding, within 24 hours the arrangement was amended to include storm and wind damage. I place on record the appreciation of the horticultural industry for that change, which solved a major problem in many horticultural industries. I place on record another concern. This is the most appropriate debate for me to read a letter dated 4 June 2009 from the General Manager of Lismore City Council, Paul O'Sullivan, regarding disaster emergency funding, which comes under this recovery centre. The letter states:

Dear Thomas

Disaster Emergency Funding

Despite previous messages of support for this Council from politicians at all levels, the natural disaster financial assistance system fails the community in one of its most basic elements—emergency cleanups. Any expense incurred by local Councils with its day labour gangs in normal business hours is not claimable, yet that same work undertaken by contractors or by Council workers as overtime is claimable—a ridiculous, costly and inefficient bureaucratic distinction. The relevant Departmental guidelines must be changed.

Lismore City Council has been subjected to this inequitable impasse on four recent occasions:

October 2007 – hailstorm
October 2007 – windstorm
January 2008 – flood
May 2009 – flood

The time to rectify this is well past. It clearly requires a change initiated at the highest political level. It distresses me to raise this issue with your office but Council's previous submissions have produced no results and the local community continues to be the loser. The problem is the unwillingness of the State and Federal bureaucracy to give the Council's case a fair hearing, alternatively the Council's problem is not fully understood.

This is an issue of significance for each and every local authority in this State, and probably the nation, and yet there is a determined lack of Government interest in achieving a commonsense cost efficient outcome.

It is a matter which deserves urgent change based on this Council's experience of four declared natural disaster events in two years and no sensible improvement in sight. Your support is earnestly requested for a meeting with the appropriate Government representatives who will commit to a meaningful change—not a review—a change.

It has been put to me that this objective will require the co-operation of both the State and Federal Governments.

Yours faithfully

Paul G O'Sullivan
General Manager

In summary, if the council uses its own team to undertake clean-up work during business hours it does not get recompensed. However, if a contractor is brought in or council employees undertake the clean-up work after hours, the council is recompensed. This is an ongoing problem for Lismore City Council, and horticultural people on the land face exactly the same problem. I have brought this matter to Mr Moroney's attention. If a landholder clears trees that have blown down on his property he does not get recompensed, although five staff might have done the work. However, if the landholder pays a contractor to do the work he gets recompensed. There is an inequity. I will ensure that the Minister gets a copy of the letter from Lismore City Council. I am sure the mayor of Lismore, Jenny Dowell, has brought it to his attention. I compliment Ken Moroney and everyone involved with the North Coast Flood Recovery Committee in Lismore.

I compliment all those involved, especially workers from all government departments, Isabel Perdriau who ran the operation, and the person from the Coffs Harbour recovery centre whose name escapes me. She was a great help in providing information to local bodies. I note the member for Coffs Harbour is in the Chamber. I thank all workers and volunteers from the State Emergency Service and the Rural Fire Service from all over the State for their quick response to the flood. I appreciate their work. I also thank members of the NSW Police Force, the New South Wales Fire Brigades, the Ambulance Service of NSW, the St Vincent de Paul Society, the Salvation Army, Red Cross and all those who helped. The electorate appreciates their support and efforts to make the recovery run as smoothly as possible during the floods. I also thank their families and employers who gave them the time and support they needed to carry out such duties. It is with great pleasure that I support the bill.

Mr FRANK TERENCEZINI (Maitland) [5.41 p.m.]: I am confident that the amendments to the State Emergency and Rescue Management Act, as outlined in the State Emergency and Rescue Management Amendment Bill 2009, will have far-reaching benefits for communities in this State that are affected by natural disasters, such as floods, storms, bushfires and other emergencies. I am sure all members of this House will have witnessed firsthand the tremendous work of our emergency services in responding to a crisis, which is often followed by a lengthy and labour-intensive process of rebuilding and restoring a shattered community. The severe storms and floods two years ago in the Hunter Valley and on Central Coast come to mind as an example of the tremendous effort needed to help individuals, communities and economies recover from the impact of a large-scale natural disaster.

More recently, we have again witnessed a similar effort to restore communities in the north of the State affected by severe floods—the member for Lismore comprehensively outlined the extraordinary efforts of emergency service workers in that instance. The severe flooding from the Tweed shire south to Port Macquarie-Hastings and as far west as Glen Innes has caused damage and hardship. The mid North Coast experienced its third flood in May, compounding the damage sustained in the February and April floods. The Government has once more swung its support behind these devastated communities, launching recovery operations to assist those affected even before the floodwaters had begun to recede. A natural disaster was declared in 14 local government areas, four disaster recovery centres began providing support and advice, and the Premier appointed former Police Commissioner Ken Moroney as the Regional Coordinator of recovery operations.

Recovery operations, which work well on the ground, are now being formalised through the amendments to the State Emergency and Rescue Management Act outlined in this bill and the consequential amendments to the State Disaster Plan. The appointment of a State official to take overall responsibility for

recovery operations, the State Emergency Recovery Controller or SERCon, is a sensible reform. It formalises what has been happening on an informal basis. It is an overdue and timely statutory appointment. Identifying the leader of these operations in legislation removes the question of who assumes responsibility at a government level once the response operation winds up, and guides the ongoing process to rebuild and restore a damaged community.

As the responsible official, the SERCon will be able to command the resources of government and bring together the various public agencies, industry and private sector bodies, welfare services and any other relevant stakeholders to contribute to the recovery operation. This gap had been identified in our emergency management arrangements. While the responsibilities and arrangements for response operations were clearly defined and documented, the parallel arrangements for the consequential recovery phase were not. This does not mean recovery processes were not in place. The existing arrangements, although previously applied in an informal fashion, work well on the ground. However, formalising this structure in legislation more clearly defines the roles and accountabilities so that recovery operations can now be conducted in a more cohesive, coordinated manner, no matter where a natural disaster or other emergency strikes. One of the most valuable lessons we routinely learn from emergency service operations is the importance of building well resourced and resilient communities.

The emergency service already devotes considerable time and resources to educating communities about the risks they face, and how to prepare and respond in the event of an emergency. One of the greatest achievements of the amendment will be that the SERCon will have a role in preparing communities for impending emergencies. As the member for Maitland, I know it is not a question of if, but when, a flood will occur. The Hunter Central Rivers Catchment Management Authority recently released a book called *Maitland, City on the Hunter: Fighting Floods or Living With Them*, which outlines the facts and figures of past floods. It includes an emergency service kit and contains real-life stories of people who suffered as a result of the floods, about the lives that were lost and other personal stories. The book is a compulsory read for every new household that moves into Maitland, an area that will continue to have floods.

Maitland's flood mitigation system works exceptionally well; it did so in 2007. However, if there is a repeat of the 1955 flood, the flood mitigation system probably will have a limited capacity to withhold the water and central Maitland will be flooded. We are very proud of the people who put together our flood mitigation system. In the past 10 or 15 years the population of Maitland has grown with new families coming into the area. It is important that they are well educated and understand the realities of living in a flood-prone area. That is why it is important to put steps in place to prepare a community for a flood and to ensure the ongoing preparedness or resilience of that community to withstand that experience. Not long after I was elected to Parliament, we had the June long weekend floods. The member for Lismore comprehensively outlined the effort, sacrifice and commitment of emergency service workers, which never cease to amaze me, whether they are members of the State Emergency Service [SES], the Rural Fire Service [RFS], the NSW Police Force, the Salvation Army, the St John Ambulance or those who man the refuges and put their lives on the line to help others.

I heard stories of people who were not members of the SES or the RFS, but who, on the Saturday night of that June long weekend, left their homes and immediately became honorary members of one of the emergency services for the weekend to help out. It was humbling to watch it occur. It is crucially important to provide resources, and the hardworking Minister for Emergency Services is doing just that by ensuring that our RFS and SES are well equipped. I know they certainly are in Maitland. Last week a new truck was handed over to the Bolwarra RFS. We must coordinate our efforts. We must formally statutorily recognise the new SERCon who will ensure that a formally coordinated recovery operation is in place as quickly as possible so that we can save the lives of people who are at risk. Recovery is important to ensure that people get back to their homes.

Maitland has a long history of flooding, which people new to the area are not used to. In June 2007 they were surprised to learn that Maitland continues to have floods, although it had not had a big flood since the 1970s. I welcome this bill, which formalises an informal arrangement, ensures a coordinated effort, and ensures that people are educated and prepared for flooding. I thank the Minister for putting work into this bill, which I commend to the House.

Mr STEVE CANSDELL (Clarence) [5.49 p.m.]: I support the State Emergency and Rescue Management Amendment Bill 2009. The Opposition often criticises government policy and government actions as being ineffectual—like the budget today, of course—but I really have to commend the Government for finally coordinating rescue and recovery plans to help areas devastated by flood, fire or natural disasters. The

object of the bill is to amend the State Emergency and Rescue Management Act 1989, which is the principal Act, to provide for the appointment of a State Emergency Recovery Controller and a Deputy State Emergency Recovery Controller, to make provision with respect to functions and responsibilities of the State Emergency Recovery Controller, and to provide that the State Emergency Recovery Controller is to be a member of the State Disasters Council and the State Emergency Management Committee. The bill also makes consequential amendment to the State Emergency Service Act 1989.

Grafton and the Clarence Valley—the North Coast in general—are flood-prone areas. There have been disasters many times over the 27 years I have lived there. The floodwater in 2001 was much higher than it was in May this year. It took weeks for the rain to come down and the floodwater to rise, whereas the last flood was sudden. The water reached only 7.4 metres—the flood levee wall is actually 8.1 metres—but it looked very dangerous for 24 hours. I commend the Minister and the Premier for their prompt action in declaring a State emergency. I also commend the Premier and the Minister for visiting the area as soon as possible to ensure that everything was okay and to give moral support to the State Emergency Service volunteers who were working around the clock to try to avert a major disaster.

State recovery centres are a great idea because they bring together all agencies—State and Federal. In 2001 I was a member of Grafton City Council; a lot of people came to us for help. They would go to the local State member or Federal member, they would be told to go to one agency and from there they would be directed to another. People would be frustrated to the point where they would give up and go home. They would suffer depression in the aftermath of the devastation, which could involve losing much of their cattle, property and so on. The recovery centre has been fantastic.

As a local member, people come to me as the first port of call and normally I would try to send them where they can get help. Now the recovery centre is just around the corner with workers from the Department of Community Services, Centrelink, Primary Industries, the Department of Commerce, the Environment Protection Authority, the catchment management authority, the Department of Lands and other agencies—and, as always, the Salvation Army is there when people are in need. The Salvation Army counsels people and also helps with food packaging, where necessary. The Salvation Army assists on the emotional side as well as the physical side.

Naturally, the Grafton flood caused trauma for a lot of people. It did not reach the height expected, thank God: if it had crossed the levee wall we would have seen devastation the like of which has not been seen for many years on the North Coast. The Grafton flood caused damage not so much in the town itself, or in Maclean or other small villages, but in areas along the riverbank that did not have the flood levee, such as Brushgrove. I am sure that, after a flood, you can see what should have been done. We have to take all these issues into account and be better prepared for the next flood.

In the past, the State Emergency Service has had plenty of time to deliver sandbags where needed, but because of the rapid rise of the river and the urgency elsewhere, Brushgrove was an almost forgotten village. The only sand the village had was in the local playground, but the sand was covered with water and became mud. There were no sand piles anywhere; therefore there were no sandbags. People could not sandbag their houses. Fortunately not a lot of water came through, but it was enough to damage properties. I know that 45 centimetres of water came through the local hotel, which could not find sandbags to sandbag the doors and keep the water out. The tiles lifted and the carpet had to be replaced, but these are things we need to take into account.

The member for Lismore rightly mentioned a couple of areas where the flood recovery centre was opened, but the local State member was not included. People come to us first. We receive the first phone call from people when they need help. We need to be included. The mayor of the town and the council should direct the running of the centre. Mayor Richie Williamson from Clarence Valley Council has done a great job. Council workers have done a fantastic job also. One of my staff is married to a council worker. She would get home from work and he would be packing up to go to work. Council workers worked through the night into the morning. Some 18,000 businesses and residences lost their electricity supply. Council workers were working in adverse and dangerous conditions to restore power to communities. Hats off to them, and hats off to Country Energy, the State Emergency Council and all the volunteer brigades that worked virtually 24 hours a day. Also, a big thankyou to the State Emergency Service volunteers who travelled from other areas of the State to help us. They gave great relief to local workers who were there from the start and who kept working for as long as they could before help turned up.

We were very fortunate to meet with the regional coordinator, Ken Moroney, and also Stacey Tannos, who is the recovery coordinator for New South Wales. Both of those people were very keen to get us involved.

They were keen to hear about the problems the flood had caused. One of the problems that came to our attention involved people on private property. There was a chap right on the riverbank at Lawrence, which is at the corner of Sportsman's Creek and the Clarence River, and the westerly was blowing debris onto his property. He ended up with a metre of debris over his property. Friends had to clear a walkway for him to get to his door. Somehow he had to ensure that the debris was moved onto the road before it could be collected. For a pensioner, that was a pretty tough task. I am told that he got some help from the community and he had to pay a few dollars to have some of the rubbish removed to make the yard look half reasonable. Money, unfortunately, was not available.

Another problem involved people on a property out of town whose driveway was washed away. They were told they were not eligible for funding to fix their driveway. The only way they could get into their driveway was by bringing out the old four-wheel drive vehicle. Their cars had to be left at the house or in town because the property was inaccessible in a two-wheel drive vehicle. The flood generated a lot of community support. It has shown that the Government has a heart—

Mr Andrew Fraser: That is not true.

Mr STEVE CANSDELL: The Government had a heart, but it was temporary. It acted promptly and efficiently. Putting together the recovery centre is a credit to the Government and something that we support 100 per cent. I commend the bill to the House.

Mr MATT BROWN (Kiama) [5.58 p.m.]: Madam Acting-Speaker—

Mr Andrew Fraser: Just table it.

ACTING-SPEAKER (Ms Diane Beamer): Order! The member for Kiama has the call.

Mr MATT BROWN: I would happily take on the member for Coffs Harbour's suggestion if he promised to do the same. I support the State Emergency and Rescue Management Amendment Bill. The streamlined arrangements outlined in the bill and the amendments that will be made consequently to the State Disaster Plan certainly will help to ensure the efficient delivery of government services and support in helping communities recover from a natural disaster or other emergency. The Kiama SES group and neighbouring State Emergency Service groups in Shellharbour and around are very active. Their membership is growing and they are certainly very proud of the training and equipment they receive. We have also heard much in this Chamber tonight about the disasters on the North Coast. Although they were in the extreme, we often get very high winds on the South Coast. Our volunteers are quick to get out and help our local communities and, of course, other State Emergency Service communities throughout the State when needed.

The appointment of a State official to take overall responsibility for recovery operations and recovery preparedness is a sensible refinement to the current arrangements, ensuring a cohesive, coordinated process is consistently applied in the wake of an emergency. As all members of this Chamber would agree, the impact of a natural disaster on a community—whether a severe hailstorm, bushfire or flood—should never be underestimated, nor should the complexity of the recovery task. Even stages in the process that would seem to be straightforward, such as repairing damaged buildings and infrastructure, can be complicated by factors such as insurance claim settlements, the availability of tradesmen and building materials, and slowing production cycles in the traditional holiday season.

All of these were factors in the wake of the hailstorm that battered Blacktown and other areas of western Sydney in December 2007. In the event of large-scale devastation such as we saw in the catastrophic 1999 Sydney hailstorm, which damaged more than 20,000 buildings, the recovery challenge also grows exponentially. That unprecedented hailstorm illustrates the need for the disaster recovery arrangements that are now being formalised and streamlined. Infrastructure and logistical expert Bob Leece, who is currently serving as Infrastructure Coordinator General of the New South Wales Nation Building and Jobs Plan Taskforce, was appointed to guide that recovery process, in many ways establishing the model of service delivery that the Government has followed since.

Mr Leece established a central task force to coordinate the recovery effort and thanks to its members' enormous efforts and drive 97 per cent of the recovery work to rebuild south-eastern Sydney was completed in six months. That is a huge credit to Mr Leece and his team. That was a quarter of the time the task was expected to take, an outstanding result by anyone's measure. Mr Leece was again called to coordinate the recovery from the Blacktown hailstorm, working closely with the insurance industry, construction industry, building supplies

manufacturers and the community to speed up the pace of repairs to damaged homes. This recovery coordinator role, now formalised under the new arrangements, is an essential conduit between Government, the private sector, welfare services and the community. As other members have noted, this is the role now being so ably filled on the North Coast by Ken Moroney, a former Commissioner of Police.

The recovery process is not necessarily completed once the bricks, tin and tile are replaced. The longer-term economic recovery of essential industries and business sectors also needs to be guided. This can particularly be the case in regional areas, whose economic prosperity is often reliant on their local tourism and primary industries. Bringing together stakeholders from government and the private sector to set in place actions to help industries re-establish and recover is a key role for the State Emergency Recovery Controller and coordinators. In the case of last month's floods, it is clear that many primary producers—including those in the dairy, livestock, horticulture and aquaculture industries—have suffered significant damage. It is important we all learn from this, particularly in rural communities such as the one I represent.

I know government agencies, including the Department of Primary Industries and the Rural Assistance Authority, are working to assist small businesses and rural producers suffering hardship. I also welcome the provision of joint State-Commonwealth grants of up to \$15,000 for the small business and primary production sectors. I am sure these are providing welcome relief to the successful applicants. The New South Wales Government is hard at work to support the North Coast community, as it has helped those struck by disaster in the past. I acknowledge the interjection by the member for Coffs Harbour congratulating the Government. That is very nice of him. The reforms in this bill will help ensure that assistance continues to flow in future emergencies. I would also like to put on record how proud I am to see the new Minister for Emergency Services take on his role and the wonderful work he is doing when he is so new to the position. I commend the bill to the House.

