

LEGISLATIVE ASSEMBLY

Thursday 13 May 2010

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

The Speaker read the Prayer and acknowledgement of country.

RELATIONSHIPS REGISTER BILL 2010

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

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

CORONERS AMENDMENT (DOMESTIC VIOLENCE DEATH REVIEW TEAM) BILL 2010

Bill introduced on motion by Ms Jodi McKay.

Agreement in Principle

Ms JODI MCKAY (Newcastle—Minister for Tourism, Minister for the Hunter, Minister for Science and Medical Research, and Minister for Women) [10.08 a.m.]: I move:

That this bill be now agreed to in principle.

I am pleased to introduce the Coroners Amendment (Domestic Violence Death Review Team) Bill 2010. The bill establishes an expert, multidisciplinary team, convened by the State Coroner, to review deaths that occur in the context of domestic violence. The Government remains committed to preventing domestic violence in all its forms. Part of this process involves identifying gaps in services and systems with the aim of developing a better understanding of how these can be improved to ensure that people who are victims of domestic violence do not fall through the cracks.

The establishment of a mechanism to review domestic violence-related deaths follows the recommendations contained in the 2009 report of the Domestic Violence Homicide Advisory Panel. The panel was convened following the tragic death of Melissa Cook, who was fatally shot by her estranged husband on 19 December 2008. The Government has acted quickly to progress the key recommendation of the report, being the establishment of a Domestic Violence Death Review Team. New South Wales will become one of the first jurisdictions in the country to introduce a mechanism to review domestic violence deaths. The fundamental premise on which the team is established is that one domestic violence-related death is one too many. Many deaths occurring in a domestic violence context are preventable and the team will have as a primary focus prevention and intervention at its core.

The establishment of a domestic violence death review mechanism in New South Wales also supports work being done at the Commonwealth level. The release of "Time for Action: The National Council's Plan for Australia to Reduce Violence against Women and their Children" in May 2009 identified the establishment of domestic homicide review processes in all States and Territories as a priority area for action. The Prime Minister has referred Time for Action to the Council of Australian Governments for its consideration and has proposed that a national plan to reduce violence against women be developed by 2010.

Community advocates who have been involved throughout the process were represented on the Domestic Violence Homicide Advisory Panel and have been consulted on the development of this bill. They have long argued that a domestic violence death review process provides governments with the information required to identify practices, protocols, behaviours and attitudes associated with service and criminal justice

response systems that lead to fatalities. To this end, the bill will empower the team comprised of Government and non-government representatives to compile information from agencies and organisations who may have had contact with victims of domestic violence where there has been a fatality.

This information will enable the team to identify potential intervention points and to establish where policies, procedures and services require review. Through this process, systemic issues can be addressed in a cohesive, progressive manner. Let me be clear, the object of the team will not be to apportion blame. Rather, the focus will be on collaboration and information sharing about deaths that occur in a domestic violence context. Through this process we can enhance our understanding of the causes of these tragedies and work to improve systems and practices with the goal of reducing their incidence.

I now turn to the detail of the bill. The object of the bill is to create a statutory framework that will support the operation of the expert, multidisciplinary Domestic Violence Death Review Team. The team will through its functions work to identify systemic issues and causes of deaths occurring in a domestic violence context. The focus is on reducing the incidence of these types of deaths through facilitating improvements in systems and services. The review process is not a coronial investigation; it does not reinvestigate matters. The Domestic Violence Death Review Team will have a collaborative approach and will be informed by and learn from domestic violence deaths with the aim of identifying areas of service delivery or intervention that can be improved. Its ability to share information with similar review mechanisms and the involvement and active participation of key stakeholders ensures a holistic approach.

The Domestic Violence Death Review Team is to have the following functions: review closed cases of domestic violence deaths in New South Wales, or a death of a person who usually resides in New South Wales; analyse data to identify patterns and trends related to such deaths; make recommendations to prevent or reduce the likelihood of such deaths; establish and maintain a database about such deaths; and undertake research that aims to help prevent or reduce the likelihood of such deaths. The bill also enables the team to review a death, notwithstanding the fact that it may be the subject of review by the Child Death Review Team, and contains provisions that enable information transfer between the two review mechanisms.

Importantly, the bill will enable the convenor of the team to enter into agreements or arrangements for the exchange of information between the team and a person or body having functions similar to those of the team in other States or Territories, where the information is relevant to the functions of the team. This will enable the team to feed into the National Coroners Information System [NCIS]. Coroners in all Australian jurisdictions have access to NCIS, which is a national Internet-based data storage and retrieval system for Australian coronial cases. Information about every death reported to an Australian coroner since July 2000, or January 2001 for Queensland, is stored within the system, providing a valuable hazard identification and death prevention tool for coroners and research agencies. The NCIS has a primary role to assist coroners in their role as death investigators by providing them with the ability to review previous coronial cases that may be similar in nature to current investigations, thereby enhancing their ability to identify and address systemic hazards within their jurisdiction.

The Domestic Violence Death Review Team is to consist of at least 15 and not more than 19 members appointed by the Attorney General. The convenor is to be a current or former State or Deputy State Coroner. Key government service providers are to be represented, including the New South Wales Police Force, the Department of Health, the Department of Premier and Cabinet, the Department of Education and Training, the Department of Justice and Attorney General, the Department of Human Services, including representatives from within Community Services, Housing New South Wales, Aboriginal Affairs, Juvenile Justice and Ageing, Disability and Homecare. The team will also have representation from two non-government service providers and another two persons with expertise appropriate to the functions of the team. The bill provides for the appointment of an Aboriginal or Torres Strait Islander member who is representative of a non-government service provider agency.

The bill sets out the definition of "domestic relationship" that enables a range of people living in a domestic context to be included within the definition. The Report of the Domestic Violence Homicide Advisory Panel recommended a definition that was consistent with the Crimes (Domestic and Personal Violence) Act 2007 to the extent of the section that deals with what is commonly known as an intimate relationship. The bill substantially adopts the provisions of that section, but excludes those not in an intimate relationship, for example, those in carer relationships and flatmates. The definition in the bill recognises the seriousness of domestic violence by placing an emphasis on the nature of those involved in relationships where one person exercises control and power over another in the relationship.

The bill will allow the team to review a range of deaths occurring in a domestic violence context, including the homicide of a spouse, partner or children, as well as suicides or fatal accidents that are domestic violence related. The effective operation of the Domestic Violence Death Review Team relies on its ability to obtain information about the services accessed by those affected by domestic violence-related deaths. The bill includes provisions that impose a duty on certain persons, including department heads, chief executive officers and senior members of any government department, the Police Commissioner, medical practitioners and health care professionals to provide the team with access to records that will enable the team to obtain this information.

The bill enables the provision of this information to the team notwithstanding that there may be provisions of Acts or laws that denies access to such records. The access to and use of this information is restricted and protected by provisions requiring all persons associated with the team to keep such information confidential and not disclose for any reason, other than those exceptions contained in the bill. These exceptions include situations where a disclosure is made in good faith for the purpose of exercising a relevant function; authorised by the convenor to be made in connection with related research—this relates to de-identified information only; or made by the convenor to the relevant authorities for a range of specific purposes. Examples of the latter may include investigating possible criminal offences; reporting children at risk of harm; providing information relating to a death within the State Coroner's jurisdiction; providing information to the Child Death Review Team in relation to its functions; providing information to the Ombudsman concerning a death relevant to the Ombudsman's function; and providing information to the NCIS.

Before I conclude, I acknowledge the tireless work of the community sector, whose workers support women experiencing domestic violence on a daily basis. I also want to acknowledge the sector's strong advocacy for a domestic violence death review team, which has helped to inform the Government's decision on this issue. In particular, I thank those non-government members who were represented on the Domestic Violence Homicide Advisory Panel: the Chair, Dr Lesley Laing, who is also the Deputy Chair of the Premier's Council on Preventing Violence Against Women; Professor Julie Stubbs, criminologist at the University of Sydney; and Ms Betty Green, also a Premier's Council Member and the convenor of the Domestic Violence Committee Coalition, which has been instrumental in drawing attention to the need for a Domestic Violence Death Review Team. On behalf of the Government, I thank and commend them for the tireless and critical work they have done in this area.

The establishment of the Domestic Violence Death Review Team through this bill is representative of the Government's commitment to tackling domestic violence and delivers on the key recommendation of the Domestic Violence Homicide Advisory Panel made in 2009. Violence is unacceptable in all its manifestations. Domestic and family violence has a devastating impact not only on the victims and their families but also on the broader community. The New South Wales Government will not falter in its commitment to doing all it can to prevent its occurrence and to improve systems and service delivery to those who need it most. The establishment of the Domestic Violence Death Review Team will help us to identify where and how we can make changes to reduce the incidence of deaths arising from domestic violence. I commend the bill to the House.

Debate adjourned on motion by Mrs Judy Hopwood and set down as an order of the day for a future day.

TRANSPORT ADMINISTRATION AMENDMENT BILL 2010

Bill introduced on motion by Mr David Campbell.

Agreement in Principle

Mr DAVID CAMPBELL (Keira—Minister for Transport and Roads) [10.22 a.m.]: I move:

That this bill be now agreed to in principle.

I am pleased to introduce the Transport Administration Amendment Bill 2010. One of the privileges of being a member of Parliament and a Minister of the Crown is the opportunity it provides us to make a real difference for the communities we represent. This bill represents one of these opportunities. The community expects the Government to deliver a transport system that is integrated and coordinated; has a high standard of reliability and cleanliness; has coordinated timetables that effectively links different modes of public transport with each other; has easy to navigate transport interchanges; manages incidents when they occur in an efficient and coordinated way; has the appropriate resources in place to deliver improved services; continues to expand to

cater for the future, in a timely and coordinated way; has a single person in charge who is accountable for improved services, rather than multiple transport providers with separate transport priorities; most importantly, focuses on reducing congestion through both immediate network improvements and integrated long terms strategies and infrastructure investment, and paramount in that task is safety.

Last year, the Public Sector Employment and Management (Departmental Amalgamations) Order 2009 established a central transport agency and the bill builds on this by strengthening the role of Transport NSW, with the Director General having an overarching accountability for the delivery of all transport infrastructure, transport policy, planning and service coordination, timetabling, incident management and the power to administer a single transport budget across rail, bus, ferry and cycle, roads and freight. At the core of this bill are four key objectives that go beyond simply presenting a valid reason for why the legislation is being introduced. Rather, these objectives form the platform for the ongoing work of the Government to improve the delivery of transport services and infrastructure to the people of New South Wales.

The four objectives are: to create an integrated approach to the delivery of transport services and infrastructure that results in a greater effort by public sector agencies around what is best for the community rather than their own set of priorities; to better coordinate the delivery of transport services to ensure that budgets and resources are allocated to community priorities and can be shifted effectively to meet community needs; to enhance the accountability of public sector agencies to deliver the transport services and infrastructure the community deserves through prioritisation of strategic targets and commitments of the portfolio, a greater focus on the customer and a more "results driven" culture; and to ensure that safety—for our passengers, our employees and our community as a whole—remains the top priority by enabling the independent safety regulator to assist the Director General in relation to the regulation of bus safety and maintaining a strong emphasis on rail safety.

In 2009-10 the Government is investing a record \$7.1 billion in operating and expanding the extensive New South Wales public transport system, and \$4.4 billion in maintaining and upgrading the New South Wales road network. But the community is not just interested in how much money is allocated to our transport agencies. The New South Wales community is understandably concerned that these resources are targeted where they are needed most, whether that is new rail lines as outlined in the recently launched Metropolitan Transport Plan, improvements to local roads and highways, better connecting bus, ferry and train services, or somewhere safe to park the car to make a connection to get them to where they want to go. Given this, I will outline to the House how this bill and the establishment of Transport NSW will produce the improvements that the community expects.

Firstly, the Premier has given one Minister the combined responsibility for transport and roads. Secondly, there will be one department, Transport NSW, with overall responsibility to drive better services and the delivery of the \$50.2 billion Metropolitan Transport Plan. This department will be led by a single Director General who will have responsibility for the delivery of all transport infrastructure, transport policy, planning and service coordination, timetabling, incident management and the power to administer a single transport budget across all transport modes. Having the power to direct those public sector transport agencies in the future will, very importantly, strengthen the Director General's responsibility. At all times, the Director General is accountable to the Minister, and the Minister will still retain the ability to direct both the Director General and individual transport agencies.

Thirdly, our transport operators—RailCorp, State Transit Authority, Sydney Ferries and the Road and Traffic Authority—will report to the Director General of the Department and will work together to deliver better and more integrated transport solutions for the people of New South Wales. These operators will be responsible for the delivery of services, as part of a large coordinated transport system. Fourthly, there will be a single transport and roads budget. The Minister and the Director General will be able to manage the budget and reprioritise funds within the overall allocation. Finally, bringing transport operators together will result in streamlined governance arrangements and the abolition of the existing boards in the portfolio. With millions of journeys taking place on public transport and our road network everyday it is vital that agencies work together to develop solutions that go beyond their respective modes and focus on making the journey easier for all of the community.

The bill establishes a coordination division of Transport NSW. This integrated team will be made up of staff from across the various agencies whose goal will be to better coordinate the daily transport task for commuters, improve the coordination at existing interchange facilities and enhance the experience for people as they get around the city during major events. The new structure not only recognises the need to coordinate

existing transport modes, it also recognises that light rail and cycleways are legitimate transport options for the community and, when considering the delivery of roads projects, all transport options should be assessed to ensure that the right resourcing decision is made.

I am proud of the fact that recent customer satisfaction surveys carried out by the Independent Regulator have demonstrated that passengers are seeing real improvements across the public transport network and this is something I am determined to continue to work on. Whilst improving the everyday transport experience for the community is obviously a priority, so too is ensuring the effective integration and development of strategic plans for future services and infrastructure. Under this bill, Transport NSW will lead the way in the development and implementation of strategic plans, including the Metropolitan Transport Plan, to ensure that the right infrastructure and services are provided as New South Wales and Sydney continue to grow.

The bill ensures that the director general of Transport NSW, reporting to the Minister, is vested with responsibility for the delivery of effective transport planning across the modes that aligns with land use strategies established for metropolitan and regional areas. Already we have seen this integrated approach taken in the Government's Metropolitan Transport Plan and the more recently announced Sydney Metropolitan Strategy Review to ensure there is alignment of land use development and infrastructure priorities.

The level of knowledge, skill and commitment that the public servants in the transport portfolio show everyday is something that I am very proud of. That is why it is essential that we have expert staff in the right place across transport. The bill allows greater flexibility to move staff to areas where they are needed the most and to use their experience and expertise to drive continuous improvement. This bill does not impact upon the working conditions of staff. In the case of front-line staff, their employment arrangements remain unaffected. This means bus drivers will continue to drive buses and train drivers will continue to drive trains. Operating entities will retain responsibility for the daily operations of the public transport network.

Earlier I spoke about this bill enhancing the accountability of transport agencies to deliver the services and infrastructure that the community expects. I will now explain that in more detail. The community has an expectation, and rightly so, that effective delivery of transport services and infrastructure is the responsibility of government. Whilst obviously this involves working with the private sector to meet these demands ultimately the buck stops with the Government of the day. That is why this bill supports the implementation of robust service delivery contracts between Transport NSW and the public sector providers such as RailCorp, Sydney Ferries and Sydney Buses that are based on specific performance standards and will be monitored centrally to ensure that taxpayers' money is being used to deliver a quality service.

This approach builds on the Government's performance contract arrangements with the private bus industry. Clause 3C of the draft bill makes it a specific function of the director general to enter into these service delivery contracts with the public sector transport agencies. Agencies will also be expected to ensure that the services they provide are in alignment with the key strategic goals and priorities of the broader portfolio as outlined through the Metropolitan Transport Plan and the New South Wales State Plan. The community expects its public servants and elected officials to be accountable for the services and infrastructure they pay for through their taxes. That is why this bill will see the removal of statutory boards that exist within the portfolio down to a single statutory Transport Advisory Council. The reason for this decision is a simple one—greater accountability for the director general and the chief executives, and an enhanced ability for them to work with the Government direct to get on with the job of delivering the transport services the community expects.

I make no apologies for this bill having a sharp focus on accountability. I will not be a Minister who abdicates my accountability to a so-called independent board who have not been elected by the broader community simply as a way to avoiding making the tough decisions that will enhance the way transport services and infrastructure are delivered. To do so is not just, in my view, totally irresponsible, but goes against the very reason we are elected to Parliament; that is, to make the best decisions in the interest of the communities we represent. The concept of contracting out government decision-making is lazy and not supported by this bill. Equally, I will hold to account private sector contractors and public servants who do not meet their obligations to deliver for the community. Now is the time for strong leadership from government to deal with the increasing demands on our transport system. In circumstances that demand greater integration across modes, a board model is no longer the most effective way to deliver services to New South Wales. Instead, accountability will directly rest with me as Minister and with the director general and the chief executives of the transport agencies.

The model of governance outlined in this bill still provides for input and advice to be sought from industry experts and key stakeholders with specialist knowledge through the establishment of a single Transport

Advisory Council. This council, which will include a dedicated community representative, will provide advice to the Government on the progress being made to deliver against key strategic commitments and targets, including those in the Metropolitan Transport Plan and the New South Wales State Plan. The council will also have an ability to be engaged in specific pieces of work aimed at improving efficiencies and service delivery across the portfolio as a whole.

Safety is something that we can never take for granted in the transport sector. I am proud of the commitment of all our agencies to making our public transport and road network as safe as possible. The reliability functions of the Independent Transport Safety Reliability Regulator are to be transferred to Transport NSW to align service delivery procurement and reliability functions. The Government believes that it is important that there continues to be an independent safety regulator. Under this bill the Independent Transport Safety Reliability Regulator will retain its safety regulation functions under the Transport Administration Act.

In addition, the bill also makes it clear that should a direction be given to RailCorp by the director general or Minister that they feel may have an impact on safety, then the Independent Transport Safety Reliability Regulator will be asked to provide advice and make a recommendation as to whether that is the case. The bill also contemplates a future expansion of the regulator's role by amending the Passenger Transport Act to allow the director general to enter into an arrangement with the Independent Transport Safety Reliability Regulator to assist him to exercise his functions under the Act in relation to the regulation of bus safety.

Reform is rarely easy but it is necessary in order to drive a culture of continuous improvement in the delivery of services to the community. The community wants this, the transport experts recommend it, and they already do it overseas—in short, this reform is essential. Getting people to where they want to go will always have challenges. However, the bill is a key part of the reform process currently underway and will accelerate the improvements in transport services and infrastructure delivery through better integration and coordination, greater accountability, more effective strategic planning and a greater focus on meeting key performance measures as expected by the community.

I conclude by saying thank you to the staff of Transport NSW, various agencies in the transport portfolio and the central government and, of course, my personal staff for their efforts in working on this particularly important bill and significant reform to the integration, delivery and construction of public transport services and infrastructure in New South Wales. I commend the bill to the House.

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

LOCAL GOVERNMENT AMENDMENT (GENERAL RATE EXEMPTIONS) BILL 2010

Bill introduced on motion by Mrs Barbara Perry.

Agreement in Principle

Mrs BARBARA PERRY (Auburn—Minister for Local Government, Minister Assisting the Minister for Planning, and Minister Assisting the Minister for Health (Mental Health)) [10.40 a.m.]: I move:

That this bill be now agreed to in principle.

The Government is pleased to introduce the Local Government Amendment (General Rate Exemptions) Bill 2010. The bill reflects the Government's ongoing commitment to support the invaluable contribution that public benevolent institutions, public charities and religious bodies make to the communities of New South Wales. The purpose of the bill is to clarify the exemptions from general rates that apply for public benevolent institutions, public charities and religious bodies. Broadly speaking, these bodies are exempt from paying general rates on properties that they own and that they use for charitable purposes. However, the Local Government Act is currently silent on how such a property should be treated if part of the property is commercially let to a non-exempt body.

At the moment, the Act does not allow a council to partially rate the non-exempt part of a parcel of land. As a result, the Government is aware of situations where charitable bodies are being charged rates on a whole parcel of land because part of the land is commercially let. I am advised that the council of the City of

Sydney has, for example, adopted a policy of applying a substantial use test, whereby if the land is substantially used only for the purpose of the benevolent institution or charity, the whole parcel is deemed to be exempt. If it is not substantially used by the charitable body, the entire property is assessed as being liable for rates.

I am also aware that some councils are utilising section 28A of the Valuation of Land Act to obtain separate valuations in those instances and applying partial ratings. Unfortunately, however, the Local Government Act does not currently allow that to occur. Therefore, the bill provides for the granting of a partial rate exemption where part of a parcel of land is commercially let to a body that is not exempt from rates. It is important to note that any activities undertaken by a charitable body on the land will be deemed to be part of the charitable body's activities and would be exempt. This includes activities undertaken by the body, such as opportunity shops and cafes.

The bill will ensure a consistent approach between councils and ensure that land owned by a religious body, benevolent institution or charity is afforded a rate exemption to the full extent envisaged under the Local Government Act. It will also ensure that those councils that are currently applying a partial rate exemption are complying with the legislation. There will be no net impact on the level of a council's rating income as a result of this bill, although there may be a minor redistribution in the rating burden within a local government area. There should be no negative implications for benevolent institutions, charities or religious bodies as, in most cases, the terms of the lease agreement will allow the religious body, benevolent institution or charity to pass on the rates liability to the lessee. However, where the terms of an existing lease agreement between a charitable body and a commercial tenant do not provide for the lessee to pay the rates, the amendment provides transitional arrangements to ensure no benevolent institution, charity or religious body will be worse off under these changes.

In such cases, the entire parcel of land will remain exempt from rates until the land ceases to be the subject of that lease. The bill provides for the determination of the rateable and non-rateable components of both land and buildings. In those cases where part of a single parcel of land is subject to a commercial lease, for example where a parcel of land has on it a church and a commercially leased car park, a council may request from the Valuer General separate valuations for each part under section 28A of the Valuation of Land Act, and to then apply rates to the car park component. In addition, where a parcel of land consists of one building that is partially subject to a commercial lease, the bill provides for the valuation of that building on a stratum basis, thus allowing rates to be charged on those components of the building that are commercially let.

This issue of partial exemptions was initially brought to the Government's attention by the Catholic Archdiocese of Sydney and the council of the City of Sydney. Both the archdiocese and council have requested that the Local Government Act be amended in line with that proposed in this bill. The Local Government and Shires Associations are also in support of these amendments. I commend the bill to the House.

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

NSW SELF INSURANCE CORPORATION AMENDMENT (HOME WARRANTY INSURANCE) BILL 2010

Agreement in Principle

Debate resumed from 21 April 2010.

Mr GREG APLIN (Albury) [10.45 a.m.]: I lead for the Opposition on the NSW Self Insurance Corporation amendment (Home Warranty Insurance) Bill 2010. The new home warranty insurance scheme is scheduled to commence operation on 1 July 2010. The bill establishes the scheme and deals with transitional and savings provisions, such as consequential amendments to the Home Building Act 1989. Importantly, the product remains unsellable to both consumers and builders, but it is, nevertheless, mandatory to have it. Home warranty insurance itself does not change and remains a last resort policy, which directs home owners to first go to the tribunal or court to chase a builder who has done unsatisfactory work or failed to complete the job. The Minister, in introducing the bill, added:

I make it clear that nothing in this bill will reduce consumer protections in New South Wales.

The bill certainly does not advance consumer protections—despite the cries for help from the public—nor does it advance certainty or confidence for the building industry. At best it is an attempt by the Government to mark

time in the hope that nothing else goes wrong. That, of course, is the approach that has got the Government into this unfortunate situation now. So what we are debating today is reduced to whether or not to let the Government keep this wreck bumbling along. Unfortunately, the Government's delays in action, going back over several years now, have left home warranty insurance in a parlous condition. The withdrawal of most private insurers from the market for this product has brought the State to the point where only the public purse would take it on.

The deadline of 1 July fast approaches and the Government is presenting the people of New South Wales with a final take-it-or-leave-it scheme. If this scheme does not get the go ahead, the residential building sector will scream to a stop on new contracts on 1 July. As members may recall, there can be no residential building work done in New South Wales where the work requires a licence and is valued at more than \$12,000, without an insurance policy in place. Therefore, a failure of home warranty insurance would shut down the home building industry. This is most unfair. The bill has not been welcomed by consumers or builders. It does not deal with the real concerns of consumers or builders—in particular for consumers, improved handling of issues about quality of work and, for the builders, getting paid. It involves fresh financial risks for the people of New South Wales. And this is a rush job, thereby magnifying the risk.

The NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010 introduces two key new elements. First, the Government becomes the sole authorised provider for issuing new home warranty insurance policies in New South Wales; and the Government becomes the insurance underwriter and will establish a home warranty insurance fund managed through the NSW Self Insurance Corporation [SICorp]. SICorp will engage private insurance firms, or scheme agents, to issue policies, to collect premiums and to undertake claims management. Brokers will continue to be the main shopfront for builders to purchase cover. Secondly, it introduces a category of quality control building specialists to manage the contracts of higher insurance risk builders, thereby making the latter eligible for home warranty insurance despite their poor financial or other security. Under section 8A of the bill the use of a building management service provider will be mandatory for selected builders.

Home warranty insurance has lurched from crisis to crisis in New South Wales for many years. The private insurance companies that ran the scheme have, one by one, pulled out—CGU, Lumley General and most recently Vero—leaving the scheme unviable. Documents that I have obtained under freedom of information laws reveal an essential timetable that the Government is already failing to meet. This is not surprising when one considers that they are setting up a brand-new insurance company in little more than six months. From documents obtained under freedom of information laws comes the report of the Government's consultants, Finity, setting out the steps necessary to develop this insurance product. The report is, if one likes, the blueprint. It is dated December 2009. One of the first things the report does is to recommend that SICorp "immediately develop a contingency plan in the event that a transition on 1 July 2010 can not be achieved". In paragraph 6.6 it states:

... there is an extremely high risk that SICorp will not complete all activity in sufficient time for a commencement date of 1 July 2010

Section 4 sets a timetable for the appointment of staff. Job advertising was to run in February but, from the table of other documents withheld from freedom of information, at document number 31, I note the relevant advertising was approved to go out in March of this year. It did not take long to fall behind the timetable. Of course the information technology aspects of this new underwriting role are substantial as the insurance process is handled largely by specialised software and various database systems. These programs must be developed or customised then trialled before they are launched on the building industry and public. It is a time-consuming process to get right.

It is not hard to imagine the blow to the building industry and homeowners if the Government opens the door on 1 July to a partly tested insurance product and process. This is all about service to industry and consumers, and about managing risk on behalf of taxpayers. Last year I raised in Parliament a matter of public importance about problems with the home warranty scheme and delays in the Consumer Trader and Tenancy Tribunal. I issued a warning about the problems besetting the still current scheme. In reply, the member for Shellharbour and Parliamentary Secretary disputed this assessment. On behalf of the Government she said:

Our figures indicate that the New South Wales system is working and providing an important backup for consumers. Indeed, the Senate committee recommended that other States adopt our recent reform by introducing a new trigger for homeowners to lodge an insurance claim when a builder fails to comply with a monetary order from the consumer tribunal. The Government is happy to look at further improvements to home warranty insurance in New South Wales, but only sustainable and prudentially sound improvements. We will not entertain a return to the old Building Services Corporation [BSC] model, which exposed taxpayers to a dangerous level of risk.

I believe this Government is exposing taxpayers to a dangerous level of risk. All I am hearing from key stakeholders in the building industry is that the bill exposes a lack of consultation and a poor understanding of the industry. In particular, I am told the Government's plan to develop a panel of quality control building specialists is in disarray—with seven weeks left to go. Expressions of interest for appointment to this Builder Management Services panel are currently being sought and have been extended until today. The Master Builders Association, New South Wales, has revealed that after attending the Office of Fair Trading meeting on the tendering process, it decided not to tender. There was insufficient detail about what will be required from the managers and how they will be remunerated. The Government seems to want the managers to accept 100 per cent liability for anything the "at risk" builder does.

This, too, is unfair. I ask the Government what it is doing to make this role attractive to private providers? How will they be remunerated? How much can they charge to take on a huge responsibility? Will they be permitted to charge what an architect would charge for the same level and detail of service, namely, a percentage of the contract price worth thousands or even tens of thousands of dollars? Who will pay this—the homeowner or the builder? The result will be the same: the builder's quote will be uncompetitive in the marketplace. The Government's rescue plan for higher insurance risk builders will be most effective in removing this category from the market.

This is not what anyone wants. Often it is the case that these higher insurance risk builders are good builders caught by difficult circumstances: they might be the new builder just setting up his or her own business, but with no assets other than tools, a ute and a desire to make something of their lives. They might be the middle-aged builder with a good track record but whose recent divorce means they can no longer put up the family home as security for the satisfaction of underwriters. Others will be facing financial difficulties. I know that some good builders have had a terrible time while private insurers remove themselves from providing home warranty insurance. These people have fallen through the cracks, finding it a struggle to get home warranty coverage for their work with a new insurer.

Unfortunately, the Government's scheme does them no favours and, I believe, actually makes things worse for them. If the Government says they must have a building management service provider, under the present bill, the new layer of red tape and its heavy structure will mean such builders are more costly to use than their competitors, having to ask homeowners to pay higher premiums plus the manager's fees; much slower to enter into a home building contract than their competitors as they wait for the sign-off from brokers, the Government insurer, and their manager; burdened with time-consuming reporting and assessment for which they cannot charge but must yet find the time; and given no assurance of when they will pass through this tough process. The Government certainly knows how to kill private initiative.

The scheme is ill prepared, poorly designed, with inadequate stakeholder consultation. The bill has left many leading stakeholders shaking their heads in despair and alarm. In my ongoing dealings with representatives of several leading builder groups, the constant refrain has been, "Why didn't the Government listen?" Another common complaint is, "Where are the details we were promised?" What will be the consequences of letting the bill proceed into law? One stakeholder reasons that if the new scheme is not ready to go by 1 July, the Government may have no alternative but to strike a deal with departing home warranty insurance companies so that they remain and issue policies until the Government scheme is ready. The deal will have to be very attractive to those companies and possibly detrimental to the best interests of the people of New South Wales.

We could see a return to the position detested by builders where they must sign deeds and provide unconditional bank guarantees or other substantial security before they can work as builders. How many industries are burdened like this? Let me be clear: home warranty insurance is of such importance that, indeed, the State might have good cause for taking on an underwriting role. Home warranty insurance has suffered from an absentee Government that did not want to take control of the situation even when it was clear to all that insurance companies were losing interest and consumers and builders were increasingly disillusioned.

This is not the problem. My concern is about proper risk management before exposing the people of New South Wales to running a new category of insurance business. On the matter of cost, freedom of information documents and the speech of the Minister for Finance indicate the Government is spending \$15.6 million establishing the scheme and employing nine staff. The Government wants to be paid back out of the premiums paid by home owners. It should be noted that any surplus in the Home Warranty Insurance Fund can be paid into the Consolidated Fund under section 12A of the bill.

We will not oppose this bill. Arrangements must be put in place by 1 July, a mere seven weeks away now. I ask that the Government, as a matter of urgency, now release its premium tables, information about the successful tenderers for the insurance companies that will sell the policies and handle claims, and information about the successful tenderers for the role of building management service provider, including their fee structure and particulars about the extent of their liability under the scheme. The Minister for Finance, when introducing this bill, said the Government was taking timely action. In fact, the Government has been lagging behind with action on home warranty insurance for several years and must now rush in to fill the void. This exposes the taxpayer to unnecessary risks. The lack of detail in the bill confirms how much the Government has yet to work out about running the scheme. I hope the Government has prepared its emergency contingency plans to handle at least the key gaps.

Ms VIRGINIA JUDGE (Strathfield—Minister for Fair Trading, Minister for the Arts) [10.57 a.m.]: I am pleased to speak in support of the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. Home warranty insurance is a vital component of the consumer protection regime for homeowners undertaking building work in New South Wales. It provides a safety net for homeowners when a builder is unable or unwilling to honour his or her fundamental responsibilities under a building contract, that is, to complete the construction of a dwelling or return and rectify defective work.

Since 1972, when the home warranty insurance provisions commenced, builders have been unable to undertake residential building work in New South Wales unless home warranty cover is in place. The present threshold requiring home warranty insurance to be in place is when the contract price exceeds \$12,000. The scheme initially was administered and operated by a government agency. A former Coalition Government accepted the recommendations of two inquiries that the scheme be privatised and this subsequently occurred under a Labor Government during 1997. The present version of the scheme provides cover on the death, disappearance or insolvency of a builder or when the licence of a builder is suspended for non-compliance with a compensation—monetary—order of the Consumer, Trader and Tenancy Tribunal or a court.

A measure of the benefit provided by the scheme to home owners can be gauged from the 3,800 claims that have been lodged with, or notified to, insurers since the commencement of this version of the scheme in mid 2002. Claims accepted over the time of the present scheme are estimated to result in payments of \$94.6 million, including \$69.4 million that has already been paid to home owners. Insurers have also estimated additional costs of \$18 million in respect of open claims where liability has not yet been determined. Without the safety net provided by home warranty insurance many home owners either would not have been able to have their homes completed or defective work rectified or would have suffered a severe financial loss.

In recent years the Government has made a number of enhancements to the scheme. These have included: an increase in the minimum cover provided by a home warranty insurance policy from \$200,000 to \$300,000; the introduction of additional grounds for lodging a claim where a licence is suspended for noncompliance with an order of the tribunal or a court; the introduction of protocols for handling claims where the builder is alleged to have disappeared; and the publication of data on the operation of the scheme. It is this Government's intention to keep builders on the job, to keep them building homes and building them well for the families of this great State of New South Wales.

As Minister for Fair Trading and the Minister responsible for the Home Building Act, which governs the operation of the home warranty insurance scheme, I am pleased to note that all existing consumer benefits of the current scheme will be retained. Home warranty is just one part of the comprehensive consumer protection regime for home owners undertaking building work in New South Wales that also includes: providing consumer information and education; having mandatory contract provisions requiring compliance with the Building Code of Australia; the provision of a consumer guide to home owners and the inclusion of a checklist and cooling-off period; licensing of builders and trade contractors, including an online public register of builders and trade contractors providing information about builders and other licensees so that home owners can assess the background of contractors with whom they intend dealing; associated compliance and disciplinary programs; critical stage inspections by certifiers; and early intervention dispute resolution and onsite mediation services through New South Wales Fair Trading with access to the Consumer, Trader and Tenancy Tribunal.

When a builder is insolvent or has died, a home owner is able to lodge a claim under their home warranty insurance policy on becoming aware of incomplete or defective work. When the builder is still trading the home owner is able to lodge a complaint with New South Wales Fair Trading. Fair Trading will attempt to negotiate a suitable outcome between the home owner and the contractor including, where required, having a qualified building inspector meet the parties on site to inspect the work. The inspector can issue a rectification

order listing the work that is to be rectified and/or completed. If the builder cannot be located, Fair Trading will issue a letter to the home owner enabling a claim to be lodged under their home warranty insurance policy on the grounds of the builder having disappeared.

