

LEGISLATIVE ASSEMBLY

Wednesday 27 October 2010

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

The Speaker read the Prayer and acknowledgement of country.

VETERINARY PRACTICE AMENDMENT BILL 2010

DRUG MISUSE AND TRAFFICKING AMENDMENT (MEDICALLY SUPERVISED INJECTING CENTRE) BILL 2010

Messages received from the Legislative Council returning the bills without amendment.

PARLIAMENTARY BUDGET OFFICER BILL 2010

ROAD TRANSPORT (VEHICLE REGISTRATION) AMENDMENT (WRITTEN-OFF VEHICLES) BILL 2010

Messages received from the Legislative Council returning the bills with amendments.

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

AUDITOR-GENERAL'S REPORT

The Clerk announced the receipt, pursuant to section 63C of the Public Finance and Audit Act 1983, of the Auditor-General's Report for 2010, Volume Three.

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

TABLING OF PAPERS

Mr Aquilina tabled, by leave, the report on State Finances 2009-2010.

HEALTH SERVICES AMENDMENT (LOCAL HEALTH NETWORKS) BILL 2010

Agreement in Principle

Debate resumed from 21 October 2010.

Mrs JILLIAN SKINNER (North Shore—Deputy Leader of the Opposition) [10.07 a.m.]: On 28 October 2004—six years ago tomorrow—the then Minister for Health, Morris Iemma, introduced legislation in this Parliament to establish eight area health services. He claimed during the debate that the legislation was "central to the Government's Planning Better Health reforms to the New South Wales public health system". Years of criticism followed, with doctors, patients and community members complaining of added layers of bureaucracy, loss of local involvement and a disconnect between clinicians and administrators.

The New South Wales public health system employs almost 100,000 people and comprises the Department of Health, the Health Administration Corporation, the Ambulance Service of NSW, the Clinical Excellence Commission, Justice Health, and the Children's Hospital at Westmead, which has been merged with

the Sydney Children's Hospital. The public health system includes approximately 220 hospitals ranging from large teaching facilities to smaller multipurpose services in country New South Wales that are operated by the eight area health services under the auspices of the NSW Department of Health.

At the end of 2008, a special commission of inquiry into acute care services in New South Wales public hospitals published a lengthy report, the Garling report, written by the Chair, Peter Garling SC, which warned that the Department of Health was on the brink. A senior doctor told Commissioner Peter Garling:

I would like to say that after 50 years of observing this hospital I'm sad to say that over the last 10 to 12 years there has been a progressive and, I would have to say, increasing erosion of morale, commitment and loyalty to the institution and that's despite a large number of individuals having demonstrated an enormous commitment over the many years that I've been associated with the hospital.

I think one of the key issues is a lack of delegation of decision making. The delegation of responsibility is still there. [However] We still bear the responsibility for the clinical services and the quality and the safety ... The problem is from my point of view it has been very difficult to get a decision.

The Garling report noted:

It is clear that the establishment of the eight area health services has caused serious disruption and unrest. It has led to decentralised approval processes described by clinicians as "disheartening", "demoralising", "dysfunctional" and "inefficient".

Instead of fixing problems, the 2005 restructure under then Health Minister Iemma:

... created an over-centralised management structure which has alienated clinicians who are the heart of the public hospital system.

I stress that doctors, nurses and allied health professionals working in our hospitals are the key that has kept our hospital system afloat. They do an amazing, marvellous job at a time when I know many of them feel very dispirited and concerned about the problems that this Government has not addressed for many years, and in fact has exacerbated. The geographic areas of the huge area health services were described in the Garling report as "immense", with the Greater West Area Health Service larger than Germany, and Hunter New England the size of England. The Garling inquiry heard from numerous experienced doctors, nurses, managers and community members who identified problems arising from the creation of these area health services, including:

Decision makers geographically removed from those who rely on them.

Added layers of bureaucracy between doctor and decision makers.

Decision making and accountability have become very unclear.

Chief executives of area health services, now accountable to the Director General of NSW Department of Health who, in turn, is accountable to the Minister, are seen as inaccessible and their decisions as not explained to those affected, and that transparency in how decisions are made and resources allocated no longer exists. One comment is:

A shift from clinical governance of corporate matters, to corporate governance of clinical matters ...

In other words, administrators rather than doctors were making decisions about patient care. Further comments are:

Loss of local control at hospital level, with General Managers perceived by clinicians to be disempowered, lacking decision-making authority, limited expenditure delegations and no discretionary expenditure built into hospital budgets.

Clinical managers cannot make routine purchases or decisions, which impedes patient care, particularly where urgent supplies are required.

The role of Medical Staff Councils "has been sidelined since 2005, and effectively marginalised by the 2005 restructure." Inadequate spending delegations were commented upon, with evidence from one senior doctor in charge of a network with a \$50 million annual budget as not being permitted to authorise, for a junior staff member, a replacement pager costing \$169. Clinicians and community members claimed they were unable to scrutinise budgets. One senior doctor said: "... the only time I hear about the budget is when I have exceeded it". They complained about no incentives to keep within budget or save money. They complained about a "loss of voice for smaller and remote communities" and that community involvement has reduced with Area Health

Advisory Councils introduced in each area ostensibly to replace the community voice lost with the abolition of boards when Minister Iemma changed the legislation in 2005. One chair at an advisory council said it was like having "an advisory role only, with no power when it comes to decision-making or budget allocations".

Many advisory council members have said to me, "How can they advise their community? How could they ever act as a link between the community and the clinicians and the doctors when they have to sign a confidentiality agreement which means that they cannot tell them anything?" The widespread criticism of the area health services because of their size, the vast distance between the decision-making chief executive and hospitals and the added layers of bureaucracy has led to the establishment of regions within regions, known variously as clusters, networks or, in the case of North Sydney Central Coast Area Health Service, services. In evidence to the Garling inquiry, former Dubbo Mayor Councillor Alan Smith suggested:

Having the GWAHS (Greater Western Area Health Service) and then breaking it down into its clusters, that was an attempt to bring the size down ...

And Kempsey Mayor Councillor Betty Green noted that:

... as the area health services have become bigger, they have moved further away from the end-user ...

Frontline health professionals have complained that instead of reducing bureaucracy, the restructure increased the levels of red tape:

There are now seven management levels between senior clinician and CEO, up from three in Wentworth Area Health Service. This makes clinician-administration communication near impossible ...

Another said:

... despite one of the objects of the Iemma reforms to reduce bureaucracy, what we have seen locally is a vast enlargement of the bureaucracy, not just the numbers and layers of bureaucrats but also the bureaucratic processes that go on.

Another said:

Transparency and accountability became early casualties of these drastic, ill-conceived and one size fits all hastily introduced changes. This followed the virtual dismantling of all significant organs of independent input into decision-making and review ...

While many experts welcomed most of the reforms recommended by Commissioner Garling in his inquiry, they also asked, "How to make it work?" That is why the New South Wales Coalition endorses Garling's statement:

I accept the weight of evidence that the governance structure requires significant reform ...

The Coalition developed a policy statement called Making it Work in which it acknowledged the need to reform the management structure of the public health system in a way that respects doctors, nurses and other practitioners and gives them every opportunity to excel for their patients. We must empower local communities by giving them better information, and genuine data, and let them have a real say in the public health system that is there to serve them. We need greater accountability for promised outcomes. That was the basis of the Making it Work policy, released in March 2009, which reformed the governance of NSW Health. Among other things we committed to abolishing the eight huge dysfunctional area health services, establishing about 20 Health Districts in their stead and appointing District Health Boards comprising local clinicians and community representatives selected on merit and with a range of financial and strategic and clinical skills.