Mr GEOFF PROVEST (Tweed) [6.04 p.m.]: The State Emergency and Rescue Management Amendment Bill 2009 amends the State Emergency and Rescue Management Act 1989 to provide for the appointment of a State Emergency Recovery Controller and a Deputy State Emergency Recovery Controller and make provision with respect to the functions and responsibilities of the State Emergency Recovery Controller. As we have heard, informal arrangements have existed before and they have worked rather well. There is a great deal of trading of information as well as a desire to serve the local community. However, in many regards, as previous speakers have said, this tends to formalise the process. One concern I may have, while not opposing this legislation, is that it does not create another layer of bureaucracy and slow down the recovery process. Early indications from my reading of the bill and descriptions of its provisions are that I do not believe that will be the case but I would like to see it in full operation. We were given a briefing recently by Ken Moroney, which was organised by the member for Lismore and attended by many of my North Coast colleagues and the member for Coffs Harbour.

This bill was introduced following the recent floods and windstorms that caused significant damage in the 14 local government areas to which previous speakers have referred. The Tweed was no exception. The Tweed suffered in the May flood and also from high winds. Even though some areas were inundated, the major damage in the Tweed electorate was caused by the wind. Large numbers of trees were blown down and we even lost two of the 100-year-old pine trees that sit atop Point Danger. Luckily they came down in the middle of the night and there was no property damage or human injury. Responsibility for recovery planning and management has been diffused across several organisations and committees with no clear lines of accountability or chains of command. This bill amends the State Emergency and Rescue Management Act to address this issue. I, like many other members, appreciated the Government's quick response to the recent flood and windstorms, and particularly the attendance of the Minister for Emergency Services in various areas.

The SES performs an extremely valuable role, like many other volunteer organisations, particularly in the Tweed. I attended and witnessed many of their operations during the week of intense rain and wind. As I have said here before, it was quite personal for me because my young son was involved in an incident on the Saturday. A number of SES officers were attending an incident on the Tweed River and we nearly lost three boats out to sea and up to 10 SES volunteers. They were a mere 50 to 100 metres from the entrance to the river and at that stage the seas were about four to four-and-a-half metres. There would have been no way of launching any rescue attempts to save them. To this day I believe that on the Sunday we would have been looking for bodies at sea. I was very touched indeed when the Premier rang me on the Sunday to offer his support. My sister-in-law, Tracy Provest, is the principal of Ulladulla High School. She has been a member of the SES for well over 20 years. She came to Ballina to assist, and she also went to the Kempsey and Taree areas.

I talked to a number of volunteers who attended—people from Broken Hill, Nowra, Sydney, and all over the place. At the time I thought it was prudent that many of those services were put into action well before the storm. Flood boats, sandbags and a great deal of other material arrived from Sydney. Clear lines of communication are essential. On many occasions I have attended interdepartmental briefings that were conducted in the morning or in the early evening when representatives from the Department of Community Services, the Department of Commerce, the Ambulance Service, lifesaving organisations, Voluntary Marine Rescue, the police, and other agencies were present. Some of the emergency evacuation centres in the Tweed have been activated but, fortunately, they have been only partly used.

One evening several people from Fingal—the home of the Federal Labor Minister for Ageing, Justine Elliot—were evacuated to Kingscliff TAFE. That included the Minister for Ageing. I would like to place on record a number of important issues. Currently, the Tweed is working on its new flood plan, which is soon to be released. I do not want to tip any water onto this bill, but I would like one area to be investigated in the future. I have talked to people in the State Emergency Service who have expressed concern about the amount of urban development, in particular, at Banora Point, which is located near to my office. If people are to be evacuated, to which location should they be taken? Professionals in the field expressed concern about the fact that there is no defined evacuation plan.

Two years ago, in about June or July, a large flood caused a great deal of damage at Banora Point. I am 100 per cent committed to the Tweed, which is a special place. Twenty-seven per cent of the population in the Tweed are over the age of 65, so more people in the Tweed are over the age of 65 than in any of the other 93 electorates in New South Wales. The Tweed is home to a large number of retirement villages and nursing homes.. Many people have expressed concern about the lack of a definitive plan, although investigations are being conducted at the moment to establish an evacuation plan. The Government should conduct further talks with its proactive Queensland Labor Party counterparts who build roads in New South Wales and things of that nature—issues about which I am quite impressed from time to time.

We need greater cross-border coordination. When these arrangements are put in place I hope there is cross-border liaison, as we rely heavily on Queenslanders coming to our aid and, in some cases, we go to their aid. I do not oppose this bill, which I believe to be a positive step forward. However, other issues—such as evacuation plans in times of flood or fire—need to be addressed. I agree with the sentiments expressed earlier by the member for Maitland. The last significant flood in the Tweed was in 1974. It is fairly sobering to drive around the town and to see council-installed signs depicting 1974 flood levels. In times of flood some areas of the Tweed are a metre or two under water. Considering the age of people in the Tweed, flood awareness is important.

My office was inundated with many calls from people who wanted to know whether they should evacuate, where they should go and so on, which was quite sobering. People received alerts from Queensland radio. Every half an hour a siren was sounded, people were warned about different issues, and they were told what steps to take. As I said earlier, I do not oppose this bill but additional emergency issues must be addressed. I am 100 per cent for the Tweed.

Mr GRANT McBRIDE (The Entrance) [6.14 p.m.]: I congratulate the Minister for Emergency Services on introducing the State Emergency and Rescue Management Amendment Bill 2009. I want to talk about my experience of natural disasters on the Central Coast. One thing became clear as a result of my experience—the need for coordination when dealing with these issues. Every flood and fire is different and each accident on the F3 is different. It is not possible to develop a single plan template to be used in all those circumstances; we need a coordinator to deal with these issues. Different organisations will say that they should take leadership because they have special expertise or responsibilities in various areas. However, all those emergency organisations must be brought together under one coordinator to decrease the risk to our community.

This bill will amend the State Emergency and Rescue Management Act 1989, the principal Act, to provide for the appointment of a State Emergency Recovery Controller and for other purposes. The bill aims to improve and to streamline emergency recovery arrangements in New South Wales. The agreement in principle speech notes that the responsibility for recovery planning and management has been diffused across different organisations and committees with no clear lines of accountability or chains of command. This bill will streamline and formalise existing mechanisms for providing government support in times of emergencies by defining a State official who is responsible for emergency recovery. In 1991 we had a flood in Wyong, which is where I live. That flood encroached into my backyard and into my home. A significant portion of the catchment area—some 25 kilometres—was inundated and flood damaged.

I will refer later to a second flood that occurred in the Wyong district. Different characteristics apply to different floods. People think that floods occur only when the water rises, but floods depend on things such as velocity, rain concentration and local effects that change their characteristics. It is naive to suggest that people should respond to a flood in a particular way. We need someone with broad control who can implement the specific action needed to diffuse a particular event. In 1993 I witnessed a fire line from the forests of Cessnock all the way down to the Hawkesbury River. I had the amazing experience of going up in a helicopter and looking at that fire line. That Central Coast fire line, which was depicted by one continuous line all the way from the Hunter down to the Hawkesbury River, was about 160 kilometres in length.

Imagine the coordination associated with an emergency of that nature over such a great distance! The fire line did not encompass only a number of suburbs; it encompassed an area of 160 kilometres. In 1993 a fire such as that was well beyond the capacity of the Rural Fire Service to manage and control, as there were still local and autonomous commands. At that time the Rural Fire Service fitted out its own vehicles, according to its designs. One fire unit would go in to manage the fire and when that unit had to be replaced it involved the first unit coming out and the second unit going in, as the fit-out of the trucks was not standardised. The Rural Fire Service was a local and parochial type of organisation that was capable of dealing with small incidents that fell within its bailiwick. However, it was not able to deal with a major event beyond the experience of all those associated with it.

Such was the intensity of that event that people came from Victoria. Victoria had experienced the Ash Wednesday fires and as a result had changed the organisation and structure of its rural fire service to a coordinated system to fight fires. Victoria's system can deal with any event. As we have seen with fires this year, the intensity of events has been beyond people's experience. Victoria has experienced five fires of such dimension in the last century. It is not a unique experience. From that I have learned about the enormous spontaneous action required to coordinate response to a fire line of over 160 kilometres. What happened on the 2007 Queen's birthday holiday weekend? The Wyong catchment again suffered flooding. Last time it was an inundation flood, which, fundamentally, means that the water comes down the river and the water level just rises as it does when one runs a bath.

Mr Kerry Hickey: Really?

Mr GRANT McBRIDE: Yes, that is right. It is not as threatening because of the low velocity of the flow and it is easier to manage than the flooding that occurred in 2007. In 2007 areas that should not have succumbed to flooding did flood. They flooded because of the storm intensity that started in the ocean at Soldiers Point and then travelled diagonally in a south-westerly direction down into the area including Chittaway Bay. Chittaway Bay normally would experience inundation flooding, but on this occasion it suffered a catchment flood with an enormous amount of water in the area. Again this event was outside the experience of those who would normally deal with these issues. They had to interpret the response from a different direction.

[Interruption]

Mr Steve Whan: It is not question time.

Mr GRANT McBRIDE: We will answer questions later. My colleague opposite from Port Stephens understands what I am talking about. Another fire we experienced—

Mr Andrew Fraser: Weren't we just on floods?

Mr GRANT McBRIDE: We are talking about emergencies. We had the 2005 New Year's Eve fires. Again the fire came from the forests on the bottom end of the peninsula, as we call it, up to the houses. Fortunately, a southerly change came and—bang!—the fire went the other way. The interesting issue was evacuating people because the roads were cut off in both directions. An aquatic evacuation was carried out, which involved many elderly people. As pointed out by the member for Tweed, how do we move people of limited mobility in emergency situations? Again they were taken to the local club for accommodation, food and all sorts of enormous issues involved in that evacuation process. The logistics involved in these Central Coast events spread across a range of emergency services, but also included issues requiring the response of the Department of Community Services and other State government organisations. In the 1991 fires the entire Central Coast was cut off from Sydney, and almost cut off also from Newcastle. The region was surrounded by fire on the western side and by ocean on the eastern side. We had to accommodate thousands of people for two nights on the Central Coast.

Mr Andrew Fraser: Name them!

Mr GRANT McBRIDE: The whole thousand of them? I am happy to do that, I just need those extra pages and an extension of time of perhaps another 20 minutes! On that particular occasion high-level logistics were required to deal with these large-scale situations. When I moved to the Central Coast the last thing I thought was that we were moving to a place that suffered fires and floods. I should point out that in 1991 we were flooded for four days. We were living on the top of our house and we had a boat tied to a rail below, just like the horses in western movies. This bill is an overdue restructure that will make an enormous difference to managing these incidents.

Expertise is required to deal with these incidents and we need to be able to drag different organisations together. I am sure my colleague from Coffs Harbour has been to the operations rooms during these events—I am sure he has one such room in his electorate. Gosford City Council, Wyong Council and the fire department have an operations room. Coordination is needed to reduce the risk of loss of life and damage to our local community, and also to mop up after the event speedily and in the best interests of our local community. I commend the Minister for introducing this bill. It will make a great difference to our community in managing these particular issues. The bill is well overdue. I congratulate the Minister on bringing this bill forward.

Mr ANDREW FRASER (Coffs Harbour) [6.25 p.m.]: I strongly support the State Emergency and Rescue Management Amendment Bill 2009. As my colleagues have done, I too shall refer to problems in my electorate. I refer to the 1996 storm event in Coffs Harbour. Basically my office operated as a recovery centre. There was no coordination. Something like 15 inches of water ran through the office. If all our records were not destroyed, they were absolutely saturated. It was an horrendous experience not only for my staff but also for Coffs Harbour residents. This year the Coffs Harbour electorate has experienced three incidents: the storm event in Bellingen and Coffs Harbour in February, which was declared a natural disaster; another on 31 March, which was probably the worst of the three; and one event again in May. Before I proceed, I should state that every member of this House should be thankful for the State Emergency Services, the Rural Fire Service, the Fire Brigades, NSW Police, the Red Cross, the Salvation Army and all the other organisations that pitch in and selflessly give of their time and, as the member for Tweed so rightly recognised, put their lives at risk.

His young son and a flood bay crew in the Tweed were nearly lost during the recovery effort in that region. I place on record my personal thanks to Merv Rose from Urunga, controller of Urunga State Emergency Services, Toby Cuthell from Bellingen and Bob White from Coffs Harbour, whom I have mentioned in the House before—the Minister has met two of them, if not the three of them. I thank also their volunteers and those from other areas who assisted in the Coffs Harbour electorate during these difficult times. I commend also the Coffs Harbour local area commander, Superintendent Mark Houlihan, who did a phenomenal job in chairing the Local Emergency Operations Controller committee before the recovery centre was set up. All reports on the initial event in March complimented him on the great work he did and the level head he kept to ensure that the unfolding disaster was handled responsibly.

I also give an absolute rap to Rachel Squires—I could not recall her name when the member for Lismore referred to her earlier. Rachel is a young lady of brilliant talent. She was phenomenal in coordinating the setting up of the first recovery centres under the proposed legislation before it came to this House. Coffs Harbour experienced one of the first events, and Rachel did a phenomenal job. The way she pulled together the recovery centres in Coffs Harbour, Bellingen and Urunga was amazing. As the Minister knows from the two visits he made to Bellingen, the area was hit extremely hard, yet it had the lowest numbers of reports of people needing assistance—probably because the people have been flooded so many times, they have set up their own system.

The Urunga and Coffs Harbour residential areas were very greatly affected, and the recovery centres worked a treat. I cannot praise enough the people who were involved in setting up those centres. I also state for the record my great appreciation of the Country Energy staff. They provided a supply of electricity to our communities and they were working in extremely dangerous conditions. They were flown into flooded areas, walked the lines to find breaks, and flew in generators and fuel for the Bellingen hospital. One cannot give too much praise to Country Energy staff for their efforts. I personally thank them.

The member for Lismore suggested that local members should be members of a recovery committee. I thank Mark Houlihan, Coffs Harbour City Council General Manager Steve Sawtell, the Mayor of Coffs Harbour, the Mayor of Bellingen, the Minister for Emergency Services and the Premier for inviting me to be part of the recovery committee as an ex officio member. The recovery committee is still operating. My

electorate secretary goes to every meeting and reports on progress that has occurred, and I receive minutes of the committee meetings. In any debate on whether a local parliamentary representative should be a member of a recovery committee or an ex officio member of a committee, I would have to agree with the member for Lismore.

Local parliamentary representatives are in the front line. I was able to take a number of issues to the recovery committee and have them resolved instead of chasing individual government departments. Some of the issues involved bales of hay that had been washed into caravan parks, dead cattle that had been washed onto private property, and bridges that had been washed away. As local parliamentary members, we are usually the first port of call when people need assistance. In a spirit of bipartisanship, I strongly suggest to the Government that along with the Premier, the Minister and mayors of local authorities, local members of Parliament should be invited to participate in the work of the recovery committees. As I have already pointed out, my electorate secretary continues to attend recovery committee meetings in my electorate.

I thank my electorate office staff because, as the Minister indicated earlier, my electorate office once again was inundated by floodwaters, albeit not as badly as during previous times. My staff worked under pretty trying conditions. The latest edition of *Assembly Lines* has photographs that show some of the conditions they endured. I offer a big thankyou to Ms Diane Leahy, to my senior electorate officer, Campbell Forsyth, and to Deb Maguire, who is a permanent temporary member of my staff. I also thank my family and friends who gave assistance to get my electorate office up and running again so that we could provide a service to the people of the Coffs Harbour electorate.

I ask the Minister to take the issue I am about to mention in the bipartisan spirit in which it is said. The council clean-up was mentioned by the member for Lismore. Coffs Harbour received hundreds of tonnes of rubbish that had been washed down from the Coffs Harbour and Bellingen shires, and all that debris had to be removed. I ask Government members opposite me to chat somewhere else.

Mr Kerry Hickey: It was all right when you were doing it.

Mr ANDREW FRASER: I do not mind an interjection, but if members want to chat, they should do so outside.

Mr Grant McBride: When did you become sensitive?

Mr ANDREW FRASER: I am trying to praise people in my electorate and draw attention to issues that need to be addressed. I am sure that members opposite would be interested in what I am saying, if they cared to listen. The council clean-up costs are covered only if the clean-up is carried out under a contract. The reality is that there is an extra cost burden on councils through the operation of their waste stations and otherwise when they are engaged in the removal of hundreds of tonnes of rubbish and debris. The rubbish had to be cleaned up because it was a health issue, and that is extremely important. The Government should standardise what is deemed to be the accepted responsibility of governments. The Federal Government also becomes involved when a disaster reaches a certain level. Accepted responsibilities should be designated during times of flood and clear direction should be given to recovery committees. The Government should create a standardised system of repairs and restoration.

I have twice raised this issue in the House. When Coffs Harbour was flooded the first time on 31 March, the Minister was good enough to take me to the area in his jet. That morning I raised the issue of responsibility for Crown roads and roads that are not normally covered by disaster relief. I have raised the situation experienced in Coffs Harbour with Stacey Tannos, whom I commend. I also commend Heinz Mueller for the great job he has done. We discussed a creek that had washed out Joyce Street in Coffs Harbour and took out a fair proportion of a property owned by one of my constituents, Mr Paul Craig. We resolved that the damages should be repaired under the State emergency disaster recovery plan. However, the latest information I have is that that damage was not covered.