In the majority of cases Fair Trading is successful in reaching a resolution. In fact, Fair Trading resolves some 87 per cent of building disputes. However, if the builder does not comply with a rectification order or the home owner is not satisfied with the outcome of Fair Trading's investigation, the home owner is able to lodge a claim with the Consumer, Trader and Tenancy Tribunal. When the tribunal finds in favour of the home owner it can issue an order requiring the builder to rectify or complete work, which, if the builder fails to comply, can be converted to a compensation order. The majority of disputes are resolved either through Fair Trading or the tribunal. However, should a builder fail to comply with a monetary order of the tribunal, the licence of the builder is automatically deemed to have been suspended. This, in turn, is grounds for a claim under the home owner's home warranty insurance policy. The home owner is not required to enforce the tribunal order or initiate insolvency proceedings—they are able to claim on their home warranty insurance policy.

This is a straightforward and equitable process. If a builder is unable to honour their commitments under a contract because of insolvency, death or disappearance, the home warranty insurance scheme is there to protect home owners. The scheme is also there to protect home owners when a builder simply refuses to meet their contractual obligations and has been found at fault by an independent tribunal. The new arrangements will further enhance the operation of the consumer protection regime. Under a government-underwritten home warranty insurance scheme there will be a close working relationship between Fair Trading and the Self Insurance Corporation. This link between the dispute resolution and home warranty processes will facilitate the improved delivery of services to home owners. The proposed new arrangements will provide for a more streamlined operation of the scheme generally, which will facilitate future enhancements where required. The Home Warranty Insurance Scheme Board will continue to monitor the operation of the scheme and provide advice to the Minister for Fair Trading on enhancements to the operation of the scheme. I commend the bill to the House.

Mr JONATHAN O'DEA (Davidson) [11.05 a.m.]: The NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010 will establish functions for the New South Wales Self Insurance Corporation, SICorp, in connection with the provision of home warranty insurance and enable SICorp to enter into commercial contracts with insurance agents for the provision of services related to providing home warranty cover. It will also establish a home warranty insurance fund and provide for the use and investment of money deposited into that fund. It makes consequential amendments to the Home Building Act 1989 to establish a government insurer, SICorp, as the sole home warranty insurance provider in New South Wales; to enable the Minister for Fair Trading to issue guidelines for market practices or claims handling procedures; and to withdraw existing approved insurers' authorisation to issue home warranty insurance from 1 July 2010.

Home warranty insurance covers the home owner for non-completion and defects in building work. Last-resort insurance, which is the type we have in New South Wales, provides cover only if the builder is dead, has disappeared or is insolvent. These events act as a trigger for a claim to be processed under the last-resort system. A first-resort scheme, such as in Queensland, provides similar cover without the limitation that the builder must be dead, have disappeared or be insolvent. This means that if a claim is proved the insurer arranges or pays for rectification then seeks recovery from the builder. It should be noted that before 1997 New South Wales also operated a government sponsored first-resort scheme. In introducing the bill, the Minister for Finance said:

These changes are necessary to ensure that eligible builders can continue to obtain home warranty cover on behalf of consumers so as not to slow down construction of residential dwellings in the State.

Unfortunately, I have to inform him and the Government that, as highlighted previously by our shadow planning Minister, Australian Bureau of Statistics dwelling unit approval figures show that dwelling approvals in New South Wales have fallen continually in recent years, despite Victoria experiencing an increase. In 2007 New South Wales recorded 31,322 dwelling unit approvals, while Victoria recorded 40,716 approvals. In 2008 the New South Wales figure fell to 28,121, while Victoria recorded an increase to 41,421; and in 2009 the New South Wales figure fell further to 23,642, while Victoria's continued to climb to 43,765.

The bill proposes to withdraw authorisation for existing approved insurers to issue home warranty insurance from 1 July 2010. This obviously means that time is of the essence in setting up the new arrangements, which is concerning given informal feedback that the project has run behind schedule since the relevant announcement last November. Is the Government still confident that all necessary arrangements are

now on track, or is there a real risk of disruption to the New South Wales residential construction sector? Home warranty insurance is a complex area of insurance and the Government needs to be careful not to cause big disruption to relevant stakeholders. What is the result or the progress of the tendering process and the exact arrangements under which a company or companies will be a managing insurer or agent? It appears that the Government has not yet signed an agreement with the private sector organisation to manage the cover.

I know from my considerable business management experience in the insurance industry, and now in my role as a member of Parliament, that this Government is not capable of running the scheme itself. At least the Government realises that and it will outsource functions. However, I also question whether the Government will even be capable of having the scheme and the new arrangements operating properly before 1 July. Confidence is not generated when one hears of the delays mentioned by the shadow Minister for Fair Trading. One reads on the Government's own website that the bill was meant to be introduced in early 2010 but was introduced only on 21 April 2010 and is being debated only today, with seven weeks to go before its new provisions come fully into effect and other insurers are shut out of the industry. Builders, apprentices, subcontractors and suppliers need certainty and information now, not to mention potential new home owners.

While the New South Wales Government's doing nothing might endanger the economic recovery of the State, further Government delay regarding the proposed new arrangements also risks a situation that could jeopardise a \$20 billion building industry employing 250,000 people. We must not have a situation in which New South Wales home builders who are eligible for home warranty insurance cannot get cover and have to stop building. As the Government well knows—it has acknowledged this on its Fair Trading website—we must not see project starts and completion dates delayed, insurance premium prices affected, young new builders finding it difficult to obtain insurance, household budgets under strain with extra rental costs or loan repayments, a shortage of builders artificially driving up prices, and many consumers unwittingly forced down the owner-builder path.

In his agreement in principle speech the Minister repeatedly emphasised the importance of the new arrangements, which would increase transparency for builders and consumers. He also indicated that brokers would continue to be the main shopfront for builders to purchase cover. From the builders' point of view there was little practical change in the purchase process. However, given that there will now be a monopoly government provider with no choice available, I ask whether the insurance—

Mr Barry Collier: The private sector failed, didn't it? What do you want?

Mr JONATHAN O'DEA: I ask whether people will be permitted to purchase insurance other than through a broker or selling agent.

Mr Barry Collier: The private sector failed, didn't it? Admit it.

Mr JONATHAN O'DEA: While there is a role for advice provision from brokers where sought, that could be paid for by insured builders who want it on a fee-for-service basis. Would not such an arrangement be in the interests of minimising costs? If commissions are to be paid, what will they be and how will the percentage of premium paid or other fees differ from current commission arrangements? Certainly a monopoly provider situation with only one set of eligibility conditions, pricing and policy terms, reduces the need to pay intermediaries high levels of commission that substantially inflate the cost of insurance cover.

While such remuneration changes may not occur immediately, I ask whether there is at least a transition plan. In the interests of transparency, I ask the Parliamentary Secretary to address this issue fully in reply. I note that the bill does not include any substantive product changes to home warranty insurance but that a review of the Home Building Act 1989 is currently underway. However, I note that the 1997 privatisation of home warranty insurance was preceded by recommendations from the 1993 Dodd inquiry into the then Building Services Corporation. The Dodd report found:

... there was no reason for the Government to continue in its monopoly of the insurance market and moreover its political ownership leaves it vulnerable to pressures not faced by private insurance.

The return to a government-owned monopoly provider undoubtedly will mean further pressures on the Government to provide better consumer protection and improved value for money in home warranty insurance provision. The Parliamentary Secretary is obviously not listening properly to my speech because he made comments that suggest I am criticising the fact that we might have a monopoly provider. I point out that that is not what I am saying. I am saying that the consequences of that mean that other changes potentially become

relevant, and questions need to be answered. I ask that those issues be addressed in reply, as hopefully someone other than the Parliamentary Secretary has been listening more carefully to my speech. In a similar vein, I look forward to reform—

Mr Barry Collier: Point of order: I ask the member for Davidson to withdraw that statement. I have been listening carefully to what he has been saying. I was taking advice on what has been said, but I was certainly listening to what he was saying. If the member for Davidson quotes something that I have said he should do so accurately. I ask him to withdraw that statement.

Mr JONATHAN O'DEA: I am happy for Hansard to record the Parliamentary Secretary's earlier comments as made in this Chamber. My comments stand. In a similar vein—

Mr Barry Collier: Further to the point of order: My comment was that the private sector had failed. The member for Davidson should not be interpreting my statement in any way, as that was the comment I made. I again ask the member for Davidson to withdraw that statement.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! The Parliamentary Secretary has asked that the member for Davidson withdraw his statement.

Mr JONATHAN O'DEA: I am happy to acknowledge that the Parliamentary Secretary is perhaps listening to my speech more than I gave him credit for and, to that extent, I am happy to acknowledge his objection. I also put on the record that the private sector still provides two underwriters in the sector—Calliden and QBE—despite the fact that others have pulled out of the market. I do not condemn the private sector in any way, shape or form because the private sector found this highly regulated area of insurance a difficult area in which to operate, in the same way that, dare I suggest, the Government will find it to be a complex and difficult area of insurance as it goes forward. But that was not the point of my comments, which are on the record and to which, hopefully, the Parliamentary Secretary will respond.

In a similar but related area, I look forward to reform in relation to cost-plus building contracts—a matter I have previously raised in this House and with the relevant Minister that obviously is relevant to the property industry. Adding to further potential problems for new home owners, I note that the Keneally Labor Government, under cover of the Federal budget, has hit families purchasing the average \$600,000 home in Sydney with an additional \$200 in property transfer fees, while families paying \$750,000 for a home will face an extra \$500 in property transfer fees. The New South Wales Labor Government has been sneaky in the way in which it introduced that new tax.

Mr Barry Collier: Point of order: The member for Davidson should be drawn back to the leave of the bill, which is about home warranty insurance and not about issues relating to purchasing properties or otherwise.

ASSISTANT-SPEAKER (Ms Alison Megarrity): Order! I remind the member for Davidson that he may make a passing reference. However, I ask him to return to the leave of the bill.

Mr JONATHAN O'DEA: I was making a passing reference, which is relevant. Under this Government it has been more and more difficult for property owners and for the property industry. Home warranty insurance is but one of a number of areas in which the property industry and home owners have experienced difficulties. Indeed, another example was the mistake by this Government with its previous vendor duty that crushed the residential and rental investment markets.

We have a pattern of behaviour from this Government, which is why I do not trust it to manage these arrangements terribly well, despite the fact that they appear to be necessary. In closing, while Opposition members do not oppose this bill, I note again that various outstanding issues and questions should be addressed by the Parliamentary Secretary in reply, in particular, issues relating to the transparency of any commission or other remuneration payments, and the readiness of the proposed new arrangements overall.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [11.19 a.m.]: I am pleased to support the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. I do so with a substantial amount of satisfaction as the bill is debated today because, as a former Minister, I was responsible for home warranty insurance and oversaw this area of activity during a troubled period. It gives me no satisfaction to note that now, many years later, the issue remains very much one of concern. The bill will establish a government insurer as the sole provider of home warranty insurance in New South Wales. The new

government scheme will offer an unchanged product to builders and consumers. The intention is to effect a smooth transition, with as little disruption as possible to the way in which home warranty insurance operates in New South Wales.

The smooth transition from the old to the new arrangements is vital for the ongoing stability of the sector. The new arrangements outlined in this bill will provide builders and consumers with greater certainty to move forward, which is the basis of this bill, as well as more ease of mind regarding an area that has been troubled for a long period. Despite the private sector's willingness for a decade or more to come to terms with this issue, it has been unable to do so to the total satisfaction of consumers and for the total safeguarding of builders.

Important features of the scheme, such as the threshold for requiring cover, the periods of cover and losses compensated by the scheme, will not change. Information on the operation of the scheme will continue to be reported by insurers and the New South Wales Self Insurance Corporation [SICorp]. This information will continue to be made available to builders and home owners via the New South Wales Fair Trading website. I take this opportunity to commend the department and its staff, who are very experienced in this area. For more than a decade they have put up with many complexities and difficulties in this area of insurance but have continued to provide excellent support for builders and consumers.

The Government has put in place transition arrangements to maximise certainty for business and consumers. Home warranty insurance policies issued before the commencement of the government-underwritten scheme will remain in force and the insurer that issued the policy will remain at risk for the duration of the period of cover. Insurers will continue to be bound by the conditions of their original approval to provide home warranty cover, including the requirement to comply with claims handling guidelines. The majority of current builder eligibilities will transfer automatically to the new government insurers without any change. The consequential amendments to the Home Building Act 1989 proposed in this bill are only those necessary to implement the new insurance arrangements in order to minimise disruption to the business operations of builders and home owners.

The bill does not include any substantive policy changes to the home warranty insurance provisions of the Home Building Act. The review of the Home Building Act is presently underway, including a public submission process and close consultation with industry and other stakeholders. This review process provides an opportunity to examine whether the overall consumer protection regime can be improved and whether the dispute resolution and home warranty processes can be further streamlined. This review is the right forum to consider substantive issues around home warranty insurance, such as losses covered by the scheme, beneficiaries under the scheme and time limits for lodging a claim, as well as matters such as thresholds.

The Government's takeover of the provision of home warranty insurance will allow for a more streamlined operation of the scheme generally, which will facilitate future enhancements where required. The Home Warranty Insurance Scheme Board will continue to monitor the operation of the scheme and provide advice to the Minister for Fair Trading on enhancements to the scheme's operation. I emphasise that there will be no reduction in the services provided to builders and consumers with the establishment of the Government as sole provider. The major aim of the legislation is to provide greater assurance and assistance to builders and consumers. The Government is working hard to ensure that our \$20-billion home building industry is not potentially placed in jeopardy, that the 250,000 people employed in this industry remain so employed and that home owners undertaking building works continue to be protected by a robust home warranty insurance regime. I commend the bill to the House.

Mr CRAIG BAUMANN (Port Stephens) [11.25 a.m.]: I make a brief contribution to the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. In an ideal world the New South Wales Liberal Party and The Nationals would oppose this bill. In an ideal world this bill would be the subject of an inquiry that would hear from those who best know the requirements and implementation of home owners warranty insurance—the builders of New South Wales and their representative associations, including but not limited to the Master Builders Association and the Housing Industry Association. But this is not an ideal world and this flawed legislation should be rushed through both Houses, preferably today, to be put into action immediately.

As I have done previously, I disclose that I have been involved in the residential building industry for most of my life. I have managed and directed my own building companies for nearly 30 years and am still managing director and shareholder in both of those Hunter-based residential building companies. The residential

building industry is the most important industry in Australia. In good times it is a major employer of office and construction personnel, tradesmen, unskilled workers and subcontractors, most of whom are small business operators. The building industry devours materials, all of which are produced by workers, the bulk of whom are Australian. It is a labour-intensive industry and, in rough terms, for every \$1 million in housing sales, \$600,000 to \$700,000 ends up in workers' pay packets—and, of course, this State Government gets the GST component of nearly \$100,000.

Deciding to buy a house is not a task most people take lightly. In most cases it is the second most important decision a couple ever makes—the first is getting married. Once the decision to buy a house has been made, it is the builder's task to turn the dream into reality and to build that house as well as he can, whether it is a three-bedroom hardiplank triple-fronted house or a six-bedroom McMansion. Purchasers are looking at a 25-year mortgage—that is, a 25-year financial commitment. Although houses differ in size and inclusions, they all should be subject to the same care, attention to detail and structural integrity that are characteristics of all responsible builders. It must be remembered that we build houses and clients turn them into homes.

The building industry is the economy's canary in the cage: it is usually the first industry to suffer in a slowing economy and it directly reflects the hard-to-quantify "consumer confidence". In simple terms, if someone is not sure whether they will have a job in six months—or, in the Minister's case, 45 weeks—they do not normally sign up for a 25-year mortgage. Conversely, external factors that impede the smooth operation of the residential building industry can lead to a slowdown in the economy. The Government's handling of this important home warranty insurance issue is one such external factor that has led to uncertainty in the industry. Whilst the Government is happy to blow large sums of Federal economic stimulus money to prop up the project management industry, it has ignored the slow deterioration of the home warranty industry as insurers get out of the industry, leaving builders without insurance policies—and without insurance they cannot build.

It is extraordinary how inept this Government can be when it tries to manage normal business. Just last week the Minister for Planning was crowing about the success of the Lower Hunter Regional Strategy. Since the strategy was announced in 2004 only 80 blocks of land have been rezoned in the Port Stephens local government area—that is 80 blocks in six years. I know this Government does not encourage individual endeavour over the mundane and that it does not support those with aspirations—those who want to work to better their station in life.

Mr Barry Collier: Point of order: I ask for the member for Port Stephens to be brought back to the leave of the bill rather than making general criticisms of the Government and the Port Stephens Council. If he would come back to the leave of the bill, I would appreciate it.

Mr CRAIG BAUMANN: I am coming back to the leave of the bill.

ASSISTANT-SPEAKER (Ms Alison Megarity): Order! Although members are permitted to make passing references in their speeches, the member for Port Stephens has strayed somewhat from the leave of the bill. I ask him to return to the leave of the bill.

Mr CRAIG BAUMANN: I emphasise that the zoning of 80 blocks of land in six years in what was the fastest-growing local government area of the State is hardly cause for celebration, yet the Minister is crowing about a good result. I will let the House in on a couple of secrets: a house cannot be built without a block of land. If it is, it is called a caravan. Land cannot be sold at a reasonable price if it is the only block on the market. The Government has a very shallow understanding of the country's most important industry.

Home warranty insurance must exist to protect home purchasers in the event that a builder defaults. The Builders Licensing Board and the Building Services Corporation successfully operated home warranty insurance for many years. Premiums were approximately 10 per cent of what they are today. The Government stripped \$80 million out of the Building Services Corporation when it privatised the industry. It is probably the only case I can think of in which a government body did a better job than its private industry successor. The private insurers have feasted on the corpse and are now slinking away.

The Government must step into underwrite home warranty insurance as quickly as possible. Builders need insurance in place now, not in three months or six months. Saturday will mark 45 weeks until the next State election. A responsible, caring and understanding Liberal-National government will have to rewrite the Home Building Act 1989 and introduce a carefully structured home warranty insurance scheme. So builders and future home owners take note: we on this side of the House are listening. We understand your concerns. As soon as the Coalition gets rid of this lot opposite, we will be able to address them properly.

Mr ROBERT COOMBS (Swansea) [11.31 a.m.]: I am pleased to speak in support of the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. Overall, the Government has aimed to make its takeover of the provision of home warranty insurance as low impact as possible. This is not the right time to make radical reforms. However, there are some important additions to the home warranty scheme that will assist builders to obtain cover.

Under the proposed new arrangements, builders who are able to meet minimum requirements, but who do not satisfy the underwriting criteria, will be offered options that will help them to obtain eligibility or cover. Inexperienced builders and builders under financial stress will have the option of agreeing to increase the equity in their business by, for example, increasing paid up share capital or providing a security, such as a related third party indemnity, or electing to participate in the managed builder program. The Government insurer will not seek bank guarantees, which are an unpopular feature of the current arrangements.

SICorp may seek security in the form of a deed of indemnity as a condition of providing eligibility to certain builders. This could include builders under financial stress, some new entrants, or builders whose trading history includes actions that have resulted in consumer detriment, such as previous claims, disciplinary action by Fair Trading and unsatisfied tribunal orders. Under the new arrangements a deed of indemnity will include a limit of indemnity, it will have an expiry date, and it will include a mechanism for a builder to request a review to determine if the deed of indemnity is still required.

None of these features is common practice under the current arrangements. As part of the bill, the Government will establish a panel of building management service providers. The managed builder program will be aimed at new entrants to the building industry, as well as existing small to medium builders, who may not have sufficient equity in their business or otherwise be able to satisfy the requirements for obtaining or retaining eligibility for home warranty cover. It will also be an option to be utilised where builders may wish to take on one-off projects that are outside their eligibility approval. For example, a builder may have approval for entering into contracts worth up to \$350,000, but has the opportunity of being awarded a contract for construction of a house worth \$500,000.

Participation in the builder management program will ensure that a project is properly managed to reduce risk to the consumer and the Government, as underwriter of the scheme. A managed builder program involves a builder participating in a process whereby the contractual arrangements for residential building projects are reviewed, costings are checked, works are inspected and, where applicable, progress payments are endorsed. The building management program will provide the additional support needed by this group of builders to ensure they meet their contractual obligations with consumers. This also will reduce the risk to the Home Warranty Insurance Fund and, as a result, enable builders to obtain a level of home warranty cover that is suitable to the size of their business.

The lower costs of claims ultimately will influence the premiums charged. It is envisaged that builders who engage a building management service provider will learn good building practices and develop important management skills. This is a positive outcome for consumers and the residential construction industry as a whole. The managed builders program will allow a greater opportunity for new builders to enter the market. Once a builder has built up equity in their business to meet normal underwriting criteria, they are able to leave the program. There will be a minimal number of builders who will be unable to obtain cover. If the financial situation of these builders improves they will be able to request reconsideration of coverage.

The bill is limited to establishing mechanisms for a Government underwritten and capitalised home warranty insurance scheme that will be fully funded by premiums. The bill provides for the insurance arrangements to be managed by the New South Wales Self Insurance Corporation, or SICorp, which is an arm of New South Wales Treasury. SICorp is responsible for managing the Treasury Managed Fund Self Insurance Scheme. This is the insurance scheme that covers all budget-dependent and some selected government agencies and has been in operation since 1989. The Treasury Managed Fund Scheme provides cover for all insurable asset and liability exposures of the New South Wales Government, including all types of property, liability and motor vehicles.

SICorp, the Treasury managed fund scheme's manager, reinforces the principle of active risk management practices in order to control costs. This same principle will be adopted for the management of home warranty insurance. SICorp already manages a risk exposure of approximately \$4.7 billion. Home warranty insurance will be a marginal increase on this. The Self Insurance Corporation and its insurance agents

will be bound by market practice and claims handling guidelines governing their dealings with homeowners and builders, as are the present insurers. SICorp and its agents also will be required to comply with the Government's model litigant policy in tribunal or court proceedings that deal with appeals from decisions on a claim.

The corporation will appoint insurance agents to undertake functions on its behalf in relation to eligibility assessment, the issue of certificates of insurance and claims handling. The agents will be selected through a tender process. Information on the operation of the scheme will continue to be reported by insurers and, on commencement of the new arrangements, also by the Self Insurance Corporation. This information will continue to be made available to builders and homeowners through the website of the New South Wales Fair Trading. The Government has acted swiftly, and has stepped in to avoid a home warranty insurance market collapse. This response provides some certainty for the home building industry and demonstrates the Government's firm and ongoing commitment to the industry, which is so crucial to the New South Wales economy. I commend the bill to the House.

Mr MICHAEL RICHARDSON (Castle Hill) [11.39 a.m.]: The NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010 could be renamed the NSW Home Warranty Insurance (Just in Time) Bill because it is getting to a few minutes to midnight for the building industry in this State. Despite the fact that the member for Swansea talked about the Government acting swiftly, one must ask whether the Government has acted swiftly enough. The bill seeks to replace the current privately run home warranty insurance scheme with a State-run scheme. Under the scheme arrangement, the Government will become the sole authorised provider for issuing new home warranty insurance policies in New South Wales, it will become the insurance underwriter and it will establish a fund that will be managed through a new organisation called the New South Wales Self Insurance Corporation [SICorp].

SICorp will engage private insurance firms or scheme agents to issue policies, collect premiums and undertake claims management. I understand that those private insurance firms will be the firms that were previously operating in this field. That seems to be the most likely outcome. Builders will still buy their insurance policies through brokers. So everything will be operating pretty much as it has been up until now but there will be a new underwriter in the shape of the Government. One thing that we do not know is the extent of the Government's liability. There have been suggestions of \$15 million, but we do not know the exact extent of the liability. For example, in the past when the previous Government sold off the State Bank it did so partly because the sale absolved the Government of a significant potential liability running into hundreds of millions of dollars. One would hope that that is not the case with this new scheme and SICorp.

I describe this bill as being the just-in-time bill because the number of home warranty insurers has shrunk from about six to just two—that is, Vero and QBE—and they are insufficient to service all the builders in New South Wales. It is a fairly extraordinary situation because currently no residential building work can be undertaken in New South Wales, when that work requires a licence and is valued at more than \$12,000, without a home warranty insurance policy in place. For a builder to get a construction certificate for a house, he must produce a current insurance policy for that home. The difficulty is that the two home warranty insurers currently in the marketplace, Vero and QBE, cannot provide all the coverage that is required. This means that some reputable builders are unable to continue building homes because they simply do not have insurance cover.

For example, Alkira Homes contacted me fairly recently. Alkira, which has two display homes at Homeworld in Kellyville, has been in business since 1998 and has been a contracting business—that is, using other builders—since 2003. The managing director, Michael King, told me that the company's insurance cap is \$10 million. The company builds expensive homes, worth \$400,000 to \$700,000. The cap of \$10 million might be enough to cover the construction of 20 or so homes, but Alkira has 75 homes to build. That means that it cannot start work on 55 homes. It went back to its insurer and acquired coverage of an additional \$2 million, which may allow it to build another four or five homes. There is still a backlog of some 50 homes. Tradesmen are not being employed and significant building products are not being purchased, which is slowing the New South Wales economy. It is slowing the New South Wales economy significantly when one considers the importance of the building industry to this State.

Alkira Homes had considerably more insurance cover when it was insured with CGU, but CGU pulled out of the market and Alkira had to go with another insurer. Mr King told me that the company's premium has risen from \$1,300 to \$3,000 a home, despite the fact that the builder must provide a signed personal indemnity form for every home. So we are not really talking about insurance. Mr King is concerned that under the new scheme the premium is likely to go even higher. The Government has not spoken about that. We have not heard from the Government on that issue. Alkira put up \$22 million in assets. That is a significant amount of money.

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

NATIONAL VOLUNTEER WEEK

Mr DAVID HARRIS (Wyang—Parliamentary Secretary) [11.45 a.m.]: I move:

That this House:

- (1) notes that the week beginning 11 May 2009 is National Volunteer Week;
- (2) congratulates all volunteers on their efforts in supporting the community through their activities; and
- (3) recognises the economic and social value of volunteers to the New South Wales community.

I gave notice of this motion 12 months ago, and this debate has fallen in National Volunteer Week 2010. The Keneally Government recognises the value of volunteering. The increased level of volunteering is one of the key components of a cohesive and harmonious community. That is why the New South Wales State Plan commits the Government to increasing volunteering participation rates by 10 per cent by 2016. This target is about building communities. Government alone cannot make communities more harmonious, but it can support the efforts of those who want to move in that direction. Community harmony is everyone's responsibility. Religious organisations, sporting groups, schools, and environmental, arts and cultural groups can all encourage participation.

Corporate social responsibility is also an increasing trend that can support these efforts. Volunteering already makes an incredible contribution to our community and our economy. Most of us have heard the staggering statistics, but it cannot be stressed enough. According to the Australian Bureau of Statistics, approximately 1.7 million people are volunteering in New South Wales, contributing approximately 240 million volunteer hours. If we are to increase community harmony we need to support and encourage everyone in the community to get involved in volunteering. We know from research that communities with high levels of volunteering participation are stronger and more harmonious. The Keneally Government is committed to supporting volunteering.

The Government established the volunteering unit in Communities New South Wales for this very reason. The unit is charged with coordinating cross-government strategies that support volunteering. One Government initiative is the student volunteering program, in which students in years 9 and 10 volunteer a minimum of 20 hours while they are at school. This is an \$8.4 million program to encourage even greater participation in voluntary service. Volunteers frequently give up their time and effort to help their communities; at the same time they reap the rewards that volunteering brings. The New South Wales State Plan also commits the Government to developing a comprehensive New South Wales volunteering strategy. The volunteering unit in Communities New South Wales is currently developing that strategy in consultation with key government and non-government agencies.

The strategy will focus on supporting volunteers and increasing participation across generations and communities. It will include mechanisms for promoting volunteering to segments of the community with low participation rates. It will also include mechanisms to work with cultural, sporting, environmental, education, community welfare and emergency services groups and organisations to provide appropriate training and support to attract and retain volunteers. In developing the strategy, the volunteering unit will ensure that consultation with relevant groups is undertaken so that community thoughts and views are considered. One mechanism for supporting volunteering is the recognition of the valuable contributions made to our communities by the efforts of those who volunteer.

I take this opportunity to recognise some of the volunteers in the Wyong electorate who have put in incredible years of service. Bruce Kirkness has been involved with Toukley and District Senior Citizens for more than 20 years. He has worked to improve the facilities and organise events for seniors in the area. I know he is very passionate about his work and he has lobbied on numerous occasions for more resources. In recent years his achievements have included a new roof for their facility and hosting a fantastic arts program, which my family and I attended. It was a fantastic opera at the Toukley and District Senior Citizens. Shirley Marlin has held various positions in Toukley District Senior Citizens for more than 15 years, which is staggering.

Chris Miles has been involved in an executive position with Wyong Netball Association for more than 20 years. She has been instrumental in the expansion of the Baker Park courts to bring them to the standard to hold State and national events. Recently six new courts were added. There is also a new clubhouse to service a growing sport on the Central Coast. Chris has been a volunteer reader-writer for exams at St Peters College for many years. The wonderful Cathy Marvell, OAM, formed the Renal Association of New South Wales and has

been involved with the organisation for more than 40 years ago. The respite holiday house for those on machines was the first in New South Wales. She has also been involved with Legacy and the RSL for almost 20 years.

Ken Marvell, OAM, has been involved with Toukley RSL in various positions for more than 20 years and is currently the welfare officer. Ron Marlin has been a member of various associations. Currently he has volunteered for about nine years with Airleague of Australia, Central Coast Branch. He has been driving the RSL bus taking oldies—his words, not mine—on trips for about 10 years. He was heavily involved in fundraising for Wyong Cancer Care as part of the National Service Mens Association. Joe and Pat Parker have been involved with the Central Coast multiple sclerosis and handicapped group for more than 25 years and both have also been involved in pastoral care groups with St Marys for close to 30 years. Claire Johnston has been involved with Vinnies for approximately 20 years. She has been involved in pastoral care and home visits with St Marys Catholic Church for more than 20 years.

Bill Cheal has been involved with Toukley Sailing Club for 49 years. He has held various executive positions and has taught young people to sail at no cost. He has kept the club going through vigorous negotiating when it was hit with exorbitant new public liability fees. His wife, Joan, was involved up until she was hospitalised. Recently I presented a Premier's award to Margaret Thirwall, who has volunteered with the San Remo Neighbourhood Centre for more than 20 years. The list goes on and on. I have been involved with surf clubs for a number of years, including Umina Surf Club and Soldiers Beach Surf Club. It is pleasing to see young people who are coming through the rookie program are volunteers in that organisation. I am also a member of the operational support brigade of the Rural Fire Service, where I see the exceptional work and training of volunteers every weekend.

One way the Government tries to recognise the work of people such as these is through support for the New South Wales Volunteer of the Year Awards. These awards are coordinated by the New South Wales Centre for Volunteering and provide a way to recognise and publicly acknowledge the important work done by thousands of volunteers across New South Wales. This week the Minister for Volunteering launched the 2010 awards and announced a \$15,000 contribution to support the awards, continuing the support the New South Wales Government has provided since the awards were first established in 2007. This is another example of how this Government has worked closely with the community sector with volunteer-engaging organisations, and will continue to do so.

The New South Wales Volunteer of the Year Award has several categories, including Young Volunteer of the Year and Senior Volunteer of the Year. Nominations close in September, and award ceremonies take place across 18 New South Wales regions throughout October and November. The major statewide ceremony and announcement of the 2010 Volunteer of the Year takes place on 3 December 2010, to mark the United Nations declared International Volunteer Day, on 5 December. The awards will be presented by the Minister for Volunteering in Parliament House. I know that members on both sides of the House will take this opportunity to recognise the wonderful people in their communities who give up their own time with no thought of any remuneration to volunteer, whether it is through Marine Rescue, the Rural Fire Service, the State Emergency Services, surf life saving clubs, or as cub masters, scout masters or guide leaders. They do so because they know and understand the benefits it brings to our community.

Mr Geoff Corrigan: Meals on Wheels.

Mr DAVID HARRIS: Yes, Meals on Wheels. I have gone out with Meals on Wheels. I have noted those incredible people, many of whom have worked really hard in the community for many years, who in retirement continue good work. I wish all volunteers a wonderful National Volunteer Week. I thank them for their tireless contribution to the New South Wales community. The contribution is recognised and appreciated.

Mr THOMAS GEORGE (Lismore) [11.55 a.m.]: I proudly support the National Volunteer Week motion moved by the member for Wyong. I acknowledge the presence in the Chamber of the member for Lane Cove, the shadow Minister for Volunteering and Arts. I thank him for affording me the opportunity to speak on this motion. The member for Wyong said that volunteering is very much a part of our family life and the electorate at large. I would not be game enough to single out one volunteer or organisation. Sadly, if work is left to government it does not get done, but volunteers get it done. This week the Parliament has recognised National Volunteer Week, which is such a small way to say thank you to the community.

Mr Geoff Corrigan: Very small.

Mr THOMAS GEORGE: It is a very small way. Right across this State and nation volunteers are tireless in their contribution to their communities. It is very much appreciated. I do not want to dampen this debate, but my area has been saddened in National Volunteer Week by the announcement of the Red Cross that it will close its regional offices in Lismore, Wollongong and Albury at the end of May. Our area's new office will be at Kempsey, the Wollongong area will be in Nowra and the Albury area will be in Wagga Wagga. Mr Lewis Kaplin, Executive Director of the Red Cross, wrote to me on 5 May and I received the letter on 11 May.

Last week I was in a little village called Uki near Murwillumbah conducting interviews. Two members of the Red Cross were nearly in tears because they had been advised that the Lismore office will be closed. Why? They have devoted their life to the Red Cross. They have worked continually, and as each and every one of us in this place would know, members of the Australian Red Cross have given a lifetime to their work, and they are not young. They have had the support of this area office in providing support to their branch network and support to the members, and they have been able to increase their membership through the support provided by the Lismore office.

I note that the member for Clarence is in the Chamber. Red Cross branches in the Clarence electorate, which are well and truly serviced by the Lismore office, have volunteers who were also devastated by this news. I immediately rang Lewis Kaplan, who advised me that the closure was happening. I told him that I have a lot of disappointed Red Cross members, to which he responded, "I have a lot of happy ones at Kempsey". I told him that I was disappointed with his attitude. Members are finding out about this closure second-hand. With the support of my colleagues—the member for Clarence, the member for Ballina and the member for Tweed—a meeting has been organised to be held in Lismore on Monday 24 May 2010 for Red Cross members and the community of Lismore and surrounding areas, because we are disgusted and disappointed that the Lismore Red Cross office has been closed.

The Mayor of Lismore, Jenny Dowell, has written an open letter to Robert Tickner, the Chief Executive Officer of the Australian Red Cross, and Lewis Kaplan, the Executive Director of Red Cross New South Wales, regarding the closure of the Lismore office. Jenny Dowell expressed her grave concerns at the decision to close the office. Members would recall that the Lismore office played a very big part in providing back-up during floods that have been experienced over the past few years in the North Coast area. It was the Lismore Red Cross office that led the way, backed up by members from surrounding areas. No-one would deny Kempsey having a Red Cross office, but apparently the office is being moved to provide services for people in socially disadvantaged areas. I can assure the Red Cross that the disadvantaged places on the North Coast match those on the mid North Coast. This morning's edition of the local paper, the *Northern Star*, published a letter written by Rachael Rose of Goonellabah. The letter states:

As a former regional secretary of the Australian Red Cross Northern Regional Centre, I find it a great shame but not a surprise that the decision has been taken by "the powers that be" to move the regional centre to Kempsey.