Making it Work also committed to extending clinical referral networks that link medical experts across the system and to retain certain back-office corporate support functions at a central level. Most of what I have said in this debate so far comes from Making it Work published and released in March 2009 but the Government spent the next 12 months ridiculing that policy. The Government bagged it in this Parliament, outside, in the media and everywhere it could, stating:

Would the solution of the member for North Shore be to replace area health services with districts and boards? Would that make any difference? No, it would make absolutely no difference

Who said that? Health Minister Carmel Tebbutt in *Hansard* on 2 December 2009. I quote further:

Whether Barry calls them areas or districts more of them would result in more managers, more offices and fewer resources for clinicians and patients.

Mr Daryl Maguire: Who said that?

Mrs JILLIAN SKINNER: Then Health Minister John Della Bosca on 27 March 2009 in a media release. I thank *Hansard* for enabling us to read that the Government was so dishonest that it could not possibly accept that the Liberals-Nationals got it right when we said we would abolish these huge area health services. We listened to the clinicians. All members of the Opposition have been out in the communities speaking with doctors, nurses and allied health professionals. Importantly, we talked with patients and their families and carers, and local government representatives and other community members. I notice the member for Penrith, Stuart Ayers, is in the Chamber. It was my very great pleasure to work with him during his by-election campaign. He met with the nurses from Nepean Hospital—wonderful people, representatives of the New South Wales Nurses Association—and he listened to their genuine local concerns. I am sure he will have more to say about that as we go on. I know that many of my other colleagues in the Chamber have had conversations with people in the community.

Of course, the Government's ridicule of Making It Work came to a sudden end in April 2009 when the then Prime Minister Kevin Rudd announced health reforms that acknowledged the importance of local and clinician involvement and required the establishment of health networks to receive funding for public hospitals. The legislation we are talking about today establishes the networks agreed to as part of the Council of Australian Governments' health agreement. The Keneally Labor Government has been forced to acknowledge the failure of its huge area health services in this legislation and the importance of local engagement. However, the real concern with this State Labor Government, as always, is in its implementation. It is easy to talk, but they nearly always get it wrong. They promise big, they hold out hope that this is now central to reform, but in the end they renege and they draw back any real involvement of local community.

The community expressed concern about a number of issues, particularly about the haste with which the Government has developed these new structures, and about poor consultation, particularly on the drawing up of network boundaries. The boundaries were drawn up by head office at NSW Health and then taken on a tour as a PowerPoint presentation. The Minister described that as broad consultation, but many people involved in the meeting, especially those in country New South Wales where I have travelled, described it as nothing more than a telling tour. I particularly acknowledge the people I met on a recent visit to Bathurst, Dubbo and Parkes. I met with representatives of the Orana Regional Organisation of Councils, the medical staff council at Bathurst Hospital and Dubbo Hospital, the mayor of Parkes and so on. Recently I also met with people in the Monaro electorate in Cooma and Queanbeyan, and I have talked to people in the area now described as the southern network.

There is great disquiet in many of these regions about these boundaries and absolute disgust with the Government's claim that they have consulted broadly. Consultation to this Government means: "We will come out here and tell you how it is going to be. By the way, we have run out of time now; you can send us your submission." So when the Minister rises in this place to state they have had 400 submissions, I ask him: why did you not give them to us? The Director General had a meeting with me and I asked her for a copy of the submissions—I do not have them. I do have one though, because they gave it to me, and that is the submission written by the Orana Regional Organisation of Councils. I will refer to that further in more detail shortly.

The concerns about some of the boundaries remain, despite, after discussion, the Government making a few changes. They particularly relate to the central west, the one referred to by the Orana Regional Organisation of Councils. They want to split the central west into two parts—into the Orana region, which would cover Dubbo and outlying hospital areas, and the southern part, which links Parkes and Forbes in with Orange and Bathurst. Concerns have been expressed in the St George Sutherland area, which feels overpowered by the eastern suburbs hospital network, and there is also, as I said, some disquiet in southern New South Wales. But there is a great deal of jocularly about the Government's claim that they are going to negotiate in relation to cross border arrangements. They have had 15 years. Where have they been? The only reason that we have the Albury-Wodonga region is because the member for Albury did a fantastic job in keeping this alive and on the agenda. It took 10 years to get that agreement, so for the Government to get up in this place and somehow hang out hope that we are going to have cross-border networks in the near future is absolutely not true. They have done nothing to date to make that happen.

I point out that the Government was forced to reveal, in answer to questions through the estimates process, that money going from New South Wales to the Australian Capital Territory last year reduced from \$86 million the year before to \$66 million, a drop of \$20 million for treatment of New South Wales patients in the Australian Capital Territory in one year. That is hardly surprising because when I go to a place like

Queanbeyan, I am told by paramedics that they cannot take patients to the brand new sparkling Queanbeyan Hospital because there are no doctors in the emergency department, and that happens up to twice a week. The number of visiting medical officers, the specialists that have previously had appointments at Queanbeyan has dramatically reduced. No wonder those patient have to be taken over to the Australian Capital Territory to the Canberra Hospital to be treated, and at a much greater cost, because it is a tertiary hospital, costing New South Wales more. No wonder my colleagues laugh at the suggestion somehow held out by the Government that there will suddenly be a new cross-border arrangement.

There have also been concerns expressed about having no links to the primary health care organisations. To remind members of this Chamber, when Mr Rudd started this whole process of so-called health reform, which many now describe as nothing more than political reform, he made the point that we would have primary health care split off from hospital care. That is something I have a great deal of concern about, because I know from the many years that I have been working with the shadow Minister for Health, all the experts are telling me what we need is a continuum of care. We need to make sure that people stay well, that we have emphasis on health promotion and on keeping people well, preventing illness. Then when people do get ill, we need to make sure that they can get treatment in the right setting. That might be first going to a general practitioner or a community-based health service provider. It might mean on occasion going to a hospital in an acute setting or maybe in a sub-acute setting, and then they might have ongoing management of a chronic illness, for example, in the community.

Now we have a split. We have primary health care and local health networks. The only hope that there will be any real collaboration between the two—and I make the commitment on behalf of the Liberals and Nationals—is that in government we would enter collaborative arrangements between the two. That would accommodate my concern and a concern expressed by many general practitioner physicians and others who are interested in becoming the primary health care organisation. But the real problem is there are no links between the network boundaries and the primary health care organisation boundaries, despite acknowledgement of this as an important and essential aspect of working closely together, even in the Government's own discussion paper released prior to the finalisation of the local health network boundaries.

In fact, in the discussion paper it was pointed out that without the common boundaries there was a real chance that patient care would be compromised. The paper included a set of boxes that each of the proposed networks could tick as to whether they had common boundaries. Very few of them met that mark. There are also unanswered questions about governing councils and the role of the head office and in particular the whole process of selecting and appointing the members of these governing councils. I found it extraordinary that the Government closed nominations for chairs of the governing councils on 17 September before the boundaries were finalised. The deadline for expressions of interest in becoming board members was 22 October, last Friday, before the legislation was introduced to Parliament and before networks were agreed by the Commonwealth. It shows that this Government makes a mockery of genuine involvement of local communities and allowing them to have a real connection with the communities they will be required to represent.