I mentioned this recently to Stacey and, in Stacey's usual manner, he said that it had been organised and administered. Since then the council has been told that the State will not repair the damage. It is Crown reserve land that is under the council's control. The reality is that the council cannot afford to pay hundreds of thousands of dollars to repair a Crown road. The issue probably goes further than simply Crown roads and creeks, as I have mentioned in the House on previous occasions. Catchment management authorities do not have the money to fix damage of that magnitude. Storms and floods create huge financial imposts on catchment

management authorities as well as councils. For those reasons, the Government should give serious consideration to standardised arrangements for disaster repair work that needs to be carried out to creeks and Crown roads after floods. Currently the repairs are a great impost on local communities and councils. We also need to standardise assistance given to farmers and businesses. I note that recently when I raised this issue, the Minister gave me a wry smile, but he would not admit anything.

Mr Steve Whan: I was smiling about our achievements.

Mr ANDREW FRASER: It was an achievement. I thank the Minister and the Premier for responding to my correspondence by giving grants to farmers and small businesses, but a way must be found to ensure that the grants are made automatically. The Federal Minister for Agriculture, Fisheries and Forestry, Tony Burke, said to me at the Coffs Harbour show that a flood in North Queensland is different from a flood in the Bellingen and Coffs Harbour area, but I said that it would not matter whether a house is inundated by 30 centimetres of water for six minutes or six weeks because it will still ruin carpets and furniture. We need a standardised arrangement for assessing and repairing flood damage, especially as winter is not far away.

This year the Bellingen Valley experienced three floods. Pastures have been ruined. Money that was made available to assist recovery from the previous two events was greatly appreciated, but I implore the Minister to continue his efforts to obtain Federal Government support to provide financial assistance to those who suffered during the February event, especially oyster farmers. I spoke to Tony Donohue last night. He applied for a loan for \$130,000 interest-free over two years to get him back on his feet. His application has been knocked back. The damage occurred in March and he was notified of refusal of the loan only last week. I will provide the Minister with details of the loan because Tony Donohue faxed them to me last night.

The reality is that, if Tony is lucky, he will receive only a \$30,000 grant. He needs funds. The Rural Assistance Authority [RAA] told him that his oyster farm is not viable, despite the fact he has been operating the business for 18 years. Over the past six to 18 months, two rivers have been closed periodically as a result of disease. Tony Donohue will be able to survive if he can arrange for a short-term interest-free loan over two years, yet he will have to undertake a number of processes, with the result that he may not receive a response to his application until August. He has suffered flood events in February, March and May. [*Extension of time agreed to.*]

The Government really must streamline the financial assistance process of the Rural Assistance Authority.. Difficulties have been experienced since the Coalition was last in government. People do not receive Rural Assistance Authority loans in the manner they should receive them. When Mr Donohue phoned an officer to appeal against the decision—her name escapes me for the moment, but I will provide it to the Minister—she told him she could not talk to him because she would be assessing his appeal. She had assessed his application and had knocked that back. That is appalling. These small businesses pump hundreds of thousands of dollars into local communities and provide magnificent rock oysters to the Sydney market. The process should be streamlined from the point of view of enabling people in need to access funds.

A banana grower, Mr Singh-Sidhu, was told that although he had suffered damage to his property, he could not access a loan because his equity in the property was too great. That is bizarre. People who have suffered as a result of an event that has been declared a disaster by the State Government should be able to access loans more easily than has been the case in the past, and the way applications are being assessed currently is simply not good enough. As I said, the Coalition supports this legislation. However, if the Government can push some of the assessment back to recovery committees or standardise the assistance that can be given so that recovery committees can advise farmers, shopkeepers and residents at the time the disaster is declared, people will no longer be living in angst, as many of my constituents are at the moment. I have belted the insurance companies over their lack of observation on this. I did that in 1996, and the NRMA eventually paid. At the end of the day we need a standardised form to ensure that all the concerns raised are addressed.

The work done by the government departments—from the Department of Primary Industries to the Health Department, the Department of Housing, the Catchment Management Authority, the Department of Community Services, the Department of State and Regional Development, the Department of Tourism, Sport and Recreation, you name it, and by the quasi government departments that attended the recovery centres—was phenomenal. At one stage we were meeting three times a week; then we cut it back to twice a week, and now it is once a fortnight or once every three weeks as the recovery process continues. Again, I thank the Minister for showing interest in the disasters in the Coffs Harbour electorate. The Minister came to Coffs Harbour on one fine day—I think he might have had other family engagements as well—and handed over some fire engines.

We would like to welcome the Minister back in good times and show our appreciation as a community for the Minister taking notice. Although the Minister claimed that the \$15,000 was his idea, I will forgive him for that because the cash is flowing. I refer the Minister to my correspondence and our discussions. I appreciate that the Minister showed compassion to the people there. He thanked the troops under his command as Minister, and they appreciated that. When they know a government, their local member, and the council are behind them, and the recovery committee is coordinating these efforts, it is a great relief to the communities and volunteers. If I have missed anyone in all this, I apologise. I probably have missed out someone, but I commend the volunteers for their phenomenal job.

Mr PETER DEBNAM (Vaucluse) [6.42 p.m.]: I acknowledge the comments made, especially those by Coalition members whose electorates suffered these traumas in recent months. There is clear consensus on acknowledging the Minister's efforts in dealing with community concerns, and I congratulate him as well. Several times during those few months I was in a position to see the devastation. It is good that the State Emergency Service was on its feet again and helping wherever it could. Not only during floods but time and time again we see the SES helping with community events or dealing with disasters. The Waverley-Woollahra SES does a fantastic job in my area. Most recently it helped with the collapse of Victoria Road in Bellevue Hill, thanks to Sydney Water, which created the hole. The council and the SES managed the situation after that disaster.

If the Minister has not visited the Waverley-Woollahra SES I ask him to schedule a visit because it is in the process of negotiating through the bureaucracy a much better site for its depot. I am sure it would welcome a visit by the Minister and would appreciate a bit of a hand in working through the bureaucracy to establish a more viable site for its depot. I congratulate the SES on its continual work, day after day, week after week, and I also congratulate the Minister on his efforts during the recent floods.

Mr STEVE WHAN (Monaro—Minister for Emergency Services, and Minister for Small Business) [6.43 p.m.], in reply: I thank members for their contributions to the debate. I will go through some of the issues raised shortly. Unfortunately I missed a little of what the member for Vaucluse said, but I will check the issue he raised and follow it up. This bill is an important change to improve and streamline the emergency recovery arrangements of the State Emergency and Rescue Act. It is particularly timely. As we heard from most members who spoke, many members who represent North Coast areas and the areas that were flooded, the flood was a big challenge. It provided an opportunity to show how this change to the Act can work successfully in practice. Northern New South Wales continues to count the cost of the recent flooding, which caused widespread damage and hardship throughout the region.

I endorse all the comments made by members on both sides of the House in congratulating and thanking all the people involved. Members would be aware that former New South Wales police commissioner Ken Moroney led recovery efforts on the North Coast as our coordinator. I congratulate Mr Moroney on his efforts and the tremendous job he did to assist flood victims. Mr Moroney is held in high esteem by everyone in the State after his decades of services to NSW Police. Having him in charge of the effort was welcomed by everybody and proved to be, and is still proving to be, a positive coordinating point as the process continues. Through Mr Moroney and the efforts of the recovery team, the Government established four disaster recovery centres—they have been mentioned extensively by members—at Lismore, Grafton, Kempsey and Coffs Harbour. They provided people with one-stop shops for advice, support and assistance, and did so with great goodwill from everybody involved.

When I attended the opening of the centre in Grafton I was impressed by the spirit of every person who was there to greet people as they came through the door. They sensed when people were upset and needed personal support. One person who arrived while the opening was in progress was quickly rushed through the crowd and assisted so that they did not have to cope with the politicians and others who were present. A range of things showed the sensitivity of the people working in the centres, and I thank them for that. The centres were staffed by a range of government agencies, councils and welfare services whose staff did a terrific job of providing residents, business people, primary producers and others with advice and much-needed emotional support.

As we witnessed in the State's north, the process of helping a community to recover from a devastating natural disaster such as a flood, storm, bushfire or other emergency requires a sustained and coordinated effort. While the recovery process may begin at the same time as a response operation, it will inevitably finish some time after the response operation ceases. The recovery process is not just about physical rebuilding; it is also about assisting local industries such as tourism, small business and primary production to get back on their feet,

thereby helping the wider region. The State's emergency response arrangements and responsibilities are longstanding, well understood and documented in detail in the State disaster plan and its supporting sub-plans. However, previously there were no guidelines or assigned responsibilities for the recovery processes.

Responsibility for recovery planning and management has been diffused across different organisations and committees, and this bill will fix that. The appointment of a State emergency recovery controller will bring together relevant government agencies and organisations to ensure that necessary services and assistance are provided in a coordinated and timely manner. Stacey Tannos, who has been mentioned by a number of speakers and thanked for his work on the North Coast, is the first State Emergency Recover Controller. The work that he and his office have done and the mentions he has received today show that he will do an effective job.

The member for Lane Cove indicated that the Opposition will be supporting the bill. The Government appreciates that support and his positive comments about volunteers. The member for Shellharbour supports the bill. She represents an area with active State Emergency Service and Rural Fire Service units, and she is a strong supporter of those units. I thank the member for Lismore for his compliments for the work done by Ken Moroney, Heinz Mueller, Stacey Tannos, the local mayor Jenny Dowell and the various other SES people who were actively involved.

Mr Thomas George: And Genevieve.

Mr STEVE WHAN: And Genevieve from my office. When I was in Lismore that night I was interested in the many decisions that had to be made about where to evacuate and what steps needed to be taken. I take on board the comments of the member for Lismore about the State Emergency Service's decisions being based on Bureau of Meteorology forecasts. I saw for myself the importance of local knowledge in making some of those tough decisions. It is not easy for a State Emergency Service controller to order an evacuation. I saw how much consideration went into that process. Obviously, if an evacuation is called for but the water does not reach predicted levels, critics will suggest that people went to a lot of trouble for no apparent reason.

I watched the processes that evening and heard the debate about the Bureau of Meteorology forecasts by State Emergency Service representatives on the ground. They had listened to people who had local knowledge of the rivers, they had seen the levels, and they had worked out their own models of how the river had peaked in the past. They knew what the peaks were and how those peaks had occurred, and they discussed that directly with the Bureau of Meteorology. The predictions of the bureau changed during the evening, based on information coming in from its own monitoring stations. That process was healthy and thorough. I take on board the comments of the member for Lismore that science is not exact and local knowledge needs to be used. I encourage the continuation of that process.

Recently in question time I referred to a call being made at Lismore. The water stopped only 20 centimetres short of the top of the levee bank: it had risen more than 10 metres. Anybody who could make an exact call after such a rise in the water level is very brave. The decisions made at the time were right, as endorsed by the Premier the next day, when he said it is better to be safe than sorry in those circumstances. I think some very sensible decisions were made. I, and the Government, endorse the comments of the member for Lismore in thanking a number of locals, the names of whom I will not repeat. The member for Maitland referred to the history of flooding in Maitland and expressed his appreciation of the work done by local volunteers. When I visited the various flood events on the North Coast I saw that locals who have resided in the area for a long time were quite well prepared, but new settlers need to be educated about how to prepare for floods and what to expect, as was highlighted by the member for Maitland.

The member for Clarence talked about the State recovery centres being a great idea, which I also endorse. Several members spoke about the need for information to flow to local members and for inclusion of local State members in these processes. I give an assurance that local members are given formal notification of and information about what is happening. We appreciate that all members, regardless of their political persuasion, play a very important role in disasters by backing their community and being an information point. I know that volunteers and many other people appreciate their local members being around to thank them for their efforts during an emergency. The member for Clarence also made a quick squib at the start of his contribution about today's budget. I point out that today's budget has again given record funding for emergency services, which I and the Government are very proud of.

We will continue to ensure that our emergency services have the best possible equipment through record levels of funding. Particularly important are the new funding arrangements for the State Emergency Service which will bring it into line with the Rural Fire Service and ensure reliable funding for years to come. The member for Kiama complimented the Kiama State Emergency Service units. I appreciate his support for those units and I know he has been to a number of their events over the years. We heard about the involvement of the son of the member for Tweed. All members are very pleased that his son has recovered and that the incident on the Tweed River was not worse than it was. He highlighted that his sister-in-law had come up from Ulladulla, and it is worth making the point that people travelled from all over the State to help out. I know that the communities were very grateful for the efforts of those volunteers. Crews from Queanbeyan, where I live, and from Yass and other areas travelled to the North Coast days before the emergency to prepare, and their efforts are very much appreciated.

A number of members expressed their thanks to the volunteers, and we also thank their employers who let them go. The member for Tweed raised important and valid concerns about urban development planning and about how people are evacuated, and we need to keep an eye on those issues. Much of the development happened a long time ago and we need to continue to work to ensure that people, particularly the elderly in aged care facilities, can be safely evacuated. Tweed Shire Council is working on flood plain management plans. My office has received representations from the former Administrator, Max Boyd. I encourage Tweed residents to have input into the flood plain management plan because some issues to which the member for Tweed referred need to be addressed.

The member for The Entrance outlined different types of emergency events. The member for Coffs Harbour also spoke of his experience during the three events in his electorate. He and I travelled to one of those events; he stayed in the area to continue to liaise with emergency services, and that was much appreciated. He was right to thank other groups, such as Country Energy staff, who did a terrific job when 18,000 or more people were not connected to electricity. I take on board the comments of members about the costs of council clean-ups being part of national arrangements.

I am happy to follow up the issues raised by the member for Coffs Harbour about oyster farmers and about a low-interest loan from the Rural Assistance Authority being rejected. I will take up those matters once I obtain the necessary details. I thank all members for their contributions. Most importantly, I thank the volunteers from all the emergency and recovery agencies, who are out there doing a wonderful job. These new arrangements will be very effective. 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.

ACTING-SPEAKER (Mr Wayne Merton): Order! It being just before 7.00 p.m., the House will now proceed to the matter of public importance.

DEPARTMENT OF COMMUNITY SERVICES MANAGEMENT

Matter of Public Importance

Ms PRU GOWARD (Goulburn) [6.59 p.m.]: I ask the House to note as a matter of public importance that the management of the Department of Community Services, much maligned, sometimes unfairly, is crucial to the children and families of this State. It also reflects critically on our values. These values are tested and proven for what they really are by the day-to-day care and protection we offer our most vulnerable. Without this, values become nothing more than grandiose and empty statements, the sounding brass or the tinkling cymbal of St Paul. So yes, the management of this department lies at the heart of our expression of values. Management is not just about money. Of course, money matters. That is why the additional funding of \$750 million announced today is welcome and much needed. The Opposition was genuinely pleased and relieved to see that this year the department's budget will actually increase.

But money alone will not address the management issues facing the department, nor therefore of itself improve the lives of the vulnerable children of New South Wales. We know this because the last lot of money did not work. In 2002 the then Carr Labor Government decided that it needed to put an extra \$1.2 billion into the Department of Community Services to help it address its failings, among them staff shortages and poor technology. The department spent and spent and spent, for five years. At the end of those five years there were still records being set for children in out-of-home care and children being reported to the department who were at risk of harm. There were two children dead in terrible circumstances, and the courts are still working through the consequences.

So after the \$1.2 billion that was going to fix everything we needed a commission of inquiry and a lengthy series of recommendations from Justice James Wood that proposed a new course for the department and for the State and the people of New South Wales. The department certainly needed more money, but, as Justice Wood counselled in his final report, not all his proposals would be easy to implement. The department had to improve its relationships with community sector organisations and defer and pass over much of the front-line work. It needed to change its own practices. The unions had to get out of the way and privacy restrictions had to be overcome so that government and non-government agencies could properly share information for the sake of the child. But so far nothing appears to have changed much. Despite Justice Wood, despite the promise of more money, despite widespread agreement that the management of the department, including its relations with families, foster families, other agencies and non-government organisations—as well as the department's relations and expectations with its own staff—had to change, not much has changed.

Instead, over the past month a series of disastrous cases has come to light—and some did not come to light but were referred by me to the Minister for her attention. So this debate is not just about today's latest shocking story of a 12-year-old mother-to-be in Dubbo who was allowed by the department to live with her boyfriend, who is not much older than she is, in her mother's house. What was the department thinking? What went through that caseworker's mind, particularly when the girl's father made his objections clear? Why did the caseworker's alarm bells not ring? Why was the father's concern not seen as an offer of help and collaboration that could be gratefully accepted? And if the department in Dubbo was overloaded, where was the referral to one of the many community sector providers in that city that could have helped this girl—this child—and her family through a difficult time?

The department's management clearly still does not allow for partnerships and collaboration with other groups, and the price continues to be paid by families and another generation of children. The failure of management in the Department of Community Services is reflected in a recent report of eight already vulnerable children being handed over to people who had not undergone police checks because it was an emergency. Again—although the department disputes this—there had allegedly been previous reports to the department, which were ignored. Despite record numbers of children being reported, it appears that these eight children—many with significant disabilities—were left in shocking circumstances with a parent who was unable to cope.

Then there is the growing number of allegations of foster parents shut out of their foster child's life, sometimes after years of loving attention. In one case, which has received some media attention, the family cared for the girl for 13 years before adolescence hit, and troubled behaviour with it. This did not result in the department offering more support to what would appear to have been an exemplary family, but instead resulted in the girl's removal from their care at 15 years of age. This girl now lives in a range of shelters and doorways. She is, according to her foster mother who follows her activities online, allegedly using drugs and living off the street. In fact, there is any number of foster parents out there who know they have done their best but who made the mistake of believing the Department of Community Services was their friend, that it understood how difficult bringing up someone else's child might be—especially given the difficult circumstances of some of these children—and that it would be supportive. In fact, I have met with a number of birth mothers who made the same mistake when they turned to the department for support or respite. Tragically, these families were to find out that, far from helping them manage, the Department of Community Services was inclined simply to remove the child.