Be under no illusion that ARC is a charity. Several years ago I had the opportunity to personally ask the (then) CEO of the ARC, Mr Paul O'Sullivan, if the Australian Red Cross was a charity or a business. The answer was categorically "It's a business".

That is the difference: Red Cross volunteers believed that they had been working for a charity; that they were volunteers who supported an organisation that is dear to the hearts of everyone across this State and across this nation. One may ask why I am highlighting this matter. I am doing so because this is National Volunteer Week, and volunteers across the State have been involved with the Australian Red Cross and have contributed to the wellbeing of this State and this nation. For volunteers to be informed of these decisions during National Volunteer Week is a slap in the face to the individual members of the great number of branches in the North Coast area.

The Parliamentary Secretary, the member for Wyong, gave notice of this motion 12 months ago. The decision to debate it today is well timed, because if it is not debated today it will not be debated next week. The motion provides the House with the opportunity to recognise the contribution of volunteers. Many organisations would not survive without the support of volunteers. This morning a number of organisations have been mentioned and I am sure the shadow Minister for Volunteering, the member for Lane Cove, will pick up on that theme. Individual organisations do not survive without volunteers. The businesses that support volunteer organisations are to be thanked as well, because without their financial support the volunteer organisations would not survive.

I thank not only the volunteers, but also those who give financial and other support to volunteers. Volunteers usually leave their families at home, with the mothers minding the children, and sometimes the

families need to run a business while dad goes off to do his volunteer work, or vice versa. A lot is involved when a person turns up to do volunteer work. The family at home supports the volunteer, and those families should be recognised as well. The volunteer could not go away to do that work without the support of his or her family. In this National Volunteer Week there are so many people to thank. As the member for Lismore I say thank you to the volunteers for the enormous job that they do in supporting communities and organisations. Their efforts certainly make the Lismore area a wonderful place to live in and represent.

Mr NICK LALICH (Cabramatta) [12.05 p.m.]: I thank the Minister for Volunteering, the Hon. Peter Primrose, for giving me the opportunity to speak on this important issue. Monday 11 May 2010 marked the start of National Volunteer Week, and it is appropriate that we all come together in this place to say a big thank you to volunteers across the State and in our local areas. Volunteer Week is the largest celebration of volunteers in New South Wales and Australia. It provides an opportunity to acknowledge the dedicated and committed volunteers in our communities. I take great pride in knowing that my city of Fairfield, which takes in my electorate of Cabramatta, is blessed with hundreds of local volunteers who help out in sporting clubs, church groups, seniors associations, organised charities, schools and childcare centres, help keep the environment clean, and do so much more. The New South Wales Parliament and Fairfield City Council recognise the valuable contribution that volunteers make to our community.

Every year, Fairfield City Council hosts its own event, known as the Gift of Time, to thank all of our dedicated local volunteers who give the gift of their time to us. The council is only able to hold this event with the generous support of Mounties—this is the eighth year that the club has hosted the event. I give special thanks to Mr Kevin Ingram, President of Mounties, and his board of directors for their unfailing dedication to our community and recognition of our volunteers. I thank also Mr Greg Pickering, the Chief Executive Officer of Mounties, for making it the number one club in the State. More than 400 volunteers, local residents and community leaders attend the thank you celebration that acknowledges the contributions made to the City of Fairfield by our local volunteers.

The Gift of Time event is a small token of our appreciation and a great way to show our volunteers that we, the community, care. Volunteering requires dedication, generosity and a genuine willingness to help your fellow man and those less fortunate. The fact that volunteers give selflessly of their time without asking for anything in return makes each and every one of them a special person in our community. The generosity and support of these volunteers foster the very real sense of community and neighbourhood. I am sure that if we could put a dollar value to the contribution offered by all local volunteers it would be a very large sum. And as such, would place an unbearable burden on the economy of our State.

I thank all our volunteers for sacrificing their time and putting so much effort into assisting people in our community. Their work truly helps build the reputation of our State and my City of Fairfield as a diverse, active and great place to live. It is wonderful that we have put this week aside to have the opportunity to publicly thank volunteers for what they have offered and will continue to offer our communities. I know that our volunteers do not expect recognition, but I assure them that each and every volunteer deserves it. On behalf of the New South Wales Parliament, Fairfield City Council and my electorate of Cabramatta, I thank volunteers for what they do—we think they are terrific!

Mr ANTHONY ROBERTS (Lane Cove) [12.09 p.m.]: It is my great pleasure on behalf of the New South Wales Liberal-Nationals Coalition during National Volunteer Week to thank and pay tribute to the 1.6 million volunteers in this State. I commend the member for Wyong for moving this motion. It is a shame that a Minister has not moved a motion to this effect in the House this week, which is the usual practice. I realise that the Minister for Volunteering is in the other place but I think that to a great extent it shows a lack of concern by the Government. I know that all the members who have spoken today wholeheartedly thank and support their local volunteers, but it reflects poorly on the management of this House that we have not had a ministerial motion to mark such an important occasion, National Volunteer Week, and thank our 1.6 million volunteers.

All members know that volunteers are the unsung heroes of our communities, playing a vital role in so many areas and contributing more than 200 million hours annually. Every day, everywhere, people donate their time, their resources and at times risk their lives to guide, help, assist and protect others. If I might be indulged by the House to give just one example, this week, as shadow Minister for Volunteering, I attended a volunteers morning tea conducted by the Salvation Army Emergency Services [SAES] Australia Eastern Territory, where I had the pleasure of meeting Mr Norm Archer, the Territorial SAES Director. He informed me that the SAES has around 1,800 volunteers spread throughout the State, essentially linked to Salvation Army churches. In the

past 12 months SAES has served in excess of 12,000 meals at evacuation centres during floods, bushfires and other emergencies. I acknowledge that this good work could not be undertaken without the generosity of NRMA Insurance.

In our roles as parliamentarians we all have been fortunate to meet a great number of volunteers and we all have come to know that volunteers are a special type of citizen—they think of others before themselves, which is a rare and valued commodity in today's world. Recently in Kiama I had the pleasure of meeting Jan Dodge, a volunteer in the library, and Sandra Pearson from the Red Cross, which makes a magnificent effort locally and across Australia. At the Recent Red Cross awards I had the utmost pleasure of seeing both Sandra and Margaret Warby, who are old friends of mine, receive service awards.

Many government agencies in New South Wales would not be able to perform their combat roles without volunteers. The State Emergency Service, Rural Fire Service, and Marine Rescue New South Wales exist only because of volunteers from all walks of life share a generosity of heart and a love of their country. Often volunteers have to work without Government aid; in fact it would be more accurate to say that Government is quite often indifferent to their contribution to the community. We still have one of the lowest volunteering rates in the nation. Insurance is still an issue with respect to volunteers. The cost for volunteers to do their work continues to rise. Onerous police checks are involved, which means that if someone is involved with five volunteer organisations that person must have undergone five police checks, often at great cost to the individual or the organisation. There just seems to be a lack of a plan or strategy. We have been told that is being addressed but it needs to happen now because unless we recruit, retain and reward volunteers we will be in a very difficult position in the next two decades.

We should not have just a week for volunteers, where we thank them once a year, we should as a Parliament and a community thank them each and every day, because their efforts help make this State a better place in which to live. This House should be in no doubt that if it were not for volunteers our State would grind to a halt in a day. I emphasise that point: If our volunteers did not turn up tomorrow this State would shut down within 12 hours. It would take much of this day to list all our volunteer organisations. I join with all my colleagues on both sides of the House in expressing the belief that every volunteer deserves our praise, our gratitude and, above all, our thanks on behalf of a grateful State. I join with colleagues on both sides to humbly thank those wonderful volunteers.

Dr ANDREW McDONALD (Macquarie Fields—Parliamentary Secretary) [12.14 p.m.]: Our lives are measured by our relationships and altruism is the glue that defines us as a society. There is no greater demonstration of true altruism than to be a volunteer. That is why National Volunteer Week is a rare opportunity for us to recognise all volunteers and all types of volunteering, because volunteering permeates every part of the way people live. The New South Wales Government recognises the value of volunteering, particularly as a pathway towards increasing social cohesion and building harmonious communities. That is why in setting the State Plan target of increasing volunteering by 10 per cent by 2016, this Government also acknowledged the importance of developing mechanisms to support the engagement of people from traditionally under-represented groups. The State Plan acknowledges the importance of presenting opportunities for young people to engage in volunteering, as well as for people from culturally and linguistically diverse communities and indigenous people.

My colleague the member for Wyong has already spoken about the wonderful initiative to engage more school students in volunteering. The Government has also been working to expand emergency service volunteering, with a focus on diversifying the volunteer base. Today in this place a large number of State Emergency Service volunteers are being recognised for their contribution to date. In 2007, the Government committed to expanding the Rural Fire Service Secondary School Student Program for young people and establishing a similar program in the State Emergency Service. In 2008-09, 43 RFS Secondary School Student Programs were run, with more than 600 students participating. Funds were allocated to the SES in the 2008-09 budget for an SES cadet program similar to the RFS program. In 2008, the SES program commenced in four schools, with more than 80 students participating. In 2009, the program was rolled out to a further 15 schools, with more than 300 students participating. The program continues to be developed in 2010. That is why it is very encouraging to see a large number of young volunteers among the SES volunteers here today.

Another successful initiative is a partnership between the SES and the Adult and Community Education Unit of the Department of Education and Training, designed to increase the number of Aboriginal people volunteering in the SES. This partnership has enabled the SES to extend a program piloted in Moree in 2007 to a range of other communities, such as Taree, Wagga Wagga, Cabbage Tree Island, Toomelah, Boggabilla, Nowra,

Lismore, Cowra, Condobolin, and Lake Cargelligo. In 2009, the program was also extended to culturally and linguistically diverse communities, with training conducted in Hurstville, Armidale, Tamworth and Newcastle. To date, the program has achieved a retention rate of more than 87 per cent amongst Aboriginal participants and 80 per cent amongst participants from culturally and linguistically diverse backgrounds. The people of New South Wales have already benefited from this program, with a number of the new Aboriginal SES graduates from the Boggabilla and Toomelah training assisting with recovery efforts during the floods in the Lismore area in May last year.

A new online resource, launched by the Minister for Volunteering earlier this year, will better support cultural awareness training for existing SES volunteers and enable the partnership to continue its success in 2010. Programs such as these demonstrate that when Government and the community support efforts to remove barriers and reach out to specific groups, those communities and individuals respond. As the State Plan notes, arts, sport and volunteering help in societal cohesion, promote social harmony and diversity, and break down barriers for those who are marginalised and disadvantaged.

Our society has always given great prominence and recognition to participating in sport. The Whitlam and Wran governments also gave increased recognition to participating and achieving in the arts. It is now time to better recognise the contribution that volunteers make to our community. My colleague the member for Wyong spoke about the Government's ongoing support for the Volunteer of the Year awards, which represent the diversity of volunteering cross the community. I join all members in this House in acknowledging the contribution of volunteers in our communities in National Volunteer Week. I thank them for their dedication and for what they have done for New South Wales.

Mr GREG APLIN (Albury) [12.20 p.m.]: I join other members in supporting the motion recognising National Volunteer Week. Volunteers are the unsung heroes of our communities. Last Friday I had the pleasure of attending a function at the council chambers in Culcairn at the invitation of Diane McElwaine, a former Citizen of the Year for Greater Hume shire. On that occasion I recognised the work of the volunteers who distribute the local "Oasis" newsletter. Diane single-handedly puts together that newsletter before it is printed. Volunteers meet to fold copies before delivering them by hand to homes throughout Culcairn, which is welcomed as a means of keeping in touch. That would not be possible without the service of the volunteers.

Volunteers play a vital role throughout our community, whether it is in the Albury electorate or elsewhere in New South Wales. It is estimated that there are 1.6 million volunteers in New South Wales. Australian Bureau of Statistics figures show that around 20 percent of people in New South Wales, or one in five, are regular volunteers. Slightly more women—21 percent—are likely to volunteer than men, of whom 19 per cent contribute. Annual volunteer hours are estimated at 200 million. Clearly, our State relies heavily on the selfless contribution of these people. Every day volunteers donate their time and their resources and, on occasions, they risk their lives to assist and protect the public. Many volunteers leave their families and homes to help others, sometimes returning to find that their own homes have been burned down or that their families have been evacuated.

Volunteers truly embody the spirit of generosity. They say, "Yes, I can", and they do what they say. Often volunteers are the first to arrive and the last to leave. Many of our government agencies can function only on the back of the support of volunteers. Look at the State Library with its number of guided tours for school groups, and the sorting and the school activities that are performed at the Art Gallery of New South Wales. Volunteers guide the general public, entertain corporate clients and show around those members of the Art Gallery Society. To a large extent the Powerhouse Museum relies on visitor services, with staff supported behind the scenes by volunteers. At the Royal Botanic Gardens volunteers conduct walks, work as green guides, work in nurseries and provide on-site interpretation of plants, as indeed do the Friends of the Botanic Gardens in my electorate of Albury.

The Rural Fire Service, one of our foremost embodiments of volunteering, has more than 70,000 people from New South Wales volunteering their services. Volunteers are extensively committed and well trained, and they deliver essential services. Often they, too, put their lives on the line to safeguard their community. That comes to the fore so many times in the Albury electorate during the bushfire season when many committed captains and volunteers train and exercise for events such as those last December when they battled terrible fires at Gerogery and Walla Walla. The State Emergency Service is an emergency and rescue service dedicated to assisting the community. The SES, which depends almost entirely on volunteers, has more than 228 units located throughout New South Wales comprising more than 10,000 volunteers. Those volunteers, who are easily identified by their distinctive orange overalls, provide essential front-line and often life-saving assistance.

The Landcare movement, which is not too much to the fore, is recognised in country areas as depending entirely on volunteers. Landcare is strong in the Holbrook area and in the Corowa region of the Albury electorate, where volunteers manage local environments, deal with land management issues and often win national awards. Marine Rescue NSW draws volunteers from three existing marine volunteer rescue organisations and encompasses 56 accredited bases from border to border. It is responsible for all types of marine monitoring, searching and rescuing, and for assisting other emergency rescue organisations. We should not forget the RSPCA, where volunteering can involve contact with animals. Opportunities exist for volunteers to assist with administration events, customer service and fundraising.

There are a number of service clubs throughout our State—Lions, Rotary, Zonta, Inner Wheel, Apex, and many others. Volunteers dedicate their time to serve their communities. What do volunteers achieve as a result of serving their communities? They say that they live longer, feel better, sometimes gain employment, and that it provides an outlet. Clearly the benefits are from giving and not receiving. We thank those volunteers for their wonderful service to our State and we praise them in National Volunteer Week.

Mr DAVID HARRIS (Wyang—Parliamentary Secretary) [12.25 p.m.], in reply: I thank the member for Lismore, the member for Cabramatta, the member for Macquarie Fields, the member for Lane Cove and the member for Albury for participating in debate on my motion to observe National Volunteer Week. One of the greatest privileges to be gained from serving in this place is that on most days we come into contact with fantastic volunteers and witness the incredible work that they do in our communities. The member for Lismore said that volunteers form a part of the lives of people in our communities and strengthen the fabric of society, which is so true. They are tireless in their contributions to our communities. As other members have said, we come across volunteers in all facets of our lives—whether it is Meals on Wheels, our emergency services groups, local service groups, or volunteers at schools and preschools.

As a former teacher I am aware of the valuable contribution of grandparents who help young people who experience difficulty with reading. Even though that might occur for only one or two hours a week it has an incredible impact on the lives of those young children. There are carers, volunteers in sporting organisations, volunteers in the arts and entertainment areas, and volunteers in environmental groups. After listening to the contribution of other members it made me reflect on the fact that two weeks ago I was able to participate in Graffiti Action Day. Thirty people from San Remo got together and cleaned up the San Remo shops. The youngest person would have been aged about seven or eight—the rubber gloves stretched almost up to his elbows—and the oldest person was well into his eighties. All those volunteers helped to scrub the graffiti off the San Remo shops.

I then travelled to Budgewoi Beach where 100 Dune Care volunteers planted 1,200 native plants in an attempt to restore the dunes along Budgewoi Beach. I also attended the Toukley Hawks game where volunteers were running the show—referees, umpires and linesmen. Volunteers were helping out in the canteen and cooking sausages on the barbeques. That day encapsulated many things about what is good about volunteering in our community. As has been mentioned, approximately 1.7 million volunteers in New South Wales contribute 240 million hours of volunteer work. What would be the cost of those volunteering hours to our community, which could not meet those responsibilities? The member for Lismore referred to the unfortunate proposal to close the Red Cross offices in some regional areas. I hope that the member for Lismore and other members of Parliament who are involved in this issue achieve a good outcome for their constituents.

Earlier I referred briefly to the \$8.4 million program for student volunteers—year 9 and year 10 students volunteer their services for a minimum of 20 hours. On Graffiti Action Day students were able to fulfil their 20-hour obligation. They were painting fences, cleaning doors and doing all sorts of things with smiles on their faces. They experienced firsthand the value of contributing to the community and how rewarding it is. I encourage all members to promote the New South Wales Volunteer of the Year awards by putting forward nominations or by promoting in their local community the idea of nominations. People will not volunteer because of the recognition, but recognition is good not just for the individual but also for their families, particularly when people have spent decades volunteering for the community. A good point was made that we should thank the supporters of volunteers—the businesses and, of course, the families behind them who make sure they have the time to volunteer. I commend the motion to the House.

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

Motion agreed to.

JOB STIMULUS PROGRAMS

Mr GERARD MARTIN (Bathurst) [12.30 p.m.]: I move:

That this House recognises the State Government's proactive stance in working with the Federal Government to develop job stimulus programs to offset the impacts of the world economic downturn.

Twelve months ago today I gave notice of this motion. I am pleased to be able to say today that the progress has been great. The action of the Federal Government at the time, supported by the State Government, earmarked Australia around the world as the country that best resisted the global financial crisis. Of course, the global financial crisis was perpetrated by a pretty dodgy world merchant banking system that was motivated by greed—into which some members opposite probably have insight. The motion recognises the important work of the New South Wales and Commonwealth governments to support jobs and businesses in the face of the global downturn. To some extent in this State we have been the victims of our own success.

Australia is one of the few developed countries that is growing. We have not suffered chaos like Greece or other European countries, such as Spain and Portugal. Many people, including those opposite, take for granted that we have not suffered the downturn and fiscal upheaval that has beset many nations. Australia's success at avoiding recession has been attributed to it being the lucky country. No-one is prepared to acknowledge the crucial role that the New South Wales and Commonwealth governments played in helping Australia to avoid recession. When the full scale of the global financial crisis became clear, the New South Wales and Commonwealth governments acted in partnership—that is the key word—to provide certainty and economic stimulus.

In October 2008 the Commonwealth Government announced \$10.4 billion in measures to stimulate the economy—payments to pensioners and families to support consumer demand. Of course, in turn this supported the retail sector, and, as the Parliamentary Secretary knows, by definition this supported jobs and prevented a downturn. Following this first package from the Commonwealth Government was the \$42 billion Nation Building and Jobs Plan. This massive Commonwealth investment has been essential in supporting jobs and avoiding recession. It would not have been successful without the New South Wales Government taking a proactive stance in implementing the Commonwealth investments, unlike the State Coalition governments and the Federal Opposition that said the plan would not work, it could not do it and that took the conservative fiscal line.

Indeed, this State and Federal Government partnership is evident in our historic investments in social housing—an issue important to this side of the House. Coming from Bathurst, I recognised years ago the vision of Prime Minister Ben Chifley in establishing public housing with government support—another great Labor initiative. The Commonwealth Government has provided \$1.9 billion to deliver approximately 6,000 social housing units around the State. These are excellent, architect-designed dwellings. In addition, New South Wales is investing \$1 billion of its own money to deliver an additional 3,000 dwellings. This represents the biggest investment in social housing in Australia's history, providing a total of 9,000 homes for the people most in need and enabling the building sector to maintain investment and employment. This is an investment in the future. It will provide homes for our ageing population yet has the immediate benefit of building jobs now.

At the end of March this year more than \$718 million was injected into the construction industry. An estimated 7,200 equivalent full-time jobs have been supported by this investment over two years. These jobs would not have existed if the Coalition in this House and in Canberra had had their way. Our investment in social housing is complemented by our investment in schools. Again, the New South Wales and Commonwealth governments are working in partnership with the Commonwealth's Building the Education Revolution program, which is investing \$3.4 billion in New South Wales schools and complements our own \$2 billion Building Better Schools program and \$150 million Principles Priority Building program. When combined, those programs represent an historic massive investment in education in this State, including the private sector. This investment supports employment right now while building first-class jobs for the future.

In addition to the measures introduced by the Commonwealth Government to support jobs, in the 2009-10 budget the New South Wales Government decided to introduce a number of targeted initiatives aimed at stimulating the State's economy in challenging economic conditions. These initiatives include, but are not limited to, the Local Infrastructure Fund, which is a \$200 million fund that provides interest-free loans to councils to bring forward investment in local infrastructure. A number of councils in my electorate have taken

advantage of that funding. The Community Building Partnership is another State Government initiative, providing \$35 million for local infrastructure across New South Wales in partnership with local community groups and sporting organisations to deliver community facilities and, importantly, to support local jobs.

Every member in this House would be familiar with these projects in their electorates as the funds received under this program have enabled many community groups to make practical improvements. In the Bathurst electorate approximately \$425,000 has been allocated to 25 diverse groups. Oberon Council received \$50,000 to further develop its community centre and Ilford, which is a small village between Lithgow and Mudgee, received more than \$30,000 to improve its hall, which is that rural village's social centre. Yetholme, another important village of which you would be aware, Mr Assistant-Speaker, as you travel the Great Western Highway to the great city of Bathurst, received \$30,000 to upgrade its hall, which provides many amenities for local people. Bathurst Touch Football Association received money for its clubhouse. Portland Pensioners, who meet in a building that has seen better years, received \$30,000 to upgrade the building, as have the Lithgow Red Cross and the Wallerawang Christian Women's Association. The Carcoar Anglican congregation received money to restore the roof of the historic Anglican church, which is one of the first churches built west of the Blue Mountains.

Another important measure the State Government introduced was the Housing Construction Acceleration Plan. This plan has encouraged the construction of new dwellings by providing a 50 per cent reduction in stamp duty on purchases of newly constructed dwellings worth up to \$600,000 for those who are not first home buyers. This represents a saving of up to \$11,245 for each new dwelling—certainly a great stimulus. Initially, the plan was to operate until 31 December 2009, but the State Government recognised its success and Premier Keneally has extended its operation to 30 June this year. To date, 3,300 New South Wales home buyers, investors and empty nesters have taken advantage of the scheme by purchasing newly constructed properties worth more than \$1.4 million—a most impressive figure. The scheme has put more than \$25 million worth of stamp duty back into people's pockets. More importantly, it has stimulated \$1 billion worth of job-supporting construction activity—jobs for builders, plumbers, architects and more.

This is yet another example of a cooperative partnership. We have seen examples of a cooperative working relationship between the State Government and the Federal Government and between the State Government and private sector organisations. The New South Wales Government supports the creation of jobs through the Western Sydney and Regional New South Wales Employment Fund. To secure jobs in the regions, which is very important, the Government will make an investment of \$19 million over two years. Some of the benefit from that policy will go to my electorate of Bathurst. Jobs have also been supported through the Major Investment Attraction Scheme, which is a \$70 million investment that is designed to attract major investment to New South Wales, and the State is beginning to reap the benefits. The Government has introduced practical measures that complement the Commonwealth Government's stimulus measures to support jobs, and they are producing results. The New South Wales Government's economic stimulus measures have been so successful that the New South Wales economy is now leading the nation.

Data released by the Australian Bureau of Statistics as recently as last week shows that seasonally adjusted retail sales in New South Wales increased by 1.2 per cent in March whereas the national average was just 0.3 per cent, Victoria recorded a slight reduction, and Queensland's figure decreased by 0.5 per cent. That underlines how well the New South Wales economy is performing and how well it is recovering from the effects of the global financial crisis. The Government has achieved that by acting positively, investing in construction and jobs, and working collaboratively with the Federal Government—instead of bagging the Federal Government, as members opposite do.

Mr MIKE BAIRD (Manly) [12.40 p.m.]: It is incredible timing for the Government to move a motion about jobs stimulus programs. I imagine that when the member for Bathurst rose this morning and was enjoying his Vegemite on toast, he was very excited about the motion and about being able to proclaim all the wonders of jobs, employment and economic correction that the State has achieved. Unfortunately, at 11.31 this morning he might have been a little disappointed to discover that the State's employment rate again has gone backwards. In fact, the highest increase in unemployment of any government in Australia is attributed to New South Wales. New South Wales has the highest rate of unemployment of any mainland State. Let us forget the rhetoric and examine the statistics that have been released today.

The statistics I will cite do not represent a one-off increase in unemployment. To be fair, it is not right to take a one-off statistic and say that this is cogent evidence of a long-term trend. It is not. The better approach is to examine the long-term trends to arrive at an informed conclusion about the success of a government's

policies. The current Labor Government should feel nothing but shame. In 54 of the past 55 months, the State's unemployment rate has been higher than the national average. That is the truth. I will deal with that in greater detail later. The member for Bathurst is very eager to talk about merchant bankers. I think we all remember that he was an accountant for a mining company.

Mr Gerard Martin: I was not.

Mr MIKE BAIRD: He was not an accountant?

Mr Gerard Martin: I was, but I worked as a human resources and industrial relations officer.

Mr MIKE BAIRD: So he was an accountant. The member for Bathurst has just admitted that he was an accountant. As we all know, accountants were chiefly responsible for the financial engineering that resulted in the Enron financial disaster. The member for Bathurst is part of a profession whose financial engineering brought about outcomes such as Enron, so the member for Bathurst is personally responsible for what happened to Enron! I really think he should take a good hard look at his career.

Mr Gerard Martin: Ha, ha.

Mr MIKE BAIRD: That is the type of argument he runs. Notwithstanding the Enron experience of the member for Bathurst, I will move on. The member for Bathurst moving a motion about the Federal Government's economic stimulus policy and the State Government's response to it is beyond belief. I will begin my analysis by examining the performance of the Federal Government. We are in the middle of a Federal budget that was released on Tuesday. It was partly a boring, tradesman-like budget, but at the heart of it is a tax grab that is being questioned not only by stakeholders in the mining industry but generally throughout the world. It is recognised as evidence not only that the Federal Labor Government is not taking economic management seriously but also that it could be jeopardising the future prosperity of Australia.

I do not intend to cite the opinions of a list of political identities to support my analysis. Instead I will quote the *Wall Street Journal*. The member for Bathurst moved the motion because he was very happy to talk about jobs. The member for Bathurst would know the *Wall Street Journal* very well from his accountant days at Enron. I would be interested to know the feedback the member for Bathurst is receiving from his constituency, especially the mining interests in his electorate and farther afield in the Hunter region. The *Wall Street Journal* has stated in relation to the mining tax grab:

This economic thinking runs counter to everything that made Australia rich over the last three decades: namely, the embrace of competition ... which rewards high risk with high returns. Setting up a mining company is not akin to opening a restaurant. Companies invest billions of dollars in exploration, build infrastructure to bring their products to a port, and then have to compete in a global marketplace and deal with volatile prices for their goods. As Rio Tinto recently discovered, the political risks of selling to countries like China are high, too.

Mr Kerry Hickey: Point of order: I ask that the member for Manly be directed to confine his remarks to the motion. What he is saying has nothing to do with the motion. The motion is about job stimulus programs to offset the financial crisis.

ACTING-SPEAKER (Mr Wayne Merton): Order! I do not uphold the point of order. The topic of the motion is wide ranging.

Mr MIKE BAIRD: The article goes on to state:

Given that record, it's hard to have faith that the [Rudd Government's] announcement is about "fairness" as much as it's about plugging fiscal holes that the government itself created. It doesn't hurt to whip up populist sentiment against big corporations in an election year, either.

I do not think anyone would argue against paying a fair share of taxes; that is not questionable. Most people think that mining companies should. Big corporations must pay their taxes. But the issue here is: How competitive is our industry going to be on a global basis? In New South Wales, what will be the impact on jobs, future employment and future investment as a result of the tax, especially on workers in the Bathurst electorate? I would be interested to hear the comments of the member for Bathurst in relation to the mining tax.

Mr David Harris: They are happy with their superannuation.

Mr MIKE BAIRD: Members opposite cannot deny that the Federal Government's mining tax and its impact on jobs will become evident in the next few years, should it win the next Federal election and should the mining tax be imposed. There is real concern that the mining tax will cut jobs and cut investment in this nation, and the Federal Government will be held accountable for that. So much for the Federal Government; I turn now to discuss the economic management of the State Government.

We all have views on the State Labor Government, but it is pretty clear what CommSec thinks of the Government's economic performance. There are eight key indicators that CommSec examines: economic growth, retail spending, equipment investment, unemployment or jobs, construction work, population growth, housing finance and dwelling commencements. CommSec's comment is that New South Wales continues to bring up the rear of the States and Territories in economic rankings. In terms of economic growth, CommSec states, "NSW still occupies the bottom ranking of the economic performance table."

In relation to jobs, CommSec states that New South Wales is equal worst in the country and is above the New South Wales decade average of 5.4 per cent unemployment. Today's figures indicate that unemployment has increased to 5.8 per cent. In other words, 10,000 people in this State lost their jobs in the past month alone. For the member for Bathurst to move a motion and debate employment in the face of those statistics is almost beyond belief. CommSec states in relation to the commencement of dwellings:

NSW remains [again] at the other end of the leader-board. Dwelling starts are almost 24 per cent below decade averages.

In relation to its view of the implications and outlook of the State's economy, CommSec states:

NSW is anchored firmly at the bottom of the table and there is a fair gap to bridge with seventh position ... [a key] risk is that workers will be drawn away to the resource states.

As we move forward, I think that everyone will understand that the New South Wales Government has failed. It has failed in economic performance in terms of growth, unemployment and job creation, which is what the motion is supposed to be about. Recently the Premier stated on the ABC News, "New South Wales is back where it should be, leading the nation's economic recovery."

Mr Kerry Hickey: It took you seven minutes to get to that.

Mr MIKE BAIRD: Yeah, yeah.

ACTING-SPEAKER (Mr Wayne Merton): Order! The member for Manly has the call. He does not need the encouragement or assistance of the member for Cessnock.

Mr MIKE BAIRD: Just quietly, I do not think the Premier will repeat those comments today. The Premier went on to state:

I am proud to say that New South Wales is leading the nation's recovery from the global economic downturn.

How will that sit with unemployment increasing from 5.4 per cent to 5.8 per cent today?

Mr Anthony Roberts: How much would the increase have been if the mining tax had been implemented earlier?

Mr MIKE BAIRD: I will tell you how much the increase would be. The trend is evident. Government members cannot argue against the trend. The Government has failed. It has failed jobs, investment and the economy. If Government members are looking for a way forward—and I am happy to oblige—they really should support the Opposition's Jobs Action Plan.

ACTING-SPEAKER (Mr Wayne Merton): Order! The member for Manly has the call. He will be heard in silence. He extended that courtesy to the member for Bathurst.

Mr MIKE BAIRD: The Opposition's Jobs Action Plan is a very good plan. It is detailed and supported by economic modelling, and it is open to the Government to adopt it. If the Government supports the next 100,000 jobs that are created being given a payroll tax rebate—and that is the Coalition's commitment, should we win the election next March—in essence most jobs will be payroll tax free. The proposal has been benchmarked at the average rate. For the year in which that rebate is provided, there will be a huge incentive for

industry to employ. The way to start the State's economic turnaround is to get off the back of businesses and support small, medium and large businesses. The Government should say to business, "Do you know what? If you go out and back yourselves and if you put a job on, for this year we will give you a rebate that will take away payroll tax." That sort of approach works. This plan is built on nothing but economic facts.

Modelling suggests that, should a Labor Government adopt our plan, the unemployment rate would drop by 0.3 per cent. So rather than having an unemployment rate of 5.8 per cent today, the rate would be back at 5.5 per cent, which is much more in tune with the national average. That is what the Labor Government should do. Not only do we endorse the plan; it is a positive, practical plan that should be endorsed by a Labor Government. Stephen Halmarick, the head of Investment Markets Research and a respected economist in the city, said that this is:

... a very positive initiative designed to provide a targeted boost to job creation that should help ensure that NSW is able to increase jobs in an expected growing national economy.

On Monday I visited Moorebank, where I met with Michael Simonetta, the Chief Executive Officer of Perfection Fresh, which also has the fantastic food lovers' market at Moorebank. He supports the plan. He said that if the plan were in place he would be able to take on employees immediately. That is one way the Government could start to grow the economy. The last endorsement I am happy to put on the table is that of the member for Kiama, who is not in the Chamber. It was terrific to see this in his local paper. He told the *Kiama Independent*:

I agree that a payroll rebate would create more jobs.

The member for Kiama has not done many sensible things, but he endorsed our Jobs Action Plan. Our number one referee is the member for Kiama. The Labor Government needs to support businesses, get jobs back and stop giving us spin. [*Time expired.*]

Mr KERRY HICKEY (Cessnock) [12.50 p.m.]: This motion has been cleverly crafted by the member for Bathurst, who is an extremely wonderful member who is concerned about his electorate and the impact of the global meltdown on his electorate. The motion states:

That this House recognises the State Government's proactive stance in working with the Federal Government to develop job stimulus programs to offset the impacts of the world economic downturn.

I have been in this House since 1999, and before the Rudd Government was elected the Commonwealth did not work with the New South Wales Labor Government in any way, shape or form. The Howard Government did all it could to cut back on funding and to hurt New South Wales. Now we have a Federal Government that is working with the New South Wales Government to develop our economy. The previous speaker, the new wave for Manly, said that this Government was bad. Under this Government, job advertisements in New South Wales have increased by 14 per cent. We are leading the country in job advertisements. The New South Wales Government has supported jobs in the face of the global economic downturn by delivering major initiatives that complement the Commonwealth's economic stimulus package.

The Cessnock electorate has new school infrastructure, better hospital systems and new public transport infrastructure. The F3 is being extended, with \$200 million in funding from this Government. I have been talking about the F3 extension in this House since 1999. It took the Rudd Labor Government to see the benefit of the F3 extension and to give it a tick. For 10 years the Howard Government did not put 1¢ towards that project. My colleague the Federal member for Hunter, Joel Fitzgibbon, is happy about the \$1.2 billion F3 extension project. Rail infrastructure is being built in the community, with railway lines from Branxton to Singleton being duplicated. That duplication will enable more coal to be transported to the Port of Newcastle, where we have built a new coal loader, adding to mining jobs in the Hunter.

Cessnock is deriving benefits from the State Government's Community Building Partnership program. Endeavour Industries is working to provide more community housing for the disabled sector in the community; it has received \$45,000 for that community program. The Edgeworth soccer club is using the funding to upgrade its soccer grounds; it is employing people and earthmovers, which is adding to the social outlets of that community. Kurri Kurri leagues club is building new scoreboards and providing a new hall that the community can rent of an evening. Not only is that socially beneficial to that community; it is creating jobs for carpenters, plumbers and architects. Everyone is benefiting from that money.