Questions also remain about whether network chief executives will be appointed before the chairs who are supposed to be responsible for the task. Nothing in the bill will lead to departmental reorganisation. It is still command and control. It is not clear why local government will be involved, which will add to exceedingly complex relations between the Department of Health, governing councils, chief executive officers and local health delivery councils. Local government areas do not correspond to local health network areas in all cases, so how is local government involved in workforce development or improvement of facilities, as per the Minister's speech? I would be very interested to know whether many local councils were consulted about this before it was put into the legislation.

I am grateful to the number of parties who have responded to the New South Wales Liberals and Nationals request for comment in the three working days we have had since Minister Carmel Tebbutt introduced this bill—three working days to consult on a bill that the Government says is going to shepherd in the greatest reform to health since Medicare was introduced. That shows the lip-service this Government pays to the people most affected and involved. It is nonsense. Various doctors, academics and health professionals spread across New South Wales have been kind enough to contact me over the weekend with their comments. Many have complained about the lack of clarity of roles.

For example, the Health Services Association has been successful in ensuring that the legislation enables the Minister to deem affiliated health organisations—which are not-for-profit bodies funded to provide public services, such as Tresillian, HammondCare, Catholic Healthcare and Calvary Health Care—as health

networks. But they are concerned that whilst any affiliated health organisation can make application to become a health network the bill omits the criteria on which an affiliated health organisation is to make an application. I give notice that I intend introducing an amendment to cover this omission. There is still disquiet about the boundaries, with concerns expressed by the Orana Regional Organisation of Councils that I referred to earlier, which I consulted in Dubbo on 29 September. Its view is typical. In a well-argued submission, the Orana Regional Organisation of Councils made the following points:

It is critical that one single Local Hospital Network [LHN] does not manage the whole of western NSW. The proposed LHN (Central West boundary) encompasses over 40 communities and covers a geographic area in excess of 25 per cent of the State of NSW. This boundary is not local or logical and is not based on natural communities of interest.

This population based health formula that has been used to determine the Central West LHN boundary is not dissimilar to the current Greater Western Area Health Service boundary with the exception of Broken Hill (Far Western NSW) being removed.

OROC is alarmed by this formula and model and does not accept that this proposed boundary can support an effective health service delivery for this large and challenged region of NSW.

They point out that the Orana region regards that a geographically smaller local health network boundary should be centred on Dubbo, which is recognised as the region's community of interest and service centre. They go on to say that the New South Wales Government must come to recognise and acknowledge that the Orana region, which includes Dubbo and western New South Wales, has no accord or unity with Orange or Bathurst, with which it is currently now grouped.

The NSW Government must also recognise that the unique geographic and patient need characteristics of this region and more importantly the high indigenous proportion of our communities should critically be taken into account when determining the LHN boundary.

They continue:

OROC does not envisage that a safe and sustainable health care service can be delivered to the entire Orana region under the NSW Government's proposed Central West LHN boundary.

The submission points out the following:

If the proposed LHN was to be based on Orange and Bathurst the total travel distance and time (by road) between Brewarrina or Bourke and Bathurst is approximately 580 kilometres or 7½ hours. This again proves the disastrous size of the proposed LHN and an ineffective delivery of health services to the Orana region.

They point out:

If "Closing the Gap" is to be achieved, OROC encourages careful consideration of an appropriate balance between health and hospitals especially in Aboriginal communities.

I made a speech about closing the gap last year, long before this Parliament signed an agreement with great flourish. It is more than signing agreements and paying lip-service; it is about making it happen and putting things in place that make it happen, as the Orana Regional Organisation of Councils has said. They further comment:

With an LHN based on Dubbo the health needs and services of smaller hospitals and western NSW communities will not be lost, and the "local" component of the mantra of the Federal Government "locally run, federally funded" ensures that the ongoing health needs and distribution of resources are suitably realised and maintained across this vast region.

The NSW government's recommended boundary for the Far West LHN has offered a precedent; this boundary covers a smaller land mass and a lesser population when compared to the Central West LHN and remaining LHN boundaries. OROC seeks that this same logic is applied and adopted for a smaller LHN based on Dubbo.

Dubbo Base Hospital and smaller rural hospitals have well established links, networks and relationships.

The document is signed by the mayor of Narromine, the mayor of Warren, the mayor of Gilgandra, the mayor of Bourke, the mayor of Bogan, the mayor of Cobar, the mayor of Brewarrina, the mayor of Coonamble, the mayor of Dubbo, the mayor of Walgett and the mayor of Warrumbungle. Last Friday, when it was available, I sent a copy of the Minister's speech and the bill to the Orana Regional Organisation of Councils. Imagine the disgust that was felt when someone from my office spoke to the chair of that body this morning to see if they had had time to finalise their views and was told that she was about to board a plane to come to Sydney to have a meeting with the Minister at 4 o'clock this afternoon to discuss their concerns. She was horrified to learn that the Government had brought this bill on this morning. It was paying absolute lip-service to that group of councils.

There was not one iota of intention to address their concerns about this huge network. The fact that the Government has now put in ministerial directions and a supposed unique budget for the Orana area shows that it does not intend to allow the network to have a say in what happens within those boundaries.

How can you have the Minister intervening and dictating to the network about what budget will be spent where if you are going to stick to the business of real local control? Others consulted have asked a number of questions, such as what exactly does "ministerial direction" mean? Does this mean the Minister is allowed to intervene in deliberations and decisions of the local health network governing council? The bill appears to give additional power, responsibility and the right of veto to the director-general. The governance model around how the director general acts is not clear. What is also not clear is how the employees of the area will be treated in terms of whether they will continue to come under the Health Administration Corporation or the local network. I seek a response from the Government in relation to these questions. This would be particularly relevant for the chief executive, who will be appointed by the board and removed by the board unless the director general intervenes. The other point is the role of health support and health infrastructure, and how the boards and networks will interact with these entities. Another senior clinician with vast administrative experience commented:

The problem will continue to be how the role of the Director General, who retains a number of critical powers on behalf of the Minister, is exercised. The structure is reasonable, but in many ways so is the current one, but it is in the implementation that the problem will occur. You may well ask whether the Chairs, for example, will be appointed before or after the appointment of the chief executives. The jockeying is already on for the chief executives and cluster directors, and I suspect that will be determined first, and the Chairs presented with *fait accompli*'s.

There is nothing here that will lead to a reorganisation of the Department, as we have discussed, and it still retains its "command and control" role. The clusters could become effective service modification modalities ...

In short ... the capacity of the Department to control the system, and to politicise it, has not, to my mind, been significantly diminished.

Another experienced clinician administrator made these comments:

The creation of the new LHNs is ostensibly based on detailed projections of population health needs, requirements for self-sufficiency etc. Yet—there are Ministerial Directions and distinct budgets for district sectors like Blacktown/Mt Druitt, Dubbo Base Hospital etc. How will these interface with the LHNs? Either there has been proper planning for LHNs or not. I fear this will open the way for pork barrelling but will have little useful function other than create stresses within LHNs.