The failure of management in the department—and management, it has to be said, led by the Minister—is reflected in a department with a high turnover rate among caseworkers that is higher than the turnover rate for similar workers in non-government organisations. It is also reflected in caseworkers' record stress levels: 869 days of stress leave last year, which was perhaps the result of a 170 per cent increase in overtime worked, to 44,000 hours, and perhaps the result of poor support and mentoring, and poor morale—all identified by Commissioner James Wood as issues that had to be addressed. Good young caseworkers with little

support and mentoring are desperate to do a good job. However, as the Public Sector Union observed today, a staff freeze that will inevitably affect front-line services—and I am told is now doing so directly—is putting additional pressure on caseworkers who are struggling to care for the children they came to serve.

It is not about the money. The management of the Department of Community Services under the leadership of this Minister is clearly struggling to protect and care for the children who are its responsibility. The last month has been a terrible one for the department, but it cannot be explained away with a series of apologies. A willingness to work differently is what is needed now, or the Opposition fears we could be back where we were when the Wood commission was established. The department does care for children, but so do parents, foster parents and a wealth of wonderful agencies. It is time to knock down the silos and the territorial hold the department appears to have on these cases because these children are everyone's business and the community, particularly parents, need to be able to trust the Department of Community Services again.

Dr ANDREW McDONALD (Macquarie Fields—Parliamentary Secretary) [7.06 p.m.]: The Government welcomes the opportunity to debate this matter of public importance. We welcome the opportunity to say in this place that we place the highest priority on the care and protection of those who are most vulnerable. That agenda is Labor's commitment to social justice. Social justice and the rights of the child were the themes of my inaugural speech. An example of this commitment is today's budget. The Government has allocated \$750 million over five years to implement Keep Them Safe, a whole-of-government response to Justice Wood's recommendations following his 12-month inquiry into child protection.

The case mentioned today should have been handled differently. More should have been done. When things go wrong we need to learn from what has happened. It is precisely for this reason that Justice Wood conducted the most comprehensive review of child protection ever undertaken. The budget for the Department of Community Services in 2009-10 is \$1.6 billion—a 16 per cent increase on last year's budget. We now spend \$25 for each \$1 spent by the Coalition when it was in government. Much of this money we now spend on early intervention. We know that for \$1 spent on early intervention, a benefit of \$17 is gained in future years. This is hard evidence—it is in the budget papers and is indisputable. Yet in recent weeks the Opposition has said on a number of occasions that the Government is reducing funding for child protection, child protection services are being cut and caseworkers will not be employed because of a staff freeze. There can be only two explanations for this. The Opposition is either playing politics, using dodgy and misleading information, or it does not choose to understand—or it ignores—the budget. Either way, you have to seriously question their credentials as an alternative government.

The Coalition has failed to develop a single plan while in opposition. It went to the last election with a plan to cut 20,000 public service jobs. In a \$27 billion pre-election spending spree, it offered not one single cent for child protection. I cannot wait for its next policy. Will the member for Goulburn be able to protect the Department of Community Services from Max the Axe? The past few weeks have seen Opposition members stand up at every opportunity and criticise the department over individual cases. We have 16,000 children in out-of-home care, more than at any other time in the State's history. There are more than 300,000 reports to the Department of Community Services helpline every year. We live in a society where domestic violence, mental illness, and drug and alcohol abuse are underlying causes of family breakdown and the neglect of children. There will always be individual cases for any Opposition to use as a platform to gain media attention. And who wears it? It is the staff—the department's caseworkers. I know many of them, and our caseworkers deserve better.

They are faced with the hardest decision anyone could imagine—whether to leave a child with its parents, who often have their own enduring difficulties, in the hope that the parents can get their lives together with services and help, or alternatively to take that child away. These decisions make politics look easy. Like the families they care for, Department of Community Services workers are often forced to choose between a rock and a hard place. Despite their professionalism, risk assessment in child protection remains an imperfect science. Having done it myself I can certainly vouch for that. Department of Community Services workers are the people who, when faced with a crisis 24 hours a day, often spend hours on the phone finding an emergency placement for a child at risk. Yet the Opposition spokesperson had this to say during a speech in the House in the debate on the Wood legislation:

NGOs do not turn away children and they do not turn on the answering machine at 4.55 p.m.

That is plain wrong. The Department of Community Services does have an after-hours number and after-hours services that will and do visit families at times of crisis. I know because I have used them. I know the

Opposition will squirm when I bring up its record in Government, but I cannot help myself. It was a long time ago, but it is relevant and important. When the Coalition was last in Government it inflicted untold damage on the department. In the first year of the Greiner Government 1,000 positions were slashed from the Department of Community Services. I know because I was working in child protection in Campbelltown during the Greiner Government and I can assure members it was very difficult. The department took years to recover from this heartless and stupid exercise. How many children were left unprotected and without help because of Coalition Government cuts to community services? Who would know? They were never even measured, because the Child Death Review Team was set up in 1996. The record of the Coalition in this policy area when last in Government was atrocious. These people have form. The New South Wales Labor Government has steadily and painstakingly rebuilt the Department of Community Services since that time.

I remind everybody that the facts are these: Funding for child protection is increasing; programs and services are being expanded or created in the Department of Community Services, in other Government departments and in non-government organisations; and front-line recruitment is continuing. The Opposition says at every opportunity that non-government organisations should take over service delivery, despite the fact that it is already happening. More than half the department's budget is spent on non-government organisations. As part of Keep Them Safe and in line with the Wood recommendations we have committed to a gradual transfer of responsibility for out-of-home care services to non-government organisations. It is there in black and white in our plan. Only yesterday I met a wonderful foster mother from a non-government organisation who is caring lovingly and diligently for a young child. She was an inspiring woman. We are working together to improve the child protection system because the wellbeing of children is, as Justice Wood said, a "collective responsibility". I will finish with another quote from the Opposition:

My bet is they will put off all the hard decisions until after the next election, hoping they will never have to take on the Unions or make the hard changes Wood demands.

The Government has proved them wrong. We developed a detailed, costed plan that responded to all of Wood's recommendations and we are now implementing it carefully and systematically. This is core business for any Government. It is a challenge that we will continue to apply ourselves to, to the best of our ability and with diligence and hard work, because our children are so important.

Ms KATRINA HODGKINSON (Burrinjuck) [7.13 p.m.]: I do not know what to say after listening to that load of drivel. I do not know who the author was, but it was absolute political rubbish. Justice Wood brought down his report into child protection last November. There were 1,190 pages of the report of the Special Commission of Inquiry into Child Protection highlighting years of failure by the State Labor Government. The Government often waxed lyrical about the \$1.2 billion it was spending over five years yet at the end of the five years we had this damning indictment of the Government showing how it had failed so many children. There were 1,190 pages of that report and its recommendations.

Where are we now, seven months later? There has been another announcement of \$750 million in funding today. Why? It is because nothing has changed. In his report Justice Wood said that in 2007-08, 21 per cent of helpline reports assessed as needing further assessment went nowhere and only 13 per cent of all reports resulted in a home visit from a Department of Community Services caseworker. Today we have seen another example of that. Justice Wood also highlighted poor interdepartmental communication and feedback about individual cases, which harms relations between services. He made a lot of very fine recommendations. I like Justice Wood and I like what he had to say.

In his report he said there was inconsistent implementation of workplace practices and insufficient early intervention services. We continue to see that problem today. I would like to ram home to this Government the need to increase places in Brighter Futures. It is a good program but there are very few places for the number of children that are so desperately in need of this wonderful service. Also, why are so few parenting programs available for those who need them most? Non-government and Aboriginal organisations have not been sufficiently developed. Aboriginal communities are still over-represented in the child protection system. The Department of Community Services has not presented fair and balanced evidence in courts. Children in out-of-home care do not receive adequate medical, dental and allied health treatment. There is also still a duplicative, unduly complex and administratively burdensome funding system. All these things still exist seven months after the Wood report.

We can also look at adoption, another important responsibility of the Department of Community Services. In New South Wales it is incredibly onerous and time consuming, which places a strain on would-be adopting parents. In 2007-08 only 125 children were adopted in New South Wales, 73 of whom came from

overseas. It is stressful to try to adopt a child and the processes are bureaucratic. Many couples believe there is an unspoken policy within the department of discouraging adoption by making the process as hard as possible. How about a fresh approach to adoption? Give some of these kids a better start. In New South Wales alone there are about 12,000 children in out-of-home care, many of whom would undoubtedly benefit from the stability that adoption offers by placing them in a permanent loving family relationship. So much more needs to happen with the Department of Community Services, but time does not allow us to go through everything line by line. This Government has failed the children of this State. Child protection is in desperate need of a change of Government.

Ms PRU GOWARD (Goulburn) [7.16 p.m.], in reply: This is a sad day. To compare what the Coalition did or did not do in Government 13 years ago is a bit like talking about children in orphanages 50 years ago and blaming the Government of the day. It is a ridiculous historical journey that is absolutely fruitless. We are talking about what we understand about children at risk today, not 13 years ago or 30 years ago, and what needs to be done about it. The Opposition's proposition is very simple. Yes, we do welcome the extra money, but the problems must be recognised and these cases in the last three weeks or so emphasise again that all the money in the world and the expectations created by this great tranche of money for the next five years will not deliver real improvements in children's lives, particularly those children with extremely complex families and social arrangements. Nothing, not even money, will make any difference if the culture is not right and the determination and leadership of the State Government in this area is not right.

The first priority has to be to restore the trust of the people of New South Wales in the Department of Community Services. This problem has not been driven by the Opposition. Opposition members were the messengers. Do not shoot the messengers. This matter has been driven by the deaths of two children and a series of similar incidents that keep occurring. The Government cannot make the Opposition responsible for that. The Government and the systems that are in place are responsible for that. That is what we should be changing; we should not be shooting messengers because they dared to bring these matters to public attention. We are here today because we know that money is not everything. The culture has to change and trust must be restored. That will be done only by breaking down the barriers between the Department of Community Services and everybody else, and by getting young and often inexperienced social workers to respect the foster carers with whom they should be working.

They should not be working against them. They should appreciate and work with the families where they can and also work with the non-government sector, which, as both sides of Parliament have agreed, has done a magnificent job, and can and will contribute more. Nothing will be gained if we sit here saying: It is just about the money and we are delivering more money so that is all that counts. It is about telling the Department of Community Services to let go of the silos, get the walls down, talk to people and make children everybody's business. We all say children are everybody's business but we do not live by what we say.

Discussion concluded.

PERSONAL PROPERTY SECURITIES (COMMONWEALTH POWERS) BILL 2009

Bill introduced on motion by Mr David Campbell.

Mr David Campbell tabled the Personal Property Securities Bill (Commonwealth) bearing the following identification "This is the tabled text referred to in the *Personal Property Securities (Commonwealth Powers) Bill 2009* that was tabled on 16 June 2009 in the Legislative Assembly of New South Wales on or on behalf of the Minister introducing the Bill."

Agreement in Principle

Mr DAVID CAMPBELL (Keira—Minister for Transport, and Minister for the Illawarra) [7.22 p.m.]: I move:

That this bill be now agreed to in principle.

The New South Wales Personal Property Securities (Commonwealth Powers) Bill 2009 and the Commonwealth Personal Property Securities Bill 2009 are the product of several years of work undertaken by the governments of Australia to reform the law of personal property securities. The bills have been developed in consultation with all Australian jurisdictions. The Personal Property Securities (Commonwealth Powers) Bill 2009 provides

for the referral of power to the Commonwealth Parliament to establish a single national legislative scheme for the regulation and registration of security interests in personal property. The reforms proposed by the Personal Property Securities bill are landmark.

In a broad sense they are part of the package of reforms approved by the Council of Australian Governments aimed at moving towards a seamless national economy through the reform of business and other regulation. The reforms will make it easier for businesses to operate across State and Territory borders. More particularly, the reforms proposed by the personal property securities bill will make life simpler for businesses and consumers. They will establish national comprehensive rules governing security interests in personal property. Central to the reforms will be a clear set of rules relating to security interests in personal property and for ordering priorities between competing secured interests in personal property, and the creation of a single national personal property securities register.

For those members who are not familiar with this area of the law, I offer a brief background and outline of the personal property securities reforms. The Standing Committee of Attorneys-General first considered the concept of reform of the law relating to personal property securities in 1992, following the publication of an interim report by the Australian Law Reform Commission. However, concerns raised by the finance and legal sectors resulted in no further action being taken. This position changed following the 2004 publication of a favourable report on the New Zealand personal property securities legislation, which had been passed five years earlier. In early 2005 the Standing Committee of Attorneys-General agreed to establish an officers working group to examine reforms in this area. A great deal of work has been undertaken subsequently in examining existing personal property securities schemes in overseas jurisdictions and in consulting stakeholders.

The streamlining of Australia's personal property securities system follows similar reforms in the United States, Canada and New Zealand. In April 2007 the Council of Australian Governments gave its in-principle support for the establishment of a national system for the registration of personal property securities supported by a referral of legislative power by the States to the Commonwealth. In its communiqué of 3 July 2008 the Council of Australian Governments acknowledged that Australia's overlapping and inconsistent regulations impede productivity growth. The key objective of the reforms is to remove the uncertainty arising from the vast amount of Commonwealth, State and Territory legislation and its uneasy interaction with the common law and equitable legal principles governing personal property securities.

A personal property security is created when a financier takes an interest in personal property as security for a loan or other obligation, or enters into a transaction that involves the provision of secured finance. Personal property is any form of property that is not land or buildings. It includes tangible property such as motor vehicles, machinery, office furniture, currency, artworks and stock-in-trade. It covers crops and livestock, and extends to accessions, such as an engine that is affixed to a boat, and commingled goods, such as steel rods transformed into machinery. It also includes intangible property such as contract rights, uncertificated shares and intellectual property rights, for example, trademarks and patents. Many Australians are affected by personal property security laws as buyers of property that is subject to an encumbrance; as consumers or business borrowers who might, for example, borrow money to buy a new car or equipment to expand their businesses; as investors who might be contemplating buying into a business whose assets are heavily geared or owned by others; or as financiers who provide the funds to facilitate such activities.

The Commonwealth Personal Property Securities Bill takes a functional approach to personal property securities by applying the same rules to all security interests in personal property regardless of the form of the transaction, who the grantor of the interest is, or the jurisdiction in which the transaction takes place. The Personal Property Securities Bill also sets out clear priority rules for all security interests in personal property, a streamlined enforcement regime, and protections for businesses and consumers purchasing and dealing with personal property. The bill will create a personal property securities regime that will benefit individuals, consumers and businesses by delivering more certain, consistent, less complex, and cheaper arrangements for securing loans with personal property. A single national personal property securities register will replace numerous registers currently operated by the Commonwealth, the States and the Territories. The personal property securities register will be a publicly accessible, electronic record of personal property securities and will be updated and searchable in real time. A report on the general costs and benefits of personal property securities reform prepared by Access Economics identified the key benefits as being lower costs for lenders and borrowers, greater access to lending and improved certainty.

The main cause of high costs under the present system is the existence of multiple regimes and, more specifically, multiple registers. Lenders are subjected to the high cost of having to search multiple registers to

check whether pledged property is already subject to a claim. Having one universal register will reduce costs as lenders will have to pay only one access fee for the information required, and may be able to reduce staff costs as the search and verification process will be less time consuming under the reforms. Debtors will also benefit from lower costs as lenders cost savings will be passed on. This could occur by way of lower fees or lower interest rates. Reform to current personal property securities regulation will result in greater access to lending. Aside from reduced costs, the proposed reforms should encourage lenders to grant loans on the basis of a security interest in personal property.

At present the scales are tipped in favour of real property, meaning that businesses without holdings of real property are at a disadvantage when seeking debt financing. This imbalance is not reflective of the changing economic environment in which non-traditional personal properties, such as intellectual property, are increasing in value relative to real property. Greater access to lending will also have the flow-on effect of better borrower screening. Aside from the reforms increasing the pool of potential borrowers, lenders will get a more complete and accurate picture of a borrower's real worth and capacity to repay. By expanding the types of property that can practically be used to secure debt, the reforms give greater scope for good lenders to signal their credit worthiness, reducing lenders' risk.

The bill was developed in consultation with the Personal Property Securities Review Consultative Group, which included the Australian Consumers Association, nominees of the Ministerial Council on Consumer Affairs and the Standing Committee of Attorneys-General, the Law Council of Australia and relevant industry bodies including the Motor Traders Association of Australia and the Australian Bankers Association. The reforms provided for by the bill represent a significant change in the way personal property securities are regulated in this country.

I now turn to the referral legislation. In accordance with existing practice, the Commonwealth cannot introduce legislation which relies on a referral from a State Parliament until at least one State has enacted and commenced referral legislation. New South Wales has agreed to take the lead in introducing the legislation. This will enable the Commonwealth Government to introduce the Personal Property Securities Bill 2009 into the Commonwealth Parliament later this year. I note that the referral legislation is underpinned by and reflects the provisions contained in an intergovernmental agreement. The referral legislation provides that statutory licences created under State and Territory legislation that are transferable will in principle be personal property security for the purposes of the personal property securities legislation.

However, where State legislation expressly excludes a licence, right, entitlement or authority from the application of the personal property securities legislation the State legislation will prevail. There may be sound public policy reasons for preventing any form of security interest being registered against a statutory licence or other entitlement. In the coming months the Government will be introducing consequential amendments to various pieces of State legislation to clarify which transferable licences and entitlements created under New South Wales statutes will be exempted from the national Personal Property Securities Regulatory Scheme. Nevertheless, the referral bill specifically identifies that both water rights and fixtures are excluded from the personal property and securities bill.