It is great to see this State moving forward in a positive manner, as is the Federal Government. The Howard Government did not move forward in a positive manner. Payroll tax relief is being rolled out in the

State. Payroll tax relief is being provided in the Cessnock electorate and the Hunter Economic Zone to encourage businesses to locate there. The New South Wales Government has cut payroll tax. This means that 90 per cent of New South Wales businesses do not pay payroll tax. On 1 July this year payroll tax will be cut from 5.75 per cent to 5.65 per cent, and from 1 July next year it will be further cut to 5.5 per cent. The package of payroll tax changes since 2008-09 will save new businesses about \$2.7 billion over a five-year period from 2012-13. The Government has also supported jobs, with the extension of the first home owners supplement until 30 June this year. Members opposite said that this Government is doing nothing to bolster the New South Wales economy. However, the Government is working hard, with the Federal Government, to ensure that we have a great economy. [*Time expired.*]

Mr THOMAS GEORGE (Lismore) [12.55 p.m.]: The motion moved by the hardworking Government Whip, the member for Bathurst, recognises the State Government's proactive stance in working with the Federal Government. Self-praise is no recommendation. Once again Government members spoke about successful programs. I agree that the Community Building Partnership program has been a success. Do members know why it has been a success? It has been a success because community groups have run the program and employed local labour. They have employed people in their regions to get the job done. Let us compare that with the Building the Education Revolution program.

On several occasions in this House—I have raised this issue with the Minister for Education and Training—I have spoken about a little school at Tyalgum, which is about 30 kilometres from Murwillumbah. Under the Building the Education Revolution program, Tyalgum Public School was to receive a new school library and office building. The school was pleased about this. The total cost of the project was \$850,000. Earlier this year I reported to the House that when the prefabricated building was delivered to the school it did not fit the footings. The building was due to be handed over earlier in the year. We are now halfway through term two and the building still has not been handed over to the school—unless that has happened this week.

Under the Building the Education Revolution program, the cost of fixing that \$850,000 building so that it can fit the footings and completing the project will cost an additional \$500,000. That amount does not cover the provision of a covered walkway to enable people visiting the office or library on wet days to stay dry. I am sure that the Minister for Primary Industries, Minister for Emergency Services, and Minister for Rural Affairs realises that the North Coast region gets a lot of rain. When I spoke to the Minister's office about this matter I was informed that the builder will fix the building. However, I was not told that it would cost an additional \$500,000. I have been presented with a letter from the parents and citizens of Tyalgum Public School.

Mr Gerard Martin: Point of order: I ask that the member for Lismore be drawn back to the motion about job stimulus programs and not go into a forensic analysis of one issue in his electorate.

ACTING-SPEAKER (Mr Wayne Merton): Order! The comments of the member for Lismore are within the leave of the motion. The member for Lismore will proceed.

Mr THOMAS GEORGE: I note the member's point but local people were not employed on that project—in most cases they came from Queensland to areas on the North Coast. The local builders were left in their towns without work. Is that a successful program? It might be successful for Queensland workers coming into New South Wales but it is not successful for the local economy. The member for Cessnock referred to payroll tax, something that this Government should be embarrassed to talk about. Businesses in the Northern Rivers area are competing against many cross-border companies that do not have to pay payroll tax.

Mr Gerard Martin: Ninety per cent or ours don't!

Mr THOMAS GEORGE: That is right. Who supplies the rest of the businesses? The member for Cessnock should go to the North Coast and cross-border areas to learn about businesses in New South Wales, and I have provided proof in this House— [*Time expired.*]

Mr ALAN ASHTON (East Hills) [1.00 p.m.]: I support the motion moved by the member for Bathurst and also the contributions by the member for Cessnock and the member for Bathurst. The Federal Opposition and the New South Wales Opposition have suggested that just by a fluke Australia escaped the effects of the great financial crisis that afflicted America, Britain, Iceland, Greece and Spain. Australia did not suffer because the Federal Government, led by Kevin Rudd and Wayne Swan, introduced the stimulus package and spent a lot of money to promote jobs and keep people employed. There are 200,000 people in work who would not have

had jobs! The New South Wales Government was also proactive. But the Opposition, both in Canberra and in this State, voted against the stimulus package. Whenever this Government moved a motion Opposition members moved amendments to try to deny the facts.

Mr Steve Whan: They always criticise.

Mr ALAN ASHTON: Exactly. They carped and whinged and said, "It will all be good, nothing is happening, it is only a little bit of rain," when a financial Cyclone Tracy was hitting the economy of this country. People have forgotten that this Government extended to 30 June 2010 the first home owner grant and provided \$3,000 to help first home buyers purchase newly constructed dwellings. So far, supplements and grants amounting to about \$30 million have helped 10,000 first home buyers. The latest data from the Australian Bureau of Statistics shows the effect of this Government's initiative to support housing construction. Residential building approvals in New South Wales increased 43 per cent in March 2010 compared to February 2010. The national average increase was 15.3 per cent, in Queensland approvals went backwards by 1.9 per cent and in Victoria they increased by 13.3 per cent.

Members only have to look around their electorates to see where that cooperation has benefited their constituents. My electorate adjoins Menai electorate and I know that this Government has delivered \$53 million to upgrade the Alford's Point Bridge, which was finished last August; \$45 million for road widening and the construction of other bridges that will sustain 650 jobs, which ties in with the theme of the Federal Government's stimulus; and \$300,000—\$400,000 in some electorates—for the community building partnership program. In my electorate, 16 groups have received funding and they are very appreciative. In a couple of weeks I will be honoured to open science facility upgrades at Picnic Point High School and Sir Joseph Banks High School in my electorate.

Mr Steve Whan: Who funded them?

Mr ALAN ASHTON: The State Government funded them. It also provided \$650,000 for a new industrial grade kitchen and \$2.5 million for a gym at Picnic Point High School, which I attended when it did not have a gym. What did the Howard Government do in its 12 years in office? Whenever there was a surplus it was pumped into marginal electorates, in one case to dam a lake that did not need a dam. The Howard Government was damned at the last election and the Federal Coalition will be damned again at the next. One person in my electorate keeps writing letters to the paper saying that Alan Ashton has a fetish about getting schools fenced. Yes, I do, and I am sure all school fencing will be completed after the next budget, as there is one more school to be fenced. When a school is fenced it not only looks good but, more importantly, the fencing protects the kids and the teachers and their work. The member for South Coast knows that if fences were taken away from schools in her electorate she would be very unpopular.

Mrs Shelley Hancock: We haven't got too many to be taken away.

Mr ALAN ASHTON: I do not know why—the schools in most electorates have them.

Mr Steve Whan: Good local members have got them for their schools.

Mr ALAN ASHTON: That is a fair point, and maybe that is why all except one are fenced in my electorate. The member for South Coast needs to be more active. I have heard that her preselection is safe, and she is a nice lady, so I will not go too far. There was \$400 million for the Kingsgrove to Revesby quadruplication and \$100 million was spent on Revesby Station. This Government is tying everything in with the Federal Government's efforts. The Government supports the stimulus package, but it has also committed its own money to keep jobs and to create jobs, rather than talk about cutting jobs in the public sector like the Opposition is doing.

Mrs SHELLEY HANCOCK (South Coast) [1.05 p.m.]: I am pleased to contribute to this debate and I commend the member for Bathurst for bringing forward a very important motion relating to job stimulus programs. The intrinsic issue in this motion is the need for State and Federal governments to cooperate to ensure that job creation continues not just in difficult economic times such as we experienced recently, but in the years ahead. In my view one of the best ways to stimulate the economy is to invest in infrastructure, something with which I am sure all members agree. I am sure the member for Bathurst, when talking about issues in his electorate, has acknowledged the need to invest in infrastructure. I am disappointed in the comments of some members who suggested that the former Federal Government stood back and did absolutely nothing about infrastructure in their electorates.

Previously I have heard that type of lie promulgated in this House. The Princes Highway is so important for residents and visitors and we rely on tourism on the South Coast for business and investment. We have to acknowledge that it needs to be upgraded. I remind members opposite that even though the Princes Highway is a State highway John Howard, through the vigorous lobbying of the member for Gilmore, Joanna Gash, granted \$34 million for the north Kiama bypass, for which the member for Kiama likes to take credit; \$15 million for the section of the Princes Highway between Forest Road and Jervis Bay Road; \$10 million for the Conjola Mountain deviation project, which is wonderful and has just been completed—I pay tribute to the Roads and Traffic Authority and the Government for its completion—and significant black-spot funding for roads such as Forest Road, which connects the Princes Highway and villages like Callala Bay. It is a lie to suggest that the Howard Government was not cooperating with the State Government.

Prior to the last election John Howard committed \$20 million for the highway duplication at South Nowra and just recently Tony Abbott committed, if elected, to a further \$20 million at the East Lynne section of the Princes Highway where, tragically—

[Interruption]

I would hate to think that members want to interject when I am talking about a site on the Princes Highway where three members of one family were killed recently. Members should compare the Howard Government with the current Federal Government. What has Kevin Rudd done? The answer is nothing—nothing for the Princes Highway has been achieved. Despite this Government applying for \$1 billion under Infrastructure Australia, not one cent has come from Kevin Rudd for the Princes Highway—no comments, no responses to correspondence, nothing. Apparently the current Federal Government does not recognise submissions by the Roads and Traffic Authority.

The Roads and Traffic Authority audit identified the need for a billion dollars to be spent on the Princes Highway, as did the NRMA audit. In the past, the South East Australian Transport Strategy [SEATS] and the Princes Highway action group, PHocus, lobbied vigorously for work to be carried out on the Princes Highway. It was sad and very disappointing when the former Premier, Nathan Rees, applied for infrastructure funding. It must have been tragic for him not to achieve anything, apparently because of the paucity of the submission tendered by the Government. What is the current situation with the Princes Highway? Where is the job-creating program for the Princes Highway? Last year the Government cut the budget to the Princes Highway by 46 per cent, in comparison with the allocation in the previous year—46 per cent!

What is happening on the Princes Highway at the moment, that State-funded road? Zero. The wonderful Conjola Mountain deviation project is complete, but no other project is underway on the Princes Highway. That highway runs from the south of Sydney to the Victorian border, yet the State Government has put nothing into it and has cut its budget by 46 per cent, despite intense lobbying by various organisations, not just me. The Howard Government was committed to the Princes Highway but the Rudd Government has done absolutely nothing to stimulate the economy, business and investment in the Princes Highway. Members opposite are highly embarrassed, including the Minister for Primary Industries, the member for Monaro. He knows the truth; he knows that Kevin Rudd has failed to step up to the mark, failed to create jobs on the South Coast, and failed to invest in infrastructure and thereby create jobs. Although I commend the member for Bathurst for moving this motion, I will have to oppose it. *[Time expired]*

Mr GERARD MARTIN (Bathurst) [1.10 p.m.], in reply: I am not quite sure where to start. First, I will do the right thing and thank the members representing the electorates of Manly, Cessnock, Lismore, East Hills and South Coast for their contributions. The contribution by the member for South Coast was irrelevant, because it completely ignored the context of the motion. However, that was her call. In regard to the problems she mentioned on the South Coast, she should talk to the member for Kiama; I am sure he will show her how to make representations.

The member for Manly accused me of having accounting qualifications—guilty!—and therefore I am responsible for the Enron collapse in the United States of America. It is interesting to talk about people's background and qualifications on entering this House. I came here as a humble coalminer. The member for Manly, of course, is a failed merchant banker. Fancy a failed merchant banker being elected on fiscal policy! The reason this motion is being debated today is that the global financial crisis that triggered this proactive stance by the Federal and State governments was brought about by the motley merchant bankers around the world.

Members would remember Lehman Brothers' display of arrant greed and managerial incompetence—I am trying to find the correct adjective to describe their governance, or lack of it. That industry perpetuated the problem, and we have had to spend billions of dollars to solve it. The hapless Opposition members put themselves up as an alternative Government, yet they say that a failed merchant banker will be their Treasurer. Under the former Coalition Government, what happened with Port Macquarie Hospital?

Mr Mike Baird: Point of order: The motion is very clear; it is about jobs. We all know that the member for Bathurst, or his accounting profession, had a role in the financial crisis. We all know that his mates were—

ACTING-SPEAKER (Mr Wayne Merton): Order! That is not a point of order. The member for Bathurst is replying to the points raised in the debate.

Mr GERARD MARTIN: I am replying to the points raised by the member for Manly. I apologise for having some qualifications in accounting, but I spent most of my life doing other things in the mining industry. I realised very quickly that accountants are a dull mob, supplanted only by merchant bankers—particularly toy merchant bankers who find themselves lobbed into a safe seat in Parliament and, because of the dearth of Opposition talent, straight onto the frontbench. Now he is lecturing us on financial matters and how to manage the economy. He spoke about payroll tax, but he forgot to say that the Opposition has not promised anything. It talks about a 12-month holiday, in fact. No-one knows what the Opposition's policy will be.

How much money was taken out of the New South Wales economy by the former Coalition Government's incompetence that lost jobs? It took over \$100 million to buy back the Port Macquarie Hospital. That was a great bit of privatisation. The airport to the city rail link, in which a predecessor of the member for Manly was involved, cost \$800 million or \$900 million. And remember Luna Park, another \$50 million down the drain. Also, there was Eastern Creek and, of course, the State Bank, a very profitable bank that Peter Collins gave away. It was worth about \$8 billion but it was sold for \$400 million.

Mr Mike Baird: Point of order: The member who moved the motion is in the unusual position of not knowing what it was about. It was about jobs, basically. I know the member for Bathurst is ashamed of his accounting history—

ACTING-SPEAKER (Mr Wayne Merton): Order! I am sure that the member for Bathurst will return to his reply to the debate.

Mr GERARD MARTIN: I will have a bet with the member for Manly. If we hold a straw poll on who is more popular, accountants or merchant bankers, what would the community say? The accountants would be at the top of the list, but dodgy merchant bankers would be down the bottom. Every second Conservative politician is a merchant banker and would be right down the bottom with journalists and used car salesmen. Today we heard about the wonderful cooperation between the Labor Party in Canberra and the Labor Party in New South Wales to insulate us against the greatest financial crisis the world has ever seen.

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

Motion agreed to.

BLACKBUTT NATURE RESERVE

Ms SONIA HORNER (Wallsend) [1.15 p.m.]: I move:

That this House:

- (1) urges Newcastle City Council to continue supporting the Blackbutt Nature Reserve, a prized wildlife reserve that has been embraced by the public, and
- (2) encourages Newcastle City Council to find economic methods to fund this highly popular tourism facility that draws more than 110,000 visitors annually to the Wallsend electorate.

I will outline a little of the history of Blackbutt Nature Reserve. In the 1930s Mr Tom Farrell, a local bloke, campaigned for Blackbutt to be a dedicated reserve, and it was finally opened in the 1960s, in the heart of the Wallsend electorate. Many campaigned successfully for a road not to be put through the reserve, and that is great. The reserve comprises 182 hectares of land, central to the Hunter and Newcastle area. It has beautiful,

peaceful picnic areas, barbecues, bushwalking tracks and a diverse range of habitats and ecosystems. I made a private member's statement on this matter on 28 June 2007, because the future of Blackbutt Reserve was questioned by Newcastle City Council. In that statement I said:

When Newcastle City Council indicated that services would be drastically cut to the reserve due to a big budget cut earlier this year prospects for Blackbutt were dim. The death knell sounded for the wonderful wildlife exhibition. Robin Hood emerged in the form of the Blackbutt support group—

who are even sexier than Russell Crowe—

which rallied to create contingency plans to keep the park open...

I must mention some of the worthy volunteers. The three executive members are Brian Burns, the president, the lovely Nell Watson, who is the secretary, and the wonderful Graham Bennett, who is the treasurer. Blackbutt Reserve has 42 volunteers and over 130 members in the support group. That is testimony to how much people in the Hunter and Newcastle area love Blackbutt Reserve and how much effort people are prepared to put in to keep this wonderful reserve alive.

I referred earlier to the animals, and they are one aspect that makes Blackbutt special. There is a koala encounter program, which involves talks about Australia's most internationally recognised animal. As members can imagine, this brings in many of the more than 110,000 tourists who come to Blackbutt because they love being part of the koala encounter program. Blackbutt exhibits animals with not only educational and tourism value but also conservation value. Unfortunately, in 2007, as all of us in the Hunter and the member for Port Stephens will remember, a storm did a huge amount of damage to Blackbutt Reserve and it was closed for a considerable time. That was when its future was in question. The aviaries were damaged beyond repair in the storm. There have been some difficulties with the insurers but they are now recompensing the reserve. In future we are looking at exhibiting specific species of birds. I look forward to visiting the aviary, and I know that lots of people in the Hunter will as well.

Realising that the community wants to keep Blackbutt Reserve, Newcastle City Council recently developed a master plan to drive activity in the park as well as respond to community interests emanating from the council's community surveys. The council regularly undertakes surveys and it gives the council a good perception of what the community wants. The community overwhelmingly has told Newcastle City Council that it wants to keep Blackbutt Reserve open and available to the wider public, not just those people who live in the Newcastle City Council area. Among the ideas put forward was opening a coffee shop, because people love to have a cup of coffee when they visit the reserve. But of course the council needs to look at the viability of that proposal and whether it would cost too much to establish a coffee shop. I trust the council will look at the future of that endeavour. In March this year the council imposed a park conservation fee of \$4 a day for vehicle parking.

The Labor councillors on Newcastle City Council are also 100 per cent behind Blackbutt Nature Reserve. I will quote comments from each of the councillors who are supporters of the reserve. Councillor Mike Jackson said:

Blackbutt Reserve is not just a park—it's a hub for committed volunteers, an economic driver central to our tourism vision and it is the lungs of Newcastle in a post industrial city. It is as Newcastle as Nobbys and probably one of the most popular venues for children's birthday parties going. It is well utilised and is a credit to the Council staff and volunteers who ensure the experience is well catered for people of all ages.

Another councillor who supports the reserve 100 per cent is Nuatali Nelmes, whose father, Councillor Paul Scobie, worked very hard for the reserve during his tenure on the council to ensure it was kept open. She said:

I have been an active supporter of Blackbutt. In June last year, I convinced NCC to keep and maintain our very popular and unique animal exhibits with overwhelming support from the community.

As the chair of council's new Recreation Committee, I will be investigating future opportunities for economic development and preservation of Blackbutt reserve for public recreation and look forward to working with the community and all levels of government on such matters.

That brings me to a different level of government. I have certainly been a keen supporter of Blackbutt Reserve, which is in my electorate. There was mention earlier during the giving of notices of motion of the huge benefits that the Community Building Partnership grants have provided to the community throughout New South Wales. Blackbutt Reserve did not miss out with the State Government. People connected to Blackbutt Nature Reserve

called me and asked whether the Community Building Partnership grants could sponsor the construction of a picnic shelter. A submission was prepared and \$20,000 of the \$400,000 Community Building Partnership grant to Wallsend was provided for the construction of a picnic shelter. I thank the State Government for their generosity and I will continue to work hard to organise grants for this wonderful nature reserve. There was also recognition of the quality of service and activity provided by Blackbutt Reserve because the reserve won a bronze award for ecotourism in the New South Wales Tourism Awards. Those awards are very strongly contested so I congratulate Blackbutt Nature Reserve on its success.

At the beginning of my speech I mentioned Mr Tom Farrell who campaigned in the 1930s for Blackbutt Nature Reserve. His daughter, Mrs Bev Hincks, also supports the reserve and says it is a wonderful place to take visitors because they can see Australian wildlife. We all know that when we have visitors, particularly from overseas, the first place we in the Hunter take them is to Blackbutt Reserve. I conclude by referring to a report in the Newcastle *Herald* on 7 May. It says:

Any councillor who dares to attack Blackbutt must do so at their peril. The reserve is extremely popular, enjoying practically sacred site status for many Novocastrians.

Sadly, the Newcastle *Herald* goes on to say:

...in recent years the council seems to have become a reluctant custodian of Blackbutt. The reserve's former live-in ranger, Paul Metcalfe, said he left the job because of constant closure threats.

The Newcastle *Herald* article concludes by stating:

Blackbutt is Newcastle's responsibility. But that doesn't mean it has to be viewed as a hopeless financial liability. The reserve is an asset whose value will become more apparent as the city grows and consolidates.

I totally support that view. Councillors on Newcastle City Council know that scrapping the animal enclosures would never gain public support. We all support Blackbutt and so does the State Government.

Mr CRAIG BAUMANN (Port Stephens) [1.25 p.m.]: I concur with the member for Wallsend in her appreciation of the wonderful Blackbutt Nature Reserve, but I ask her to cast her mind back to when she served as a Newcastle city councillor. Has the member forgotten about being part of a council trying to balance a budget every year? Has she forgotten that wonderful thing called rate pegging? Has she forgotten the constant cost shifting from her Government onto the 152 councils across New South Wales?

It is easy to blame councillors for shortcomings in local administration but this Government has a very short memory. Councils undertake roles that were previously the purview and responsibility of the State. Local government is the darling of State administration when it is cutting costs for the State Government. However, local government falls victim to poorly thought out legislation when something goes wrong, as it has done in some very high-profile cases. The member for Wallsend would agree that councils are our most intimate level of government. Our councillors are closest of all those in public life to their respective communities. They are far more representative of those communities. In many ways councils are the communities they strive to represent.

I believe strongly that the role of the State Government in administering the Local Government Act should be to support the role of councils to uphold best practice in council management and, importantly, to listen to councils, council staff and councillors. The Government might have a multimillion-dollar media monitoring budget but it is local councillors who are the best source of information on the goings-on in their communities.

As I said, I have no problem in supporting this motion about Blackbutt Reserve, which, like Hunter Region Botanic Gardens in my electorate, is a fantastic facility. Wallsend and Newcastle are highly developed areas—I do not have that problem in Port Stephens; in paradise we have plenty of open space—and places such as Blackbutt Reserve are very important. It is a little ingenuous, however, to call on the council to fund Blackbutt Reserve. Looking at media releases I notice one from a former colleague of the member for Wallsend, Councillor Aaron Buman, who said:

If Blackbutt was in Sydney it would be State Government-funded, no worries, but in Newcastle, everything falls to the council.

Pursuant to standing orders business interrupted and set down as an order of the day for a future day.

[The Acting-Speaker (Mr Wayne Merton) left the chair at 1.30 p.m. The House resumed at 2.15 p.m.]

DISTINGUISHED VISITORS

The SPEAKER: I acknowledge the presence in the gallery of the Speaker of the Legislative Assembly in Western Australia, the Hon. Grant Woodhams, who is accompanied by the Deputy Speaker, Mr Michael Sutherland, the Clerk of the Legislative Assembly, Mr Peter McHugh, and members of the Privileges and Ethics Committee. I also welcome Mr Craig Ingram, member for Gippsland East in the Victorian Parliament. Welcome to the New South Wales Parliament this afternoon.

LOUD SHIRT DAY

The SPEAKER: I welcome to the Parliament today board members and staff of the Shepherd Centre, who are here on the occasion of Loud Shirt Day. I note that many members have entered into the spirit of the occasion by wearing loud shirts and stickers. I advise members who have not already done so that they are still able to support this worthy cause. Many members have been very generous, which is acknowledged and appreciated. Collection boxes are still available in the Speakers Square.

BUSINESS OF THE HOUSE

Notices of Motions

Government Business Notices of Motions (for Bills) given.

QUESTIONS

PROPERTY TRANSFER FEES

Mr BARRY O'FARRELL: My question is directed to the Premier. Is she not being blatantly dishonest by claiming that her monster new property tax on homebuyers will fund six new security features on title deeds when the 2008-09 New South Wales Department of Lands annual report shows that these new features were introduced last July?

The SPEAKER: Order! Members will cease interjecting. The Premier has the call.

Ms KRISTINA KENEALLY: Acquiring a first home remains the great Australian dream. From that point forward security of that asset remains a great priority. This Government has been, and remains, a leader in both those areas of policy, which directly affect millions of families in New South Wales. The measures announced yesterday are a sensible approach to improve the security of the most important asset in people's lives.

Mr Barry O'Farrell: Point of order: I refer to Standing Order 129, relevance. The measures may be sensible, but they were done a year ago.

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

Ms KRISTINA KENEALLY: The greater the value of your asset, the greater the security risk and the greater the need for these measures. The Opposition is trying to paint this Government as unsympathetic to first home buyers. Where has it been? Over the past 10 years more than \$6.77 billion has helped homebuyers in New South Wales get into their first home. We are continuing those stamp duty concessions. We are reforming planning laws. We are cutting red tape. We are slashing infrastructure charges. That is the real work to keep housing affordable in this State. The Opposition has opposed that work at every turn, such is its desire to see first home buyers squeezed out of Sydney unless they are from privileged backgrounds. While it is anticipated that the ad valorem fee will raise \$80 million to \$100 million, in the first seven months of this financial year alone first home buyers received \$549 million in assistance. We are the party delivering real support to first home buyers, something that is lost on the Leader of the Opposition.

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

Ms KRISTINA KENEALLY: Today he was out at Emu Plains trying to paint this fee as a slug to first home buyers.

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

Ms KRISTINA KENEALLY: Yesterday the Leader of the Opposition stood in this House and said that this ad valorem fee was "slugging the average Sydney home buyer an extra \$1,000". For that to be true the average house price in Sydney would need to be over \$1 million. Before he tells the people of Emu Plains that this is a slug on them, he might check to find out that the average home price in Emu Plains is \$389,000. Therefore, these measures have no effect whatsoever on those homebuyers. In fact, I am advised that 93 per cent of all residential sales in the Penrith local government area are not affected by this ad valorem fee. That is not just a majority, but 93 per cent of residential sales. The 3,542 properties that changed hands in the Penrith local government area in the past 12 months would not be subject to this charge. Of course, this measure would have an effect in his suburb of Roseville, in the electorate of Ku-ring-gai, where the median house price is \$1.3 million. Now we see the true agenda.

Mr Adrian Piccoli: Point of order—

Ms KRISTINA KENEALLY: Nice suit!

Mr Adrian Piccoli: That compliment is accepted. My point of order relates to Standing Order 129, relevance. The question was about misleading the Parliament yesterday regarding the justification for this tax. The Premier needs to google more often.

The SPEAKER: Order! The member for Murrumbidgee will resume his seat. He has been here long enough to know that that is not a point of order. The answer is relevant to the question asked.

Ms KRISTINA KENEALLY: He has not been here long enough to buy a new suit. Now we have the true agenda of the Opposition. It stands up for the battlers of Ku-ring-gai, the strugglers of North Shore and the victims of Vaucluse. The Leader of the Opposition talks about grassroots; the only grassroots about which he cares are the manicured lawns of Ku-ring-gai.

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

LITERACY AND NUMERACY

Ms MARIE ANDREWS: My question is addressed to the Premier. Will the Premier update the House on the progress of testing and quality in education?

Ms KRISTINA KENEALLY: I thank the member for Gosford for her question and her interest in this matter. Today across New South Wales thousands of students are sitting the National Assessment Program—Literacy and Numeracy [NAPLAN] tests. We always said that we were determined to see these tests proceed. We are delighted that a commonsense outcome was achieved. Again, I acknowledge the Minister for Education and Training, Verity Firth, and the Federal Minister, Julia Gillard, for their leadership on this matter. NAPLAN is part of a modern approach to education. It has put New South Wales at the forefront of education in Australia. We are amongst the most respected education systems in the world—a system built on a strong curriculum, a consultative approach with our educators, and the support of parents and community groups.

Education is the cornerstone of this Government. That has been so for 15 years, and it will continue to be so. After all, it is high-quality education that has enabled the member for Murrumbidgee to become such an erudite wordsmith. Would that such originality and creativity could be shared by his colleague the Leader of The Nationals and member for Oxley, but I am afraid it simply cannot be so. Not only does the Leader of The Nationals not have the wit of the people's bard, but he has resorted to the most egregious plagiarism. I draw to the attention of the House the Leader of The Nationals' report on his parliamentary study tour to New Zealand in January 2006. The most beautiful time to visit New Zealand is in January. The insights of the member's report include that the New Zealand Speaker sits in a sheepskin-covered chair.

Mr Adrian Piccoli: Point of order: My point of order relates to Standing Order 129, relevance. I suggest that this is a very dangerous path for a member of the Labor Government to tread.

The SPEAKER: Order! I will hear further from the Premier.

Ms KRISTINA KENEALLY: The report included the stunning announcement that the national Parliament in New Zealand includes a Maori member of Parliament. What? Sheep and Maori people in New Zealand? Who would have thought! His study tour was money well spent! The report continues that the member visited California, and his insight includes comments such as that the roads in California are well developed and California has many fast-food outlets. Imagine: freeways and fast food in California!

Mr Adrian Piccoli: Point of order: My point of order relates to Standing Order 129. The question relates to numeracy and literacy tests. I am not sure that the answer has any relevance to them. However, if the Premier wants to debate the topic, I am sure many Opposition members would be happy to respond.

The SPEAKER: Order! The member for Murrumbidgee will take a point of order, not debate the issue. He will resume his seat. I remind the Premier of the question before the House.

Ms KRISTINA KENEALLY: The question was about literacy and numeracy and our National Assessment Program—Literacy and Numeracy tests. Students taking the NAPLAN tests know not to copy other people's work and not to cut and paste other people's work.

The SPEAKER: Order! Members who continually interject will be called to order. I call the member for Bega to order.

Ms KRISTINA KENEALLY: The member's January 2006 report was so interesting that I read his report of August-September 2005 on his visit to London and Singapore. From doing so I learned, for example, that there are many obvious similarities between the British and Australian parliaments. I would have thought they are so obvious that he did not need to go to London to find that out.

The SPEAKER: Order! I remind the member for Wakehurst he is already on two calls to order. I call the member for Bathurst to order.

Ms KRISTINA KENEALLY: But it was the conclusion of the two reports that I found most interesting. I quote from the report of September 2005, which states, "The study tour provided me with details"—

Mr Adrian Piccoli: Point of order: My point of order relates to Standing Order 129, relevance. Twenty per cent of students in year 9 do not meet minimum benchmarks.

The SPEAKER: Order! The member for Murrumbidgee will resume his seat. Members will not abuse the taking of points of order.

Ms KRISTINA KENEALLY: I quote from the September 2005 report, which states, "The study tour provided me with a detailed insight into some aspects of government in other jurisdictions, including in areas where those administrations could be regarded as world leaders."

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

Ms KRISTINA KENEALLY: I now quote from the report dated January 2006, which states, "The study tour provided me with a detailed insight into some aspects of government in other jurisdictions, including in areas where those administrations could be regarded as world leaders."

Mr Adrian Piccoli: Point of order: My point of order relates to Standing Order 129. I know you give latitude to the Premier, particularly, but in this case I cannot see how what she is saying has any relevance to the question. It is a serious question. I am sure people in the gallery would like to know the answer. I ask you to direct the Premier to answer the question.

The SPEAKER: Order! I remind the Premier of the question.

Ms KRISTINA KENEALLY: The reports are required reading for all members. Even our students know not to copy other people's work and they know not to cut and paste.

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

Ms KRISTINA KENEALLY: They also know that if they are going to copy someone's work, they should certainly copy someone who is smarter than the Leader of The Nationals.

PROPERTY TRANSFER FEES

Mr BARRY O'FARRELL: I direct my question to the Premier. Is it not dishonest for her to claim that Labor's \$80 million to \$100 million new tax on homebuyers is being used to strengthen land title security and to prevent fraud when homebuyers already pay levies into a fraud fund currently worth \$16 million? Last year claims against that fund totalled only \$5 million.

The SPEAKER: Order! Opposition members will cease interjecting.

Ms KRISTINA KENEALLY: Last night we saw the member for Manly completely and spectacularly deflated. Last night when he was asked a simple question by David Oldfield on 2UE about what an O'Farrell government—or maybe a Baird government—would do differently in relation to the ad valorem fee, what was his answer? "Nothing." It was the most spectacular deflation since the Hindenburg. He is not exactly the fresh wave from Manly anymore. He is more like a ripple. He is Captain Boat Wash. It is good to see that the member for Manly gets to speak outside Parliament because he certainly does not often get to say anything in here.

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

Ms KRISTINA KENEALLY: Since the last budget in June 2009, about which he asked one question, he has had 183 opportunities to direct questions to the Government.

Mr Andrew Stoner: Point of order: My point of order relates to Standing Order 129. The Premier seems to be ignoring the question, which was about the existence of a fund to prevent land title fraud, despite the imposition of a new tax.

The SPEAKER: Order! I will hear further from the Premier.

Ms KRISTINA KENEALLY: The member for Manly does not get to say much when he is in here, but he certainly had plenty to say last night on 2UE. When he was asked repeatedly if he was in favour of removing the ad valorem fee, this is what was said:

OLDFIELD: ... if you're elected, after a Saturday in March, will you repeal this law?

MIKE BAIRD: Well, I mean, I think the point on that is David that we are in a position that if you believe the forecast that was provided by the Federal Government last night and most broadly in terms of the assumptions in the growth in the economy, there is an expectation going forward that revenue is going to increase. So in that context, I'm not going to be in a position today where I commit to taking the tax on or off.

He said he was not in a position to do that, so there we have it. At least he gets to talk outside Parliament because certainly when he has had 183 opportunities to ask questions of this Government, how many opportunities has he taken? One. That is how keen the member for Manly is.

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

Mr Barry O'Farrell: Point of order: My point of order relates to Standing Order 129. The question went to the issue of honesty or dishonesty. I know those who are in the gallery visiting from Western Australia are used to dishonest Premiers, but can the New South Wales Premier defend herself from her own dishonesty on this issue?

The SPEAKER: Order! The Leader of the Opposition will resume his seat. That is not a point of order. The Premier has the call.

Ms KRISTINA KENEALLY: So keen is the Leader of the Opposition to keep the member for Manly off the floor of the Parliament and off television! Even the member for Clarence has asked three questions. Clearly he is punching above his own weight, when he is not busy interrupting the dinners of the people of Penrith to do push phone polling, as he revealed on his Twitter account today. He said that the voters were peed off when he called them. I think we would all be a little peed off if the member for Clarence called us.

Mr Barry Collier: I'm shocked!

Ms KRISTINA KENEALLY: I am shocked by it too. The member for Miranda is right: we should all be shocked. If the member for Manly cannot get through an interview with a fellow friend like David Oldfield without a bungle, what hope does he have?

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

Ms KRISTINA KENEALLY: It is rich for members opposite to talk about the sanctity of the family home when they are prepared to steal the family car. That is Liberal policy as outlined by the shadow Minister for Police. On 6 April he outlined this extraordinary policy on radio 2GB: give New South Wales police officers the power to seize any vehicle. I stress that Mr Gallagher went out of his way to explain that this power would not be tied to specific offences; it would be a discretionary power.

Mr Adrian Piccoli: Point of order: I refer to Standing Order 129. The Premier is simply proving her lack of substance by not being able to answer the question. If she is unable to answer the question she should sit down.

The SPEAKER: Order! The member for Murrumbidgee will resume his seat. He will state his point of order, not debate the issue.

Ms KRISTINA KENEALLY: It would be a discretionary power for any officer to seize the car of any driver, clearly on a judgement call by the officer. What would happen to that car? Mr Gallagher explained on radio 2GB that it is Liberal Party policy that once the car is impounded it is handed to the Office of State Revenue to be flogged. He said, "I've always had the view that you could sell it if police believe they could use it"—

The SPEAKER: Order! Members will cease interjecting.