The clinician comments further:

It is not clear why there will be involvement of local government adding to exceedingly complex relations between the Department of Health—

And others. I made that comment earlier in my remarks. He continues:

The governance structures are superficially similar to company structures with a CEO responsible to a board (or governing council in this case). The governing council can make recommendations for appointment or removal of a CEO. So far so good. However, there is lack of clarity about the role of other bodies. It seems like there is a strong intention to create the impression that all "stakeholders" are involved, but in the end there is no clear delineation of accountability. The health system is extremely complex ... and without clear lines of responsibility there will be major problems in implementing and running the system. Specific examples include:

1. The role of the Department of Health. It will put in the CEOs yet the LHNs will be separate legal entities from the Department and the CEOs will not be directly responsible to the head of the Department. What exactly will the Department of Health be responsible for?
2. The role of the CEOs. They will have responsibility for the day-to-day management of the LHNs while being responsible to the governing councils (with whom they **jointly** have a shared role in governance?)
3. The role of health professionals. They will be represented on governing councils, hospital clinical councils and local health delivery councils. Only the role of the governing councils is reasonably well defined although it is not absolutely clear to whom they are responsible. Since they are subject to Ministerial Directions, I presume they are directly responsible to the Minister.
4. The role of the Clinical Excellence Commission (with 3 regional coordinators). How will they interface with the LHNs?

In summary, the new system is certainly not simpler than the one it replaces. The biggest issue for me is that it is not clear how or why the new system should necessarily improve the endemic problems of service delivery and budgetary management in Health. In summary, while the New South Wales Liberals and Nationals will not

oppose this bill, we join the chorus of voices warning that making an announcement is one thing, but implementing the proposal is another, and the Keneally Labor Government has a very poor track record in this regard. Reform of health is yet another prime example.

Ms JODI McKAY (Newcastle—Minister for Tourism, Minister for the Hunter, Minister for Science and Medical Research, and Minister for Women) [10.44 a.m.]: I speak in support of the Health Services Amendment (Local Health Networks) Bill, which enables the implementation of a system of local health networks in New South Wales. A total of 15 geographically based networks will be established along with three specialist networks. Local health networks will enable local clinicians and their communities to have more say in how their local health services are planned and delivered to meet the specific needs of their community. There will be more opportunity for local expertise and knowledge to be utilised in local decision-making.

Local health networks will also work closely with Medicare Locals to better coordinate all levels of patient care delivered in a community from general practitioner services right through to acute level care in our hospitals. These networks were developed following the most extensive consultation process ever undertaken in the New South Wales health system. Clinicians and community members informed the proposed networks, which were outlined in a discussion paper released by the Government. The Government received nearly 400 submissions in response to the discussion paper. In response to issues raised by clinicians and community members, a set of ministerial directions will be issued for each local health network.

Examples of how Ministerial directions will be used include the following. In Western New South Wales Local Health Network, ministerial directions will be issued to allow for distinct sector arrangements within the local health network, including a distinct budget for the Orana region, which includes Dubbo Base Hospital. Furthermore, specific requirements around services and the future development of Dubbo Base Hospital will be included in the local health network service agreement. In Western Sydney Local Health Network, Blacktown-Mount Druitt will be established as a distinct sector with its own service agreement through ministerial direction. Blacktown-Mount Druitt hospitals will also have a distinct sector budget within the local health network, as well as additional control over resourcing and accountability. And, in South Eastern Sydney Local Health Network, ministerial directions will be issued requiring that the service agreement recognises St George-Sutherland as a distinct sector with its own budget, reflecting the successful network and clinical council that currently operate.

New South Wales will receive an extra \$1.2 billion over four years as a result of national health reform. This legislation builds on the benefits that Hunter New England has already seen from national health reform. In my local area, we have seen 16 new beds for John Hunter Hospital, 16 new beds for Maitland Hospital and one new bed for Tamworth Base Hospital. These reforms are amongst the most significant in a generation. The reforms are not simply based on the new network boundaries but on new funding arrangements with the Commonwealth becoming the dominant funder, new governance arrangements and the way the hospital system will now relate to the primary care services via Medicare Locals to offer communities better coordinated, more locally focussed and more accessible patient services.

In relation to the Hunter New England area, it could have been divided into smaller networks. It could have been based on a parochial approach that would see Tamworth and the New England area completely separated from the Hunter. But the very clear advice to the Government from clinicians was that dividing it was not in the best interests of patients. More importantly, a change would have impacted on the existing strong clinical networks, and one of the major criteria for local health networks was the capacity to maintain existing clinical networks.

I strongly support the reforms as a way of improving access to and quality of the provision of health services in New South Wales and the Hunter region. I strongly support the retention of the existing boundaries of Hunter New England Area Health Service and accept the advice of the Hunter New England Health Southern Clinical Council, which wrote to me expressing its strong desire to retain Hunter New England Health as a whole. In a letter to me from the Clinical Chair of the Hunter New England Health Southern Clinical Council, Professor Trish Davidson wrote:

It is acknowledged that the move towards reforming the health of our nation is an important step to improve access and quality of health services in a consistent and integrated fashion throughout Australia.

Our team of clinicians want to draw attention to the significant achievements that have occurred in our region that is the Hunter New/England Area Health Service.

In particular we wish to recognise the significant achievements that have been achieved by an integrated population-based approach to health services. A strategic investment in clinical leadership clinical networking, infrastructure that supports patients' access to care and IT systems with shared access throughout the geographic region enables clinicians to deliver care safely and appropriately.

Crucial to our recognition as one of the high performing Area Health Services in New South Wales is this overarching and coordinated approach underpinned by financial investment. Our clinicians throughout the area are keen that we do not lose any of these achievements and believe that restructuring should be limited to those components that achieve further gains. We agree that there is merit in retaining Hunter New/England as a single health entity with capacity to drive expansion into previously under resourced areas such as sub-acute care.

In response to the letter from Professor Trish Davidson, I wrote to the Deputy Premier and Minister for Health advising her of the position and of my support for the retention of the existing boundaries. As I indicated, it would have been so easy to make a decision based on the Hunter's needs and those of the New England region. Instead, we have seen that the benefits of clinical networks override those seemingly parochial prerogatives. I acknowledge the achievements and rigorous financial management of Hunter New England Area Health Service through the leadership of its Chief Executive Officer, Nigel Lyon, in the provision of healthcare and the support it provides to patients and clinicians throughout the Hunter New England region.

There was very strong clinician and community support for the boundaries remaining the same and the Government has accepted this view. I thank all individuals, networks and groups in the Hunter New England area who contributed to the consultation process. I note that in that letter to the Deputy Premier and Minister for Health, and me there were 13 signatures representing the key networks within the area health services. I also thank the Deputy Premier and Minister for Health for listening to those views.

The State Government also intends to enter into a statement of intent with the Local Government and Shires Associations in regard to issues such as the health workforce, recruitment and improvement of local facilities. We know this is a priority in our rural and regional networks and in the Hunter New England area. The statement of intent will lead to formal agreements between local health networks and local government. Each local health network will have a governing council. Amendments to section 26 (2) and (3) provide for the constitution of the governing council, with each council to have between six and 13 members with an appropriate mix of skills and expertise. Members will be required to have health, business and financial management, and clinical skills and, I am pleased to say, where appropriate will be representatives of universities, clinical schools or research centres. I believe it is important that we acknowledge within the governing council the importance of research.

Governing council members must also include community representation and one member must have expertise, knowledge or experience in relation to Aboriginal health. The Government has also expressed its support for local clinicians being appointed to governing councils. The Government is undertaking a process to appoint chairs and members of governing councils and when this is complete, recruitment action will be undertaken to appoint chief executives. I commend the bill to the House.