To ensure an efficient trade in water the New South Wales Government established the Water Access Licence Register. The register holds a separate record for each water access licence issued. Security interests are only one small part of the information contained on the register but they are integral to it. Under the proposed national water market system each jurisdiction will maintain its own register. The water subgroup of the Council of Australian Governments Working Group on Climate Change and Water has agreed that security interests in water rights should be excluded from the personal property securities register. This will avoid inconsistencies between the Water Access Licence Register and the proposed national Personal Property Securities Register.

Private sector stakeholders have shown strong interest in the personal property securities Act applying to fixtures. However, their inclusion would have significant potential to impact on the operation of the State Torrens register and the integrity and indefeasibility of the Torrens title system. The Standing Committee of Attorneys-General has agreed to further work being undertaken and to a review of the current law and the future treatment of fixtures as personal property for the purposes of the personal property securities bill. The referral legislation includes separate commencement provisions should New South Wales consider it appropriate at a later stage to include such things as water rights or fixtures in the Personal Property Securities Scheme.

Lastly, the referral legislation does not refer power regarding State laws that provide for the confiscation, seizure, extinguishment or other forfeiture of property or interests in property in connection with

the enforcement of State laws. Examples include property confiscated under the Confiscation of Proceeds of Crime Act 1989 or the Criminal Assets Recovery Act 1990. I am sure that members will appreciate the importance of the passage of the referral legislation—it will give certainty to both business and government agencies alike. Business is supportive of the proposed reforms to personal property securities and will need to revise business practices before the commencement of the scheme in 2010.

Similarly, government agencies, particularly those involved in the transfer of data to the proposed personal property securities register, will need to take the necessary steps to facilitate the transfer of data and inform stakeholders about the proposed changes. I am pleased that the New South Wales Government is taking the initiative in introducing this legislation. It will facilitate the introduction of new arrangements that will apply consistently throughout Australia and make it easier for businesses to operate across State and Territory borders. The reforms should promote more certain and consistent outcomes and have the potential to stimulate growth in areas currently squeezed out of lending by the current system. This has obvious benefits both in the current economic climate and for the future of the Australian economy. The passage of the referral legislation is a major step in bringing these important changes to fruition. I commend the bill to the House.

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [7.38 p.m.]: I am pleased to contribute to debate on the Personal Property Securities (Commonwealth Power) Bill 2009. Over the past few years the Commonwealth, State and Territory governments have been working cooperatively to reform the law relating to personal property securities, or PPS. The reforms will establish national comprehensive rules governing security interests in personal property. Central to the reforms will be a clear set of rules for creating security interests in personal property and for ordering priorities between competing secured interests in personal property and the creation of a national personal property securities register. The proposed personal property securities reforms, which are currently scheduled to commence in May 2010, will significantly change the way in which information on personal property securities is held in Australia.

Similar reforms have already been introduced in overseas jurisdictions, including Canada, New Zealand and the United States of America. The proposed reforms draw upon the laws and experience of these and other jurisdictions. To give effect to the proposed national reforms each Australian State must enact legislation that refers the relevant legislative powers to the Commonwealth to enact a single national scheme for the regulation and registration of security interests in personal property. The referral of power legislation, the Personal Property Securities (Commonwealth Powers) Bill 2008, is made in accordance with section 51 (xxxvii) of the Commonwealth Constitution.

By way of background to the bill, where a lender provides a loan or credit to a borrower the debt may be secured by that lender taking a security interest in property the borrower or third party owns or in which the borrower or third party has an interest. Security can be given over personal property or real property. Personal property is any form of property other than land or buildings. It includes tangibles—for example, cars, boats, machinery and agricultural produce—and intangibles—for example, contract rights, uncertificated shares, intellectual property such as trademarks and patents, and receivables—and extends to commingled goods. However, the Personal Property Securities Scheme will not cover real property, which will continue to be covered by the Torrens title system.

Early securities took the form of legal mortgages, but personal property securities now extend to a variety of transactions, including fixed or floating charges, finance leases, hire purchase agreements, commercial consignments, and retention of title arrangements in which a company sells goods to a client but retains the title to those goods until they are fully paid for. The Personal Property Securities (Commonwealth Powers) Bill takes a functional approach to the characterisation of personal property securities. This means that the legislation will apply to security interests in personal property that secure payment or the performance of an obligation, regardless of the form of the transaction, the legal personality of the grantor, or the jurisdiction in which the property or parties are located or in which the transaction occurred. This approach contrasts with, and will be a significant improvement on, the current formal approach to securities in personal property where the form of the transaction largely determines the nature of the interest held.

This bill will codify rules concerning the creation of security interests in personal property, as well as rules for determining priority between competing interests in personal property. This will remove the uncertainty arising from the patchwork of existing legislation and the uneasy interaction of that legislation with the common law and equitable legal principles. These rules will be complemented by provisions in the bill that establish when a person acquires personal property free of a security interest, such as, where the transaction

occurs in the ordinary course of business or in relation to low-value consumer goods. A streamlined and effective enforcement regime has also been developed to supplement contractual arrangements in this area. However, the bill would preserve the operation of the consumer credit code.

In preparing the Personal Property Securities (Commonwealth Powers) Bill careful consideration has been given to similar reforms that have occurred in New Zealand, Canada and the United States of America. It also draws on work by the United Nations Commission on International Trade Law, or UNCITRAL, and the International Institute for the Unification of Private Law, or UNIDROIT. The differences between the bill and its international counterparts reflect issues raised by stakeholders, differences in the Australian consumer and commercial environment, advances in information technology, and drafting styles adopted to improve legal certainty. The national framework established by the bill will benefit businesses, individuals and consumers by delivering more certain, consistent, less complex and cheaper arrangements for the financing of personal property. The new registration system will help prospective purchasers and lenders to determine whether personal property may be subject to a security interest and will facilitate the resolution of priority disputes. I commend the bill to the House.

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

ELECTRICITY SUPPLY AMENDMENT (ENERGY SAVINGS) BILL 2009

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

CORONERS BILL 2009

Bill received from the Legislative Council and introduced.

Agreement in principle set down as an order of the day for a later hour.

CORONERS BILL 2009

Agreement in Principle

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [7.44 p.m.], on behalf of Mr David Campbell: I move:

That this bill be now agreed to in principle.

The Coroners Bill 2009 was introduced in the other place on 4 June 2009. As the agreement in principle speech is in the same form, I indicate that the second reading speech appears at pages 53 to 62 in the *Hansard* proof of 4 June 2009. I commend the bill to the House.

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

RESIDENTIAL TENANCIES AMENDMENT (MORTGAGEE REPOSSESSIONS) BILL 2009

Agreement in Principle

Debate resumed from 4 June 2009.

Ms CHERIE BURTON (Kogarah) [7.45 p.m.]: I am pleased to support the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009. This bill will further the Government's efforts in creating a fair and reasonable balance of rights and responsibilities between rental tenants and financial institutions. As members have already heard, this issue was examined as part of a comprehensive review of the residential tenancy laws. The measures in this bill were developed following careful consideration of both sides of this matter. I cannot imagine what it would be like to be ordered to leave your home with little or no notice. But the cold, hard truth of the global recession is that circumstances can and do arise when a tenant who has followed all

the rules, paid the rent on time every time, taken good care of the rented accommodation, and committed no fault is, nevertheless, lawfully required to vacate the accommodation with little or no notice and with little or inadequate time to remove possessions.

I ask members to put themselves in the shoes of a tenant who has signed a residential tenancy lease in good faith, paid the bond in full, paid up to one month's rent in advance, paid for removalists, and paid a bond for connection of utility services, only to discover after several thousands of dollars in expenses that they have to go and do it all again with hardly a moment's notice. To add insult to injury, due to their landlord's financial problems tenants may face the loss of some or all of the rent paid in advance. I am sure that all members would agree that such circumstances are neither fair nor reasonable. The loss of rent paid in advance and potential delays in getting their rental bond back would cause more than enough financial stress to render some individuals homeless, not to mention facing the loss of their possessions because they do not have the means to pay for storage. This is a nightmare scenario, but it is not an exaggeration. It can and does happen to hardworking families, despite the fact they have acted in good faith.

This bill in no way implies that there is any intention on the part of lending institutions to be unfair or unreasonable when seeking to recover mortgaged property. The Government recognises that mortgage lenders are entitled to sell properties to recover outstanding debts provided they follow specific legal procedures in the Supreme Court. That said, lenders can and do act swiftly, with serious consequences for tenants, particularly those with young children or elderly family members in their care who may find it difficult to find affordable alternative accommodation in a very short time frame. This bill is another example of the Government's commitment to being upfront with the people of New South Wales about the global financial crisis. We must brace ourselves for difficult times ahead. Any possible increase in the rate of mortgagee repossessions poses serious repercussions for tenants throughout New South Wales. In my electorate of Kogarah 10 writs of possession were executed in the first three months of this year. Not all of those repossessed homes would have been investment properties, but for those caught between their landlord and a lending institution the Government proposal offers a statutory safety net.

This bill comes on top of protections the Government has already put in place for hardworking families who may have defaulted on their mortgage. The Real Property and Conveyancing Legislation Amendment Act 2009 requires that lending institutions involved in mortgagee repossession sales take all reasonable steps to ensure that the property is sold at not less than the market value. It is only right that the Government seeks to better secure tenants in the face of the global recession. As detailed in the agreement in principle speech for this bill, the Rees Government intends to introduce a major package of residential tenancy law reforms. It is anticipated that an exposure draft bill will be released for public comment before the end of the year. However, the wise and proper decision has been taken to move forward with this particularly significant measure to offer immediate and effective relief for tenants. Clearly, this is a priority issue that deserves the full support of both sides of the House. I understand that Opposition members have already indicated that this will be the case.

The bill contains three key elements: a minimum 30-day notice to be provided to tenants, a rent-free period over the time of the notice, and a streamlined process for the quick recovery of the tenant's bond. Those three measures are fair, proper and reasonable, and consistent with provisions in most other Australian jurisdictions. This bill injects common sense measures that will make a world of difference to tenants unwittingly caught in a difficult situation not of their own making. It will not introduce an onerous or unreasonable burden on financial institutions and mortgage providers that will threaten their viability, nor will it prevent lawful recovery of the property. The Government is progressing with a transparent and accountable approach to a serious issue as demonstrated by the number of industry stakeholders that have already indicated their endorsement of the bill. I urge all members to show their concern for vulnerable members of our community and support this bill. I commend the bill to the House.

Mr GREG APLIN (Albury) [7.51 p.m.]: I lead for the Opposition in debate on the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009. The Opposition will not oppose the bill, but we will provide a number of constructive comments that have arisen from our consultation with consumer and industry organisations, which we urge the Minister to consider. What happens to a residential tenant when the landlord is in default under the mortgage and the mortgagee seeks an order for possession of the premises? That is the human issue at the centre of this bill, and it has a very real and frightening impact on many tenants in New South Wales. Recently my office was contacted by Nathan Mares, writing on behalf of his mother. He wrote to tell the story of what really happens in this situation. He said:

Late February [2009] my mother signed a Residential Tenancy Agreement for a townhouse in the northwest Sydney suburb of South Windsor. Less than two months after having moved in she was served a Notice Pursuant to Section 63 of the Real Property

Act informing her that her landlords were in arrears on their mortgage on the property she is renting and that she was required from that point on to pay all rent monies to the mortgagee. The ... Statement of Claim from the NSW Supreme Court Stated that the mortgage was \$22,987.34 in arrears, that the first default had occurred nearly nine months before and that the mortgage had been continuously in arrears since the first default. This document also revealed that a Default Notice had been served on the landlords just thirteen days before the date which my mother signed her lease agreement.

My mother has contacted her local State MP's office who contacted the Office for the Minister for Fair Trading, who have advised that:

"If it is the Bank foreclosing on the loan, they are exempted from the Residential Tenancies Act. The Bank can take immediate possession of the property and evict the tenants. The bank can claim possession straight away, and there is really nothing that they can do. The Government is aware of the problem of what rights the tenants should have. The Cabinet is considering a report reviewing tenancy laws at the moment. A decision will be made shortly. They are very mindful that tenants in this situation have very little or no rights at all."

Returning to the letter of Nathan Mares, he said:

I have been advised by staff at the Office of Fair Trading that incidents of mortgagee repossession of residential tenanted properties are becoming more and more common in the current economic climate. Every day these reforms are delayed means more and more families are left without housing through no fault of their own, potentially with little or no notice, with no recourse against reckless landlords and no legal avenue for compensation.

I would appreciate any action you can take in challenging the NSW State Government to expedite these urgent and necessary law reforms so that others do not have to experience the distress and uncertainty that our family continues to suffer through. Yours Sincerely, Nathan G. Mares"

Tenancy advocacy groups have been pressing for these changes for quite some time. The Tenants' Union has said:

The Tenants' Union and the Tenants Advice and Advocacy Services saw a wave of these cases a couple of years ago, when interest rates were rising. We expect to see another wave in the coming months, as unemployment rises. This time, it looks like the law will better protect tenants.

Current laws offer the tenant no support. The tenant has had to pay for not only removal costs but also other expenses involved in finding a new home. The tenant loses doubly—their home and the expense—for the landlord's inability to pay the mortgage. Notice is uncertain for the tenant too. This is an unfair situation and it could become more common in the current hard economic times, particularly now that many ordinary wage earners have acquired residential investment property and have borrowed to the hilt. If the landlord loses their job, they cannot pay the mortgage and the unfortunate scenario unfolds, dragging down the tenant as well.

This problem is not new, nor are the solutions. A briefing paper was prepared for the Government on residential tenancy issues in 2007. It recommended the introduction of a 30-day notice period to tenants if a mortgagee wanted vacant possession after foreclosing on a mortgage. This recommendation disappeared into the void for a long time. Tasmania introduced into law essentially the same protection in 2004, only with a 28-day notice period. Both Queensland and Victoria have already introduced a notice period. A June 2008 article in the *Sydney Morning Herald* dealt with the plight of some residential tenants who were asked to leave. The article quoted the then Minister as follows:

The Fair Trading Minister, Linda Burney, said the loophole would be addressed in a review of the Residential Tenancies Act that began in 2004. That report was due in April [2008] ...

Renters and landlords, however, can only speculate how the Residential Tenancies Act will be changed. Despite Ms Burney assuring voters this issue was a priority for 2008, she was unable to say yesterday if the report would be finalised by the spring session of Parliament.

"We had a bigger response in terms of submissions than we expected, it was over 1500," Ms Burney said yesterday.

"It is taking longer than anticipated but it is a very high priority for me. We still need to go through the process with other agencies to make sure it does not create additional red tape."

The number of submissions is indicative of the high level of interest for a thorough update of the residential tenancy laws and of the need for prompt action—1,500 submissions is not something to boast about. It means that a vast number of organisations and individuals are not happy and want the Act improved. The 1,500 are still waiting, for today we are dealing with just a couple of the multitude of residential tenancy issues that need attention. The various reviews and reports, following extended efforts by community and other member industry organisations to prepare detailed submissions, have not yet borne fruit. The Residential Tenancies Act 1987 has not had a proper upgrade in the 20-plus years of its operation—this is long overdue! The investment and rental landscape has changed markedly over this time.

At present around 22 per cent of Australian households rent from the private sector. The figure is higher in New South Wales—around one-third, says the Minister. These rented households have a vital interest in this bill. It is important when reading the bill to understand just how vulnerable households have become to mortgagee repossession. According to the Australian Bureau of Statistics in its March 2009 release of information compiled from the last national census:

The onset of the global 'credit crunch' in mid 2007 and the subsequent financial turmoil appears to have discouraged households from taking on new debt. As an example, the number of owner occupied housing commitments (including refinancing) fell by 22 per cent from the December 2007 quarter to the December 2008 quarter (from 200,000 to 156,000).

However, these developments follow an unprecedented period of growth in household debt in many developed countries over the past 30 years.

One concern about this high level of debt is that in the event of an economic downturn some households may have trouble servicing their debt. Households with high levels of debt that wish to reduce their level of gearing may be affected by falling asset prices.

Based on information from the Reserve Bank of Australia, over the last 18 years the total amount of debt owed by Australian households rose almost six-fold. At September 1990 the level of household debt was almost \$190 billion, increasing to around \$1.1 trillion by September 2008 in real terms (i.e. adjusted to remove the effect of inflation).

Most debt was incurred to buy houses. Between 1990 and 2008, debt for investor housing increased from 11 per cent to 27 per cent of all household debt.

In 2005-06 ... 12% of households had debt for rental properties and/or other property (including households living in rental properties who had borrowed money to buy or build a home somewhere else).

We are becoming a nation of landlords—almost one in eight households is a landlord. It is no longer an exclusive, wealthy club. Therefore, this bill will impact on ordinary households who are tenants and ordinary households who are investor-landlords. Members are undoubtedly aware that this debt burden has now, in tougher financial times, spilled over into a failure to keep up with the mortgage repayments. Again, as the Australian Bureau of Statistics noted:

Higher arrears rates in New South Wales have been related to relatively weak economic conditions and housing markets in areas of the State. As an example, the increase has been greatest in western Sydney (up from 0.25 per cent in March 2004 to 1.28 per cent in July 2008) where house prices have been under downward pressure and where a disproportionately large number of borrowers took out investment housing loans around the peak of the house price cycle. The 2004-2006 increase in arrears rates in New South Wales resulted in a sharp increase in the number of court applications for property repossession as a proportion of the dwelling stock, from 0.10 per cent in 2003 to 0.22 per cent in 2006 (steady at 0.22 per cent in 2007).

In its March 2009 Financial Stability Review the Reserve Bank of Australia updated the arrears figures and stated:

Across all housing loans in Australia, it is estimated that around 20,000 borrowers were 90 or more days behind on their mortgage repayments in December 2008, compared with an estimate of 13,000 the previous December.

The arrears rate for investor loans now exceeds that for owner-occupier loans; available evidence indicates that investor loans tend to have higher gearing, and be for larger amounts, than owner-occupier loans.