Ms KRISTINA KENEALLY: Let us recap: it is Liberal Party policy to provide police officers with a totally discretionary power to seize any vehicle and to flog it off for consolidated revenue or adopt it into the police fleet at their discretion—so concerned are they about the sanctity of the family home and so willing are they to strip families of their car! On the same day that Mr Gallagher released this policy the member for Cronulla said on radio, "I think it's very dangerous when government has the right to confiscate property owned by citizens". What a rabble! Members opposite are a disorganised, flip-flopping rabble. A Coalition Government would seize the family car, flog it off to fill State coffers and leave the owner without a cent. That is Liberal Party policy.

JESSICA WATSON VOYAGE COMPLETION

Mr PAUL PEARCE: My question is addressed to the Minister for Ports and Waterways. What is the latest information on the arrival of Jessica Watson?

The SPEAKER: Order! The House will come to order. The member for Lane Cove will contain himself.

Mr PAUL McLEAY: Excitement is building as Jessica Watson makes her way around the globe.

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

Mr PAUL McLEAY: I am excited about her arrival as well. Many people in Sydney, throughout the State and around the world are looking forward to Saturday morning when Jessica finishes her epic journey. Although it is exciting, I encourage people to catch public transport to get to Sydney Harbour. People using the waterways must take care as the harbour will be busy on Saturday morning.

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

Mr PAUL McLEAY: That is why a fleet of NSW Maritime vessels will welcome Jessica as she crosses the finish line between the heads. There will be an exclusion zone around Jessica's vessel as it travels from the heads all the way—

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

Mr PAUL McLEAY: —to her final destination on the Man O'War steps at Sydney Opera House. That exclusion zone, which will be 200 metres from the front of the boat and 100 metres from the stern and sides, will travel with her as she comes through the heads to her final destination. I ask all boating users to take care on

the water, be prepared, show patience and commonsense, maximise their wash and be mindful of other vessels. As a result of a competition we are running in the *Daily Telegraph*, another group of excited people will be joining us. Sydneysiders—indeed all citizens—can go online and apply to be one of 150 people to travel on one of our beautiful Sydney ferries to the opera house and join Jessica at the finish line. Those people will be chosen at random after the competition closes tomorrow. This morning the Premier and I spoke to Jessica. She is definitely an inspirational young lady.

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

Mr PAUL McLEAY: She has managed to circumnavigate the globe by herself. She is a beautiful young Australian who is showing that girls can do anything.

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

Mr PAUL McLEAY: She has silenced the critics. She has shown those who said she could not do it that she has done it. For a long time people have said that young girls are not brave enough or strong enough and do not have enough courage to conquer the world and reach their dreams, but Jessica has shown that she is smart enough, she has the courage and she certainly has the tenacity to do so. That is why I will be taking my eight-year-old daughter Holly to meet Jessica, who is a true inspiration and is showing that girls can do absolutely anything.

BOATING FEES

Mr ANDREW STONER: That was so good, I am asking another question of the Minister for Ports and Waterways. How can the Minister justify his sneaky plan to slug boat owners with his new tax on tinnies—putting up licence and registration fees—at the same time as the Government is hitting working families with enormous increases in power and water bills, car registration fees and underhanded property taxes, all the while signing up to Kevin Rudd's great big new mining tax?

Mr PAUL McLEAY: First, 2,500 hardworking volunteers give up their time to make our community and our waterways safer. Last year they responded to 2,300 incidents across the State, when boaters found themselves in trouble or distress and called triple-0 or NSW Maritime or let off a flare. These hardworking volunteers gave up their time and risked their lives to keep our waterways safe. The New South Wales Government funds the program with a modest amount of money, but the boating community has said, "We would like to do more." Three organisations have come together as one organisation, New South Wales Marine Rescue. In consultation, industry, boat users and waterway users told NSW Maritime, "We would like to pay a modest charge directly to New South Wales Marine Rescue".

That is why in a process of public consultation this Government is asking people, "Will you agree to a modest charge being put on your boat licence fee and registration that will be collected in a transparent fund and directly sent to NSW Marine Rescue so that over the next six years we can replace 98 vessels, and have a VHF radio wave from coast to coast so they can do their bar crossings and report all their activities." It will be a direct amount of money that will go directly to that and the process will be transparent. It will cost \$7.50 and will take the average boat registration from \$43 to \$50.50.

In this process the Government will ask boaters if they are willing to pay. If they say yes, and only if the community says it will accept it, we will charge it. However, if the community goes online—we have a whole bunch of procedures in place—and says, no we do not want to do this, then we will not do it. It is as simple as that: community consultation at its best, driven by an industry that has said it wants this, and collectively agreed by the disparate groups that have come together under New South Wales Marine Rescue under the excellent work of Diane Beamer, the member for Mulgoa, and former member John—

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

Mr PAUL McLEAY: They got the groups together and said, "We want a collective organisation" because we want to respond to boaters when they are in need, collected by people that are direct beneficiaries of NSW Marine Rescue. If they want to pay it they can and we will make NSW Marine Rescue an ever better organisation than it is. If the Opposition opposes it, which is what the question asks, then people up and down the coast should know that. Shame on you!

GREAT WESTERN HIGHWAY UPGRADE

Mr PHIL KOPERBERG: My question is addressed to the Minister for Transport and Roads. Will the Minister advise the House on progress being made on the upgrade of the Great Western Highway through the Blue Mountains, particularly the section between Mount Victoria and Lithgow, and the determination of the preferred route?

Mr DAVID CAMPBELL: I thank the member for Blue Mountains for his question, and I will have more to say about his advocacy and support for this project. The Great Western Highway is one of Australia's great roads, linking communities in the Blue Mountains to Sydney and beyond to Bathurst and the greater west. Since 1998, the New South Wales and Federal governments have invested more than \$560 million, of which the New South Wales Government contributed more than \$400 million, towards the upgrade of this great Australian highway.

Every cent we have committed to the Great Western Highway will be spent making this road safer. The upgrade involves major works along the highway, the key ones being widening the highway to four lanes between Emu Plains and Katoomba and mostly three lanes between Katoomba and Mount Victoria. The improvements completed to date have led to improved travel times for motorists as well as providing a safer road environment for all motorists, pedestrians and cyclists. Work on the highway is progressing well, much of which is due to the successful engagement with communities along the highway.

Mr Andrew Stoner: You're kidding!

Mr DAVID CAMPBELL: Be careful what you invite! This strong progress is due in no small part to the work of the member for Blue Mountains, who has made numerous representations to me, and to former road Ministers, on behalf of community groups over the course of the upgrade and has been advocating for the completion of works on the highway east of Katoomba as an absolute priority. We are working hard to complete this section of the upgrade to a full dual carriageway by 2013, in time to commemorate the 200th anniversary of the first crossing of the Blue Mountains by Blaxland, Wentworth and Lawson. On Sunday the Federal infrastructure Minister Anthony Albanese and I released the preferred route and cost estimates for the upgrade of the Great Western Highway between Mount Victoria and Lithgow—the next stage of the upgrade.

The New South Wales and Federal Governments have committed an initial \$250 million to this section, on top of the \$560 million invested in other projects along the highway. The preferred route was approved after careful consideration of community issues, preliminary environmental and technical investigations as well as engineering and cost considerations. The first instalment of vital safety works between Mount Victoria and Lithgow are expected to start by the end of the year. We will spend \$30 million delivering a number of safety improvements around Victoria Pass and the township of Mount Victoria, including the installation of median barriers and some road widening, although no road widening will need to occur within the township of Mount Victoria.

We will also fund a bypass to the south of Little Hartley, including intersection improvements at Coss River Road, Baaners Lane and Browns Gap Road and the southern alignment option at River Lett Hill. On top of this, the corridor for the following sections will be preserved so the projects are shovel-ready when additional funding becomes available: a tunnel as part of a bypass of the township of Mount Victoria and Victoria Pass and a new alignment at Forty Bends. These projects expand the scope of this upgrade following community consultation. I take this opportunity to thank motorists and communities alike for coming forward and taking part in the many community consultations that have taken place surrounding the Mount Victoria to Lithgow upgrade. Key to this process has been the work of the member for Blue Mountains, the member for Bathurst and the Federal member for Macquarie, whose dialogue with their communities has helped shape the design of the highway, which will serve their communities for many years to come.

But not everyone was happy with the Government spending money to make this road safer. In March the Leader of The Nationals bleated from his Parliament House office that there had not been consultation, and that local communities were not able to have their say about the upgrade between Mount Victoria and Lithgow. As usual, we know of a disconnection between Andrew Stoner's brain and his mouth, and it has brought him undone again. I take this opportunity to share some facts about community consultation on this section of the highway upgrade. Since June 2008 the RTA has held 12 community meetings, 15 community workshops, two Aboriginal community meetings, 22 stakeholder meetings as well as hundreds—yes hundreds—of individual meetings with local members of the community. But I ask the House not to just to take my word for it.

Mr Chris Hartcher: No, we won't take your word on anything.

Mr DAVID CAMPBELL: Thanks, Chris, for the invitation. The member for Terrigal provides an invitation to share more, and I will. So ridiculous were the claims made by the Andrew Stoner that there had been no community consultation, the editor of the Lithgow *Mercury* was compelled to publish on 18 March this criticism of Mr Stoner:

Since the announcement of the planned deviation of the Great Western Highway between Mt Victoria and Lithgow there have been several public meetings, all were well attended, Mr Stoner had obviously not been made aware by his advisors or Mountain lobby groups of this comprehensive process.

This kind of open criticism by a media outlet is not easy to come by. The paper has picked up on what everyone in this House already knows—Andrew Stoner is foolish and incompetent.

[Interruption]

As the member for Bathurst says, everybody in his electorate knows as well and I suspect many other members of Country Labor will say the same thing. This is just another example of the Opposition embarrassing itself by lying to the community. It is lying to cover the fact that it does not have a policy on the Great Western Highway or any other major arterial road. It has no policy on the Pacific Highway, nothing on the Princes Highway and diddly-squat on the Hume Highway. It is about time the Opposition supported the Government and the community in our efforts to improve safety on our roads.

SPECIAL NEEDS AND DISABLED STUDENT SERVICES

Mr ROB STOKES: My question is directed to the Minister for Disability Services. How does the Minister justify slashing teachers' aide funding for my constituent Daniel Clarke, who is in the Chamber today, because his parent's chose to save taxpayers a million dollars by sending Daniel to a nearby non-government school that had wheelchair access?

Mr PAUL LYNCH: I acknowledge Daniel, who is in the Chamber today. I am advised that staff of the Minister for Education and Training met with Daniel and his mother earlier in the year. I know he is a remarkable young man. The New South Wales Government supports the rights of students with special needs to a quality education. The Government funds children in non-government schools based on a calculation of 25 per cent of equivalent average government school costs. That means that the Government's funding for non-government schools is consistently in proportion to spending on government school students. The government's policy for the distribution of per capita funding is based on a 12-category needs-based approach.

All special needs or disabled students are funded at the highest category; that is, category 12. Students with disabilities who attend non-government schools are also eligible for transport to and from school under the Student Special transport Scheme. Perhaps next time the member might address the question to the Minister for Education and Training.

GREEN STREET PROGRAM

Mr RICHARD AMERY: My question is addressed to the Minister for Housing. What is the latest information on the Green Street initiative?

Mr DAVID BORGER: I thank the member for Mount Druitt for his commitment to the many public housing residents who live within his electorate. On Monday I was pleased to stand with the Minister for Education and Training, the Hon. Verity Firth, to launch the tenders for the New South Wales Green Street Program. We were joined by the cream of the crop of the tree nursery industry in New South Wales, who were obviously very pleased with the scale and scope of the program. We were joined also by some of the big social enterprises that will help deliver the program in New South Wales, and the tenants, who were very pleased to see the Government's commitment to green-up their verges and improve their local environment and neighbourhood.

The scale of the New South Wales Green Street Program is huge, it is a \$30 million commitment, and it is the largest single contract for street trees in the country. It will allow the Government to roll out more than 150 kilometres of street tree upgrades to the most disadvantaged members of our community in those 40-odd public housing estates across New South Wales. The Government will contract for the delivery of 15,000 street

trees, most of which will be very large, super-advanced, and will make an instant impact of some environments. The program will affect dozens of neighbourhoods and thousands of houses, and allow 300,000-odd public housing tenants in New South Wales to develop a better sense of pride in their neighbourhoods.

Why is the Government doing this? It is doing it so that in the heat of summer young kids can walk to school in the shade through those difficult neighbourhoods on the edge of Sydney and in country towns. We are doing it so that mums with prams can walk their kids to the local bus stop to get to the baby health centre in the town. We are doing it so that the elderly can appreciate the look and feel of their improved neighbourhoods. We are doing it so that ultimately we can salt and pepper those places and give people the opportunity to move to other localities. At Bonnyrigg, Minto and the Gordon Estate in West Dubbo it helps us to have environments and neighbourhoods of value in which people want to live.

Public housing started out well in the early days in this country. One of the first public housing estates to be built was Daceyville, along the Garden Cities of Tomorrow principles of Ebenezer Howard. It was similar to the neighbourhoods in Haberfield with lots of trees, lots of greenery, lots of gardens—a decent environment in which to grow up. However, State and Federal governments lost their way over time, and in the 1970s public housing moved to the edge of Sydney. Often they were built in places that were not close to shops, jobs or public transport. Residents of those outer-city neighbourhoods found it difficult to move around in the heat of summer, such as at Campbelltown, where it can be 6 degrees hotter than in the middle of the Sydney central business district. It is important that we invest in those estates and do something for those local environments.

The important thing about the Green Street Program is that it will engage the young disadvantaged and the young unemployed who live in those areas in the delivery of this project. The Salvation Army, the Oasis Project and Boys Town employ young kids who have dropped out of school and have no work skills to do very basic things, such as turn up in the morning. That is a skill that all members know, but many young kids in those housing estates do not. If they turn up in the mornings they can be trained over 12 months and be awarded with a horticultural certificate. That certificate will qualify them to obtain a job, which will make their families and their community proud. This great program improves the lives of the most disadvantaged in our community, and it improves the microclimate. It is a big shot in the arm for that industry, which is looking to other areas of government across the country to emulate what we have started in New South Wales.

I know that members on both sides of the House are very interested in this program. Yesterday I received an inquiry by a member of the Opposition, who has a difficult public housing estate in his electorate. He could see the benefits of rolling out this sort of program and improving the quality of lives and the environment in that neighbourhood. I commend the program to the House. It has the support of industry and the social enterprises that are delivering it. It has the support of the people who live in those areas.

DUBBO ROAD UPGRADES

Mrs DAWN FARDELL: My question is directed to the Minister for Climate Change and the Environment. In November 2009 I wrote to the previous Minister for the Environment on behalf of Dubbo City Council to revoke only 1.47 hectares of land of the Little Beni Forest to allow council to upgrade the dangerous intersection at Boothenda Road and the Golden Highway. As council's Federal funding is due to be acquitted by 30 June 2010, please advise why this urgent matter has not yet been raised in the House.

Mr FRANK SARTOR: The member for Dubbo has asked a good question, and I commend her on her interest in road safety and a range of issues. I am advised that Dubbo council received funding under the Federal Government's Auslink Program to upgrade that intersection at Boothenda Road and the Golden Highway. I am advised that a small section of the Beni State Conservation Area, approximately 1.47 hectares, must be revoked in order for the intersection to be built, and this is an important upgrade of a major intersection. I am advised also that the proposal will have a net conservation benefit, because Dubbo council has agreed to provide adequate and appropriate high-conservation land as an offset compensation for inclusion in the State conservation area.

With that assurance I am pleased to advise that, as I speak, my department is preparing all the necessary documentation to enable the necessary revocation of land reserved under the National Parks and Wildlife Act to occur in the spring session of Parliament—so it will go ahead. That will enable construction to occur within the budget timeframes and improve the safety of the road. I will personally ensure that the matter is progressed. I take this opportunity to commend the member for Dubbo for her interest in improving infrastructure in her community.

A fortnight ago I had the pleasure of joining the member for Dubbo at Taronga Western Plains Zoo, where I was able to feed the rhinoceros, pat the baby rhinoceros, and feed the tiger. It was only from feeding that tiger that I developed the courage to deal with the Deputy Leader of the Opposition. At the zoo I was able to deliver some good news: the Government will invest a further \$1 million in infrastructure projects for the zoo. The specific projects include fencing improvements for the critically endangered white rhinoceros at the white rhinoceros exhibit, desilting the lakes along Foreshore Drive to improve water quality, providing a new visitor viewing deck for the maned wolf exhibit, and new fencing at the endangered hippopotamus exhibit. That funding is in addition to the \$5.5 million that the Government has invested to support the region's largest tourist attraction. I encourage all members to visit that wonderful tourist attraction at Dubbo. Obviously, members opposite would prefer that I talk about smoking, but I will not do so today.

REGIONAL TOURISM

Mr MATT BROWN: My question is to the Minister for Tourism. How is the New South Wales Government supporting regional tourism?

Ms JODI McKAY: I thank the member for Kiama for his question, his enthusiasm for regional tourism and his enthusiasm for Loud Shirt Day. I also thank the Opposition once again for their enthusiasm for regional tourism and the support they always give me when I stand in this place to talk about this wonderful industry in New South Wales.

The tourism strategy that the Government announced in November 2008 is the Government's response to the O'Neill review of tourism. Since that time we have worked in partnership with the State's tourism industry, a partnership between government and industry that has seen about \$40million put into tourism over three and a half years by the Government. We believe industry will inject about \$20 million in response. The aim is for us to achieve our State Plan targets of 160.6 million visitor nights and \$19.2 billion in visitor expenditure by 2016. Our latest milestone, which is incredibly important to the tourism sector, is a \$22 million investment in both domestic and global marketing campaigns, which are promoting regional tourism and Sydney.

I am sure the member for Kiama will join me in welcoming the Government's \$12 million tourism campaign for regional New South Wales, which highlights some of the amazing journeys and delightful experiences available right across this State and particularly on the South Coast. Tourism, as the House has heard me say many times, is essential to the growth and prosperity of regional economies. It injects some \$11.4 billion each year into regional economies and supports about 80,000 jobs in regional areas, so our investment is timely and important. We are also investing some \$10 million this year in a new campaign for Sydney. As all members know, it is the gateway to Australia and it is very important to making New South Wales work. Our new Sydney tourism campaign, which I had the pleasure of launching with the member for Sydney and Lord Mayor of Sydney recently, gives us a whole new perspective on Sydney.

The campaign basically looks at Sydney as the locals see it. The new tourism campaigns have been comprehensively supported by all key sectors of the industry and we also have on board a range of domestic and international airlines. It is important to put on record the support we have received from industry. Patricia Forsythe, the Chief Executive Officer of the Sydney Business Chamber, said on 23 April, "This is a tremendous initiative that should pay dividends to New South Wales." Christopher Brown, Managing Director of the Tourism and Transport Forums, said it was "a timely investment". He said: "Prospective visitors need to know about the great experiences and attractions New South Wales has to offer and this campaign brings a fresh perspective." Our approach, from both a regional and a Sydney perspective, has been applauded by industry because industry knows that our investment will ensure more visitors, more spending and, for those in the tourism industry, more prosperity for New South Wales.

Question time concluded at 3.13 p.m.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Report

The SPEAKER: In accordance with section 78 of the Independent Commission Against Corruption Act 1988, I table the report of the Independent Commission Against Corruption entitled "Investigation into the offer of a corrupt payment to an officer of Strathfield Municipal Council", dated May 2010.

Ordered to be printed.

STANDING COMMITTEE ON NATURAL RESOURCE MANAGEMENT (CLIMATE CHANGE)**Deputy Chair**

The SPEAKER: In accordance with Standing Order No. 282 (2), I advise the House that on 12 May 2010 Gerard Francis Martin was elected Deputy Chair of the Standing Committee on Natural Resources Management (Climate Change).

PETITIONS

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

Hornsby Ku-ring-gai Hospital

Petition requesting the rebuilding of the Hornsby Ku-ring-gai Hospital, received from **Mrs Judy Hopwood**.

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**.

Wagga Wagga Respite Services

Petition requesting funding for a second respite house and the provision of accessible access to the existing respite premises in the Wagga Wagga electorate, received from **Mr Daryl Maguire**.

Alcohol and Drug Services

Petition requesting increased funding for, and expansion of, inner-city alcohol and drug services, received from **Ms Clover Moore**.

Relationships Register

Petition opposing any legislation for a Relationships Register and requesting promotion of marriage for de facto heterosexual couples, received from **Mr Gerard Martin**.

Warringah Expressway Noise Abatement

Petition requesting noise barrier fencing along the Warringah Expressway as part of the proposed Warringah Freeway bus waiting area project, received from **Ms Gladys Berejiklian**.

South Coast Rail Services

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

South Coast Rail Line Staffing

Petition opposing the reallocation of and reduction in staff on the South Coast Illawarra rail line, received from **Mrs Shelley Hancock**.

Princes Highway Rest Areas

Petition requesting adequate toilet facilities on the corner of the Princes Highway and Sussex Road, received from **Mrs Shelley Hancock**.

Hawkesbury River Railway Station Access

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

Bus Service 311

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

Religious Education and School Ethics Classes

Petition opposing the proposed ethics classes and requesting continuation of the scripture classes, received from **Ms Katrina Hodgkinson**.

TAFE Employee Negotiations

Petition requesting fair negotiations with TAFE teachers, received from **Mrs Judy Hopwood**.

Tuckurimba Quarry Expansion

Petition opposing the proposed expansion of sandstone quarry operations at Champions Quarry in Tuckurimba northern New South Wales, received from **Mr Thomas George**.

Shoalhaven Police Station

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

Retail Electricity Pricing

Petition objecting to the Independent Pricing and Regulatory Tribunal recommendations to increase retail electricity prices, received from **Mrs Shelley Hancock**.

Gaden Trout Hatchery

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

Pet Shops

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

Burrill Lake

Petition requesting the water level be reduced from 1.25 metres to 0.9 metres to allow the manual opening of Burrill Lake to alleviate community concerns and reduce the negative environment effects of the lake closure, received from **Mrs Shelley Hancock**.

Darling River Floodwaters

Petition requesting that water flow be allowed during floods down the Darling River into Lake Menindee, Lake Cawndilla and Lake Speculation, received from **Mr John Williams**.

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

Bellingen Hospital

Petition requesting proper consultation with all relevant parties in consideration of funding, organisation and long-term sustainability of Bellingen Hospital services, received from **Mr Andrew Stoner**.

Ozone Street Access

Petition opposing development of an access way through Ozone Street, and prohibiting any interference with the waterway and removal of trees along its bank, received from **Mr Geoff Provest**.

Warriewood Redevelopment Conception Plan

Petition opposing the current redevelopment conception plan and stage 1 project application at 14-18 Boondah Road, 23-27 Warriewood Road and Macpherson Street Warriewood under part 3A of the Environmental Planning and Assessment Act 1979, received from **Mr Rob Stokes**.

Retail Electricity Pricing

Petition objecting to the Independent Pricing and Regulatory Tribunal recommendations to increase retail electricity prices, received from **Mrs Dawn Fardell**.

GREAT WESTERN HIGHWAY UPGRADE

Personal Explanation

Mr ANDREW STONER, by leave: Earlier during question time today the Minister for Transport and Roads sought to impugn my character. Along the way he breached a number of standing orders—not referring to a member by his title and launching into a personal attack other than by way of a substantive motion. He claimed I had said there had been no consultation in relation to the Great Western Highway. That is a falsehood. He has misled the Parliament again. I said there was a lack of consultation and there was ineffective consultation.

BUSINESS OF THE HOUSE

Suspension of Standing Orders: Precedence of Business

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

That standing orders be suspended to permit Government business to take precedence during the period in the routine of business set aside for General Business Orders of the Day (for Bills) at this sitting.

A matter is listed for debate under the name of the member for Manly, the Charter of Budget Honesty Amendment (Independent Election Costings) Bill, which was adjourned on the motion of the member for East Hills. Normally it would be time for the member for East Hills to make his contribution to the debate. As is well known, the Government has introduced the Charter of Budget Honesty (Election Promises Costing) Amendment Bill 2010, which we will debate next week. The Government will be very happy to guarantee the member for Manly unlimited time in debating that particular bill.

Mr ADRIAN PICCOLI (Murrumbidgee—Deputy Leader of The Nationals) [3.17 p.m.]: How appropriate that the Government would want to knock out a debate about honesty. Where is the Premier going?

The SPEAKER: Order! The member for Murrumbidgee will direct his comments through the Chair. The member for Bathurst will come to order.

Mr ADRIAN PICCOLI: There goes the Premier, skulking away after responding to two questions by the Opposition about why she misled not just the Parliament but, more importantly, the public in relation to the Government's proposed justification for a \$90 million tax. She came in here yesterday and said, "We need this to improve security for the land titles office." We have done our homework since and she has proved to be dishonest.

Mr John Aquilina: Point of order: The only dishonesty is the presentation by the member for Murrumbidgee in this debate. My point of order is that the member for Murrumbidgee is not speaking to the motion that I moved. He is out of order because under Standing Order 76 his remarks are not relevant to the debate.

The SPEAKER: Order! I will hear further from the member for Murrumbidgee.

Mr ADRIAN PICCOLI: This afternoon was an opportunity to debate a bill put forward by the Opposition after the Premier agreed with the Leader of the Opposition that we would go to the next election under a charter of budget honesty. The Opposition introduced some legislation, which reflected the agreement made during that debate, under which an independent umpire would review the election promises made by both the Government and the Opposition. In fact, the independent umpire would not just review them but do the costing to give transparency to the general public and give them confidence about the promises that both the Government and the Opposition are going to make.

We saw what happened at the last election when Treasury costed the Government's policies. Treasury costed The Spit Bridge—a grand promise made by the Government to improve The Spit Bridge. Lo and behold, when the Roads and Traffic Authority costed that project after the election, it established that it would be too expensive and the Government scrapped it. Members of the public have no confidence in that costing process. With all due respect to the people who work in Treasury, there is a political aspect to having Opposition promises and Government promises costed by Treasury.

In debate on that issue the Leader of the Opposition said that an independent umpire should do those costings. That is what the Opposition's Charter of Budget Honesty Amendment (Independent Election Costings) Bill 2010 states—a bill on which all members would have had an opportunity to vote this afternoon, notwithstanding the Government's attempt to suspend standing orders. Instead the Government introduced its own charter of budget honesty legislation. However, that will bring back Treasury, which will politicise its costings in the lead-up to the next election—something that Opposition members do not want to see.

The SPEAKER: Order! Government members will cease interjecting.

Mr ADRIAN PICCOLI: As I said earlier, this Government has a lot of trouble with honesty. Today the Government and, in particular, the Premier, were exposed when the Premier skulked out of the Chamber as soon as she heard the word "honesty". Today she was exposed—

Mr John Aquilina: Point of order: As I indicated earlier, the member for Murrumbidgee will have plenty of opportunity to raise these issues when we debate the Charter of Budget Honesty Amendment (Independent Election Costings) Bill 2010. The contribution of the member for Murrumbidgee, which is out of order, is hypocritical and grossly dishonest. Everything that he has said is grossly dishonest.

The SPEAKER: Order!

Mr ADRIAN PICCOLI: Today the Government is denying members an opportunity to vote on the Opposition's Charter of Budget Honesty Amendment (Independent Election Costings) Bill 2010. On television the Premier broke a promise that she made during debate on that issue. She said that, in the lead-up to the next election, all the Government's policies would be independently costed—a major broken promise by the Government. All this suspension of standing orders will do is cover up that lie, which is a disgrace. The Opposition will not support this motion for the suspension of standing orders.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [3.21 p.m.], in reply: Once again the contribution of the member for Murrumbidgee was hypocritical and, in itself, grossly dishonest. Everything he said this afternoon was untrue. Members will have an opportunity to canvas this matter next week when we debate the Charter of Budget Honesty Amendment (Independent Election Costings) Bill 2010. It will be debated in accordance with the motion, notice of which has already been given in this House.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 47

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

Noes, 39

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 Besseling	Mr Humphries	Mr Stokes
Mr Cansdell	Mr Kerr	Mr Stoner
Mr Constance	Ms Moore	Mr R. W. Turner
Mr Debnam	Mr O'Dea	Mr J. D. Williams
Mr Dominello	Mr O'Farrell	Mr R. C. Williams
Mr Draper	Mr Page	
Mrs Fardell	Mr Piccoli	
Mr Fraser	Mr Piper	<i>Tellers,</i>
Ms Goward	Mr Provest	Mr George
Mrs Hancock	Mr Richardson	Mr Maguire

Question resolved in the affirmative.

Motion agreed to.

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY

Smoking and Health

Dr ANDREW McDONALD (Macquarie Fields—Parliamentary Secretary) [3.29 p.m.]: This motion deserves priority because smoking is the greatest cause of premature death in New South Wales. Smoking causes 6,500 deaths each year. One in five deaths in New South Wales is smoking related and 50 per cent of people who smoke will die from smoking. Smoking takes an average of 10 years off the life of every smoker. Smoking continues to be a major burden on our public hospitals, with more than 55,000 hospital visits attributable to tobacco smoking. The economic burden is even greater than the health costs. That is why this motion deserves priority.

Research tells us that the overwhelming majority of smokers start smoking before the age of 25, with 8 in 10 smokers beginning in their teens. Almost every adult who smokes started smoking by the age of 18, and 8 in 10 smokers who started smoking by the age of 20 will regret ever starting to smoke. The longer a person has smoked and the older a smoker gets, the harder it is to quit. Each day 80 per cent of smokers light up a cigarette. The younger a person is who begins smoking, the more likely that person is to continue smoking. That is why prevention is vital and why this motion deserves priority.

Smoking rates are closely related to socioeconomic status. The risk factors include parents and friends who smoke, single-parent families, low levels of self-esteem, poor academic performance, comorbid psychiatric disorders and availability of cigarettes, which is the direct responsibility of governments. That is why this motion deserves priority. Some 40 per cent of smokers are trying to quit and the smoking rate—17.2 per cent—is the lowest ever recorded in New South Wales. The New South Wales Government has undertaken the nation's most comprehensive agenda of tobacco reforms and social awareness campaigns to reduce the numbers of smokers in our community and, therefore, the impact of tobacco-related disease and death. That is why this motion deserves priority today. The most important public health measure we can undertake is tobacco reduction. This must be discussed today. That is why this motion deserves priority.

Political Integrity

Mr BARRY O'FARRELL (Ku-ring-gai—Leader of the Opposition) [3.32 p.m.]: No doubt smoking is an evil and the reduction in smoking rates should be applauded, but I quibble with my colleague the member for Macquarie Fields in saying that it is the most important matter that should be debated today. The most important issue, whether it relates to the collection of statistics on tobacco deaths or anything else, is honesty and integrity. Today the member for Murrumbidgee demonstrated that we have a State Government that again refuses to apply high standards to itself. Yesterday the State Government tried to sneakily unveil a new property tax that, in the words of the Premier, will reap between \$80 million and \$100 million each year. This property tax will kick in at a home value less than the average price of housing across the city.

In its defence, the Government said the money would be used to ensure that the land title system was strengthened, that fraud was combated and that security around the land title system is improved. Yet the Government's 2008-09 annual report demonstrates that the security measures it claims will be funded by this tax have been funded and were introduced last July. It is a lie. The second lie perpetrated by the Premier today—she did not even attempt to explain herself when she was caught out on both issues—is that purchasers of land in New South Wales already pay a levy. That levy is a fraud because it goes into a fund, and that fraud fund for land titles amounts to \$16 million. Last year fraud claims amounted to \$4 million and the year before they totalled \$2 million. New South Wales does not need a new tax to fund fraud claims. This tax will further hurt the property market.

Over the past decade the number of new starts in property in New South Wales have fallen by almost 50 per cent. One may believe this is due to economic conditions, but the figures in Victoria stayed largely the same. In Victoria 10 years ago there were 40,000 new property sales and last year the figure was the same in that State. In New South Wales 10 years ago there were 40,000 new property sales, but last year there were only 22,000. One key contributing factor as to why young families, home buyers and others cannot get into the property market in New South Wales is the failure of those opposite to ensure sufficient release of property to market. Why? Because of the enormous cost of development in this State—the enormous cost of levies, charges and taxes. When the Treasurer claims there are green shoots of economic recovery even touching the property sector, the response from this State Government is a desire to further tax the property sector.

This is a bad tax. It is a tax that a Liberal-Nationals government would not introduce. It is a tax that a Liberal-Nationals Coalition will oppose root and branch when the legislation comes into this Chamber. Should this property tax be passed by this Parliament, the Liberal-Nationals will seek to repeal it after the next election. We say that because we have had it with the lies told by those opposite. Today we saw the resurrection of the puppet. For the past six months the Premier has been keen to try to distance herself from the claims made by the former Premier. On the day the current Premier was elected, he said that should she be Premier by that evening she would be there as the puppet of Joe Tripodi and Eddie Obeid. Today we saw the puppet in full flight. Today we saw the puppet unable to defend the things the Government said were true.

Mr Alan Ashton: Point of order: The Leader of the Opposition knows that he cannot use that sort of language about the Leader of the Government.

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

Mr BARRY O'FARRELL: Kristina Keneally, the Premier of New South Wales, is good with a script. She is convincing with a script. It became clear today that without the script, without others telling her what the situation is, without being told the facts, she does not have a clue. She was caught out lying in saying that the new tax would pay for security features that were introduced last year. She was caught out lying by claiming that this tax would improve fraud when there is already a fraud fund. Nothing is more important than honesty and integrity. Nothing is more important than the confidence the public should have in a Premier. Nothing is more important than revealing the Premier as a puppet of those opposite.

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

The House divided.

Ayes, 45

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

Noes, 39

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 Besseling	Mr Humphries	Mr Stokes
Mr Cansdell	Mr Kerr	Mr Stoner
Mr Constance	Ms Moore	Mr R. W. Turner
Mr Debnam	Mr O'Dea	Mr J. D. Williams
Mr Dominello	Mr O'Farrell	Mr R. C. Williams
Mr Draper	Mr Page	
Mrs Fardell	Mr Piccoli	
Mr Fraser	Mr Piper	<i>Tellers,</i>
Ms Goward	Mr Provest	Mr George
Mrs Hancock	Mr Richardson	Mr Maguire

Pairs

Mr Daley	Mr Merton
Mr Gibson	Mr J. H. Turner

Question resolved in the affirmative.

LOUD SHIRT DAY

The SPEAKER: I advise the House that funds received by the Legislative Assembly for Loud Shirt Day already amount to \$1,000. I thank all members and staff for their contributions.

SMOKING AND HEALTH

Motion Accorded Priority

Dr ANDREW McDONALD (Macquarie Fields—Parliamentary Secretary) [3.47 p.m.]: I move:

That this House:

- (1) notes that new figures released in the New South Wales Public Health Survey show that the rate of smoking in New South Wales in 2009 at 17.2 per cent was the lowest rate ever recorded; and
- (2) congratulates the New South Wales Government on its recent initiatives to curb smoking.

Smoking kills 50 per cent of those who smoke. The major causes of mortality are cardiovascular disease, lung disease or chronic obstructive pulmonary disease [COPD], many types of malignancy not just lung cancer, diabetes, and peptic ulcer disease. It is also a major cause of both infertility and osteoporosis. World wide, all First World countries are endeavouring to reduce the rate of smoking. New South Wales is among the world leaders in smoking prevention. In 2003 the Carr Government took the unprecedented step of creating the first portfolio dedicated to reducing the impact of cancer when it created the Cancer Institute of New South Wales.