Mr STUART AYRES (Penrith) [10.52 a.m.]: I speak to the Health Services Amendment (Local Health Networks) Bill 2010. The intention of this bill is to restructure the New South Wales health network. Under legislation introduced in 2004—some would say many Premiers ago—the State is currently divided into eight area health services, lumbering bureaucratic behemoths that have left health professionals and the community at large feeling completely disconnected from their public health system. This bill aims to address that issue by allowing for a redistribution and a breaking-up of these areas into 18 smaller local health networks, eight covering the Sydney metropolitan region, seven covering rural and regional areas, and three specialty networks covering children's health, forensic mental health, and services delivered by St Vincent's Health. This is remarkably similar to the New South Wales Liberals and Nationals policy, which would implement around 20 health districts across the State.

The bill is the direct result of health reforms announced in April 2009 by then Prime Minister Kevin Rudd, which required the establishment of health networks to receive funding for public hospitals. These new funding arrangements, part of the Council of Australian Governments health agreement, are to be in place by 1 January 2011. This has not left a lot of time, and the present Government has not used the time available wisely. However, before addressing my concerns with the bill I will outline some of the reasons reform is necessary.

The bill, in common with the New South Wales Liberals and Nationals policy announced in March 2009, has the virtue of putting management closer to the people who use the service, and closer to the

professionals who provide the service. We often forget that health is not about buildings, hard hats and yellow vests; it is about people. People will always be the stakeholders in the health system. It is these stakeholders, the health professionals and the patients, that I really want to focus on in speaking to the bill. Genuine health reform is desperately needed. Everyone here can read the papers and everyone here must speak to constituents let down by the hospital system. If they do not they should come to Penrith. Nepean Hospital is right up there on everyone's agenda, and it is not hard to see why.

First of all, there are the horror stories. A constituent spoke to me recently about ambulances at Nepean Hospital. She was not saying anything against the ambulance staff—she was overwhelmingly positive about them—but she did talk about the shortage of ambulances in Sydney's west and the 10-hour waiting times on stretchers. When she contacted the bureaucracy they claimed there were more than enough ambulances in western Sydney, and more ambulances than the ambulance staff on the front line had said. Do we believe the bureaucrat covering for the Minister or the front-line paramedic? I know who I would believe.

There is also the man whose wife was in a wheelchair. She fell twice in the last month, so he took her to Nepean Hospital for treatment. Again, the medical staff were excellent. They treated his wife appropriately, stitched her injuries, and made sure she was alright before releasing her so that he could take her home. Unfortunately, the security guard was not so understanding and gave him a parking ticket even though he had already paid to park his car and had only moved his car to the front of the hospital to collect his wife, who was in a wheelchair, so that she could go home. So we see the same thing—medical staff doing their absolute best to provide quality care to their communities while the Government's flawed system, too large and often heartless, is working against them. We see also why the hierarchies need to be so much smaller and closer to the community.

It might be argued that, given the size of the New South Wales Health system, there are always going to be horror stories. Perhaps that is true enough. A system as large as this may never entirely protect each and every individual. But there seems to be more wrong with NSW Health than the number of people it helps. The statistics show that the problem is in the organisation, despite the fact that the Government has been trying to dodge scrutiny by not releasing monthly health data. Let us look at the June data for Nepean Hospital, the latest to be officially released by the Government. I will start with what many reports commissioned by the Minister for Health have identified as "access block", which is what happens when emergency departments become gridlocked because there are not enough ward beds available to take patients who have to be admitted to hospital. In other words, access block is not the fault of the medical professionals. It is entirely a problem with the capacity of the system. It is entirely a problem that can be laid at the Government's door, because it has not resourced and managed our hospitals effectively.

At Nepean, access block meant that in June 547 patients were not admitted to hospital eight hours after active treatment started. In percentage terms, that is 37 per cent. If something drastic happens to you and you front Nepean Hospital's emergency department, then through no fault of the staff but entirely because of the New South Wales Labor Government you have a one in three chance of admission inside eight hours. That is just not acceptable. And those are the June figures. The Government has not released any more figures, but we know they are getting worse because in September the August figures were leaked to us. They show that 42 per cent of patients in August waited more than eight hours for admission. Access block increased by 5 per cent. No wonder the Government is keeping these figures secret. They are afraid to face up to the people of Penrith and the Lower Mountains and let them know just how badly they are failing those people.

Then there are the off-stretcher cases for August. This is the percentage of patients transferred from an ambulance stretcher to the emergency department within 30 minutes. The Government's target is 90 per cent. Nepean Hospital is achieving only 58 per cent. If someone is on a stretcher waiting to get into the emergency department, chances are they will be waiting a while longer than the 30-minute maximum that is appropriate. They will probably be tying up hospital staff and keeping an ambulance in the bay, which means that ambulances need to come from further afield. If you are stuck in western Sydney, that is a pretty long drive. Again, I point out that these failings are not failings of the health professionals. Just about every constituent who comes through my door and talks to me about our health system complements the quality staff they deal with. The Liberals and Nationals value the incredible effort of the medical staff. These failings are failings of a Government that simply cannot keep the State's health system in working order.

This brings me to my concerns about the bill. I fully approve of the decentralised health networks. Bringing management closer to the people they are caring for is critically important. But even with the management devolved to a more local level I seriously question the ability of this tired and incompetent

Government to get it right. I do not expect great successes from the Government, restructure or not. Some of my other concerns, which have also been raised by the member for North Shore, include the haste with which this reform has progressed. Just like the previous reform, which gave us the eight mammoth areas that have now led to the system we are getting into now, this plan has been rushed.

Another concern is poor consultation, a concern that has been raised before and I am sure will be raised by many of my colleagues in this debate. The boundaries were drawn up in NSW Health's head office and then taken around the State as part of what has been called a consultation process but it has been described to me and many of my colleagues as a "telling tour". People had to listen and be told what was going to happen rather than being involved in any form of consultation.

I am also concerned about inappropriate boundaries. There are concerns in western Sydney about what impact regional boundaries will have on Nepean Hospital, given its role in servicing many of the areas in the Blue Mountains region. There are also concerns about the lack of links with primary health care organisations. The second layer of the Council of Australian Governments reforms is the establishment of primary healthcare organisations, which are to work closely with the local health networks but which have not yet been established. How will these organisations and networks continue to work with each other? There are also unanswered questions about governing councils and the role of the Health head office. The Government closed nominations for chairs of the local health networks before the boundaries were finalised. How are these networks supposed to be able to set up properly?

A number of details are missing from the bill. The Health Services Association successfully lobbied to have affiliated health organisations such as Catholic Healthcare deemed health networks on application to the Minister. However, the bill has no criteria on which these applications are to be judged. Without these criteria, how will these affiliated health organisations be able to engage with local health networks? In conclusion, I support the bill, although with reservations—reservations that will partially be addressed by amendments moved by this side of the House but, I hope, can be acted upon from 26 March 2011.

Ms MARIE ANDREWS (Gosford) [11.02 a.m.]: I speak in support of the Health Services Amendment (Local Health Networks) Bill 2010. This legislation follows the historic agreement reached at the Council of Australian Governments in April 2010. These reforms will deliver an extra \$1.2 billion in funding to the New South Wales health system over four years and are contributing to 488 beds being opened in New South Wales in 2010-11. This is a great outcome for people in my electorate of Gosford and across New South Wales. Already since April a total of 439 new beds have been announced for our public hospitals—and this includes 16 new beds for Gosford hospital and 10 new beds for Wyong hospital—new services which have been welcomed by the local community.