Loan arrears have increased in all States over the past year, though they remain much higher in New South Wales than elsewhere, and particularly in regions in western Sydney.

The past decade has ushered in enormous changes to the way we borrow money to finance residential property acquisition. Generous terms, easy finance, the emergence of non-traditional lenders, securitised loans, the banks becoming competitive once again, new line-of-credit loans that never reduce the principal, loan-to-valuation ratios exceeding 100 per cent, and the ability to borrow huge sums of money are all factors that have drawn ordinary wage earners into becoming property investors and landlords, carrying mountainous levels of household debt. These are significant structural changes to our housing finance landscape, leaving landlords and, in turn, their tenants, vulnerable to the effects of foreclosure.

Currently in this State we have evidence of declines in housing values and higher arrears rates. The pressure is on—two years late, but better late than never—to put proper consumer protections in place. Members should understand the process of what actually happens when a mortgagee forecloses. When the landlord's loan repayments fall in arrears this becomes a default under the terms of the mortgage. If the situation is not remedied, eventually the mortgagee will make application to the court for an order for possession of the premises. At that point the mortgagee should notify any affected tenant of its application by a notice to occupier.

Once the court order for possession is made, the lease is terminated and the tenant is now "holding over", to use the correct terminology. Under the current law the mortgagee must give a tenant reasonable notice of proceedings, but there has been no guidance in law as to what period of notice is reasonable. I believe that has resulted in inconsistency in industry practice. This is to be expected. Tenants are left in a frightening position, not knowing when they must vacate; if they must vacate at all; where to find the money for removalists and a new bond and initial rent in advance; and how to get their old bond back. As the case of Nathan Mares' mother illustrates, this is distressing not only to the tenant but to the tenant's wider family and those who care for him or her. The process has been fraught with uncertainty. Under the bill a minimum 30-day notice period is required. This is welcome, following on from community submissions made years ago. In Victoria notice is required under section 268 of the Residential Tenancies Act 1997, which states:

- (1) If a mortgagee in respect of rented premises under a mortgage entered into before the tenancy agreement was entered into becomes entitled to possession of, or to exercise a power of sale in respect of, the premises under a mortgage, the mortgagee may give the tenant a notice to vacate the premises.
- (2) The notice must specify a termination date that is not less than 28 days after the date on which the notice is given.

In Queensland the legislation takes longer to get to the same destination. Section 187A (3) of the Residential Tenancies Act 1994 provides:

The appointed person must not obtain possession of the premises unless, at least 4 weeks before obtaining possession, the appointed person or mortgagee gives the tenant written notice informing the tenant that possession is to be obtained.

Maximum penalty—50 penalty units.

The Opposition agrees that a minimum 30 days is fair to all parties, particularly as it will usually take much longer than that for a mortgagee sale to eventuate. Importantly, this notice period is not fixed at 30 days but can be extended. The second part of the bill provides a rent concession to the tenant. Section 71A (3) states:

The former tenant:

- (a) is not, during the period in which the former tenant is holding over after termination of the residential tenancy agreement, required to pay any rent, fee or other charge to occupy the residential premises, and
- (b) is, if the former tenant has paid any rent in advance for any part of that period, entitled to be repaid the amount of that rent.

Under subsection (4) the tribunal may order repayment of rent to the former tenant. As the Minister explained in her speech:

The purpose of this amendment is to provide a level of immediate compensation for tenants to help cover their relocation expenses. This includes removalist costs and payments for electricity and other utilities to be connected at their new home. Unfortunately there are occasions when tenants are evicted by a mortgagee just days or weeks into a new tenancy meaning that the money they spent on moving in has essentially been wasted.

It should be noted that not everyone agrees with this solution to the issue of relocating the tenant's expenses. Having consulted with the Real Estate Institute of New South Wales and the Institute of Strata Title Management, there is concern among practitioners about the automatic application of this compensation. They say this is not a burden on the mortgagee but ultimately is a cost borne by the landlord, who is already in financial difficulty. The concern has been expressed to me that in particular circumstances a 30-day rent abatement might exceed the true cost to the tenant. The suggestion has been made that arguably this is a matter best handled by the Consumer, Trader and Tenancy Tribunal. However, we acknowledge the pragmatic approach of an automatic provision for 30 days, although our interest would again be roused should mortgagees start using longer notice periods or seek to profit from the situation or simply fail to diligently collect rent and apply it to the borrower's account. I return to the critical part of the bill. Proposed section 71A (3) states:

The former tenant:

- (a) is not, during the period in which the former tenant is holding over after termination of the residential tenancy agreement, required to pay any rent, fee or other charge to occupy the residential premises.

Here we have a problem. There is no requirement that the mortgagee deliver its notice to the tenant within any particular period after obtaining the court order for possession. There is no requirement then that the section 71A notice be limited to any particular number of days, and there is no requirement that the rent holiday ceases. We are potentially going beyond 30 days rent as the rock-solid standard for withholding rent. The Consumer Credit Legal Centre says it has on occasion "saved" some landlords, even after the issue of a writ for possession, by demonstrating their capacity to get the loan back on track. One can imagine, for example, if the property has

been untenanted and then, after the order for possession is made or shortly before this point, a tenant is found and the property is producing income again. This is where financial counselling might lead to consolidation of debts or otherwise produce a budget to show the landlord can afford to keep the property after all. It is relevant to the landlord if there is going to be an extended rent holiday: this will certainly put the landlord right out of the picture permanently.

I am informed by a banking expert that the borrower's obligations to pay interest on a mortgage continue after the making of an order for possession—indeed, the debt is not satisfied until the property has been sold and the money repaid in full. Interest continues to accrue. How does this sit with the solution established by proposed section 71A of the bill? I am told that the former tenant does not have to pay rent but the mortgage interest is still rolling on. I urge the Minister to look into this apparent hole in the bill and ensure that she is not taking households that own residential investment property and squeezing them between a bank demanding interest and a tenant who is no longer obliged to pay rent. What if the mortgagee is slow to act, either through poor administration or malice against a defaulting borrower, and delays sending the required notice to the tenant? What if the mortgagee decides on a notice period of 90 days, 120 days, or six months?

The innocent tenant must receive financial support. A rent concession is a simple way of delivering this. But the standard must be set at 30 days maximum for withholding rent—not longer, and not, as presently drafted, uncertain in duration. Rent should not be squandered, but should be collected and applied to reduce the landlord's debt: That is fair all round. This is not the only uncertainty delivered by the bill. Ask yourself this question: What happens if the mortgagee does not follow the procedures to be established by this bill? Assume the financial institution, or private lender for that matter, gives the tenant less than 30 days notice in a bid to get the property onto the market quickly. What happens where inadequate administrative procedures mean the wrong notice is given? It could be an accident, or it could be bullying of a vulnerable tenant. The Tenants Union has expressed its concerns in the following terms:

It appears to us that the bill provides no remedy. We submit that the bill should be amended to provide that where a mortgagee has not complied with new s 71A, the former tenant may apply to the Consumer, Trader and Tenancy Tribunal for an order to stay the execution of an order for possession.

We are also concerned that it may be unclear whether mortgagees who take possession in contravention of new s 71A are guilty of an offence and subject to a penalty. Under the current law, recovery of premises except by order of a court or the Tribunal is prohibited (s 72(1) of the Residential Tenancies Act 1987 (New South Wales)) and a substantial penalty (200 penalty units) is attached at s 125 of the Act. The penalty provision refers specifically to s 72(1). The bill would insert a new s 72(1)A without amendment to the penalty provision, so it is not clear whether the penalty would apply to a mortgagee who takes possession in contravention of new s 71A. We submit that the bill should be amended to clarify that the penalty does apply.

We know the notice will be invalid and that the mortgagee will have to issue a correct notice. But the tenant and the landlord have both been prejudiced by these failures. Delay may be inconvenient to the mortgagee, but it can be costly to the borrower and a short notice period, for example, can be unsettling to the tenant. Where is the sanction that encourages responsibility?

Consider also what Queensland has done: Under section 187A of that State's Residential Tenancies Act 1994 a breach by the mortgagee of its notice obligation renders it liable to sanction, with a maximum penalty of 50 penalty units. Let us not act as though this kind of thing will not happen in New South Wales. Now is the time to place an appropriate sanction in the bill, both so that there is some bite to the fresh obligation now being placed on mortgagees and simply so that the position is clear. Under the current law, if the tenant hears that the mortgagee is seeking a court order for possession, it could prompt the tenant to move out in haste before having the full facts. In particular, should the landlord and mortgagee sort out the financial issues between them, and the mortgagee does not pursue a court order for possession, the lease is not actually terminated. This leaves the tenant open to compensating the landlord for loss of rent and other costs due to abandonment—a breach of the still-existing lease.

Unfortunately the Government does not put this problem to rest but instead relies on the notice period to end the confusion. At best, this is an indirect solution. A mortgagee should be required to notify the tenant irrespective of whether or not it wants vacant possession. When applying for an order it should, as part of notifying the tenant, set out its intentions for actual possession or sale. Uncertainty is an issue in itself and should be dealt with. How much stress is caused by not knowing what is to happen? How can anyone blame the tenant, in the absence of genuine information about what is going on around their home, for believing that their tenancy has been brought to an end and they may as well start packing? The estate agent might even tell the tenant the wrong thing.

I call on the Minister to tidy up this corner of the bill. Let us leave no uncertainty. The tenant should be informed as soon as possible in writing of what is going on with his or her home. This task should fall to the mortgagee when the landlord is in serious default under the mortgage and the mortgagee intends seeking a court order. It would be appropriate, and would help minimise the trauma to the tenant, if the mortgagee notified the tenant of its intentions and whether it will be moving to a mortgagee sale with vacant possession. A standard form of notice should be part of this bill, setting out in simple terms the process and the rights and obligations of the tenant and mortgagee. Acting in fear and panic on inadequate or poor information, and departing their home in haste, tenants should not wind up being pursued for future rent. This bill should have been the place where the problem of accidental abandonment was covered.

In conclusion, we do not oppose the bill. Having raised these issues with the Minister, I request that she take them on board and address them, particularly with respect to the need to, first, limit the automatic withholding of rent to 30 days rent; second, provide a sanction for a mortgagee who does not follow the notice procedures; and, third, require the mortgagee to provide early notice to the tenant of its intentions for possession and the meaning of these procedures for the tenant. Finally, I note the Minister's statement that an exposure draft bill to refurbish the Residential Tenancies Act will emerge later this year for comment. I, and at last count 1,500 others, hope it comes soon and with sufficient time allowed for hard-pressed organisations and volunteer committees to prepare their responses. Having waited this long, the last step should not be rendered slippery.

Mr NINOS KHOSHABA (Smithfield) [8.15 p.m.]: I strongly support the measures provided in the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009. I have no doubt that the term mortgage stress is familiar to every member of this House. Unfortunately, for many members of our community, mortgage stress is not something that happens to other people: it is a fact of every day life in these unprecedented times. Sadly, there could be a worrying number of mortgage holders who will find themselves suffering a high degree of mortgage stress due to temporary unemployment, relationship breakdown or illness, and this potentially could include a large number of rental property investors.

In my electorate of Smithfield, 32 writs of possession were executed in the first three months of this year. That is not just a number: it represents 32 families who have lost their homes. While projected mortgagee repossessions cannot be broken down to estimate the number involving rental properties, there is little doubt that some tenants face losing their rented homes with little notice or redress. Those tenants also may be facing financial difficulties due to the same factors that have led to their rental premises being repossessed. The clear picture that emerges from mortgagee repossessions of rental properties is that the adverse impacts can be severe for both owners and tenants.

While owners suffer financial and emotional hardship from lost investments, tenants also face significant, possibly overwhelming, burdens. Ask anyone who has moved home recently. They will say that it is an expensive and time-consuming process. While most tenants are usually entitled to a full refund of their rental bond, it is most likely, if they are forced to move on short notice, that they will have to pay another bond for their new accommodation well before their original bond is returned to them. Of course, if a tenant has the benefit of having a well-paid job and a healthy bank balance, the tenant may well be able to absorb these additional costs and experience little difficulty in finding a new rental property. But not everyone will find himself or herself in such an ideal situation.

I imagine that many members have children who are young adults, or young relatives who are just starting out in their careers. They may be combining part-time or casual work with the demands of study. Perhaps members also know of young families with children or single parents who are managing work and childcare responsibilities. Other significant groups of tenants are adults who combine paid employment with the responsibilities of caring for elderly or incapacitated parents, or parents of disabled children whose caring responsibilities endure long after their children have reached adulthood. Then there are those members of our community on sickness or disability benefits, not to mention the many people who may be receiving the aged pension and are tenants in private rental accommodation.

All of those groups of people quite obviously are not in a position to incur the expense of moving in a short time frame without experiencing some degree of financial distress. They even may be forced to go into debt to survive, and that is not a good step for anyone of limited means, with poor job security, in poor health or of advanced age. The measures provided in the Residential Tenancies Amendment Bill 2009 will be of significant benefit to all the groups I have mentioned and to anyone of limited means who is facing eviction from their rental homes due to mortgagee repossession. The measures are fair and balanced, and do not disadvantage anyone. Furthermore, the measures recognise and address circumstances that can be the cause of

significant problems for vulnerable members of our community. The balanced and effective measures designed to protect tenants contained in this bill are the right steps for a responsible government to take. I expect them to receive unilateral support both in this Chamber and in the other place. I commend the bill to the House.

Mr THOMAS GEORGE (Lismore) [8.20 p.m.]: The Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009 amends the Residential Tenancies Act 1987. The object of this bill is to require a mortgagee, once he or she becomes entitled to possession of rented premises to the exclusion of the tenant, to give the tenant at least 30 days notice to vacate the premises before the mortgagee takes possession and to provide that the former tenant who is given notice to vacate may withhold or recoup any rent for the period in which he or she is holding over after termination of the residential tenancy agreement. The bill amends the Landlord and Tenant (Rental Bonds) Act 1977 to make it clear that a mortgagee may authorise the Rental Bond Board to release the rental bond to the former tenant once the mortgagee becomes entitled to possession of the rented premises.

The bill will give all tenants in New South Wales legislative protection when a mortgagee seeks to recover possession of rented premises. Presently, the amount of notice given to tenants to vacate in these situations is entirely up to the mortgagee. According to the agreement in principle speech, the Government has conducted a comprehensive review of existing tenancy laws. During the consultation period urgent legislative reform regarding the plight of innocent tenants caught up in the crossfire between banks and landlords received almost unanimous support. The bill has three main objects: firstly, to require mortgagees to give tenants at least 30 days notice if they wish to recover vacant possession of a rental property; secondly, in cases where a tenant is told to leave by a mortgagee, to specify that no rent is payable during the period of the notice given; and, thirdly, to put in place a simple system to allow a mortgagee to authorise release of the tenant's rental bond.

I speak on this bill as a former real estate agent. There would not be a member of this House who does not support tenants in some way or another. However, we must also remember the landlords. If there were no private landlords in the rental market, there would be no way that the Government could house all the displaced tenants. The proposal is that tenants be given at least 30 days notice during which they will not be required to pay rent. I do not know why the words "at least" have been included. The shadow Minister and member for Albury clearly articulated the concerns that have been raised about what might happen if this legislation is passed. What about the honest mum and dad who have a business that is supported by a mortgage over a house that they have rented out and their business fails? No-one in their right mind tries to go broke, especially if they have assets at risk. They work very hard to retain them. What happens if their tenant has been living in the property for a number of years? Does that tenant deserve the same rent-free period as a person who might have rented the property for only a month, two months or a week?

We use the Consumer, Trader and Tenancy Tribunal to make determinations on other rental matters, so why should it not make a determination about the length of the rent-free period? Tasmania enacted essentially the same protections in 2005, but its legislation stipulated only 28 days notice. Queensland and Victoria have done likewise. The 30-day notice given to tenants if a mortgagee wants to take possession after foreclosure of a mortgage has not progressed despite occasional media attention. This Government should be taken to task for the delay in updating this major piece of legislation. The Act has not been updated since 1987—more than 20 years ago—despite the fact that it has been reviewed.

Ms Virginia Judge: Were you here then?

Mr THOMAS GEORGE: No, but I was a real estate agent then. I said earlier that I am speaking from a real estate agent's point of view. We all agree that we must look after tenants and there is no doubt about that. However, should the recompense be the same for a tenant who has lived in a property for a number of years as it is for a tenant who has lived in a property for one or two months? The Office of Fair Trading gets the Consumer, Trader and Tenancy Tribunal to make decisions on other rental matters. I know it is struggling to cope with its current workload, so the Minister might not want to add to its responsibilities. This bill provides for "at least 30 days" notice to be given. The length of the notice period may need to be decided by the Consumer, Trader and Tenancy Tribunal rather than by a blanket provision that applies regardless of whether a tenant has been living in a property for one week, one month or 10 years. I draw that to the Minister's attention from my perspective as a former real estate agent.

The shadow Minister correctly said that we must first limit the automatic withholding period to 30 days unless there are extenuating circumstances. If there are such circumstances, consideration could be given to extending the notice period. However, we must keep in mind that the person who owns the real estate is still

copping the costs despite receiving no income. I hasten to point out that I am not taking the side of the owner against that of the tenant. The Government should provide for a sanction to be imposed on a mortgagee who does not provide the appropriate notice as set down in the legislation. The mortgagee should also be required to provide early notice to the tenant of the intention to take possession of the property and the impact that such action will have on the tenant. There needs to be negotiation. Often if the parties talk they can negotiate a suitable outcome. As the shadow Minister indicated, the Coalition will not oppose the bill.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [8.29 p.m.]: I support the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009. As has been indicated, the bill is a demonstration of the Government's ongoing commitment to address inequity in the community, and in this case by helping vulnerable tenants. I listened in deep thought to the contribution of the member for Lismore. I acknowledge from the outset that there are no winners when it comes to property repossessions. Everyone suffers, whether it is the landlord or the tenants. In this Parliament we must come down on the side of the most vulnerable, and in this instance the most vulnerable must be the tenants. I have some specific examples. In my electorate of Riverstone three writs of possession have been executed in the first three months of this year; in 2008 there were 35. They leave a financial and emotional scar on mum and dad investors and on tenants who lose their home through no fault of their own.