Through the Cancer Institute the Government has invested over \$58 million in more than 40 social marketing campaigns, including the graphic, memorable and highly effective remake of the sponge commercial. The extent of the benefit of smoking reduction depends on the duration and intensity of prior tobacco use. For that reason the Government has introduced the nation's toughest laws to protect non-smokers from the health dangers of second-hand smoke, a ban on smoking indoors in clubs and pubs throughout New South Wales, and a ban on smoking in cars where children under 16 years of age are present.

While cigarette advertising in the media has been outlawed, this year New South Wales went one step further by removing tobacco from display counters in shops. The fact is that youth are more influenced by tobacco marketing than are adults. The median stage of commencing smoking is year 10, or age 16. If a person is not smoking by age 19, they are extremely unlikely ever to be a long-term smoker. That is why the Government has taken action on youth marketing, banned the sale of fruit-flavoured or confectionary-flavoured cigarettes and banned mobile vendors of tobacco products at youth events. I cannot imagine that one parent in this State wants their kids exposed to the marketing of cigarettes and tempted by a habit that will take 10 years off their lives.

A survey of people's attitudes to smoking taken over three years by the Cancer Institute found an overwhelming community desire to toughen the restrictions on the sale of cigarettes. More than 8 in 10 people surveyed said they wanted cigarette packs in shops hidden out of sight of children. That is why this year the New South Wales Government removed tobacco from display counters in shops. Two weeks ago the Rudd Government went a step further and announced the introduction of plain packaging of cigarettes by 2010, with an increase in the cost of cigarettes. Yesterday in the Federal Parliament legislation was introduced to permanently increase tobacco excise in Australia by 25 per cent. This is projected to result in 87,000 fewer smokers and will save 43,000 lives, because smoking kills one out of every two smokers.

Yesterday the Rudd Government also released its response to the national Preventative Health Taskforce report. In four of the five key recommendations for tobacco, New South Wales has already taken best-practice action, as I have just described. Recommendations include increasing the frequency, reach and intensity of social marketing campaigns in Australia. New South Wales has already taken this action. It is recommended that all forms of advertising and promotion of tobacco products should end. New South Wales has already taken this action. It is recommended that exposure to second-hand smoke in public places should be eliminated. New South Wales has already taken action. It is recommended that manufacturing be regulated and packaging be further regulated. New South Wales has already taken action. It is recommended that tobacco products should be more expensive. New South Wales supports the Federal action.

The Federal Government's actions follow recommendations from the Preventative Health Taskforce and have been supported by peak bodies including the Australian Medical Association, the Cancer Council of Australia, the National Heart Foundation, the Australian Nursing Federation, the Public Health Association, Action on Smoking and Health, and all other public health bodies. The medical journal the *Lancet* supports the measures. The journal of 8 May 2010 stated:

Australia's new anti-tobacco initiative is an historic event, and other countries now need to follow suit.

I get the *Lancet* and give it to the Parliamentary Library. I have a copy for members opposite to read at the conclusion of this debate. The Keneally Government stands side by side with the Rudd Government in its desire to reduce the incidence of tobacco smoking and will continue to take action to save lives. Having outlined the comprehensive program of tobacco reforms implemented by the New South Wales Government since 2003, it is important to assess the impact of those reforms. This week the New South Wales Government announced new figures showing that the rate of smoking is at an all-time low. Since 1997, when records began through the New South Wales Public Health Survey, smoking rates have dropped from 24 per cent of people over the age of 16 to 17.2 per cent in 2009. One in four smokers in New South Wales has kicked the habit since 1997.

Since 2003 the smoking rate in New South Wales has declined by 5.1 per cent, from 22.3 per cent to 17.2 per cent. In that time the rate of female smoking has declined by 5.6 per cent, from 19.8 per cent in 2003 to

14.2 per cent in 2009. Male smoking has decreased by 4.6 per cent, from 24.9 per cent in 2003 to 20.3 per cent in 2009. This male-female disparity is shown in most First World countries. Smokers reduce the risk of all diseases once they stop smoking; there is rapid cardiovascular benefit and a 36 per cent mortality benefit in cardiac surgery for non-smokers compared with smokers. There are 150,000 fewer adult smokers in New South Wales than there were in 2003.

The number of smokers in New South Wales continues to decline, supported by State and Federal action, making our smoking rates among the lowest in the world. Today we need to hear what our opponents will do to reduce tobacco rates. I feel for members opposite because, as we know, British American Tobacco supports their policy. They have no choice about whether their party accepts donations, which undermines their policy and their credibility. They are unable to speak. We need to know when, not if, their party will stop accepting money from tobacco companies.

Mrs JUDY HOPWOOD (Hornsby) [3.54 p.m.]: I lead for the Opposition in this debate on an extremely important issue: smoking and its cessation. Smoking is a scourge on our society. Smokers who are addicted to tobacco may not agree with that statement. I have never smoked, but I feel a degree of sympathy for smokers who are unable to give up easily. As has been said, everyone knows that tobacco smoking is the greatest single cause of premature death and is a leading preventable cause of morbidity in New South Wales. As the member for Macquarie Fields said, one in five deaths is related to smoking.

Non-smokers can be adversely affected by exposure to environmental tobacco. In children, breathing smoke can lead to bronchitis, pneumonia, asthma and other illnesses. In adults, breathing other people's cigarette smoke can increase the risk of cardiovascular disease, lung cancer and other lung diseases. This is in addition to the irritant effects of that smoke on the eyes, nose, throat and airway passages caused by the presence of chemicals in the tobacco smoke. It is important to work collaboratively to reduce smoking and the effects of smoking. This collaborative work should include tobacco policy development, provision of cessation services and the enforcement of legislation. With that in mind, I move:

That the motion be amended by leaving out paragraph (2) with a view to inserting the following:

- (2) acknowledges work performed over many years by the Cancer Council, the New South Wales Cancer Institute, the Heart Foundation and clinicians together in the fight against smoking and its disadvantages.

I emphasise that they have worked together. I acknowledge also the work of local government. In my electorate I am working on a particular issue involving a framing business. The butt bins have been removed from outside the business, but we are working to further reduce smoke and its impact on the business. I have some other facts relating to smoking. Although the smoking rate has declined over the past 30 years, it remains the leading cause of death and illness in New South Wales. Disadvantaged and vulnerable people, such as people with mental illness, are more likely to smoke and to bear a disproportionate share of the burden of suffering, sickness and premature death caused by smoking.

Three aspects highlight smoking as a social justice issue: the prevalence of smoking, the impacts of smoking and the question of choice. Each year in New South Wales thousands of people die from smoking-related illnesses. Adults who smoke lose an average of 13 or 14 years of life. Smoking is a leading cause of chronic diseases, as the member for Macquarie Fields outlined, such as cancer, heart disease, stroke and cardiovascular disease. All of these diseases cause immense emotional pain and suffering to individuals and families through death or the erosion of quality of life. One interesting fact is that the prevalence of smoking increased dramatically during the world wars, mainly due to the policy of providing free tobacco to Allied troops as a morale booster. Later in the twentieth century smoking became less popular due to the rapid increase in knowledge about the health effects of smoking.

I point out that Peter Collins was the first Coalition Minister to support smoke-free work environments. In terms of preventative health, there are many other areas, apart from smoking, where this Government could work much harder in relation to cancer. The most common cancers in New South Wales are prostate cancer, 18 per cent; bowel cancer, 14 per cent; breast cancer, 12 per cent; melanoma, 10 per cent; and lung cancer, 9 per cent. I draw the attention of members to the fact that New South Wales health spending in relation to preventative health is a disgrace. It is at the bottom of the list. Late last year a report from the Australian Institute of Health and Welfare revealed that the New South Wales Labor Government has spent the least amount of money on preventative health per person of any State or Territory in the nation.

The report measured health spending in areas such as immunisation, communicable disease control, prevention of hazardous and harmful drug use, public health research, screening programs and health promotion.

The lack of interest in funding preventative health measures in New South Wales flies in the face of this motion but symbolises everything that this Government stands for—wait until there is a crisis and then put in the resources. I will cite expenditure per person on preventative health in this nation in 2007-08: Northern Territory, \$373.23; Australian Capital Territory, \$140.30; Tasmania, \$121.58; South Australia, \$108.56; Queensland, \$102.77; Western Australia, \$100.16; Victoria, \$98.50; and New South Wales again at the bottom of the list with \$90.30, which is an absolute disgrace. The average per person was \$101.61.

Mr Richard Amery: With a higher amount though.

Mrs JUDY HOPWOOD: I am talking about the expenditure per person so I will not take any notice of comments from the other side of the Chamber. The Government is crowing about a 17.2 per cent smoking rate. The New South Wales Population Health Survey 2009 shows ebbs and flows, and highs and lows from 2002 to 2009. It also shows that in February 2006 the average was 11.4 per cent, with a range between 6.2 per cent and 16.7 per cent—which is certainly lower than 17.2 per cent. It is not only this Government but many agencies, individuals and clinicians who can pat themselves on the back for reducing smoking rates. In the past I have worked very closely with Action on Smoking and Health. [*Time expired.*]

Ms ANGELA D'AMORE (Drummoyne—Parliamentary Secretary) [4.01 p.m.]: I support the motion moved by the member for Macquarie Fields. It was very heartening to learn this week that in 2009 the rate of adult smoking in New South Wales reached its lowest level ever recorded. Data from the New South Wales Public Health Survey showed that the percentage of people aged 16 and over who smoke daily or occasionally dropped to 17.2 per cent in 2009, down from 24 per cent in 1997 when these surveys began. That means that more than one in four people in New South Wales have quit the habit since 1997. The new figures also reveal an estimated 160,000 fewer adult smokers in New South Wales today compared with 2003, the year that this Government established the Cancer Institute New South Wales, which is a body dedicated to reducing the incidence of cancer. The Public Health Survey 2009 also revealed that the 1.2 per cent reduction between 2008 and 2009 exceeds our New South Wales State Plan target.

Those encouraging results have been achieved through a combination of regulatory measures and education campaigns conducted by this Government. They include groundbreaking legislation to ban indoor smoking in pubs and clubs, ban smoking in cars carrying children, remove tobacco displays and introduce single points of sale for tobacco in retail outlets. The Public Health (Tobacco) Act 2008 also confirmed the Government's commitment to enforcing the prohibition on the sale of tobacco products to minors, with enhanced penalties for retailers. In the legislation's first three months of operation New South Wales police administered 45 fines.

Our preventative efforts also include more than 40 smoking prevention campaigns that have been conducted by the Cancer Institute NSW. They include high-profile high-impact television prevention campaigns such as the everybody knows campaign, the sponge campaign and the what's worse campaign. Investment in those campaigns is pivotal to driving down smoking rates and encouraging active smokers to consider quitting the habit. Our investment is maximised by the sharing of content with other State-based cancer institutes. This increases the funding dedicated to broadcasting the prevention message rather than money spent producing advertising material. We also provide support for smokers throughout the quitting process via the Quitline because we understand that people who display addictive tendencies require both education and support.

Interestingly, calls to the New South Wales Quitline increased by 57 per cent the day after tobacco prices were increased recently through Federal Government action—evidence of the effectiveness of this measure. I note the bipartisan support in relation to legislation that has come before this House. On 25 September 2008 the House debated the Public Health (Tobacco) Bill 2008—another initiative from this Government to reduce the incidence of smoking in the community. In respect of that legislation the Deputy Leader of the Opposition said:

As an ex-smoker, I understand the dilemma and the difficulty of giving up smoking, but I know the benefits of not having had a cigarette for many years ...

I know how much better one feels. I advocate to every person who might be listening or who might read this debate in *Hansard* in the future: Do the right thing and give up smoking—you will feel a lot better for it.

She also said:

It is worthwhile reminding the House that the bill prohibits the display of tobacco products and non-tobacco smoking products and accessories, requires tobacco products to be sold from only one point of sale on premises, limits the number of vending machines to one ...

It is good that there has been a bipartisan approach to reducing the number of smokers in our State. Whilst the shadow Minister for Health, the Deputy Leader of the Opposition, says that in one breath, in the next breath she supports her party's policy of accepting donations from tobacco companies. Her Federal leader recently confirmed that policy on the Today show. The Opposition says that it is prepared to support these initiatives but it is happy to accept donations from tobacco companies, unlike the Australian Labor Party, which determined it would not accept donations from tobacco companies despite the immoral stance of the Liberals and The Nationals. It is time they stopped taking donations from tobacco companies and supported the Federal Government and State Government measures to save lives by reducing tobacco smoking. It is important for our community to know that only recently the Liberal Party and The Nationals accepted donations. That is an absolute disgrace. I move:

That the motion be further amended by inserting the following as a new paragraph (3):

- (3) acknowledges work performed over many years by the Cancer Council, the New South Wales Cancer Institute, the Heart Foundation and clinicians together in the fight against smoking and its disadvantages.

Mr JONATHAN O'DEA (Davidson) [4.06 p.m.]: In the circumstances, I am glad that the Government has accepted the amendment moved by the member for Hornsby. That is a good move, albeit somewhat late in the piece. I also welcome the acknowledgement of a bipartisan approach to smoking policy. I note that at the Federal level even Opposition leader Tony Abbot has indicated that he will not defend smoking and will not oppose the Federal Government's tobacco hikes because they might have some useful health spin-offs. In reality, it is clear that the Opposition's approach is the same as that of the Government. So what is its problem?

The Opposition welcomes the reduction in the smoking rate from 24 per cent to 17.2 per cent. A few items on the website of the New South Wales Department of Health are worth highlighting. Rather than just looking over 12 years, the department website appropriately looks at a 25-year horizon. It acknowledges that over 25 years, including when the Coalition was in Government, tobacco control activity has resulted in a dramatic reduction in the number of people who have used tobacco products and the number of people who have been exposed to environmental tobacco smoke. We acknowledge that those improvements have occurred under both Coalition and Labor governments over 25 years, and are evidence of a bipartisan approach.

There are more than 5,000 deaths and more than 40,000 hospitalisations in New South Wales every year due to smoking. We join the Government in saying that that is not healthy. I spent 14 years on the board of a health insurance organisation and I can attest that both the private and public health systems are unduly taxed and under strain as a result of smoking. That manifests itself in lung cancer, heart disease and acute respiratory effects, all of which are best avoided. Earlier I referred to the website of the Department of Health. It is somewhat disturbing that the website currently talks about a New South Wales Tobacco Action Plan 2005-09. Currently we are in 2010—what about looking forward? Where is the Government's information for 2010 and going forward? That is where the Opposition is focused as a potential alternate government. So the Government should get with it, get up to date and get its website up to date. You guys are behind the times.

As the Minister Assisting the Minister for Health (Cancer) said yesterday, most people in our community, including members of this Parliament, know someone who has been affected by cancer. It is crucial in any cancer control plan to address the incidence of smoking. A whole range of organisations has done fantastic work, and the member for Hornsby outlined them. One organisation that I have talked about is Life Education Australia. Education is the most effective method to get the danger of drugs, such as tobacco, through to young people. Life Education Australia works in partnership with school systems, government, corporate and community organisations on drug education initiatives and related community projects. In partnership with schools and the community it aims at helping eliminate illegal drug use and smoking among young people. It deserves more New South Wales Government support.

On 6 November 2009 the *Sydney Morning Herald* stated that, of all States, New South Wales spends by far the lowest on each person on public health activities and relies on the Federal Government for 61 per cent of funds. New South Wales spent \$90 per person in 2007-08 compared with the national average of \$102. That fact is borne out in the Australian Institute of Health and Welfare's report entitled "Public Health Expenditure in Australia 2007-08". How much more could be done to counter the effects of smoking and cancer in this society if but a proportion of that half a billion dollars that was wasted on the CBD metro was directed to initiatives such as those we are talking about today. Shame on the Government for wasting money!

Dr ANDREW McDONALD (Macquarie Fields—Parliamentary Secretary) [4.11 p.m.], in reply: I thank all members who have contributed to this debate. I speak of my compassion for those opposite, both

decent and clearly reasonable human beings, who have been put in the position of having to defend the indefensible. As both reasonable, decent, non-smokers, they both know it. There is no harder case in politics to argue than to defend the indefensible. Where is the shadow Minister, the Deputy Leader of the Opposition, who yesterday tried her best to defend the indefensible? However, it is impossible for them to speak on smoking policy when they continue to accept money from British American Tobacco.

Members opposite spoke about choice. Choice was first discussed in the 1820s and 1830s under the laissez faire capitalism issues. They spoke of smoking as a choice—well, it is not. It is an addiction. That addiction commences when a person is 16, an addiction that frequently commences in childhood because most smokers had parents who smoked—that doubles the risk of smoking. However, 40 per cent of smokers want to quit, yet members opposite argue about choice as if it is instead of public policy. It is better than the Nick Minchin policy, which is to hope that smokers die. There are better forms of public policy than that, as the member for Davidson said, waiting for a crisis to take action. It is very difficult for those opposite to argue anything about smoking cessation when their party chooses to continue to accept tainted money from British American Tobacco, against the wills of members opposite.

If members opposite who have spoken in this debate had a choice, they would not accept that tainted money. But they cannot, because they do not control the coffers, they are forced to run a health policy that is sponsored by British American Tobacco, and that reduces their ability to make any public health discussion, while they continue to accept that money. All we need to know is: when, not if, they will stop accepting that tainted money.

Mr Jonathan O'Dea: Point of order: I ask the member to return to the substance of the motion.

Mr Richard Amery: To the point of order: The member for Drummoyne raised the issue of donations during the debate. Therefore, the Parliamentary Secretary is able to respond to that issue.

The DEPUTY-SPEAKER: Order! There is no point of order. The Parliamentary Secretary is replying to matters that were raised during the debate.

Dr ANDREW McDONALD: Tony Abbott, a very decent human being, a graduate of Holy Family Lindfield, as is the member for Davidson—

Mr Jonathan O'Dea: No, I just go to church there.

Dr ANDREW McDONALD: Tony Abbott was dragged kicking and screaming into admitting that this is good public policy. It must have hurt, because those opposite believe in individual choice rather than public health. Individual choice extends only so far; it does not extend to policy for the most addictive substance known to man: nicotine. Every cigarette grabs the coronary arteries and squeezes them and significantly increases cardio-vascular mortality. Smoking cigarettes takes 10 years off one's life. Yet those opposite continue to argue for choice, continue to argue against public health measures. They continue to speak knowing that British American Tobacco sponsors their policy.

Today about one in 10 year 10 students will take 10 years off their life by taking up smoking. By the age of 19 a person is extremely unlikely to become a serious smoker. Big tobacco targets young people. Big tobacco sponsors the Liberal Party. Big tobacco knows exactly what it is doing with its money. The member for Davidson talked about excise, knowing full well that—

Mr Michael Richardson: Point of order: I refer to tedious repetition. We have heard this about 100 times already.

The DEPUTY-SPEAKER: Order! That is not a point of order.

Mr Michael Richardson: It is in there, have a look.

The DEPUTY-SPEAKER: Order! The member for Castle Hill will resume his seat.

Dr ANDREW McDONALD: It is unusual for the member to talk about tedious repetition. However, tedious repetition is important in public health. As the member for Hornsby said, talk about the excise! She knows full well the excise comes nowhere near to covering the societal cost of big tobacco. That is a myth supported by the Liberals' sponsor.

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

Amendment of Ms Judy Hopwood negatived.

Question—That the amendment of Ms Angela D'Amore be agreed to—put and resolved in the affirmative.

Amendment of Ms Angela D'Amore agreed to.

Motion, as amended, agreed to.

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

NSW SELF INSURANCE CORPORATION AMENDMENT (HOME WARRANTY INSURANCE) BILL 2010

Agreement in Principle

Debate resumed from an earlier hour.

Mr MICHAEL RICHARDSON (Castle Hill) [4.19 p.m.]: Earlier I referred to Alkira Homes, which has display homes in Kellyville. The company has problems obtaining a quantity of insurance that would suffice for the 75 homes it has on its books. It has a cap of about \$10 million, which is probably enough to build about 20 homes. That has now been extended by \$2 million, which will enable the company to build another four or five homes, but there are 50 to 55 homes that it will not be able to build until it gets insurance. As a consequence, tradesmen are unable to work, people previously in Alkira's office are unemployed and companies that make building materials do not have work. There is a knock-on effect in the home building industry that we ignore at our peril.

The premium for Alkira's insurance has risen from \$1,300 to \$3,000 per home, although the company has put up \$22 million in assets. That is a very significant amount of collateral, yet Alkira's insurers said they wanted some liquidity as well. They wanted Alkira to put up \$2 million in cash. Of course, that is money that could have been better utilised to help grow the business. The company put up the money so that it can go ahead and build those homes, but it is asking why that should be the case. It is very concerned about the possibility that the Government-run scheme will be very tardy in getting up and running. It wonders whether the Government will hit the ground running with the new scheme and whether the Government-underwritten insurance will be available as of 1 July.

My constituent Susan Bell echoes those concerns. Mrs Bell is building a house on some land that she owns on the Central Coast. Her builders thought they had insurance. I guess they were using a private certifier because one wonders how they managed to get a construction certificate for the home without providing a current certificate of insurance. However, the first the builders knew that they had problems was when the premium they had paid appeared back in their bank account through their broker. As members can imagine, that created some significant problems for them and for my constituent. The builders gave my constituent the option of cancelling the contract. Mrs Bell tells me that at that stage they were just about at lock-up and they were not significantly ahead with their payments. Everybody felt it was in their best interests to continue with the work. Indeed, the Department of Fair Trading advised that it was the best thing they could do.

Of course, the company they are dealing with on the Central Coast has other contracts that it wants to sign but cannot do so as a consequence of the lack of insurance. According to some notes I have, the company has three contracts that it is unable to sign and the owner-builders have pulled out. If that is multiplied throughout the New South Wales economy it comes to many millions of dollars, if not hundreds of millions of dollars, worth of work that has effectively ceased because the Government has delayed getting this legislation through the House in response to the crisis that occurred when a significant number of insurers dropped out of the home owners warranty insurance business.

Builders are saying to me that there will be chaos on 1 July. Nothing is happening now and everything will happen after 1 July. They ask why the Government is not accepting applications for insurance today. I agree with that. It seems to me that given the type of scheme that is being set up, where the Government is the

underwriter and a number of insurers will be acting as agents and there will be brokers, it should be possible to process and approve those applications for insurance now. Even if the insurance were not available until 1 July, it would ensure that the pre-approval process went ahead and the insurance would be available as of the beginning of the new financial year. At the moment there is no guarantee that will happen.

That is why I said in my introductory remarks that this bill could be renamed the "NSW Home Warranty Insurance (Just in Time) Bill". The great fear that builders and home owners have is that it will not be just in time and a number of builders may go under or will certainly lay off staff as a consequence of the Government's tardiness. I would like to hear from the Government whether it would accept that proposal and whether there is a way of bringing forward approvals of home warranty insurance from 1 July.

Another concern relates to the quality control building specialists who will manage the contracts of higher risk builders. We on this side of the House are very sceptical that that scheme will get up and running. As the member for Albury pointed out in his contribution, builders who operate under that scheme will be at a competitive disadvantage compared with those who do not because of the length of time it will take to obtain insurance. I understand the panel of quality control building specialists is currently in disarray. The Master Builders Association will not tender for the process because there is insufficient detail about what will be required from the managers and how they will be remunerated.

It is interesting to note that Queensland Master Builders will give anyone \$3 million home warranty insurance without their having to put up collateral. I understand a similar sort of scheme operates in Victoria. There are some significant flaws in what the Government is proposing. On this side of the House we certainly understand the importance of the building industry to New South Wales and that is why we do not intend to oppose the bill. But we would like the Government to address issues we have raised during the debate.

Mr NINOS KHOSHABA (Smithfield) [4.27 p.m.]: I am pleased to speak in support of the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. Without this action, a key driver of the New South Wales economy would have been under threat. The New South Wales Government recognises the importance of our housing sector and is doing what it can to keep it strong. The good news is that the latest official data from the Australian Bureau of Statistics shows that New South Wales is leading the nation in home approvals. Official housing data shows a 43 per cent increase in residential building approvals in New South Wales from February to March.

The bill will protect 35,000 licensed builders and thousands of home owners in New South Wales who could have been placed at risk by tightening of the home warranty insurance market. During the period from 2004 to mid 2009, there were up to seven insurers providing home warranty cover in New South Wales. Builders were not experiencing difficulty in obtaining either eligibility for home warranty insurance generally or cover for specific projects. However, many builders are now finding it difficult to achieve eligibility or obtain the level of cover that they require. This is a direct result of the global economic crisis, which has seen a substantial contraction in the home warranty market with insurers more closely scrutinising and enforcing their underwriting criteria.

That problem was exacerbated by the withdrawal of CGU Insurance Limited and Lumley General from the home warranty market during the latter part of 2009. Vero Insurance Limited, which has the largest share of the home warranty market, will cease providing home warranty cover on 1 July 2010. That would have left only two insurers in the market and it would have created further difficulties for builders. Since August 2009 insurers have reported more than 300 builders as having been declined eligibility or cover for projects. Builders not being able to obtain home warranty insurance cover potentially jeopardises a \$20 billion industry that employs 250,000 people in New South Wales. There is also a flow-on effect to thousands of homebuyers, apprentices, subcontractors and suppliers.

The Government's decision to establish SICorp as the sole provider of home warranty insurance was made in November last year. Since that announcement SICorp has been working closely with representatives from the building and insurance industries. This partnership approach has meant that the new arrangements planned to be in place from 1 July this year will provide the necessary certainty and security to allow builders to get on with the job of building residential properties. By taking this decisive action the Keneally Government is providing stability to the residential construction industry, protecting jobs, and giving peace of mind to home owners.

The reforms in this bill demonstrate the Government's firm and ongoing commitment to supporting the residential construction industry. Once again these reforms demonstrate that New South Wales is a place where

tradespeople can get on with the business of building our economy to see us into the future. Without the safety net provided by home warranty insurance, many home owners would not have been able to have their homes completed or defective work rectified, or they would have suffered severe financial loss. This bill will protect business and consumers. I commend the bill to the House.

Mr JOHN TURNER (Myall Lakes) [4.32 p.m.]: As the member for Castle Hill and shadow Minister for Fair Trading said in his earlier contribution, the Opposition does not oppose the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. However, it has a number of reservations about it, and rightly so. Over a succession of years this Government has presided over the rise and fall of a number of home building insurance schemes. This is yet another example of the Government trying to put Humpty Dumpty back together again, which is no different from last time—an issue with which I will deal later. At high noon—the old legislation is due to be phased out in June—the Government has introduced new legislation. The member for Smithfield said that originally this matter was discussed in November. We are now in May and we are pushing a June start-up date when the wheels are not even on the vehicle.

This Labor Government has a terrible history in the home building area. I remember when home building insurance moved from the government sector to the private sector when I had carriage of this matter. At that time I said there would be problems associated with the private sector because it would hold industry and the Government to ransom in administering the Act, which came to pass. That is what happened in 1996 when building insurance went from the government sector to the private sector. On 30 April 1996—one day before the implementation of the legislation—the Minister did not have available an insurance company to take up the role of insurer and we were teetering on the brink of disaster. The Minister eventually found two insurance companies: HIH and FAI.

At that time I wrote to the Minister and said, "If you pull back the Opposition is prepared to work with you until you have well-known insurers with a proven track record." On 1 May 1996 I issued a press release and said that I had severe concerns about HIH Insurance Limited coming on board as the new home building insurer. I received a phone call from Mr Ray Williams, who was aghast that I should question the integrity of his firm. I say to all those who suffered great losses under HIH: In that instance I was prophetic. I do not resile from the fact that I said forcefully to the Minister at the time that she had made a mistake and that she should have pulled back. We are now seeing a repeat of those events with the Government's legislation being re-jigged rather hastily. There is nothing in the legislation or in the Minister's agreement in principle speech to show who will be the service providers. There is no fee structure for service providers, no detail of the liability that might attach to service providers, and no details of premiums associated with this legislation.

The Labor Government, which cobbled together this legislation at the last moment, has lost sight of the fact that it is important to insure the biggest investment any man or woman will make in his or her life, apart from producing children—a home investment. It is not good enough that the Government left this to the last moment. It is not good enough that the Government has not spelled out every aspect of this legislation. We are aware of this Government's track record in the area of building insurance, so it is simply not good enough for it to say that the people of New South Wales should trust it. It is important that this legislation works for the benefit of the people of New South Wales. However, many issues have not been resolved. Further down the track this Government, once again, might have to prop up its ill-conceived legislation. I refer to contradictions in this legislation. The Legislation Review Committee, in paragraph 7 of the Legislation Review Digest, states:

A single government insurer aims to allow premiums to be priced consistently across the State.

We do not know that, as we have never seen any premiums. The Legislation Review Committee goes on to state:

There will be one set of eligibility conditions for all builders.

We do not know what those eligibility conditions will be, as we have not seen them. The Legislation Review Committee also states:

This contrasts with the current arrangements where different rules apply depending on the insurer.

In the Minister's agreement in principle speech we find the following:

SI Corp will be required to comply with the market practice guidelines that set the service standards applicable to builders and consumers. This is consistent with current industry practice.

On the one hand, the Government is saying that it contrasts with current arrangements and, on the other hand, it is saying that it is consistent with current industry arrangements. Builders will have to put their lives on the line in relation to these issues. We know that this is not a real insurance scheme; it is one in which the builder will be paying not only the premium but also the rectification costs. At best, it is a scheme of last resort. I believe that there will be other problems. The Government has got it wrong again. I cannot understand this Government. It has control of the whole of the public sector in this State, but at the death knell of the phasing out of the old legislation it has introduced new legislation.

What happens if this bill is blocked in the upper House? Builders and home owners will be in all sorts of trouble. I hope that commonsense prevails and this bill passes through the upper House. More importantly, whoever has carriage of this bill in the upper House should spell out all the things that are not referred to in the bill or in the Minister's agreement in principle speech.

Mr ROB STOKES (Pittwater) [4.38 p.m.]: I make a brief contribution to debate on the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. Like other members who have spoken in this debate, I agree that this legislation is necessary. Without it home building in this State would come to a complete halt. I take this opportunity to warn consumers not to believe that home warranty insurance will give them genuine and complete protection. I wish to relate a story from my community of Pittwater—one of those horror stories of things that can go wrong, despite the best efforts of consumers to check out the bona fides of the builder who is being used. Things can still go horribly wrong. Community members should not believe for one moment that relying on current home warranty insurance would be sufficient to cover any potential loss.

A young family in my electorate bought a home in Mona Vale, carried out all the requisite inspections, including pest inspections, and the home was properly certified. The home was relatively new—only a couple of years old—and it was the builder's own home. The couple had not only pest and building inspections undertaken, but also an infrared pest inspection. They received all the certification and the final occupation certificate that showed this house—a very handsome home at first glance—had absolutely nothing wrong with it.

However, it did not take long for the new owner to learn that it was in fact a house of horrors. When the owner removed the carpet to lay new carpet he noticed a little dampness and rot around some of the skirting boards. He removed the skirting boards and found they were totally rotten. He soon discovered that the wood throughout the home was completely infested with termites. He then went outside the building and noticed a trail leading to an old tree at the rear of the property—it was infested with termites. As he investigated further he realised that the natural ground level outside the home was higher than the floor level of the house, which raised his concerns about damp. He dug down beneath the house and found lots of asbestos. It was then he realised that the builder had dumped all the fibro from the cottage that had been demolished under the backyard. After digging deeper he discovered that the slab was extremely thin and had actually been built over the driveway of the former house.

From what I understand, the condition of this house is such that it has to be demolished. The owner has told me that after 11 months of completing the expert evidence process, the matter is now in the Supreme Court. He has a 200-page submission containing reports from eight different experts. Even though he has joined as parties to the litigation the various people who let him down in the process—the pest inspector, the certifier, and the original builder who has since disappeared—there is not enough insurance from all the parties to cover the losses he will sustain. This is a horror scenario. I have taken the time to explain it to the House to demonstrate that home warranty insurance is insurance of last resort, but that even after going through the painful, lengthy, expensive and tortuous process of court action to try to find who might take responsibility, at the end of the day the pot of money that might be available is hopelessly inadequate to deal with the losses that may be sustained.

In addition, the news for consumers who purchase apartments in high-rise residential buildings is that they are not covered. Developers are not required to take out home warranty insurance for multi-storey buildings. We must be careful to remind consumers that home warranty insurance does not provide full cover. This brings to the fore the reason this scheme needs to be reworked. It must make sense and protect consumers while at the same time not place an unreasonable impost on the construction industry. Some people have told me that they believe they would be better off saving the money they would ordinarily spend on insurance and not insuring their properties simply because of the tortuous, long, confusing, costly and emotionally draining process involved in trying to get to a limited pot of funds at the end of a very long rainbow. I urge the Government to not stop at this point. This bill is a stopgap and is nowhere near what is required to ensure that home warranty insurance is worth the paper it is written on.

Mr MIKE BAIRD (Manly) [4.44 p.m.]: I support the shadow Minister and his work on the NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. He has been an incredible source of knowledge and has provided great insight into the problems this industry faces. The Opposition understands that the object of the bill is to establish a new Self Insurance Corporation as the sole home warranty insurance provider in New South Wales. The home warranty insurance industry has been beset by problems. Private insurance companies have pulled out steadily and, as we understand, the scheme is now unviable. I will not reiterate concerns that have been expressed already by many members, but I will focus on the particular point of the viability of the proposal. Obviously, the present scheme is unviable and there will be significant financial implications.

By its very nature the financial side of this industry was struggling. The Government has been quiet on the actual details of the scheme. The Opposition acknowledges the importance of the residential construction industry and, therefore, does not oppose the bill. We note the assurance from the Government that the bill will not reduce consumer protection in New South Wales. Although it is not exactly clear how that will be articulated, we take that assurance and rely on it. Questions remain particularly about the financial side. Residential work in New South Wales valued at more than \$12,000 requires insurance. We are fast approaching the time frame within which this scheme needs to be in place.

With private insurance companies pulling out from the scheme we acknowledge that the Government must act and this bill is its attempt to resolve the problem. Many genuine concerns have been expressed about the way the Government has responded. Obviously, the time frame is critical. The object of the bill is self-evident. If this bill is not passed and the industry does not have a home warranty scheme in place, the construction industry, more broadly, is in jeopardy and, also, the mums and dads at the end regarding the homes they hope to build.

My main focus is the financing of the scheme. The Government will spend \$15.6 million to establish the scheme, but then it talks about any surplus in the fund being paid into the Consolidated Fund. I hope the scheme will not be viewed as another bottomless pit and then in a good financial year when premiums are unexpectedly low it is used as a dividend by any future government as a way to prop up budgets. That just does not make sense. This scheme needs to be set up properly for the long term and it must be sustainable. I ask the Parliamentary Secretary in reply to detail the expected financial implications of the scheme, particularly to the State budget. With the imminent State budget and the Government taking on these obligations, it is not unreasonable to expect that the Parliament be informed fully.