A key plank of the National Health and Hospital Network Agreement is the creation of new local health networks. Following the State Government's extensive consultation process a total of 18 local health networks will be established in New South Wales—eight local health networks in metropolitan areas, seven in rural and regional New South Wales, and three specialist networks, being the Sydney Children's Hospitals network, the forensic mental health network, and a further specialist network that covers services delivered by St Vincent's Health.

I thank all the groups and individuals from the Central Coast who took part in the consultation process. Specific criteria assisted in determining the boundaries of geographically based local health networks. Those criteria included: a population-based health needs approach, population growth and change, self-sufficiency, "natural communities" and flow patterns, capacity to maintain clinical service networks, and high standards of patient safety and quality of care. As the member for Gosford I welcome the establishment of the Central Coast local health network, which will be responsible for Gosford, Wyong, Long Jetty and Woy Woy hospitals and will ensure more local input into the delivery of local health services.

Local health networks will be responsible for ensuring that effective clinical and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services by local health networks, and for approving those frameworks; approving systems to support the efficient and economic operation of the network, to ensure that the network manages its budget performance to meet performance targets and that resources are applied equitably to meet the needs of the community served by the network; ensuring that strategic plans to guide the delivery of services are developed for the local health networks, and approving those plans; providing strategic oversight of and monitoring the local health network's

financial and operational performance in accordance with the statewide performance framework against the identified performance measures in the performance agreement for the network; and recommending to the Minister or delegate to approve the appointment or removal of the chief executive.

In addition, local health networks will be responsible for conferring with the chief executive in connection with the operational targets and performance measures to be negotiated in the service agreement for the network under the National Health and Hospital Network Agreement; approving the service agreement for the network under the National Health and Hospital Network Agreement; seeking the views of providers and consumers of health services and other members of the community as to the network's policies, plans and initiatives, and conferring with the chief executive on how to support, encourage and facilitate community and clinician involvement in the planning of network services; advising providers and consumers of health services, and other members of the community as to the network's policies, plans and initiatives; and liaising with the governing councils of other local health networks in relation to both local and statewide initiatives for the provision of health services.

Amendments to section 28 define these functions. Under the agreement each local health network must have a governing council appointed by the State Government and a chief executive recommended by the governing council and appointed by the Minister. The chief executive will be accountable to the governing council, which is made clear in section 25 (b). Very importantly, the new local health networks will work closely with Medicare locals to improve the delivery and coordination of primary care services. This is important legislation and the new local health networks will bring many benefits to the people of New South Wales. They will deliver improved patient-centred care, strengthen local decision-making, and ensure a greater level of clinician engagement. In conclusion, I place on record my appreciation and thanks to all the area health service workers on the Central Coast. They do an outstanding job, in sometimes very difficult circumstances. I commend the bill to the House.

Mr ANDREW CONSTANCE (Bega) [11.07 a.m.]: In speaking to the Health Services Amendment (Local Health Networks) Bill 2010 I acknowledge what the shadow Minister for Health, Jillian Skinner, has said in this debate. While the Coalition will not oppose the legislation, we have serious concerns about it. We all know that if we were to stand in the way of this reform to Commonwealth and State relations the community would frown upon that, particularly given the significant funding incentives that are attached to this reform.

The way in which the State Labor Government has handled this process after 15 years of mismanagement of the health system is somewhat bewildering. The haste with which this process is taking place, the lack of community consultation, and the lack of engagement particularly with doctors, nurses and allied health professionals across the State are of major concern. The way in which local health network boundaries have been determined, without comprehensive community consultation and input, is of real concern. In relation to the area that I represent, the Bega electorate, and in the south-east of the State, the Labor Party has developed a local health network from Crookwell to the Victorian border, an area covering almost 50,000 square kilometres, based on a boundary that resembles the former Southern Area Health Service boundary of 2005. Another matter of concern is a governing council being appointed by the Minister, which will exclude the community and will not devolve decision-making back to local hospitals.

This is because the Government wants to lock its mates into positions and lock in boundaries which are unworkable before the upcoming State election next March. The shadow Minister for Health has made it clear that the Opposition will be looking to amend this process to better reflect the policy initiative that she and the Liberal-Nationals Coalition have been promoting for the past 18 months. In the current process we have seen nothing more than the Greater Area Health Service—the success of which members such as the member for Monaro boasted about; telling everyone how wonderful it was—being split. The southern local health network, comprising what has been left on the eastern side of the former Greater Area Health Service, will not be any different from the area health service model we have been living under, which has been an unmitigated disaster for country areas.

Key questions need to be answered as to why this legislation has been rushed through. First, why were local communities and front-line health professionals not genuinely consulted about the boundaries of the local health networks? Secondly, why did the Government close off nominations for council chairs before the boundaries had been finalised? Thirdly, how will the networks link with primary health care organisations when those bodies and their boundaries have not been decided? They are a few of the questions but many more need answering. At this point, from a local perspective, the way in which the health system is providing for the people of south-east New South Wales is an absolute disaster. For example, one of the key problems and

challenges facing the area is the cross-border relationship with the Australian Capital Territory health system. A tender has been put out by NSW Health to audit the number of New South Wales residents admitted to Canberra and Cavalry hospitals, and their emergency departments. The haste around that project is further reason for concern.

We all know that the current cross-border arrangement with the Australian Capital Territory is ripping off the New South Wales taxpayer. It also means that vital dollars that should be spent on hospital infrastructure on the far South Coast and the provision of more health services in the Bega and Monaro electorates are not occurring. Through this national reform the Australian Capital Territory and the New South Wales Labor governments have not been able to come to any form of agreement on how that cross-border arrangement should work. Whilst the costs of health services provided by the Australian Capital Territory have remained largely commercial in-confidence, I can confirm that New South Wales is paying a capital charge in the amount of \$200 per patient. The cost of treating New South Wales patients in the Australian Capital Territory health system stands at some \$70 million.

Whilst the Australian Capital Territory, with its tertiary referral hospital, provides some brilliant services that will forever be accessed by New South Wales patients, it is unacceptable that patients from New South Wales are being transferred to the Australian Capital Territory for services such as orthopaedic work or assistance with all forms of minor injuries that should otherwise be provided on the far South Coast. The Government has built a brand new hospital in Queanbeyan but it cannot find sufficient doctors to provide the services. In April 2006 we were promised a new regional base hospital in Bega to be built within five years at a cost of \$100 million. We are still no closer to seeing any construction work or any funding arrangements finalised in relation to it.

The Minister for Health in reply needs to respond to the tender issue in relation to the Australian Capital Territory health system. The Australian Capital Territory should have been included in the way in which the local health network boundary was arrived at. It should have been part of the plan. Steve Whan, the member for Monaro, tried to avoid this issue. But as soon as John Barilaro, The Nationals candidate, spoke about the need for its inclusion Steve Whan said, "That sounds like a great idea". Steve Whan has had years to fix the cross-border arrangement but that has not happened. We are now entering a national reform process. One would have thought that the New South Wales and Australian Capital Territory Labor governments could have come to some form of sensible arrangement but that has not happened.