Many tenants would not even know if their landlord had a mortgage, let alone whether the landlord was keeping up with the repayments. Why should tenants have to bear the burden of their landlord not being able to keep up with the mortgage repayments? That is the issue. Although there are no winners, we need to consider who are the greatest losers. That is the question: who are the greatest losers? In this case the greatest losers are the tenants. Recently I dealt with the case of a young family in my electorate who were told by the bank to leave their rental property by the end of the week. Members referred to a period of 30 days. In this case the family was told that they had to be out of their home by the end of the week. They faced relocation costs and had to find a new home. It is a trauma for a young family to be told, with only a few days notice, that they have to be out of their home. That is truly devastating.

I feel for the landlord, who is having his house repossessed. But what about the family who, through no fault of their own and without warning, are being told to vacate their home within a few days? This came entirely out of the blue just a few weeks into a six-month lease. They entered into a six-month lease, thinking that they had at least six months in their home, and then they were told that they had to be out of their home within a few days. These tenants had spent thousands of dollars on removalists to move into the house in the first instance, on the bond and to cover other expenses. Yet they lost all of that. As I said, there are no winners in this situation. I will relate another case. I received an email that stated:

Dear John,

I am a tenant in a complex of three townhouses all owned by the same landlords (two individuals)—

I will not give the address although I think the member for Albury referred to it earlier—

Last Tuesday ... all tenants received a Notice advising that proceedings are underway in the Supreme Court for possession of the land due to the landlords defaulting on a loan. The first default occurred [sometime last year]. Since then there has been a continuous arrears balance and ... a default notice was issued.

I signed a 12 month lease [with a real estate company] and moved into the townhouse with my three younger children following separation from my husband. The eldest of these children, a daughter, is studying for her HSC this year. I had sought a 12 month lease to ensure that her studies would not be disrupted.

The other tenants and I am dismayed now to find that the mortgagee is seeking vacant possession and we may be evicted with the possibility of little or no notice being given. We are liable for rent (payable now directly to the mortgagee) until we are evicted and therefore cannot sign another lease before this occurs.

We can apply to become joint defendants with the landlord and seek additional time, however, if we were to lose, we would be liable for the mortgagee's legal costs. We cannot afford this and therefore the only course of action we can take is to write to the mortgagee explaining our circumstances and requesting favourable consideration.

I am a [professional] and have only been in my current employment for six months and it is not easy for me to take time off work to search for alternate accommodation and organise moving again, especially since the vacancy rate for rental properties in this area is ...

The other tenants have similar difficulties. I feel particularly cheated by the landlords as my offer to lease the property was accepted only two weeks after they received a default notice.

I understand that the NSW government has for some time given consideration to amending the residential tenancy laws to protect tenants facing circumstances such as those we are facing. I would be interested to know how this is progressing. There must be many tenants in NSW in a similar position to us, given the economic conditions. The need for reform is now urgent!

In the meantime, what are we to do? Please help us.

What we are doing is enacting legislation to help precisely the people who are in this situation through no fault of their own. One can feel for the landlord, but at least the landlord had some notice. To some degree, the landlord has got into this situation over a prolonged period, maybe through no fault of their own in the sense that they may have had adverse economic circumstances or may not have been able to manage their economic circumstances properly. But what of the tenants? Tenants sign a lease not knowing what the situation is, and they are left at the mercy of the landlords and the bank. It is hard for these people because estate agents and banks are unrelenting when it comes to the circumstances of these people. I will not mention the name of the company because I do not necessarily want to embarrass the company, but the tenant received a brief letter which stated:

Our records show that you rent is paid to ... This makes you \$329.90 in arrears.

You are currently in breach of your lease—

they have just been told that they will be evicted—

When you signed the Tenancy Agreement, you undertook to pay the rent on time. If you have not already forwarded us your rent payment, please do so without delay.

If you have any queries please do not hesitate to contact myself ...

These people have been told that they are about to be evicted. Having incurred expensive removalist costs to move into the premises in the first place, they will now incur expensive removalist costs to move out of the place through circumstances not of their own making. And they receive that letter! How heartless is that! The tenant told me that she made that payment; she said, "I paid last week's rent to the mortgagee as required by a section 63 notice I received. Yesterday I phoned the real estate agent about the smoke alarm on the premises which beeped continuously on Sunday night. I was told that because I had not paid the rent to them I was going to be evicted in 14 days and given a bad rental record so that I would never be able to rent again."

That is how tenants are victimised. Estate agents terrorise and victimise tenants to get the rent, and they lord it over tenants. It becomes extremely distressing for tenants. I know there are concerns about landlords, but who are the real victims? The victims are the tenants because they are at the mercy of circumstances not of their making. Whatever we want to say about landlords, irrespective of the fact that they may be hard done by and they have some culpability, they have control over the situation that has been created. However, tenants have no control at all; they are totally at the mercy of the situation.

I support the legislation because I see that happening time and time again. As I said, in 2008 in my electorate there were 35 cases of tenants being put in this position, and in the first three months of this year I had three cases, one of which I have quoted extensively today. We need to take care of these people. We need to look after them. I know the period of 30 days is a burden on the landlord but we need to ensure that the tenant is recompensed as well. If they have incurred removalist expenses in getting into a house in the first place and are being forced to vacate their home, move furniture and relocate their families, who is going to recompense them for that? At least the 30 days free of rent, to find alternative premises, will enable them to save some money and use that money on relocation and removalist expenses.

It is a sad situation. Nobody wins in these sorts of cases, but if you are looking at who is the greater victim of the situation, it has to be the tenant. The tenant suffers the most. The tenant is the greater victim. Therefore, it is the tenant who we as a government have a responsibility to look after. They have no control whatsoever over the situation. A mortgagor landlord has some control and is able to expend considerable time and effort in prolonging a situation. A landlord would have negotiated with the banks and would have been in control for a long time.

Meanwhile, the landlord is still duping people into being tenants and signing leases. It is just not fair for those tenants. It is also not fair that the tenants, after signing those leases, found they were vulnerable. They need to be compensated in some way for the failings of the landlord. It is not fair, it is not right, and it should not have happened. Therefore, I congratulate the Minister on introducing this grassroots legislation to assist the most vulnerable in our society who have become victims in situations over which they have no control. It is time we helped them. That is why this bill is good legislation and needs to be supported by the House.

Mr ROB STOKES (Pittwater) [8.42 p.m.]: I speak on the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009. I note the contribution of the Leader of the House on this bill. I note his statements in relation to the various weaknesses of the parties involved in these sorts of terrible situations where a mortgagee exercises the power of sale. However, in my experience as a solicitor on the northern beaches it is difficult to say who is in a more vulnerable or weaker position, the landlord or the tenant. It depends on the circumstances. Often landlords end up in these situations through no fault of their own. Obviously, tenants are also often in a very weak position, but the generalisation that one party is always in a weaker position is not necessarily reflected in reality.

The underlying problem is, while there is a clear relationship of interest between the tenant, a borrower landlord and their lender, according to the basic doctrine of privity in contract law, two contracts are running alongside each other, one between the tenant and the borrower landlord and another between the borrower landlord and the lender. While the tenant has a clear interest in the attitude of the lender, there is no contractual relationship between them. So, the doctrine of privity, in one sense, sets up this problem.

A tenant's rights are secured through her contract with the landlord. Consequently, a tenant's security comes to an end when the landlord's does. While lenders can and do negotiate with a borrower before repossession of the property, which is very much a last resort, tenants have very few rights if a lender exercises its power of sale, regardless of how much they are paying, how long they have been there, and how timely their rental payments have been. Currently, a longstanding tenant, with an impeccable rental record, can end up being a completely innocent victim of a landlord's default.

This problem was outlined in an issues paper on residential tenancy issues in 2007. A couple of years later, the problem has become very real, with almost 400 repossessions taking place in the first quarter of this year. This bill is designed to deal with the problem, and it does so in three ways. The first is by requiring a mortgagee who becomes entitled to possession of rented premises, to the exclusion of the tenant, to give the tenant at least 30 days notice to vacate the premises before the mortgagee takes possession. The second is by permitting the tenant to withhold or recoup any rent payments for the period in which they have been given notice to vacate. The third, under the Landlord and Tenant (Rental Bonds) Act 1977, is by permitting a mortgagee who becomes entitled to possession of a premises to authorise the release of the tenant's rental bond.

At first glance this bill appears to be an entirely appropriate response to the real problems that can be encountered by a tenant, although a few points need to be kept in mind. First, in my experience, the situation being addressed by this legislation occurs infrequently, when one looks at the totality of residential rentals in New South Wales. When it occurs it can generate terrible consequences, but we have to keep in mind that in relation to the vast majority of residential rental agreements in New South Wales this problem does not arise. In practice, the mortgagee will normally let the rental agreement continue, giving the landlord time to sort out finances, remembering that a tenancy provides an income which can help a landlord to meet debts. Alternatively, the mortgagee will use the rental payments to cover the mortgage payments for the duration of the tenancy agreement.

I make this point because in protecting the rights of tenants, which is a laudable and important objective, this legislation may have a particularly damaging impact on a landlord at a time when the landlord is also very vulnerable. The key is to provide certainty—certainty of rights that will protect innocent tenants, and certainty for mortgagees and borrowers as to what might happen in the case of repossession. Other States have provided a certain process by legislating a 28-day mandatory notice period, in which a tenant is not required to pay rent. Yet, the fact that this legislation seems to allow for the rent holiday during the 30-day minimum notice period before possession can be taken to be extended to whatever period the mortgagee deems fit could have a catastrophic impact upon a borrower landlord subject to the repossession, and who, by definition, is in a particularly parlous and vulnerable financial position.

For example, the situation could arise where a borrower landlord is unable to meet mortgage repayments because of an ongoing, but ultimately solvable, cash flow problem. Unable to reach an arrangement with a nervous or inflexible lender, or a capricious lender with whom the borrower's relationship has deteriorated—perhaps over other unrelated financial dealings—the borrower landlord is served a notice to pay, following which the lender indicates that it will exercise its power of sale. At this point the tenant seeks some certainty about their position, and, because the lender is not keen to sell in a weak property market, or is not well disposed toward the borrower, is able to negotiate a vacation date eight months into the future. The lender gives the tenant a rent holiday during this period—secure in the knowledge that its position is strengthened by the fact that the interest payments of the borrower continue throughout this period, and that the property market may be

strengthening, or just because it might take that long to find a purchaser. After all, the tenant may agree to flexible inspection times for new purchasers, and settlement dates can always be extended to the date that the property becomes vacant.

The loser in this scenario—and the big loser—is the borrower landlord. The lender is able to take advantage of the landlord's weak financial situation—maybe to exert pressure on the borrower—and is able to continue receiving interest payments, as well as locking up the borrower's residual funds in the property, assuming there is a residue following the sale. This situation may be rare or unlikely, but so is the situation where a tenant is chucked out because of a borrower landlord's default. Surely the role of Parliament is to consider all the possible consequences of legislation in these debates. Whatever the fact, problems like this one could easily be dealt with by simply prescribing a 30-day notice period as the limit for a rent holiday in the circumstances of a default by a borrower landlord.

This would recognise the inconvenience and dislocation suffered by the tenant and would not expose borrower landlords, who may also be defaulters due to unforeseen circumstances that make them a victim as well—situations like illnesses preventing a borrower from earning an income, or borrowers with creditors who default on them. The reality is that borrower landlords do not default on their mortgages because they want to—they default, often, because of circumstances out of their control. We need laws that promote certainty and extend compassion to everyone affected in these sorts of issues, not laws that simply choose sides.

The bill is also significant for failing to address residential tenancy issues in cases of foreclosure. For example, what happens when a tenant abandons a lease when a mortgagee advises that it is about to issue a letter of demand or is about to exercise its power of sale but the mortgagee and the landlord subsequently reach an agreement about the mortgage, keeping it on foot; or when the landlord recommences payments under the mortgage before repossession is effected? These scenarios—which are most foreseeable—could see the tenant subject to hefty damages payments under the lease agreement. In those cases, the tenant is actually worse off the earlier they are informed about the financial difficulties of the borrower landlord because it creates the possibility of a longer period of rent lost if they abandon the lease on the basis of their understanding that a mortgagee in possession is planning to throw them out anyway.

This raises an enduring problem with residential leasing. While agents may require prospective tenants to undertake all sorts of reference and credit checks before recommending them for a lease agreement with a landlord, there is little a tenant can do to check on the character or credit risk of the landlord. It might be very relevant for a tenant to know whether rented premises are subject to a mortgage so that some arrangement might be made with the mortgagee in case of a default by the borrower landlord. Such an arrangement could travel as a collateral contract alongside the lease and the mortgage. There are also a couple of issues that I refer to the Minister for her consideration when a tenancy agreement was entered into before the mortgage agreement or when a tenancy agreement is longer than three years and is registered under the Real Property Act. I understand that the tenant may therefore acquire an overriding interest in the property, entitling them to remain in the property under the lease, irrespective of the interests of the mortgagee in possession.

My question is whether this legislation, unintentionally or otherwise, interferes with these rights by mandating a particular process applying to all tenants and all residential lease agreements, thus potentially disadvantaging tenants who have priority over a mortgage signed post the rental agreement. This is particularly relevant given the provisions of new section 71A (7) and (8), which state that the legislation will apply notwithstanding any previous lease agreements or contracts between the parties. Finally, what sanctions apply to a mortgagee who fails to abide by the new provisions, for example, by failing to remit rent paid for the period within 30 days of the vacation date? If the tenant has to rely on taking action in the Local Court to recover these moneys, they will never see them again. Therefore, will the Minister advise whether any penalties will apply to a failure to abide with the amendments to the Residential Tenancies Act? The legislation addresses a most important issue, notwithstanding the serious and complex issues of contract law involved, and the Government needs to look into it very closely indeed.

Mr VICTOR DOMINELLO (Ryde) [8.52 p.m.]: I refer to the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009. I congratulate the Minister for Fair Trading on her agreement in principle speech, and particularly on her acknowledgement of the work of Alison Routley from the Office of Fair Trading. I concur that the bill deserves and needs the bipartisan support it has received. However, I have a number of concerns in relation to the operation of the legislation that I ask the Minister to comment on when she replies to the debate. New section 71A (5) (b) essentially allows the mortgagee, the bank, to show the premises so long as the bank provides the tenant with reasonable notice of each such occasion and the tenant agrees to the

date and time of the inspection. My concern is that in those circumstances the tenant will be very concerned and upset about the bank evicting him or her with 30 days notice. This new section does not allow for any flexibility. The tenant can deny the bank access to show the premises on certain days and at certain times and the legislation contains no mechanism in that circumstance. The tenant could be a shift worker and say that any time is unacceptable.

I agree completely with the sentiments of this legislation. I also share the view that we must look after the vulnerable in our society—and a tenant who is being evicted is very vulnerable. But there has to be a balancing act. If a tenant does not comply with the spirit of the legislation what can the bank do? As the member for Pittwater stated, the other person affected is the landlord. The landlord is in the unfortunate position of having the bank sell their property. Current mortgages are not simply a lien over the real property. These days they contain a personal covenant whereby if the whole amount owing is not realised from the sale of the property, the bank can issue a bankruptcy notice on the landlord. The landlord and his or her family will then be in another horrendous situation and their lives could potentially be destroyed. For those reasons the bank has an obligation to make sure that it gets market value for the property. The bank must not waste any income stream that could come in as a result of the sale of the property because ultimately it will be used to meet the liabilities that can be discharged under the mortgage. That is the first concern that I ask the Minister to address in her reply. My second concern is in relation to new section 71A (3) (a), which states:

The former tenant:

- (a) is not, during the period in which the former tenant is holding over after termination of the residential tenancy agreement, required to pay any rent, fee or other charge to occupy the residential premises ...

I ask the Minister: What is meant by "fee or other charge"? Does that include electricity or water charges? In such circumstances it is not unreasonable to assume that a handful of tenants will take a very aggressive approach to their circumstances and in retaliation may refill a swimming pool, for example, in order to incur additional charges. Will those charges be paid by the bank—and, in reality, by the landlord? If so, it is not fair. It would visit a terrible circumstance on the landlord, who is already in a vulnerable position. My last concern relates to the words "any court order" in new section 71A (8), which states:

This section has effect despite the terms of any court order, contract or other agreement.

New section 71A (7) states:

This section extends to a residential tenancy agreement in force immediately before the commencement of this section.

If court proceedings were in place immediately before the commencement of the new section relating to a tenancy agreement that was in force immediately before the commencement of this section, and the court made an order after hearing the parties, does the legislation effectively nullify the effect of the court order and proceedings? If that is the effect, I find the provision offensive. Apart from those comments, I agree with the intent of the legislation. I wish to protect those who are vulnerable in society—particularly during these difficult times—and the provisions of the bill, on the whole, are very good.

Ms CLOVER MOORE (Sydney) [9.00 p.m.]: I welcome the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009, which will ensure that tenants get at least 30 days notice to leave a property when a mortgagee repossesses their home. The bill exempts tenants from rental payments during this period. I represent an electorate with a high proportion of renters. The inner city has the highest proportion of rented dwellings in New South Wales. Around half the dwellings in the Sydney electorate were rented in 2006, compared with 29.7 per cent in Sydney and 27.2 per cent in Australia. Currently, tenants' leases are not protected when a mortgagee takes possession of their home and tenants can be evicted with little or no notice. I have raised this matter on behalf of a number of constituents who have faced quite distressing circumstances, expenses and homelessness following repossession due to mortgage defaults.