What are the expected total liabilities of this scheme? How will that flow through to the State if those liabilities are not met by the scheme? What is the level of expected payouts? What are the expected premiums? Will they increase or decrease with the scheme being introduced by the Government? They are all critical issues. The scheme is not just for the short term; we must understand the short-, medium- and long-term implications. It would be easy to put a scheme like this in place and then haphazardly decide that the administrator is happy to pay out in the short term without any long-term consideration for fund surpluses and then try to deliver end result. My main request is for the Parliamentary Secretary to inform the House in detail of the financial obligations of the scheme to the State. We cannot enter into obligations like this without every member of the House being fully informed. I conclude my remarks by referring to a local builder who wrote to me about home warranty insurance. His letter states:

We have had a very tough 2 years with the GFC, on one project 20 of 23 payments were paid late because our clients finance was held up by the banks... I think there would be a bit more flexibility with the insurers to take on new clients if the State Government had done more... I can't understand how they are planning on getting a bill passed in government and then a workable scheme ready by the 30th June.

We seem to be a long way behind. Clearly builders require the support of the Government to be able to continue. During his reply the Parliamentary Secretary should provide an assurance to the Parliament that there will be a workable scheme in place by 1 July to maintain confidence and avoid a crisis. I reiterate that the Coalition seeks information on the financial implications for the State budget of the scheme and the nature of details that will be provided in the State budget on short-, medium- and long-term financial obligations. The Government should provide the members of the House with a true understanding of the full implications of taking on a home warranty insurance scheme and its inherent liabilities that will be borne by future generations.

Mr GEOFF PROVEST (Tweed) [4.50 p.m.]: The New South Wales Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010 is very important legislation. As a number of members who preceded me in the debate have indicated, the scheme will commence on 1 July 2010. The bill establishes the

scheme and deals with transitional and saving provisions as well as consequential amendments to the Home Building Act 1989. Home warranty insurance remains a policy of last resort, but it is crucial to the viability of the building industry. Certainly that is the case in the Tweed electorate where approximately 10,000 new home sites will be approved in the next few months.

The Tweed is the fastest-growing area outside Sydney, Newcastle and Wollongong. A significant percentage of home construction that is occurring in the Tweed concerns first home buyers. Insurance policies are all well and good, but they need to be transparent and easy to interpret. It is often the case that the only time people read their insurance policy is when a dispute emerges. There are other aspects of the legislation that affect the Tweed electorate, and I will elaborate on those later. The legislation provides that the Government will become the sole authorised provider for issuing new home warranty insurance policies in New South Wales. The Government will establish a fund that will be managed through SICorp, which will engage private insurance firms and scheme agents to issue policies, collect premiums and carry out claims management.

Brokers will be the main shopfront from which builders will be able to purchase insurance. Hopefully during his reply the Parliamentary Secretary will address the issue of providing interim insurance cover. A number of builders have approached me and explained that it is of significant concern to them. Traditional insurers have withdrawn from the market. Builders who wish to enter into home construction contracts are experiencing extraordinary difficulty in finding an insurance provider. The Government may have a proposal and may have made interim arrangements with existing insurers and, if so, that information should be provided to people in the building industry. If interim arrangements are in place, the Government should ensure that the information is conveyed to stakeholders. Already a number of builders have asked me about interim arrangements, but I have no information to give them.

On the face of it, the bill does not deal with cross-border issues relating to home warranty insurance. Cross-border implications of legislation are uppermost in the minds of people who live in the Tweed. Some years ago the Government moved to alleviate problems associated with workers compensation for workers involved in both Queensland and New South Wales projects. The Government decided that if workers completed 60 per cent of their work in areas on either side of the Queensland-New South Wales border, they would be covered by their initial workers compensation scheme. That was a good resolution of the issue because it meant that workers did not have to be involved in two workers compensation schemes. I ask the Parliamentary Secretary in his reply to inform the House whether consideration was given during formulation of the legislation to establishing a scheme of home warranty insurance that is similar to the way in which the cross-border workers compensation scheme operates. After all, many Queensland builders construct in northern New South Wales, and vice versa. I am sure the Parliamentary Secretary is on the case.

I compliment the shadow Minister for Fair Trading and member for Albury who has considered the implications of the bill in depth, which is his usual approach to matters concerning his shadow portfolio. I am a little concerned about the legislation being rushed through Parliament: after all, 1 July is not far away. Any interim arrangements entered into by the Government could have far-reaching consequences for the taxpayers of New South Wales. Building projects take months to complete, especially for builders who have a stop-start project pattern. Any arrangement entered into could result in a significant tax liability being imposed on New South Wales taxpayers who effectively are underwriting the scheme. Cross-border issues warrant close attention and a scheme similar to the cross-border compensation scheme should be considered carefully. If the Government has already done so and I missed it, I am sure the Parliamentary Secretary will inform me during his reply. I reiterate that I am 100 per cent for the Tweed.

Mr WAYNE MERTON (Baulkham Hills) [4.56 p.m.]: It is with pleasure that I support the New South Wales Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010. Over many years of the work of this Parliament, the home warranty insurance issue has taken up a considerable amount of time. The schemes implemented in New South Wales have varied, but no-one could dispute the concept of home owners warranty insurance being a necessity. The scheme was introduced many years ago, virtually straight after the licensing of builders became a requirement. The government of the day established the Builders Licensing Board and subsequent to its formation, legislation was introduced to provide home building insurance. As I said, the concept of home warranty insurance is sound, wise and prudent. Its purpose effectively is to protect consumers and residential property owners from builders whose work is defective, builders who experience financial difficulties, and builders who, for some reason or other, are unable to complete construction.

On 13 May 2010 we have a crisis on our hands because, after many changes to the scheme by the current Government, effectively the State has run out of insurers. The Government has reached the end of the

line. Soon no insurers will be prepared to cover home warranty insurance and when that happens, the home building industry could well grind to a halt. What a disgrace! It is true to say that for many years the Government has lurched from crisis to crisis while successive private insurers who deal in home warranty insurance—CGU, Lumley, General and most recently Vero—have withdrawn from the scheme and have left the home warranty insurance market. Currently New South Wales law states that building work on properties valued at more than \$12,000 that requires a licensed builder must be the subject of home warranty insurance. It is essential for members of the House to understand the gravity of the situation. The collapse of the home warranty insurance scheme will result in the home building industry grinding to a halt.

It will result in massive unemployment, and many people will face a severe financial crisis. The building industry is the barometer of a country's prosperity in terms of community activity. It is a barometer of what small business is achieving. A great multiplier effect flows from the home building industry, whether it is the sale of white goods, carpets, paints, garden supplies or many other things that are simply irretrievably linked to the home building industry. New South Wales has a wonderful system of subcontractors. We have an efficient building industry. Many husbands and wives have put their financial security on the line so that the husband, whether he is a carpenter, an electrician, a tiler or a bricklayer, can be a subcontractor. The family business is often conducted around the family table. It is where the meetings between husband and wife—the board, as it were—of the little family company are held. And the utility is out the back, whether it be a Hilux or a Mazda one tonne ute.

Mr Gerard Martin: Or a Ford Courier.

Mr WAYNE MERTON: A Ford Courier is not a bad ute. In a typical Australian family in which the husband is a subcontractor, the wife does the bookkeeping, she visits the builder's office every Friday to collect the cheques for the work that her husband has done during the week and Friday is payday. All of that would stop if there were no home warranty insurance. What has happened with home warranty insurance is a disgrace. As I said, today is 13 May; from 1 July the current home warranty insurance scheme will be kaput. The Government has an almost impossible schedule to set up its own self-insurance corporation to provide home warranty insurance. This matter was raised last year, and the Government was supposed to have introduced legislation earlier than today to deal with it. It is another typical example of the Government's ineptitude, neglect and failure to take the necessary steps to ensure that the New South Wales community is able to continue with its daily activities.

The Government is trying to get the legislation through the Parliament quickly. The Opposition does not oppose the legislation per se because it realises that it is either this or nothing. We are here to protect the building industry. As speaker after speaker has made clear, we do not support the mess created by the Government's litany of changes to home warranty insurance. We do not support the concept that home warranty insurance is an insurance of last resort. We do not ensure that home warranty insurance covers only situations in which the builder either becomes bankrupt or cannot be found. The home warranty insurance scheme should do more than that. I believe the Minister is doing her best, but she is probably receiving little support from her colleagues to address the real problems with home warranty insurance in New South Wales. The Minister and the Parliamentary Secretary should take note of these words:

When things don't go right in the building process, consumers are thankful that we run the best home warranty insurance scheme in the country. Our scheme is truly unique. It is the only home owners warranty insurance product that offers first resort insurance. Home owners are able to claim for non-completed work or defective work without the builder having to be insolvent. In every other State consumers must fend for themselves in the private arena as claims are only accepted as a last resort where the contractor is either dead, has disappeared or is insolvent.

These words refer to the situation in Queensland, just across the border from my good friend the member for Tweed. I am not a supporter of the Anna Bligh Government by any means. It has made a mess of a number of things, but we must give it full marks for preserving a government-owned home warranty insurance scheme. I have visited its premises, together with other members of this Parliament. We spoke to an executive of the entity, and we were assured that it makes a profit from its home owners warranty insurance scheme. If Queensland can do it—provide not last resort insurance but insurance on which "home owners are able to claim for non-completed work or defective work without the builder having to be insolvent" and it does not have to fend for itself in the private arena, as it does in New South Wales—why can't we do it? Consumers in Queensland can make a direct claim on the insurance company without having to chase the builder through the commercial tribunal.

The New South Wales Government's home warranty insurance is not really insurance at all. Ultimately it is capped. The product that the Government intends to offer, about which it was vague, appears on the surface

to be exactly the same product repackaged, but the Government will run it. The Government should look at what its colleagues in Queensland are doing, see how successful the scheme is, then bite the bullet and make the hard decisions so that the people of New South Wales have a product that works. The Government has left it until the last moment. It is running out of time. It is desperate. It wants to get the legislation through, and the Opposition will help the Government to do that. We will not oppose the legislation. We support it because we do not want "working families"—to use the expression of that great man in Canberra—to go broke because they cannot get insurance. The legislation the Government introduced, which we support, requires insurance.

The Government should look at the issue sensibly, do the hard yards, go to Queensland and speak to the appropriate people, as the parliamentary committee did, and they will tell the Government exactly how it works. In Queensland consumers fax their application for insurance in the morning and in the afternoon they receive a fax confirming the insurance cover. Yet the Government makes a profit. No-one is complaining. People are not taking to the streets, as they have in New South Wales, to protest about home warranty insurance. Many active groups in New South Wales have been complaining about home warranty insurance. The Government has run out of insurers and the system is not working. The Government must do something about it. How long does the Government expect the people of New South Wales to tolerate its ineptitude, neglect, delays and lack of concern? It is time something happened. Now is the time to do it.

If the Government puts up reasonable proposals for a decent system that works, the Opposition will support it all the way. It is not as if there is a deterrent. There is no hindrance. It will get a safe passage through the Parliament. We share the concern of working families involved in the building industry: something must be done. This matter is of grave importance to the community, to New South Wales and to the whole of Australia. We must have a worthwhile, workable building industry in New South Wales. I am not convinced that this proposal is any better than the Government's previous proposal. The Government is simply changing the name of the insurer, whereas the substantive benefits of the insurance remain completely inadequate, as they are at present. We support the bill but we do not support the Government's system of last-resort insurance. To many people's thinking, last-resort insurance is no insurance.

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [5.10 p.m.], in reply: I thank the Minister for Fair Trading and members representing the electorates of Albury, Davidson, Riverstone, Port Stephens, Swansea, Castle Hill, Smithfield, Myall Lakes, Pittwater, Manly, Tweed and Baulkham Hills for their contributions. The NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Bill 2010 introduces sensible measures to support the significant home building industry and to protect jobs in New South Wales. I note that the Opposition supports the bill. In fact, the member for Pittwater went so far as to say that this bill is really necessary. Despite the Chicken Little type claims of the Opposition, the Government has acted quickly and decisively to ensure that home warranty insurance continues to be available, that consumers continue to be protected and that home building and renovation activity in this State is not interrupted. This bill will facilitate a smooth transition from the current scheme to the new Government-backed home warranty insurance scheme.

In answer to questions from members representing the electorates of Albury, Castle Hill, Myall Lakes and Tweed regarding the start date of 1 July, this Government is on track to commence takeover of the home warranty scheme on 1 July. The procurement process is well underway to engage insurance agents to provide home warranty functions on behalf of the Self Insurance Corporation [SICorp]. The new contractual arrangements are on track to be finalised by the end of May. Recruitment action to employ the necessary staff is well advanced and SICorp will be ready on 1 July 2010 to commence the new arrangements.

I assure the Opposition that the Government has consulted extensively with the building industry to obtain its input and views on all major aspects of the proposed scheme. Representatives of both the Master Builders Association and the Housing Industry Association have been appointed to a consultative committee reporting and providing input to the Home Warranty Insurance Scheme Board on the new arrangements. The consultative committee has met on a regular basis, and will continue to do so during and after the transition to the new arrangements. I am advised that the Master Builders Association has informed the shadow Minister for Fair Trading of its support for the bill.

Builders will need to meet certain criteria and demonstrate that they have the financial capacity to complete the construction project before they can obtain home warranty cover. Consumers need some certainty that their builder has the financial capacity to complete their building project. That is how the arrangements work now. Inexperienced builders and builders under financial stress who wish to obtain eligibility will be

offered the option to increase the equity in their business through paid-up capital, provide a security, or opt for a builder management provider. Bank guarantees will not be sought by the Government as a condition for providing home warranty eligibility to a builder, although a builder can provide a bank guarantee if they choose.

Security in the form of a deed of indemnity may be required by SICorp as a condition of eligibility to builders under financial stress or whose trading history includes actions that have resulted in consumer detriment, such as previous claims, disciplinary action by New South Wales Fair Trading and unsatisfied tribunal orders. Importantly, the Government will introduce changes to how deeds of indemnity are provided from 1 July to ensure a level of certainty for builders and third parties who provide these deeds. Under the new arrangements a deed of indemnity will include a limit of indemnity and will have an expiry date and a mechanism for a builder to request a review to determine whether the deed of indemnity is still required. None of those features are common practice under the current arrangements. There will be a small number of builders who will be unable to obtain cover. If the financial situation of these builders improves they will be able to request consideration of cover once again.

As part of this bill, for the first time builders who are having difficulty satisfying the eligibility criteria for home warranty insurance will have the option of engaging the services of a building management service provider. Builders will be able to choose a building management service provider that meets their specific needs from a panel of authorised providers. Similar informal arrangements exist in some parts of the building industry today. However, the new arrangements will greatly extend the availability of this service. SICorp is establishing a panel of providers through usual government procurement processes. Consultation with the construction and insurance industries over the past few months has identified a need for this service. This initiative allows builders to continue their business while at the same time providing suitable protection for consumers and the Home Warranty Insurance Fund.

In relation to the expertise of SICorp to manage these arrangements, SICorp already manages the Government's insurance arrangements for all classes of risk through an outsourced model. Home warranty insurance will also utilise outsourced management arrangements. SICorp already manages a risk exposure of approximately \$4.7 billion. Home warranty insurance is a marginal increase on this.

In relation to calls from members representing the electorates of Davidson, Castle Hill, Tweed and Baulkham Hills to follow the Queensland model, the Government made a decision in November 2009 to take over the management of the New South Wales scheme from private insurers in order to provide certainty to the building industry and to protect consumers and jobs. In order to meet a tight 1 July 2010 commencement time frame and in order to minimise disruption to builders and home owners, the Government decided that no major changes to the design of the Home Warranty Insurance Scheme should be made at this time. A review of the Home Building Act is currently underway and provides an opportunity to review the operation and design of the scheme, with sufficient time for full public consultation.

In response to the member for Davidson regarding the triggers, I remind him that this Government put in a fourth trigger for consumers to claim on their home warranty policy—that is, when a builder fails to honour a monetary order of the Consumer, Trader and Tenancy Tribunal. The member for Davidson also raised the issue of commission. I advise that the Government will not be charging in line with current insurance industry practice for broker commission. Fifteen per cent is the current standard rate, and this will be the maximum rate allowed in the formal agreements between SICorp, insurance agents and brokers. Brokers will have to provide the same level of service.

The Government acknowledges the importance of the building industry to the New South Wales and Australian economies. I appreciate and understand the enormous multiplier effects of the building industry, as does the Government, which the member for Baulkham Hills mentioned. The good news is that the latest official data from the Australian Bureau of Statistics shows that New South Wales is in fact leading the nation in home approvals. Official housing data shows a 43 per cent increase in residential building approvals in New South Wales from February to March this year, so it is not true to say that we are on a slippery slope. We have a busy, active, forward-looking and, in fact, progressive building industry, which is obviously going great guns at the moment.

In relation to Treasury managing the new arrangements, SICorp is part of Treasury that already manages the New South Wales insurance arrangements for all classes of risk through an outsourced model. It already manages risk exposure of \$4.7 billion, and the home warranty insurance is a marginal increase on this. SICorp does have the expertise to manage home warranty. Fair Trading will, however, continue to regulate the

home warranty scheme. This is an appropriate separation of regulatory and commercial functions, consistent with the Dodd report, which was mentioned in debate. In relation to the cost of administering these outsourced arrangements, Treasury is currently undertaking a procurement process to engage insurance agents to deliver home warranty functions on behalf of SICorp. Negotiations are currently underway and remuneration for the outsourced arrangements is one of a number of areas up for negotiation.

The member for Davidson spoke about the need for a monopoly. I point out—and I am sure the member for Manly agrees—that often a monopoly is needed in circumstances such as this, particularly when there has been what economists commonly call a market failure. What governance does SICorp have? SICorp is required to comply with the Public Finance and Audit Act 1983, and therefore will be subject to audit by the Auditor-General. SICorp, as the home warranty insurer, will be required to comply with the requirements for insurers under the Home Building Act 1989. Fair Trading will continue to regulate the home warranty scheme. SICorp, as the insurer, will publish service standards and provide data and information to Fair Trading, which is required to report the performance of the Home Warranty Insurance Scheme to the Home Warranty Insurance Scheme Board.

In response to questions raised by the shadow Treasurer, the member for Manly, regarding SICorp's protection of public moneys received by insurers and brokers, insurance agents and intermediaries who handle home warranty premiums will be required to meet strict controls and have appropriate risk management systems in place. Insurance agents and intermediaries will be required to meet certain criteria, hold relevant insurances and be subject to audit. The New South Wales Government, under the terms of the contractual arrangements, will have a right to audit and inspect records and to apply sanctions for any breach. In regard to the cost of administering these outsourced arrangements, New South Wales Treasury is currently undertaking a procurement process to engage insurance agents to deliver home warranty functions on behalf of SICorp. Negotiations are underway and remuneration for the outsourced arrangements is one of a number of areas under negotiation. It is important for a number of members opposite that I address how claims will be managed under the new arrangements. Claims will be managed by insurance agents on behalf of SICorp through outsourced arrangements. The insurance agents will enter into commercial contracts with SICorp.

Negotiations to finalise that procurement activity are well advanced. SICorp is negotiating with three separate entities to enter into commercial contracts to provide home warranty functions to the industry on their behalf. Insurance agents will be required to comply with SICorp claims handling procedures; if they do not, they will be in breach of contract. The Department of Fair Trading will still be involved in resolving disputes, as it is today. Consumers will still be able to make a complaint about claims handling to Fair Trading; that is not changing. The model litigant policy will form part of SICorp's claims handling guidelines and procedures. In response to the member for Manly concerning the financial impact, it is not intended that home warranty insurance will raise any revenue for the Consolidated Fund. Premiums will be set to cover risk and costs only. The Government has made an initial investment to set up the new arrangements. That sum will be paid back from the new scheme at a date to be determined in the future.

In response to the contribution by the member for Tweed, I advise that New South Wales has kept other jurisdictions fully informed of its plans to address the market failure that has occurred nationally in relation to the provision of home warranty insurance. New South Wales has initiated meetings with interstate agencies to ascertain whether a nationally consistent approach could be adopted to address this national problem. While New South Wales has offered full cooperation and assistance to other jurisdictions, it is clear that other States, until recently, had been slow to realise the extent of the problem and its impact on the building industry and on consumers. New South Wales will continue to respond to requests for assistance from our interstate counterparts and examine future options for harmonisation. However, the Government will not allow a situation to arise where New South Wales builders cannot get home warranty insurance cover, potentially jeopardising a \$20 billion industry that employs 250,000 people. The Government is taking decisive action to protect the jobs of New South Wales builders and the interests of New South Wales home owners.

In response to matters raised by the member for Baulkham Hills, the Government's main concern at this time is to minimise disruption to builders and home owners. The proposed government-underwritten scheme will address a number of concerns with the current scheme. Under a government-underwritten scheme there will be a close working relationship between the Department of Fair Trading and SICorp. The link between the dispute resolution and home warranty processes will facilitate the improved delivery of services to claimants. The review of the Home Building Act, presently underway, will provide an opportunity to examine whether the overall consumer protection regime, including dispute resolution, can be improved. The proposed arrangements will provide for a more streamlined operation of the scheme generally, which will facilitate future enhancements

where required. The bill provides the New South Wales Self Insurance Corporation, SICorp, with the necessary authority to operate the Government's home warranty scheme from 1 July 2010. It establishes SICorp as the sole provider of home warranty insurance in New South Wales. I commend the bill to the House.

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

Motion agreed to.

Bill agreed to in principle.

Passing of the Bill

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

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

PRIVATE MEMBERS' STATEMENTS

APPIN MASSACRE MEMORIAL

Mr PHILLIP COSTA (Wollondilly—Minister for Water, and Minister for Corrective Services) [5.25 p.m.]: On 14 May 2008 I spoke in this House about the tragic events that occurred in my electorate on 17 April 1816, which have been referred to as the Appin Massacre. That was a time in our history that significantly changed the lives of both Aboriginal and European communities for two centuries. I will not repeat the details of the events on that day in 1816; they are already in *Hansard*. However, in the two years since I spoke about this issue there has been significant progress. The local Aboriginal community has continued to commemorate this day by holding an annual event at Cataract Dam. We thank the organisers, and in particular the sisters from the Winga Myamly Reconciliation Group and local Elders, for their dedication and hard work.

This year the ceremony attracted more than 300 people to Cataract Dam. I thank my colleague the Hon. Paul Lynch for attending and giving an inspiring and thought-provoking speech, as he has done on previous occasions. He focused very articulately on how important it is to present history as it was, based on the truth. Once again, Uncle Ivan Wellington, a good friend of mine, led the ceremony following his traditional smoking ceremony. A couple of my former students, Matthew and Glen Doyle from Macquarie Fields, brought symbolic and spiritual dance to the ceremony as they reminded us of the traditions of the longest surviving and continuing culture on this planet. Francis Bodkin welcomed us in her traditional language while Gavin Andrews translated so that all could understand. It was without doubt a very moving and emotional occasion.

Since I last spoke in the House about this special day I have met with local Aboriginal leaders and personally experienced how the local community has maintained its determination that this tragedy on 17 April 1816 be remembered as an important day in people's lives. There are some in my community who are direct descendents of the people who escaped in 1816. For me, there is no more moving and humbling experience than walking the ground once occupied by the Elders of the local Dharawal people—the place where the Elders gathered to discuss law and to pass on wisdom. It is a place set up for that purpose—much like this House, where we are privileged to be today. That place is on the banks of the upper Georges River, and it has been sacred to the people of the Dharawal for thousands of years. It happens to be the same place where the massacre began in 1816.

At that location there are three natural amphitheatres, and I have been shown the place where the leaders of the Dharawal Elders met, the sleeping place for the women and children, and the sleeping place for the men. For the men, it was their last sleeping place as their lives were cut short on the morning of 17 April 1816 while they slept. That action left all the family groups across the region without leaders. It was the beginning of a campaign of dislocation, the effects of which some people continue to feel and experience today, as all the leaders of the Dharawal community in the area were killed that morning.

This is an extremely important site that has so much meaning for our local Aboriginal community. It is imperative that leaders, both locally and at a State level, do all they can—with the support of colleagues, and

particularly the local Dharawal people—to ensure that the Dharawal people return to the site. The Elders of today can then once again gather on that sacred site and reflect upon their responsibilities and custodianship of their ancient culture and reverse the impact of the past 200 years. For centuries, this event has had a significant impact on them. We have a responsibility to lead and to support local communities to regain that which is so important to them. I look forward to working with the local Aboriginal community in Wollondilly and Macarthur to bring this place back to its rightful owners—a place of healing and, above all, a place of peace.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [5.30 p.m.]: I extend my congratulations to the Hon. Phillip Costa, Minister for Water, and Minister for Corrective Services and member for Wollondilly. I also note that present in the Chamber is the Hon. Graham West, the member for Campbelltown and Minister for Juvenile Justice, who I understand was also at the commemoration of the Appin massacre, to which Minister Costa referred. It should be noted that the Appin massacre took place on 17 April 1816, some six years into the governorship of Lachlan Macquarie, the fifth Governor of New South Wales, whose bicentenary of accession to the governorship we are commemorating this year. I am privileged and honoured to be the chairman of that bicentenary commemoration committee.

It is true that Governor Lachlan Macquarie left many wonderful legacies, but one area where the committee has been somewhat perplexed is in making sure that we also recognise the interaction between the Governor and colonial powers at the time and the indigenous community. I applaud the Minister, as I do the Minister for Aboriginal Affairs, the Hon. Paul Lynch, MP, who wrote to me recently in a detailed letter wanting to raise the issue of the truth of what happened on that occasion. In many ways Lachlan Macquarie was a long way ahead of his time, even in dealing with issues related to indigenous affairs. Of course we should not judge him by our standards today but by the standards of those times. Clearly, in relation to the Appin massacre there is a need for more research and discussion, and for the truth to come out. As chairman of the committee I applaud the comments of the Minister today.

TRIBUTE TO GEORGE KHATTAR

Mr THOMAS GEORGE (Lismore) [5.32 p.m.]: Today I pay tribute to a very good friend who sadly was taken from us two weeks ago today after suffering a heart attack at the age of 44. I refer to George Khattar, a young Lebanese gentleman who was born in Tripoli, Lebanon, and who died on Thursday 29 April. His death marks the loss of a husband, father, son, brother and a valued and greatly respected member of the Australian Lebanese community. He is survived by his lovely wife, Carol, their two small daughters, Alana and Georgia, and his extended family—his brothers Joe and Raymond, sisters Sonia and Maria, and his mum and dad. Of course, Joe Khattar is no stranger to the community in Sydney and the Lebanese community throughout Australia. He is the respected President of the Australian Lebanese Chamber of Commerce.

All the people who worked with George Khattar were at the funeral. I have never experienced a service like it, and I pay tribute to Bishop Abi Karom, the Monsignor, the Lebanese priests and nuns and clergy from other orders, including the Marist Brothers. Everyone was there. It was a tribute to a man who has been such a dynamic force not only for the Lebanese community but also behind the Dyldam Developments building company. He was an integral part of that business, which was started by his father. The brothers have worked together, truly in Lebanese style. They know only one way: they work together, stay together and pray together. I note that the Minister for Local Government is present and understands what I am saying.

George's wife, Carol, spoke at the funeral. I do not know how she did it, but she said that if George could see her he would say that if she had a microphone in her hand she would be happy. Something that touched everyone was that George went for a trip to France last year and left a little letter for each of his daughters. It was as if he knew he was going to die—although it did not happen until 12 months later. He told his daughters he would always be with them. They were to think of their dad having his hand on their shoulders. Ray Hadley, a very close friend of George and the family, paid tribute to him on Radio 2GB. Time does not allow me to do justice to Ray's tribute in the short time I have today. But I want to thank Ray publicly, because it meant so much not only to all of us in the Lebanese community but, more importantly, to the Khattar family. Ray said that George was going to make him an honorary member of the Lebanese community. Ray, I certainly hope that we can make that happen one day.

George's contribution to the church, his school, Marist Brothers at Parramatta, his family and the whole community was summed up when we came out of the church. There was a beautiful photo of George on the youth hall that is being built beside the church. It said, "George Khattar, you led the way and we promise to fulfil your dream." Dyldam is erecting that building in memory of George. I pay tribute to the whole Khattar

family. It is impossible to name them all in the short time available to me. I extend our sincere sympathy, love, prayers and thoughts during this tragic time. I know the whole family and community have been affected by his death.

Mrs BARBARA PERRY (Auburn—Minister for Local Government, Minister Assisting the Minister for Planning, and Minister Assisting the Minister for Health (Mental Health)) [5.37 p.m.]: I join the member for Lismore in paying tribute to a great Australian who, I am proud to say, is of Lebanese background, like the member for Lismore and me. George Khattar was a father and a businessman and a man of great faith. People like George Khattar are larger than life and they do not come around very often. He was a generous and compassionate man. His wife, Carol, in her inspirational eulogy, told us all how when George earned his first pay packet he went down to Hyde Park, I think it was, and gave it to the needy people he saw. What a remarkable man. That was an ongoing quality that one saw in George Khattar and in the entire Khattar family—their generosity and compassion for the most disadvantaged in our community.

It is no surprise to me that George Khattar wholeheartedly threw himself and his business into the building of the community centre at Our Lady of Lebanon Church at Harris Park. Today I can tell this House and the Khattar family that the member for Parramatta and I met with Monsignor Shora Maree about that building today. When we said to Monsignor Shora, "We don't know how you are going to build this, it is such a mammoth thing", he said, "George Khattar used to say to me, 'You worry too much, Monsignor; you worry too much'." We are going to miss this man. He has left a great legacy. He has left two beautiful young children who should be very proud of their father, and always will be. To the Khattar family, Carol and the two children, and the wider family, God bless you during this time of grieving.

MOOREBANK INTERMODAL FREIGHT PROPOSAL

Ms ALISON MEGARRITY (Menai) [5.39 p.m.]: In the Federal budget on Tuesday 11 May 2010, the Treasurer announced a funding allocation for the development of a freight hub in my electorate of Menai. The same evening more detail was contained in the following joint media statement from Minister Anthony Albanese and Minister Lindsay Tanner:

The 2010-11 Budget allocates \$70.7 million to complete the detailed planning on the Moorebank Intermodal Terminal Project in Sydney's South West, with the staged redevelopment of the hub expected to start in 2013, subject to final approval.

The Department of Finance and Deregulation will drive this work in partnership with the Department of Infrastructure, Transport, Regional development and Local Government and the site's current owner, the Department of Defence.

Once operational, the new facility will create hundreds of jobs across Western Sydney and transform the movement of freight into and out of Port Botany as well as through the Sydney Basin.

This will also be a major victory for Sydney's motorists and residents, taking over one million trucks a year off the M5.

Members would be aware, from the number of times I have spoken on this matter in the House, that the prospect of this development has been hanging over the heads of people in my community for some time. However, Tuesday's joint media statement prompted me to review my substantial electorate files on this issue. I recalled another joint media release issued on 15 September 2004 by Howard Government Ministers John Anderson and Robert Hill entitled, "A new freight hub for Sydney". It said that the School of Military Engineering at Moorebank was an ideal location for "a vital road and rail freight hub" and that the "army saw value in relocating the school to Victoria in order to consolidate land force training at Puckapunyal". Towards the end of that media release were two other interesting statements:

By 2010 intermodal freight rail tonnage on the Melbourne to Sydney corridor is expected to exceed 5 million tonnes.

It was also noted that the Federal Government's decision was made before the start of the caretaker period. That statement reminded me that the Federal election was just several weeks later—on 9 October 2004. The electoral timing obviously was not lost on Danna Vale, the Federal member for Hughes. Initially, Ms Vale issued a statement welcoming the announcement and saying that it was "great news for the local area". However, in the face of a substantial and contrary view among the local community, that release quickly became something of a collector's item, disappearing from the relevant websites, and being replaced by a 1 October 2004 release entitled "Vale calls to Halt the Hub" in which she promised to strongly oppose the proposal. That release was also handed out at polling booths on election day.

I provided that historical background today for two reasons. My first reason was to point out exactly how long our community had had the possibility of this development hanging over its head—more than 6½ long

years. The record shows that the Howard Government reiterated its commitment to the project just before the 2007 Federal election, and the then Rudd Opposition made the same commitment. Second, I again wanted to highlight the longstanding absence of any specific details that could help us to understand the potential impact of this development upon our community. My file contained a 29 August 2007 Liverpool *Champion* article entitled "Freight Facts Unknown". One of the quotes that was attributed to me was as follows:

As I have experienced many times previously, the Federal government doesn't go out of its way to advise myself as a State MP, or the local community generally, about its plans too far in advance.

It has to be said that, unfortunately, that situation did not improve, even with the subsequent election of a government with a different political stripe. Resident activists have been tireless on this issue—some, like Roy Carter, for instance, since day one. As my voluminous files also prove, local journalists past and present—namely, Anne Tarasov and Margaret Rice—have made great efforts to probe for any substantial information to report. I know that in pursuing this issue I have often felt like I was boxing at shadows. Far be it from me to put any words into the mouths of journalists. I only wish that I had been offered the same courtesy on every occasion.

Frankly, I was stunned to read in this week's *Champion* a complete misinterpretation of my last private member's statement on this issue. My point, as it had been on previous occasions, was to voice the community's continued frustration and concern and also to reiterate that we did not even have a time frame for any further announcements on the environmental assessments and community consultation. In the limited time available that day, I especially wanted to share the information that I had recently obtained about the adjacent Stockland site. The particular journalist is new to this complex issue but, frankly, he did me a great disservice. He also omitted any reference to the reply made by the Minister for Ports and Waterways. I thank the Minister for being here again today. My community will be interested to hear his further comments on this issue.

Earlier I compared dealing with this issue to boxing at shadows. After Tuesday's announcement that is no longer the case. So far as I am concerned, the gloves are now off. As I have said all along, together with my community I will be looking at every detail of this proposal to ensure that our voice is heard throughout this process. The families of Wattle Grove, who built their homes on land formerly owned by the Federal Government, thoroughly deserve every possible consideration that will protect not just their financial investment but also the amenity of their daily lives. I look forward to working with Brent Thomas, the Australian Labor Party candidate for the Federal seat of Hughes, who has already proved that he is a capable advocate for our community on this and many other issues.

Mr PAUL McLEAY (Heathcote—Minister for Ports and Waterways, and Minister for the Illawarra) [5.43 p.m.]: I welcome the further statement on this issue by the hardworking member for Menai and applaud her passionate advocacy for the people of her electorate. The State Government is committed to 40 per cent of freight from Port Botany being moved by rail. It is fundamental to ensure that Sydney can grow in a sustainable way, with residents protected from the noise, vibration and pollution of supply chains that keep our jobs, goods and economy running. The Freight Industry Advisory Council has identified Moorebank as a uniquely suitable site to achieve this. There is no other site with rail and freeway links so close to important commercial and industrial developments. However, we are equally responsible in ensuring that Sydney grows in a way that is safe and comfortable for families.

The families of Wattle Grove must be protected from unplanned and excessive noise, light and traffic impacts at the Moorebank site. That is why we need to ensure that there are buffers between residents and the commercial sites that protect the amenity of the families of Wattle Grove. That is why we need a whole-of-precinct approach that benefits from the Southern Sydney Freight Line, and maintains the East Hills Line as a dedicated passenger route. Let me reiterate that point: The East Hills Line will remain as a dedicated passenger route and will not be impacted by any freight. Currently no planning proposals are before the New South Wales Government for an intermodal terminal at Moorebank. We want to work with the Commonwealth Government, which owns this land, to ensure that this development gets the balance right between the people of Sydney who need their supply chains to work and the people of Wattle Grove who need to keep their neighbourhood a great place in which to live.