Premier Keneally said that as a result of the Council of Australian Governments health agreement everything would change on 1 July and that funds were starting to flow—I think half a billion dollars was on the table—for the hospital beds that had been closed under this State Government over the past 15 years. Let us look at the figures. In the electorate of Bega alone there are a total of 1,444 far South Coast residents currently awaiting surgery at our four local hospitals. The figures are as follows: Bega Hospital, 629 patients on the waiting list, waiting on average 4.2 months for surgery; Batemans Bay District Hospital, 616 patients on the waiting list, waiting on average 6.8 months for surgery; Moruya Hospital, where there are currently 10 beds closed, 150 patients on the waiting list, waiting on average 1.59 months for surgery; and Pambula Hospital, 49 patients on the waiting list, waiting on average 3.15 months for surgery. These patients are living in our community and suffering pain while waiting for surgical procedures.

Part of the problem has been the management. Local clinicians, nurses and allied health professionals are not going to get their say as to the—which should be called a regional health network—extending from Crookwell to the Victorian border. They will not be given a say as to the way in which this mess should be cleaned up, and therein lies the problem. It is vital for the Labor Party to look closely at what Jillian Skinner has been presenting as Opposition policy on district health boards and take it up. Time and again we are seeing from the Commonwealth and State Liberal-Nationals Coalition recognition as to the need for the devolution of decision-making. Yet those who currently sit on the Treasury benches in New South Wales do not see fit to do so. If they did they would soon realise that a lot of these problems exist.

As I highlighted earlier in the week, Bega Hospital needs funding of \$1 million for a CT scanner. Last week the Minister for Health announced \$27 million in funding but she did not see fit to include \$1 million of that funding for a CT scanner for the south-east of the State. In fact, no hospital in the south-east attracted any of the funds announced last week. Some 52 hospitals around regional New South Wales received funding, but not one hospital in the Bega or Monaro electorates received any, even though the need for a CT scanner had been identified.

In closing I comment on what is without doubt the most important piece of hospital infrastructure in the south-east of the State; that is, the proposed new regional hospital. That hospital, which was promised in April 2006 by the Keneally Labor Government, and supposed to be delivered by 2011, has failed to be delivered. The national reform process has identified that the Commonwealth will fund 60 per cent of the infrastructure for new hospitals. From all observations the State Labor Government has shown no interest in funding the new hospital at Bega, despite its announcement and despite being supported by the last five Ministers responsible for health in the last five years.

I believe that we are on the verge of the Commonwealth agreeing to fully funding this regional hospital. It has come about as a result of the political dynamics in Canberra, not because of any work undertaken by the Keneally Labor Government. It would be pleasing if we were able to secure those funds in the next two to three months. Health Infrastructure within the department is putting a submission to Canberra but no-one at the local level has seen it. The community is entitled to see the submission and have input into it, particularly input from the council, local medical staff and allied health workers. At a minimum the hospital should have 140-plus beds, a 30-bed mental health unit, four operating theatres and an intensive care unit. It is vital that we get clarity around this proposal and openness and transparency in relation to the Government's plans for this facility.

I am pleased that the Federal Labor member for Eden-Monaro, Mike Kelly, has said that the money is available. I will hold a public meeting next month to put pressure on the Keneally Labor Government to be more open and transparent about the proposal. Despite all the promises in the world that have been made by the Keneally Labor Government, it is this reform process that has assisted the State to be able to finance these facilities. I also reflect on the fact that the Minister for Primary Industries, the member for Monaro, has spent a great deal of time trying to pit the Merimbula and Bega communities against each other in relation to the Pambula hospital.

Mr David Harris: Point of order—

Mr ANDREW CONSTANCE: The member for Monaro should shut his mouth—

ACTING-SPEAKER (Mr Thomas George): Order! The member for Bega will resume his seat while the member for Wyong takes a point of order.

Mr David Harris: The member for Bega has referred to the member for Monaro on several occasions. The member for Monaro does not appear in the bill. The comments of the member for Bega have nothing to do with the bill before the House.

ACTING-SPEAKER (Mr Thomas George): Order! The member for Bega will return to the leave of the bill.

Mr ANDREW CONSTANCE: We are not going to accept any parochialism around health care. The hospital has come about because of the Commonwealth arrangement. Obviously, the member for Wyong is lost on what is happening in country New South Wales. The member for Monaro has tried, in a grubby way, to pit communities against each other. The communities are united in wanting this new facility. We will not accept the member trying to pit people against each other. He has tried to spread the notion that because the Pambula community has fought for services for its hospital the Bega hospital should not proceed. This regional hospital will benefit everyone in the Bega Valley shire and the entire south-east of New South Wales. It must happen under these reforms and happen quickly so that the facility is made available. I have no doubt that Labor will continue to mosey on as it has and muck up the State's health system.

Mr DAVID HARRIS (Wyong—Parliamentary Secretary) [11.22 a.m.]: The Health Services Amendment (Local Health Networks) Bill 2010 amends the Health Services Act 1997 to implement a health network system for the purposes of the National Health and Hospitals Network Agreement, to make consequential amendments to certain other Acts and statutory rules and for other purposes. Earlier this year the historic National Health Agreement was established in this country. Finally, after years of the Howard Government, the Commonwealth came back into the game and undertook the responsibility, as it should, to assist the States in the provision of health services. As has already been put on the record, once upon a time health funding consisted of 50:50 State and Federal funding. However, as the States increased their funding at a faster rate than the Federal Government that ratio changed dramatically.

The Federal Labor Government has now formed this agreement. Our Premier was very strong at the negotiating table. The agreement will see 60 per cent funding from the Commonwealth for our hospitals and 40 per cent from the States, and 100 per cent of primary health services funded by the Federal Government. Clearly, that Commonwealth funding is needed for our health system, which is stressed as a result of an ageing population. Without this intervention by the Commonwealth we would not be able to continue to deliver services at the current high level. It is important that I place on the record that New South Wales has one of the best health systems in the world. Anyone who is seriously ill in New South Wales will get the very best treatment. Opposition members want to pick out all the things they believe are wrong with the system. Clearly, the system does a good job and looks after the people of New South Wales.

On a regular basis constituents in my electorate—even though now and again there are slight problems—overwhelmingly tell me how pleased they are with our health system and the treatment they have received. Through interactions with members of my family I know that when they have accessed the health system they could not have been happier with the service. Central Coast hospitals have been undergoing a massive infrastructure program provided by this Government. The program includes building new emergency departments, ward upgrades and new services such as the acute care unit and high dependency unit at Wyong. We have had an improvement in mental health services. There has been a massive injection of funds by the Government into hospitals on the Central Coast, particularly at Wyong and Gosford.

Patient surveys have identified that over 90 per cent of people who use Wyong and Gosford hospitals believe that their treatment has been good, very good or excellent. That is the real story about health in New South Wales. The system is doing a wonderful job. Our hospital staff are dedicated people who work extremely hard. On the Central Coast, the Wyong and Gosford hospitals are busy facilities. They cope with both a very young and a very elderly population. Those two competing interests sometimes place great stress on the system. Our doctors and nurses do an incredible job in meeting that need. The Government is spending millions of dollars on improving infrastructure in our local hospitals on the Central Coast. Now the Federal Government is coming to the party and taking on responsibilities that were neglected by the Howard Government. The Federal Labor Government is providing additional funds to the Central Coast.