The legal right of mortgagees should not override tenants' rights to access their home and belongings. Renters who have been evicted tell me that they feel a sense of injustice—that they have been treated like criminals because they are renters. The Tenants Union said that there was a rise in tenant evictions when interest rates increased and says that it expects more cases in view of the global economic crisis. I remind the House about a disgraceful case that I raised with the then Minister for Fair Trading in 2005. Two of my constituents arrived home one evening to find the locks on their flat changed and a notice on the door stating that the property was now in possession of the mortgagee. My constituents were unable to get their clothes or belongings that were inside the flat, for which they had signed a lease.

The next day they received a letter from the mortgagee's lawyers stating that if they did not vacate the property, action would be taken against them for trespassing. They were allowed to gather some belongings the following day, but only under supervision. When they arrived at the flat they found a security guard inside, watching their DVDs and smoking. They had to contact the mortgagee's lawyers to gather the rest of their belongings. My constituents went to the Consumer, Trader and Tenancy Tribunal for an emergency hearing, which was not finalised until five days later, during which time they had no accommodation and were unable to access the flat. The tribunal ruling provided for a refund of their bond and two weeks rent they had paid, but did nothing to compensate them for their moving costs, nor their distress at being locked out of their home. They were unable to obtain accommodation for six weeks, during which time they were required to pay to store their belongings and were forced to impose on friends for emergency accommodation.

Tenants sign leases in good faith and when they face mortgagee repossession they should be given time to find other accommodation while continuing to live in their existing home, particularly given the current difficulties in securing rental property due to low vacancy rates. I welcome the provision to provide 30 days rent free in acknowledgement of the expenses incurred when moving house. Renters tell me that moving expenses such as removalists and paying double rent often cause financial hardship, and this new provision will ease the situation for them. These new protections are really important particularly at this time, when economic forecasters expect increased unemployment, which will lead more people to default on their mortgages and leave more renters vulnerable. I look forward to further tenancy reforms as part of the Residential Tenancies Act review. I commend the bill to the House.

Mr WAYNE MERTON (Baulkham Hills) [9.04 p.m.]: I support the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009. As stated by previous speakers, residential tenancies—particularly those entailing mortgagee repossessions—involve many complex issues. At present many tenants and landlords are facing difficult times.

ACTING-SPEAKER (Mr Thomas George): Order! There is too much audible conversation in the Chamber. Members will listen to the member for Baulkham Hills in silence.

Mr WAYNE MERTON: In many cases tenants who have not have breached their lease agreement or been in arrears in their rent payments have been confronted by a mortgagee requiring them to vacate the premises within seven or 10 days—whatever period the mortgagee thinks is appropriate—because the landlord has defaulted on the mortgage over the subject premises. Interest rates have now gone down but previously they had increased quite dramatically. Tenant evictions have become more prevalent recently as people face unemployment and landlords suddenly find themselves in difficult financial circumstances. As a result, many vulnerable tenants in this State are left in a very precarious situation when confronted by a mortgagee who gives them little notice to vacate the premises. The Government has shown great initiative in introducing legislation to provide tenants with a guarantee of at least 30 days notice before they are required to vacate premises. The member for Pittwater alluded to the fact that this type of legislation addresses many different scenarios and complexities. It is true that the bill, which seeks to amend the Residential Tenancies Act 1987, has some interesting factors. I note that new section 71A states:

If a residential tenancy agreement is terminated because of the operation of section 53 (e), the mortgagee is not to take possession of the residential premises from the former tenant who is holding over after termination of the agreement unless the mortgagee, after becoming entitled to take possession, gives the former tenant a written notice, in accordance with this section, to vacate the premises.

The bill states that the mortgagee cannot take possession of the residential premises unless the tenant is given 30 days notice to vacate. New section 71A (3) states:

The former tenant:

- (a) is not, during the period in which the former tenant is holding over after termination of the residential tenancy agreement ...

I believe that refers to a termination pursuant to section 53 (e) of the Residential Tenancies Act 1987, which states that a residential tenancy agreement is terminated if the mortgagee becomes entitled to the premises to the exclusion of the tenant. It does not spell out what "becomes entitled to the premises to the exclusion of the tenant" means. Does it mean that when the mortgagor breaches the lease the mortgagee becomes entitled to the premises? Does it refer to when the mortgagee has served a notice of default on the mortgagor or does it mean when the mortgagee takes proceedings for ejectment in the Supreme Court to claim possession of the premises? The legislation does not define that phrase.

If there is a breach of the mortgage document, non-payment of mortgage repayments or interest, or something of a similar nature, rent ceases to be payable after termination of the residential tenancy agreement. If the mortgagee is entitled to possession when the tenant defaults on payment, does the rent cease at that stage? Or does the rent cease when the mortgagee serves the mortgagor—the landlord—with a notice of default? Or does the rent cease when the mortgagee obtains an order for vacant possession in the Supreme Court? It could be that rent does not cease at the time the tenant receives the 30-day notice; it could have ceased some period of time—maybe months—before that occurred. This matter should be resolved. If it goes back to an earlier breach whereby the mortgagee is entitled to possession of the premises and the mortgagee does nothing but let the matter drift along and the tenant is there rent-free, the mortgagor—that is the landlord—is becoming worse. The debt is increasing, because payments are going up, and there is no rent payable by the tenant.

I do not think that is the intention, but it is not for me to make that judgement. I believe that the intention of the legislation is that rent should cease at the commencement date of the 30 days' notice. If the notice is served on the first day of the month and requires possession by the last day of that month, I suggest that no rent would be payable from the first day of that month. If it goes back to the date as per section 53 (e), which refers to the termination of a mortgage, and the mortgagee is entitled to the premises to the exclusion of the tenant, the payment of rent ceases for a period in the past. Some clarification is required. I believe the legislation says that rent should cease at the time the 30 days' notice is served, but that is arguable. If people like me can allude to this situation at short notice, someone researching it thoroughly could make some very interesting arguments later to confuse the situation. The last thing the Government wants to do is confuse the situation because it would confuse not only the situation as far as liability for rent is concerned, but also it would compound the difficulty that the landlord might be experiencing.

As the member for Riverstone said, there are absolutely no winners in this situation. The landlord is a loser, the vulnerable tenant is a loser, and in some cases the mortgagee is a loser because with the falling property market there may not be sufficient money to pay the amount outstanding on the mortgage agreement. I suggest looking at these issues. There are different circumstances as far as leases are concerned. If, having signed a six-month lease, a tenant moves into a property at the beginning of a month and at the end of that month someone knocks on the door and says, "Here is a 30-day notice. You have to vacate", that is dreadful. It is harsh and unreasonable, but it is one of the realities of life. That is an instance in which the tenant should be given 30 days, and we accept that. However, if the tenant had been in the premises for some time and was on a month-to-month tenancy and if the owner wanted to sell the property the reality is that the owner has to give the tenant only 30 days' notice, which means that the tenant is in no worse a situation.

If the lease has expired and the landlord wants to take possession of the premises, even though the tenant is on a month-to-month lease, the landlord has to give the tenant 60 days' notice. One has to look at all of these situations. Tenants find it very difficult to get security of tenure. Tenants are often in very difficult circumstances, but we cannot overlook the fact that in many instances landlords are in situations not entirely the same, as the member for Riverstone correctly said: they have their own financial pressures. I do not know how the legislation should be balanced, but at the end of the day my main concern is when the 30-day period starts. Does it start when the notice is served? If that is the situation then that is entirely equitable. If it goes back to some earlier date then that is something that should be looked at.

Ms VIRGINIA JUDGE (Strathfield—Minister for Fair Trading, Minister for Citizenship, and Minister Assisting the Premier on the Arts) [9.16 p.m.], in reply: I thank the members for Kogarah, Smithfield, Riverstone and Sydney for their valuable contributions to this very important debate, and the members for Albury, Lismore, Pittwater, Ryde and Baulkham Hills for putting the Opposition's support for the bill on the record. As members have heard, the primary aim of the Residential Tenancies Amendment (Mortgagee Repossessions) Bill 2009 is to provide a fair and reasonable process for lending institutions to repossess properties without causing undue hardship to tenants.

The bill can be summarised as follows: it will require mortgagees to give tenants at least 30 days' notice if they wish to recover vacant possession of a rental property; specify that no rent is payable during the period of the notice given in cases where a tenant is told to leave by a mortgagee; and put in place a simple system to allow a mortgagee to authorise the release of the tenant's rental bond. I will address some of the issues raised by members opposite. Firstly, someone inexplicably thinks that 1,500 submissions from the public on what was acknowledged to be the greatest reform to residential tenancy law in 20 years is something to be set to one side and not discussed. The Government does not accept that these reforms have been unnecessarily delayed or could have been introduced earlier. I think 1,500 submissions on a bill of this importance demonstrates widespread

community interest. It is not just 1,500 people plus one who are interested; there are more than 644,000 individual leases in the private rental market in New South Wales, which is dominated by small investors who rarely own more than one or two properties.

When the Hon. Catherine Cusack was the shadow spokesperson for Fair Trading she said that if the Government introduced a bill the following week it would be supported by the Opposition. That was at a time when the Government had released a report outlining proposed reforms to tenancy laws. The public consultation period had not even closed and most submissions had not yet been received, let alone analysed. Changing the law before knowing what the community has to say about it may be the Opposition's idea of consultation, but the Government does things properly. We have indeed taken the time to consult widely on this issue and to examine closely the complex issues involved to prevent unintended consequences; the Government makes no apology for doing so. Our commitment to helping tenants in these hugely difficult situations is shown by the way these amendments have been introduced ahead of the major package of reforms to come.

The member for Albury also raised the broader suite of reforms. The Government acknowledges that other changes to the tenancy laws are required. However, given the complex and contentious nature of many of the issues involved, further consultation will be required before these changes can be introduced. The Government intends to release an exposure draft bill for public consultation. At this stage it is expected that the draft bill will be released before the end of the year. This will provide the public with an opportunity to look at the precise detail of the proposed reforms in context. Feedback on the draft bill will need to be assessed before the new tenancy laws are introduced in Parliament for debate. It would be inappropriate to rush through any other changes before this process is finalised.

With respect to the point raised by the members for Albury and Pittwater regarding the rent holiday, these amendments will not worsen the position of landlords. Tenants will remain liable to keep paying rent while ever the landlord retains ownership of the property. Importantly, the rent holiday will only kick in when the mortgagee has officially taken over and the landlord is no longer on the scene. The Government has not accepted the suggestion made by some that tenants should be free to walk away from their lease without penalty if they find out that the landlord is having trouble with their mortgage commitments. With mortgage stress set to increase as a result of the looming impact of the global recession, the Government has drafted this bill with the intention of not making life any tougher for struggling property investors. It may well be that most tenants will accept the rent holiday period as adequate compensation and will no longer pursue landlords for large compensation payouts in these circumstances.

With regard to process, these reforms have been subject to widespread community consultation and have been in the public arena for a number of years. Despite this, the concerns expressed by the Consumer Credit Legal Centre, and repeated today by the member for Albury, have not previously been raised. Importantly, I note that the Consumer Credit Legal Centre supports the Government's policy intentions and recognises that the current situation is unsatisfactory for tenants. The bill was never designed to be a remedy for any perceived shortcomings regarding the mortgagee repossession process through the Supreme Court. The amendments in the bill complement the existing Supreme Court procedures. The bill does not attempt to alter the Supreme Court rules, court orders, or the notices sent before the mortgagee becomes entitled to possession. The bill is only concerned with the relationship between the mortgagee and the tenant once the repossession proceedings have been finalised.

I can advise that some of the matters brought to the Government's attention by the Consumer Credit Legal Centre can be dealt with administratively rather than through legislative reform. For instance, tenants could be provided with information about their rights when the court or mortgagee sends formal notices. This will be the subject of discussion with the Attorney General's department as part of the implementation process. Issues surrounding the role of the New South Wales Sheriff in light of these reforms will be part of these discussions also. The main issue raised by the Consumer Credit Legal Centre appears to relate to when the rent holiday period for the tenant starts. The bill provides that rent is not payable for the period the tenant is holding over once the mortgagee becomes entitled to possession.

Let me also correct the member for Pittwater. Firstly, New South Wales legislation goes further than other States' legislation in protecting tenants. We are the only State to provide for a rent holiday. Secondly, our position on the length of the rent holiday is clear—30 days, no more and no less. I am advised that this is properly provided for in the bill. This is an appropriate balance between the interests of both sides. The member for Pittwater also raised a tenant's rights under the Real Property Act, under certain circumstances. I can assure the member that those rights under the Real Property Act would prevail. The intention of the Government is that

the rent holiday period should commence when a mortgagee issues to the tenant a valid 30-day notice to vacate. It is not meant to commence immediately the court makes a default order or a writ of possession is issued. There can be any number of reasons why these processes could be delayed, including ongoing negotiations between the mortgagee and the landlord.

I am advised that the Government's intention is made clear under the bill as it stands. As with any legislation, the Government will monitor the implementation of these reforms closely. If any practical implementation issues arise, the Government will address them in the broader package of reforms that will be released for public consultation later this year. In terms of penalties for failure to follow the procedures set out in the bill, I can advise the House that the advice the Government has is that mortgagees will face the same penalty as landlords currently face if they evict a tenant without going through the proper process. Once these changes commence, the penalty of up to \$22,000, under section 72 (1) of the existing Act, will be able to be imposed on any mortgagee who recovers possession of a rental property without giving the required 30 days notice or before a notice expires. The insertion of section 72 (1A) by the bill is merely to clarify the circumstances in which a mortgagee will be exempt from section 72 (1). Section 72 (1A) does not create a new offence. It is not a stand-alone provision that needs its own penalty.

The Government does not accept that there is a need for a clarifying amendment when the law as presently drafted is already perfectly clear. If the Government is wrong, and this does prove to be the case, it could be fixed easily by a statute law amendment. The member for Lismore raised the equity between long- and short-standing tenants and the issue of a longer notice period. The Government considered a longer notice period but believes that 30 days strikes the right balance between the interests of tenants and mortgagees. Thirty days provides a reasonable period of time for the tenant to find alternative accommodation while at the same time not unduly delaying the sale process for the mortgagee. Thirty days is a considerable improvement on the few days or a week or so that tenants are given now. Thirty days is consistent with the notice period required from mortgagees in other States. It is also the same period currently given to tenants when the rented premises are sold and the purchaser requires vacant possession.

Reference has been made to the fact that the new notice period in Queensland has not started yet and will not begin until 1 July 2009. There is already criticism of the extended notice period in Queensland. Nevertheless, I can assure the member for Lismore that the Government will monitor the implementation of these amendments and will consider extending the notice period if 30 days proves to be inadequate. I can further advise members that the Government will target specifically mortgagees and the Sheriff's Office as part of its education campaign on the new laws.

ACTING-SPEAKER (Mr Thomas George): Order! There is too much audible conversation in the Chamber. The Minister will be heard in silence.

Ms VIRGINIA JUDGE: Mortgagees already comply with similar laws in other States, so the Government does not expect there will be any problems in meeting these new requirements. In the unlikely event that a tenant is threatened with being illegally locked out, a quicker and more effective approach would be to contact the Office of Fair Trading, or one of the many Tenant Advice and Advocacy Services across New South Wales, who can then speak to the mortgagee to resolve the situation. The threat of a penalty of up to \$22,000 should be sufficient to obtain compliance.

The Government rejects the suggestion that there is a need for the bill to be amended to specifically allow tenants to seek orders from the Consumer, Trader and Tenancy Tribunal if they are threatened with being, or have been, illegally locked out. Tenants can already bring an action in the tribunal against mortgagees under section 76 of the Act, even after possession has been recovered. I will respond to the member for Ryde's comments about providing access for sale. Firstly, access should be a matter of agreement between the parties, and the bill encourages both parties to be reasonable on access provision. Secondly, the bill refers only to fees and charges to occupy the premises. Fees for utilities and other services would remain payable by the tenant. Thirdly, in relation to transitional arrangements, section 71 (7) makes it clear that the provisions relate only to agreements in existence at the commencement of the Act and any court order prior to the commencement that terminates the tenancy will be unaffected by these changes.

Finally, I thank members for drawing on the human experiences of tenants and landlords in these difficult and trying circumstances. This year to date, 395 writs of possession have been enforced in New South Wales. These are people's stories, and the examples the members for Riverstone and Sydney, in particular, drew on show that there are no winners. The member for Sydney is right in wanting to see this bill put into law to

better protect tenants. I commend her for her thoughtful presentation to the House this evening. In the first three months of this year 18 writs of possession have been executed in the City of Sydney postcode 2000 alone. During the debate on this bill we have heard of the significant injustices that can occur and have occurred to tenants who, through no fault of their own, may find themselves in very vulnerable situations, perhaps even facing homelessness. It is for this reason that these urgent measures were overwhelmingly supported by the community during the consultation process and a broad range of industry stakeholders, including the Tenants Union, the Real Estate Institute and the Australian Bankers Association.

The member for Pittwater raised the point that this situation rarely arises. In many ways I agree. It is unfortunate that these types of matters have to be dealt with by legislative intervention and that it is not enough to rely on common human decency and consideration. These small but significant amendments to residential tenancy laws will indeed create a balance of rights and responsibilities. I emphasise that while the measures provide vital protection to tenants they do not place any onerous burdens on the lending institutions. I thank all members for their interesting contributions to the debate this evening. I know that many members of the community and indeed many members of this House are really keen to see this reform package passed by the State Parliament so that these measures can be implemented. 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.

ADJOURNMENT

Motion by Mr John Aquilina agreed to:

That this House do now adjourn.

**The House adjourned, pursuant to resolution, at 9.32 p.m. until
Wednesday 17 June at 10.00 a.m.**