PACKAGING RECYCLING

Ms CLOVER MOORE (Sydney) [5.45 p.m.]: My constituents are concerned about the impact that excessive packaging has on the environment. Increasingly, products are being sold in layers and layers of packaging, including plastic, foam, cardboard and steel. I am sure that those members who have bought

electronic equipment would have had to discard the packaging over a number of weeks because it would not have fit in the bin. Often the packaging is significantly larger than the product it wraps. Every year Australia consumes over 3.4 million tonnes of packaging, of which only about 50 per cent is recycled. The consumer group Choice points out that the 2008 national plastics recycling survey of the Plastic and Chemicals Industries Association shows that only 33 per cent of over 626,000 tonnes of plastic packaging is recycled.

Data from the Boomerang Alliance that was pulled together in the lead-up to the 2005 meeting of environment Ministers shows that Australia is shamefully lagging behind world's best practice. It shows that the average Australian consumes 90 kilograms of packaging every year, the average European consumes less than 61 kilograms every year, and the average Dane consumes as little as 10 kilograms every year—90 kilograms in Australia compared with 10 kilograms in Denmark. Choice reports that packaging has continued to rise in recent years with a trend towards more resource-intensive and hard-to-recycle packaging. Most packaging goes straight into landfill, using up precious space, while landfills are reaching capacity. Packaging uses finite resources such as water, oil, sand and old growth trees, and the extraction-production-disposal process creates significant greenhouse gas emissions.

The Boomerang Alliance estimates that packaging costs the Australian economy \$90 million in landfill charges, and \$260 million in lost revenue from the sale of recovered materials. It calculated that each year Australia loses over 1.8 million tonnes of resources to packaging. Marketing expert Bruce Perrott from the University of Technology, Sydney, points out that packaging is all about branding and trying to make products stand out from the crowd. Packaging is used to advertise a brand's product so that it stands out from its competitors. Without regulation, businesses that decrease their packaging risk losing promotion if their competitors do not follow. The incentive is to increase packaging.

A 2004 Newspoll survey found that 80 per cent of Australians believed that waste from packaging was a problem, with most people wanting governments to intervene to slow down the process. The Boomerang Alliance reports that countries such as Germany, Belgium, Austria, Luxembourg, Sweden, the Netherlands and Denmark have strict refill policies for plastic containers, with bottles used 20 to 40 times before they are recycled. In Australia we continue to use ineffective voluntary codes within the National Packaging Covenant to limit packaging. While the 740 signatories represent 90 per cent of packaging produced in Australia and 80 per cent of packaged retail brands, signatories set their own goals and prepare their own action plans to meet the standards.

I understand that under the national environment protection measure, which can be enforced on industries that do not sign the covenant or comply with its code of practice, that regulation has not been used once against offenders in the past 10 years. Last year, in a submission on the national waste policy, the Boomerang Alliance described the National Packaging Covenant as contributing little, if any, improvement to packaging recycling. The alliance states that packaging sent to landfill has increased since its introduction, despite a commitment in 1991 for a 50 per cent reduction.

The National Packaging Covenant will be replaced on 1 July with the Australian Packaging Covenant, with the focus to shift from recycling infrastructure to improving packaging design, decreasing litter and increasing levels of recycling at work and in public places. I am concerned that these principles already exist in the standards and have failed to decrease large non-recyclable packaging. We should follow the European Union, which endorsed extended producer responsibility and issued the Packaging and Packaging Waste Directive to cover all forms of packaging, and set mandatory recycling targets for specific material types. *Choice* points out that the European model has take-back policies and requires industry to absorb the cost of recycling.

We need independently assessed binding targets for recycling rates as well as for packaging re-use and production rates. Enforceable plans are needed to achieve targets established between government, retailers, producers, packers and local government. Non-recyclable packaging should be banned. I hope that the electronic waste take-back system commencing next year across the country expands to include take-back services for packaging. Container deposit levy legislation is urgently needed to increase recycling rates of easy-to-recycle beverage containers. Consumers want to buy products with less packaging and recyclable packaging, but without regulation most products will use packaging to advertise their brands despite the immense waste. I call on both State and Federal governments to introduce mandatory legislation to urgently reduce packaging waste.

COOGEE BAY HOTEL SITE

Mr PAUL PEARCE (Coogee) [5.50 p.m.]: Previously I have brought to the attention of the House the issue of the Coogee Bay Hotel development being promoted by C.inc. Hospitality and a company called

Oakstand. First, I would like to correct an earlier statement I made to the House in relation to the status of Oakstand. I incorrectly advised the House that it was a wholly owned subsidiary of C.inc. It has been brought to my attention that that is not the case. It appears that whilst the relationship is unclear, Oakstand is apparently a joint development partner, or what it describes as a development partner. Its general role is as a development management company, but it is unclear whether it has equity in the development.

Oakstand has recently created a website, supposedly to provide information to the public regarding its proposals. But the website has no diagrams. A member of the public looking at the website gets a very vague description about what is proposed. Here is a clear attempt to present to the Department of Planning some suggestion that the public supports one option over another. The reality is that the public does not support any of the three proposals that have been floated by this pair of developers, because each of the proposals grossly exceeds the planning controls applicable in that area. The developers are attempting to get their proposal dealt with under part 3A.

As one of the proponents, C. inc., has been a political donor to political parties in the past—both Labor and Liberal—this matter cannot be dealt with by the Minister and will have to be dealt with by the Department of Planning. After the department deals with it, presumably it will then go to the Planning Assessment Commission. The community is dead opposed to this development. I am not talking about just a small community of a few hundred people at Coogee. I have put before this Parliament petitions containing in excess of 9,000 signatures opposing this particular development, 4,500 of which, as I recall, are the signatures of residents enrolled in the electorate of Coogee. That equates to roughly 10 per cent of the community. This is not a minor issue and it is not a minor concern of a few people who live next door to the proposed development; this is a major concern broadly in the community in the area. It is indicative of an abuse of process proposed by two very greedy developers in relation to this matter.

I put on record my thanks to the people who have been organising the petitions, particularly Rona Wade and Del Buchanan, amongst others, and the Coogee Beach Precinct Committee, who have done a sterling job making the community aware of this matter and getting the petitions signed and into this Parliament. I believe the Hon. Don Harwin has produced the petitions in the other place. The developers say that the website is the first step in informing the community about the development and that it would be updated once the Department of Planning had accepted the consent authority, before the start of community consultation. That is wrong. Community consultation should be happening. This is a key site in the area and it is important that the community be involved from the word go. This has not been the case. It is an absolute exercise in arrogance by these developers in the Coogee basin.

The developers do not want to show pictures because whilst they have apparently been told to remove the 15-storey tower from the original proposition—there is a four-storey height limit at Coogee—they have two proposals, both of which incorporate, as I recall, seven-, eight- or nine-storey proposals, including a seven-, eight- or nine-storey development on Coogee Bay Road, which is currently a height equivalent of three to four storeys.

One of the alternative proposals, according to the information I have received, demolishes the heritage building known as the Coogee Bay Hotel. These developers are looking for the maximum yield out of the site, and the maximum yield will be by levelling the entire site and to hell with the heritage building, which is a very prominent feature in the Coogee streetscape. The proposal is totally unacceptable. I will quote briefly from an email I have received, which reflects the sorts of comments I am getting from my constituents:

I would be most grateful (as are others in our area) to be heard on this matter and that you press our case on our behalf. The matter is of serious concern to many residents and would reconfigure the whole lower region of Coogee Beach including the village area on Coogee Bay road. I don't believe residents are against development proposals per se, rather it is the scale of the develop in question which is abhorrent. It can only be described as greedy.

I absolutely agree with that constituent's comments.

PRINCES HIGHWAY UPGRADE

Mrs SHELLEY HANCOCK (South Coast) [5.55 p.m.]: I have spoken many times in this place about the importance of the Princes Highway for business, industry and visitors on the South Coast. Needless to say, there was universal condemnation when last year's State budget revealed New South Wales State Labor had decreased its budget allocation for the Princes Highway by 46 per cent compared with the previous year's allocation. Last year's allocation was \$78 million and barely enough for one major project along the

470 kilometres between Waterfall and the Victorian border. New South Wales Labor continues its failure to invest in the State's roads and transport infrastructure, and currently there is no major work proceeding on the Princes Highway following the recent completion of the Conjola Mountain upgrade.

Works on the Princes Highway have literally ground to a halt and without any assistance from the Rudd Labor Government New South Wales Labor also is failing to recognise the importance of the highway as the only transport link for many commuters and businesses. It is important to note that the highway is a State Government responsibility and that the former Howard Government was committed to assisting New South Wales in achieving important infrastructure upgrades—a fact often ignored by the current Illawarra State members of Parliament, who have no doubt been humiliated by their own Government's inaction and the current failure by Kevin Rudd to contribute anything to the Princes Highway.

Residents should be very clear about significant funding contributions to various Princes Highway upgrades by the former Howard Government and the committed lobbying by the Federal member for Gilmore, Joanna Gash, to achieve major upgrades. John Howard, following intense and passionate lobbying by Joanna Gash, contributed \$10 million to the Conjola Mountain upgrade, \$15 million for the Forest Road to Jervis Bay Road upgrade and \$34 million for the North Kiama bypass. Prior to the last election Prime Minister John Howard also committed \$20 million for much needed duplication works at South Nowra, if he was re-elected. Only recently, Tony Abbott committed a further \$20 million for an upgrade at East Lynne, if elected to government, where earlier this year three members of the Bridge family tragically lost their lives in dreadful circumstances.

But the current Federal budget indicates no funding for the Princes Highway at all and is in stark contrast with the former Howard Government's recognition of the importance of the Princes Highway for residents from southern Sydney to the Victorian border and for businesses and much needed investment. In my view there are two major projects that should have been commenced by now, and previous budgets allocating only planning money indicate a lack of commitment by New South Wales Labor to these vital Princes Highway upgrades.

The first project that could have been commenced long ago is the South Nowra highway duplication project that would have resulted in an enhanced dual carriageway from Kinghorne Street to Forest Road on the Princes Highway. The project has received overwhelming support from business, residents and Shoalhaven City Council. This section of the highway is, at best, congested and, at worst, on many days, weekends and holidays, completely gridlocked. The highway in this area provides access to major shopping centres and businesses and is the only route for visitors travelling further south. It is completely substandard and must be included in this year's budget.

The second project is the upgrade of the Princes Highway between Gerringong and Bomaderry, including a bypass of the town of Berry that has been on the table for more than fifteen years. The Gerringong to Bomaderry section of the highway is almost entirely single-lane in each direction and carries more than 11,000 vehicles a day. The section poses a serious danger to motorists. In a five-year period from July 2000 to June 2005 there were 230 reported crashes and nine fatalities between Fern Street, Gerringong, and Cambewarra Road, Bomaderry. State Labor promised the project in 2006, yet five years later nothing has commenced and the member for Kiama continues to claim that the project is so significant it will require years of planning. That argument beggars belief: four years of planning for this project. Some sections of the project could have commenced long ago, yet the State Labor Government failed again to attract any funding under Infrastructure Australia due to its entirely inadequate submission—according to the Federal Government.

The Leader of the Opposition, Barry O'Farrell, has visited the area on numerous occasions, as has the shadow Minister for Roads, Andrew Stoner. They both understand the importance of the Princes Highway and have committed themselves to providing additional funding for its upgrade. The current Minister for Roads should understand the importance of the abovementioned two projects. After all, he is the Minister for the Illawarra. However, he continues to focus on Sydney's transport, road failures and controversies, and ignores his own backyard. I call on the Minister to ensure that funding is included in this year's budget for works to commence at South Nowra between Kinghorne Street and Forest Road, and the section between Gerringong and Bomaderry. Plenty of time has been set aside for these projects and planning money has been available in budgets. Both projects are ready to proceed, although not the entire Gerringong to Bomaderry project but certainly the proposed Berry bypass. Trucks continue to rumble through that beautiful town. This affects the constituents of the electorates of Bega, South Coast, Kiama and further north. Everyone who travels along the Princes Highway deserves a better standard of highway.

Mrs BARBARA PERRY (Auburn—Minister for Local Government, Minister Assisting the Minister for Planning, and Minister Assisting the Minister for Health (Mental Health)) [6.00 p.m.]: I thank the member for South Coast for her contribution. As she knows, over \$100 million has been allocated to the Oak Flats to Dunmore link road, which is currently open. The member would know also that planning is well underway for the section of highway from Gerringong to Bomaderry. It is a bit disingenuous of the member to not present a well-balanced speech and acknowledge those outcomes.

LAKE ILLAWARRA LITTLE ATHLETICS CLUB

Ms LYLEA McMAHON (Shellharbour—Parliamentary Secretary) [6.00 p.m.]: On Sunday 18 April 2010 I attended the Lake Illawarra Little Athletics Club 2009-2010 Annual Presentation Day at its new home ground at Myimbarr. The wonderful thing about Little Athletics is that any child between 5 and 15 years of age can participate, and it is a great way to introduce children to sport. Unlike with high-profile sporting activities, winning is not everything at Little Athletics. The main emphasis is on participation, fun, fitness and striving to improve your performance. The following special guest life members of the Lake Illawarra Club helped to celebrate the achievements of these young stars: Howard McGarry, Carol McGarry and Ron Thompson. Whilst Shellharbour councillor and life member, John Leedham, was unable to attend on the day, he is a great supporter of the club.

During the Little Athletics season our young athletes are able to compete weekly at their chosen centre, as well as compete at zone, regional and State level championships. The Lake Illawarra Club is the oldest club outside the Sydney metropolitan area, and was the first country club to be established in New South Wales. This club commenced operations in the 1970s and is now in its thirty-eighth successful year. I will list the award winners. Club Person of the Year Award for 2009 was presented to Colin Anderson. Five-year service medals were awarded to Kyle Attard, Ryan Waine, Teisha McKenzie, Emerald Jenkins, Hayley Waine, Sarah Gomes, India Jardim, Rylee Lawrence, Susie Seitaridis, Stephanie Vowles, Kathryn Karp, Michelle Vowles.

A 10-year service medal was presented to Joshua Fernandes. State representative awards were presented to Susie Seitaridis, Joshua Bingham, Dean Invernon, Phillip Komninos, Dylan Crandell, Joshua Fernandes, Casey-Lee Bedford, Darcy Brown, India Jardim, Belinda Carrasco, Matthew Carrasco, Joshua Cuthbert, Reece McIntosh, Hollie Rawiri-Gentle, Caitlin Grantham, Danika Matos, Monica Gomes, Olivia Rose McEwan, Natasha Komninos, Amy Hemmingway, Kyle Attard, Tristan McIntosh, Kurt Bedford, Georgia McEwan, Shaye-Lee Frier, Dominique Ivanov and Steve Borg. I congratulate all of those recipients on participating and representing the Lake Illawarra Club at a State level. I acknowledge also those athletes who had 100 per cent attendance at the club, because they have made the commitment to attend and participate every week. They are William Gamble, Aris Seitaridis, James Clay, Leticia Valentine, Nikita Freeburn, Casey-Lee Bedford, Belinda Carrasco, Amy Hemmingway, Alana McGarry and Fletcher Townsend.

The Bill Young starters encouragement award was presented to Kasey Yates and Jamez De Souza. The overall personal best award was presented to Gabrielle Marriott and Isaac Shaw. One of the prized awards is the club championship trophy, which attracted a number of finalists, including Isaac Shaw, Levi Murdzevski, Joshua Lambert, Cameron Chisholm, Joshua Fernandes, Joshua Bingham, Dean Invernon, Jai-Ann O'Nains, Hollie Rawiri-Gentle, Georgia McEwan, Casey-Lee Bedford, Susie Seitaridis and Amy Hemmingway. As always, there can be only one winner—although in this case one each for girls and boys. The recipients were Susie Seitaridis and Joshua Bingham.

The award for most outstanding under-17 club champion was presented to Dean Invernon and the most outstanding under-7 athlete at zone championships award was presented to Danika Matos. The award for best performance at zone, region and State went to Hollie Rawiri-Gentle. The most outstanding athlete overall was Susie Seitaridis. Of course, none of this is possible without the volunteer members of the club and committee who make sure things happen daily and that the club administration is taken care of. I acknowledge President Howard McGarry, Secretary Kristie Hodges, Treasurer Colin Anderson, Registrar Kevin McGarry, Canteen Supervisor Raelene McGarry, Uniform Officer Ann Crooks, Publicity Officer Malfada Gomes, Equipment Officer Roy Hemmingway, Fundraising Officer Erica Winkelbauer and other general committee members Arthur Komninos and Pamela Waine. I congratulate all of the aforementioned recipients, committee members and volunteers. The dedication and motivation with which they approach their sport is commendable and serves as an example to their peers and the community.

Mrs BARBARA PERRY (Auburn—Minister for Local Government, Minister Assisting the Minister for Planning, and Minister Assisting the Minister for Health (Mental Health)) [6.04 p.m.]: I join the very proud

member for Shellharbour in congratulating the Lake Illawarra Little Athletics Club on its achievements and incredible support from its committee. Many of these things cannot happen without the members and parents, who are committed to their children. This support helps young people not only on the athletics side of things but also with confidence and self-esteem that they will carry throughout their lives. The member for Shellharbour has every right to be proud of this club and, indeed, every young person in her community. I wish the Lake Illawarra Little Athletics Club every success in the future. Well done!

WOOLGOOLGA MEN'S SHED

Mr ANDREW FRASER (Coffs Harbour) [6.05 p.m.]: I reiterate what a great job Little Athletics does across the State but, unlike the member for Shellharbour, I will not name all the participants in my electorate. Unfortunately, I am informing the House of the closure of the Men's Shed in Woolgoolga, which is a small town in my electorate. The club is closing because the council has decided it cannot continue to operate on its present site. An article in this week's *Coffs Coast Advocate* states:

Members of the Woolgoolga Shed have been told to down tools by Coffs Harbour City Council.

The group received a letter from council last week telling them to cease operations at the current site that has been its home for three years.

According to president Michael Hope, the committee was told it would not be allowed to continue its industrial operation in a rural zone.

Anyone who has been to a Men's Shed understands that its members perform a community service. They might be welding park benches and other bits and pieces, but to classify it as an industrial operation is somewhat bizarre. The article continued:

After protesting its use was not "industrial", shed members were allowed to continue to use the building as a recreational facility pending a Development Application.

As part of the DA process, a consultant inspected the structure and decreed the owner needed to make thousands of dollars worth of improvements including a firewall, disability toilet, disability parking, disability access ramps and exit signs.

The owner reported to council that he would be unable to meet the additional costs and so the Woolgoolga Shed was told to cease operations in its current facility.

Mr Hope is incensed the shed has been operating for the past three years with the council's knowledge and was now told it would not be allowed to operate at that venue any longer.

He said the shed provided a service for up to 50 members including three different disability groups as well as providing an outlet for retired men and some women.

"Without the shed, the men will have nothing to do for the week, they will stay at home, not doing much, just watching the TV ... It keeps them from being lonely and depressed.

"You ask anyone in the community what they think about the shed and they are full of praise."

Shed representatives have sent letters asking for help from the community and council including locally based Councillor John Arkan.

"A good outcome would be to find a permanent home for the shed.

"If it doesn't fit there, let's get out there as a community and let's find where it does fit.

"We will strive to get the best outcome for everybody."

What amazes me is that a few weeks ago I visited Woolgoolga industrial estate and spoke to a proprietor of a business who I believe was hassled unfairly by the council to bring his premises up to standard for a development application [DA]. He did that, but it caused him great hardship. However, I drove around the estate and saw dozens of businesses operating without the benefit of a DA. People are also living on work sites under the guise of providing security. In reality, those sites have become residential tenancies in an industrial estate. If the council wants to be even-handed it should clean up the site. It should ensure that everybody is operating under a DA. If the Woolgoolga Men's Shed group is required to operate under one, everybody should.

Years ago we had a men's group in Woolgoolga that built all the tables and chairs around Woolgoolga Lake. They did a fantastic job. The men's shed is an extension of that. We have had a Men's Shed of some description in the local area for 32 years. Last week when I attended the reopening of the old scout hall at

Urunga, which is now a Sailability facility, I met local men who are trying to get a men's shed up and running. They have full council support. They are planning to repair a boat so that disabled and other people can learn to sail. Men's sheds have been successfully established at Nambucca, Nelligen, Dorrigo and Grafton. I went to the opening of a roadside memorial for Bruno Notaros near the Woolli turnoff. The Grafton Men's Shed group constructed the furniture for the site. These groups are great for retired people and people who have lost their partner. I encourage Coffs Harbour City Council and the State Government to assist in every way possible to ensure that these sheds not only continue to thrive but also that they operate as they have done in the past. Woolgoolga Men's Shed should be able to continue to operate as it has in the past.

CONCORD HOSPITAL OUTPATIENT DIALYSIS

Ms ANGELA D'AMORE (Drummoyne—Parliamentary Secretary) [6.10 p.m.]: This evening I draw the attention of the House to the need to re-establish outpatient dialysis services at Concord Repatriation General Hospital. This week, together with my community, I have launched a community petition calling on the State Government to fund and implement outpatient dialysis services at Concord hospital. Previously Concord hospital provided outpatient dialysis services in 20 chairs at Dame Edith Walker Ward on the Yarralla site within the hospital grounds. On 28 July 2008 the unit closed for outpatients and the service was transferred to Royal Prince Alfred Hospital [RPA] in Camperdown with a new 30-chair dialysis service. At the time the area health service said that the Dame Edith Walker unit was no longer suitable to provide this essential renal service.

Some of the reasons for the closure were that Dame Edith Walker House is a historic home with heritage listing that could not be modified to provide a modern dialysis service, it was cold in winter and hot in summer, and had limited access to public transport. As a consequence the building was no longer suitable to continue the service and refurbishment was not an option due to limitations on altering the building. The RPA hospital unit would substantially improve quality of care to patients and meet the increasing demand for dialysis treatments utilising modern clinical practices. While I accept that the new facility that was opened in 2008 at the RPA hospital campus would provide a purpose-built facility addressing the clinical needs of dialysis and home training, brand new dialysis machines, chairs and support services, improved access to emergency medical cover, access to public transport, ducted climate control air-conditioning for improved patient comfort and single level access to all services and the capacity to care for an additional 48 patients, that does not obviate the need for outpatient renal services to be provided at Concord hospital.

I note that we have inpatient dialysis beds at Concord hospital and that the relocation of outpatient renal services to RPA hospital did not affect the vital service at Concord hospital. Concord hospital provides services to a large catchment area. The need for dialysis services in our community is increasing by 8 per cent per year and often this service is the last resort for patients. The importance of this service is further highlighted by the low rates of organ donation in Australia, which often leaves individuals with dialysis treatment as their only option. When the Dame Edith Walker unit was closed I was concerned about the additional travelling time that would be imposed on patients required to access services at RPA hospital. Even though some argued that RPA hospital was close to Concord hospital, they did not take into consideration that a dialysis session can take seven hours. It is unacceptable to expect people to catch public transport for the additional journey to RPA hospital to access treatment.

There was also the issue of costs associated with parking at RPA hospital. Subsequent to my representations to the Minister and with the support of many local residents and dialysis patients the area health service approved a bus service to transport patients from the Dame Edith Walker unit to RPA hospital for their treatment. The bus service also enables patients to be dropped off at home after they have completed dialysis, although not all patients have access to this service. Parking spaces were allocated for patients' family or carers for drop off in front of building 12 at RPA hospital.

I acknowledge dialysis patient Nell McNamara, who organised a petition in 2008 containing 180 signatures and who worked with me every step of the way on this issue. I also acknowledge Arthur Ciantar, a local resident who has continuously highlighted the need for outpatient renal services to be prioritised at Concord hospital and who does home dialysis.

I have sought feedback from patients using the dialysis service at RPA hospital and they have nothing but good things to say about it and the care provided to them. I thank the clinicians and support staff for their expertise and dedication to residents requiring dialysis. However, many patients, residents and I as the local member demand that the State Government provide outpatient dialysis services at Concord hospital due to

increasing demand and population growth in the catchment area. The area health service has stated that it has begun preliminary planning, but we need more than that; we need the State Government to prioritise funding for the outpatient dialysis service to commence at Concord hospital as soon as possible. That is why I, as the local member, and my community are seeking a commitment from the Treasurer, the Minister for Health and the Premier to reintroduce outpatient dialysis services at Concord hospital. We have the expertise at the hospital and the service is desperately needed in my community.

COMPENSATION FOR THE VICTIMS OF DR GRAEME REEVES

Mr ANDREW CONSTANCE (Bega) [6.15 p.m.]: I speak on behalf of victims of Dr Graeme Reeves who are now being subjected to an unacceptable compensation process. I cannot believe that after all that has happened victims are now being required to speak out publicly to get clarity about what is going on with the compensation process. Women who were left traumatised following vicious assaults at the hands of Dr Graeme Reeves are now trying to ascertain what the State Government is doing with regard to compensation.

A number of years ago former Minister for Health Reba Meagher made it clear that Dr Graeme Reeves' victims would be able to access compensation through an early evaluation scheme. Two years on, there is still confusion; two years on, there are still ongoing discussions between lawyers and the Crown Solicitor's Office; two years on, there is no clarity about where privately insured patients stand. It must be remembered that the Government employed Dr Graeme Reeves without checking his registration status and his referees. The Government failed to dismiss him straightaway when it became apparent to everyone that there was a problem with him. In one instance the Government appointed and sacked him on the same day.

The situation is that there is no clarity regarding compensation. One victim spoke out on the front page of the *Bega District News* and described the decision on compensation as "abominable". The woman's lawyers have advised her that compensation has been denied because she was a private patient. A former Minister for Health, the Hon. John Della Bosca, stated in September 2008 that the matter would be dealt with urgently. He said:

The New South Wales Health system will take responsibility for any failings of the public system relating to this doctor's practice ...

The Crown Solicitor's Office has been instructed to deal with claims as a matter of urgency, using early evaluation processes.

This will allow claims to be assessed without forcing plaintiffs into the additional expense and delay of formally commencing a legal action through the courts.

Apparently privately insured patients now will not be allowed to access compensation, but the situation needs to be clarified. It seems that the statements made by successive Ministers for Health—to date, three health Ministers have been involved in the matter—have provided no clarity for the female victims. I seek answers from the current Minister for Health about what will happen to privately insured patients who were mutilated at the Pambula District Hospital. Are they covered by compensation? Are patients who walked into Pambula hospital and who, at the urging of the State Government—as evidenced by a sign at that hospital at the time—had used their private health insurance to relieve the public hospital system of financial burden, entitled to compensation?

Why aren't women in both categories able to access compensation for what happened to them? I also wish to know whether private patients who were assaulted by Dr Reeves in his rooms will be entitled to compensation. There is no clarity for the victims of their position regarding compensation. No Minister has been willing to clarify these important matters. It must also be remembered that at the time the assaults occurred, women who lived in the Bega electorate, regardless of whether they were privately insured or public patients, had no choice but to accept Dr Reeves as a treating medical practitioner. He was the only specialist gynaecologist-obstetrician in the region at the time and the Government had appointed him. The Government did not check his registration status or his referees. In spite of the serious flaws in the recruitment process, the Government appointed him.

I hope that the current Minister for Health, Carmel Tebbutt—unlike the two previous Ministers for Health who were involved, the Hon. John Della Bosca and Reba Meagher—will clarify the situation for these victims. These women should not be left in the dark because of ongoing negotiations between lawyers and the Crown Solicitor's Office. Openness and transparency in the process is desperately required as a matter of urgency, given that these poor women have been forced to speak out publicly to obtain some type of assurance from the Government.

MAIN ROAD 217

Mr GREG PIPER (Lake Macquarie) [6.20 p.m.]: For the fifth time, I draw to the attention of the House the need for roadwork upgrades for Main Road 217 in my electorate. This will be third time I have spoken about this particular section of Main Road 217. The section of Main Road 217 to which I refer is the part along Cary Street between Thorne Street and Bay Street. It really does not meet the needs of motorists and the situation is becoming increasingly worse. This 400-metre stretch has five intersections that are made more difficult by the merging of lanes and inadequate turning lanes.

At the most congested time during the morning peak, traffic can be banked up as far as Excelsior Parade, which is a further 400 metres away. I am advised by the Minister for Transport and Roads that the Roads and Traffic Authority has surveyed peak hour traffic in this stretch of roadway and found that it takes on average three minutes and thirty seconds for motorists to travel this 800 metre stretch. I have to say that that does not sound much. I am not particularly complaining about that, but I am saying that in that section the Roads and Traffic Authority has the solution in its hands. The Roads and Traffic Authority is close to the problem and has all the required expertise and authorisation to resolve the problems and reduce much of the complexity, thereby reducing the risks of collision.

It is to be expected that intersections in built-up areas will cause delays, but this stretch of road has an unacceptable effect on journey times. The average peak hour speed along this 800 metre stretch of roadway is less than 14 kilometres an hour. Time pressures created by this situation exacerbate the inadequacy of the road and result in a very high level of risk taking and dangerous driving behaviour. This is borne out by the high number of collisions in this short stretch of road. On 24 June last year the former Minister for Roads confirmed that the Roads and Traffic Authority has a long-term plan to widen the road at this location, and that most of the property acquisitions have been finalised. I am also advised that there remains only one property to be acquired and that this recently was redeveloped in a configuration that will allow the Cary Street frontage to be used for road widening. While the construction itself would be a substantial project, the decision to widen the road should be a simple one to make.

The widening of Cary Street at this location fits with recommendations of the Main Road 217 Route Development Study carried out by the Snowy Mountains Engineering Corporation in 1996. That study identified this particular section of Cary Street as one of two problem sites on Main Road 217 that have crash rates above the State average. Since that time, accident rates have continued to increase. The Newcastle office of the Roads and Traffic Authority has proposed an interim measure of remarking the road with a different configuration of turns and merges. While I recognise this as a genuine effort by locally-based officers to improve the situation within a limited budget, there really seems little benefit, if any, in doing that because, quite simply, it cannot overcome the lack of capacity and the ensuing congestion. Indeed, part of the re-marking would reduce a section of the road from four lanes to three.

Main Road 217 is the major State road that serves residents in the Lake Macquarie electorate. It is the only alternative to the limited access F3 and the only direct connection between many suburbs in western Lake Macquarie. Significantly, it is the major route for an increasing number of commuters. The last substantial improvement to the alignment and carriageways of Main Road 217 was the Five Islands Road, which was officially opened in March 2007. In 2000, while planning the Five Islands project, the Roads and Traffic Authority claimed the following as benefits: decreased travel times and increased travel efficiency, reduced vehicle operating costs, improved connectivity throughout a region characterised by a dispersed settlement pattern, improved safety through reduction in accidents, and increased accessibility between Toronto and Newcastle.

These same five criteria starkly highlight the ways in which the Toronto section of Main Road 217 currently fails the residents of Lake Macquarie and detracts from their quality of life. The Roads and Traffic Authority also said of the Five Islands project that the improvements to Main Road 217 would generate economic growth in communities along the western shore of Lake Macquarie through influencing traffic flows to future growth areas. That future growth has now arrived. It is time for Main Road 217 to meet current demands, rather than stifle the growth it should foster. When planning the Five Islands Road, the Roads and Traffic Authority anticipated that traffic volume would grow at 1.6 per cent per annum from 1996 to 2009, in line with historic growth from 1982 to 1995. This may have been a valid view back in 2000, but in 2010 it clearly does not match the rapid residential growth that already is occurring and that has been recognised by the Government's own Lower Hunter Regional Strategy.

One of the most essential steps for this road to meet both current and projected demand is to improve the central Toronto section of Main Road 217. This will deliver a considerable return in terms of travel time and safety, and is an improvement that is greatly needed. Rather than tinkering at the edges with signage and line-markings, I urge the Government to allocate funds in the upcoming budget to allow commencement of a serious upgrade, and a long-term solution, for this section of Cary Street.

THORNLEIGH HOUSING DEVELOPMENT

Mr GREG SMITH (Epping) [6.25 p.m.]: Today I draw to the attention of the House the submissions of the Thornleigh Normanhurst Residents Group and their petition concerning the strategy of the Council of the Shire of Hornsby to develop high-rise housing on both sides of Pennant Hills Road at Thornleigh. Members will know that Pennant Hills Road, particularly at the Comenarra Parkway intersection, is one of the worst stretches of road in Sydney because of the gridlock caused by B-doubles and various other large vehicles combined with local commuters who are going to work, to the shops or to take their children to school. In a petition with more than 1,100 signatures that will be presented to Parliament next week, but which has already been given to the Clerk, the Thornleigh Normanhurst Residents Group and its spokesperson, Gwen Martin, have expressed their opposition:

We oppose the development of the sites in Thornleigh until due consideration of the safety issues relating to the volume of traffic using the road network here is addressed. We oppose the building of 8 to 10 storey buildings beside the railway station and Pennant Hills Road. The undersigned petitioners therefore request that before rezoning this area a detailed traffic study is undertaken looking at the Wells Street Bridge, Comenarra Parkway cross traffic, Pennant Hills Road and the rat run behind Pennant Hills Road through the targeted areas. We request that the 8 to 10 storey buildings be reduced to five storey buildings in keeping with the proposed developments on the east side of Pennant Hills Road.

As I have mentioned in this place before, the Hornsby housing strategy has caused enormous conflict in the Hornsby shire and in the Epping and Hornsby electorates. The council, which claims that the Government is responsible and that the planning department has forced it to find 11,000 dwellings by 2031—but many of them well before then, such as now—cannot have it all ways. In its original strategy proposal it nominated a number of sites, which it has now deleted, and it has added others that I have referred to previously, particularly in Carlingford, Beecroft, Pennant Hills, West Pennant Hills and Thornleigh.

I have submitted to the council that it is not practising procedural fairness towards those areas that are the subject of the current housing strategy, the amended one, because it has not given reasons for changing from one area to another. It is a fundamental principle that where the rules of procedural fairness apply—and I believe they do—to a decision-making process, the party liable to be directly affected by the decision is to be given the opportunity of being heard. That would ordinarily require the party affected to be given the opportunity of ascertaining the relevant issues and to be informed of the nature and content of adverse material.

Applying these principles to the Hornsby strategy, I submitted that the council has failed in its duty to notify the residents, both of new ward C precincts and the old ones, that their interests are likely to be affected by the exercise of the power of the case against them and that council did not disclose the critical issue or factor on which the decision is likely to turn or ensure that the gravamen or substance of the issue or factor is brought to the attention of the residents of new ward C or the other ones. They have been left in the dark. Areas close by Thornleigh, for example at Normanhurst, were originally to be included in the strategy—they are near a railway station that is just as frequently visited by trains as Thornleigh—but most of them have been excluded. Thornleigh, which is a hub of bad traffic and gridlock, remains part of the strategy. Those residents cannot afford to have this imposed on them.

Council sought to reply to me but it still has not explained its reasons. It says these people have the chance to object and put all sorts of submissions to council. There are now 2,500 submissions in council hands—and they are not roneoed submissions—and there is a petition containing more than 2,000 signatures. I ask for justice for the people of Thornleigh.

Private members' statements concluded.

**House adjourned, pursuant to standing and sessional orders, at 6.30 p.m. until
Friday 14 May 2010 at 10.00 a.m.**