As the member for Gosford said earlier, that has resulted already in 10 extra beds at Wyong, 16 extra beds at Gosford, improvements in services and over \$1 million for the cardiology unit at Gosford Hospital. On a recent visit with the Premier to the cardiology unit we met a gentleman from Lake Munmorah who was having his pacemaker changed. The Premier asked him how long he would be in hospital. The gentleman replied that he would be going home at 4 o'clock that afternoon—and we spoke to him at 10 o'clock in the morning. We were surprised that the operation would take such a short time and that the gentleman would go home the same day. We were even more impressed when he told us that a general anaesthetic was no longer required for the procedure. A local anaesthetic was used during the operation to open the patient and change the pacemaker. He read a book while the doctor performed the procedure. Our health system does procedures now that were not done before. This improvement in services is often lost in our political debates.

Central Coast politicians from all parties and, most importantly, residents welcome the news that under the changes the Central Coast will become a stand-alone health region. Local people have wanted that change and they are very pleased that following this review the Government will deliver. It is important to note that whilst our local network will consist of Gosford and Wyong hospitals, together with the hospitals at Woy Woy and Long Jetty, we also will retain important clinical links with Royal North Shore Hospital and John Hunter Hospital. Whilst Gosford is a training hospital, we still need that expertise in the area. It is important that those links remain. I again congratulate the local clinicians and staff on the work they do at our very busy Central Coast hospitals. It is a growing area. The infrastructure has been substantially upgraded at both Wyong and Gosford hospitals.

This review demonstrated the need to provide effective, safe and high-quality care as an overriding priority. When the consultation meetings took place across the State to determine these boundaries, very clearly the people who have the knowledge—the clinicians—made sure that each of these areas can exist in a way that is in the best interests of patients, and that is not with parochial boundaries but with a focus on how patients can be treated. We know quite clearly now that every service cannot be provided at every hospital, both because of the cost and the fact that trained specialist staff is not available to cover those positions.

In order to provide a quality health system there has to be a network where the hospitals rely on each other, and it is quite normal for people to move across hospitals, depending on what sort of care they need. What

people should keep in mind is that it is more important to have the best doctors carrying out the services than it is to have the services offered everywhere. As soon as that happens, the pool of expertise is spread and the level of service can drop. The way in which these boundaries have been sorted out is very sensible.

The bill increases the number of area health services from eight to 18. A number of Opposition members have said that the Government should take up the Opposition's policy. I think the Opposition's policy is to have 20 district health boards, and this bill provides for 18. I am not quite sure how the Opposition would divide up the boundaries even more just to create two extra health services. We should also keep in mind that every time a new health service is created so is a new bureaucracy. Do we want money spent on services to people or do we want money spent on people managing the system? I think the services have been developed very carefully and that 18 is a good number. Of course, with any new system and with any restructure there will be a slight fiddling around the edges, and that is normal. But I believe this is a very good outcome, which is, of course, supported by the Federal Government. I welcome this change, as will the people of the Central Coast. I thank all the individuals and clinicians from our area who made contributions to the consultation.

In conclusion, I want to press home the fact that people on the Central Coast have celebrated the news that the Central Coast stand-alone health network will operate again from 1 January in a transition period. Most of all, I want to emphasise that more than 90 per cent of the level of service that people receive at Central Coast hospitals is good, very good or excellent. That is a big tick for the health system, which does a good job under very stressful conditions. In particular, I thank all the doctors, nurses and other people who work in our health system. They go above and beyond the call of duty to ensure that our service works.

Mr GEOFF PROVEST (Tweed) [11.32 a.m.]: The Health Services Amendment (Local Health Networks) Bill 2010 is significant because it affects every electorate in New South Wales. In my electorate of Tweed—I am 100 per cent for the Tweed—there is no greater issue than the provision of health services. I begin my contribution by paying tribute to the fine, hardworking doctors and nurses, particularly at the Tweed Hospital. I have gone on many tours; I have been involved in overnight visits with the ambulance service and so on. I compliment them on a job well done.

The bill amends the Health Services Act 1997 to accommodate the Council of Australian Governments health reforms, which were agreed to in April 2010. The bill abolishes the current eight area health services. At times I have been fairly critical of the provision of services and the administration particularly of the North Coast Area Health Service. I think at times the Tweed becomes a poor country cousin—it comes second and is fairly neglected. I do not make that comment lightly. I have been a member of this place for 3½ years. During that short term I have been in constant consultation with the Medical Council, the local general practitioners and, more importantly, the patients within my local area. The area suffers significantly in the provision of services. As I said, the bill abolishes the current eight area health services and establishes a system of geographically located health networks. It also provides for certain statutory health corporations and affiliated health organisations to be constituted and governed on a network basis.

On 28 October 2004 the then Minister for Health, Morris Iemma, introduced legislation that established eight area health services. At the time it was claimed that it was to centralise government planning, and to provide better health reforms to New South Wales and the public health system. Yet years of criticism followed from the doctors, patients and community members complaining about the layers of bureaucracy, the loss of local involvement, and a disconnection between clinicians and administrators. In March 2009 the shadow Minister for Health, the member for North Shore, launched the Coalition's Making It Work health policy, which reformed the governance of New South Wales health.

The Liberals and Nationals were committed to abolishing the eight dysfunctional area health services and establishing about 20 or more district health boards in their stead, comprising local clinicians and community representatives selected on merit in a range of financial and strategic skills. The Government spent 12 months during my time in this place ridiculing that policy. No greater ridicule was a quote from the Minister for Health which appears in *Hansard* on 2 December 2009. She said:

Would the solution of the member for North Shore be to replace area health services with district and boards? Would that make any difference? No, it would make absolutely no difference.

Yet, months later we find that there is a complete reversal of that opinion. I have a number of concerns with this legislation. I refer to the haste in which the Government has adopted these new structures. There has been very

limited and poor consultation—I know my area has been visited only twice. I have taken a number of calls from local general practitioners and, more particularly, from the various members of the medical council at Tweed Heads Hospital, all expressing a great deal of concern.

A month or so ago the Cranny report was released. It was the result of a Federal Government initiative that looked at the provision of area health services. In my area three of the five recommendations had Tweed Heads Hospital being annexed to the Queensland health system. In principle, currently about 40 per cent of our patronage comes from Queensland, but significant issues were not addressed—and I have raised some of them in the House. For example, different mental health protocols are used in New South Wales. In addition, what pay rates will be paid to our staff, particularly if, under the Council of Australian Governments' agreement, 60 per cent of the funding is coming through Queensland? I have deep concerns about it. It has been removed from this new legislation, but I have been informed by leading executives in NSW Health and also by leading executives in the Queensland health system that it has not gone away, that it is still a preferred option, but that it just got too hard to be sorted out by the implementation date of 1 January next year.

We are dealing with people's lives and wellbeing. The hardworking citizens of the Tweed and New South Wales expect and should have a worthwhile delivery of health services. But for the past 14 or 15 years we have gradually seen health services slowly wind down. Much more consultation should have been given to this because there are currently some inappropriate boundaries. The Garling report was very critical of the administration of the health services in the Tweed area. The member for Lismore worked hard to maintain Murwillumbah hospital, which is running currently at only 75 per cent. But in the Tweed we are running at just over 100 per cent.

The Garling report contained criticism of the administration, particularly of the Northern Rivers Area Health Service. When I went to school 100 per cent meant full, but it does mean that at Tweed Heads Hospital—at times it is running at 107 per cent. We have a new classification: corridor beds. I shake my head in disbelief. It would be impossible to provide in a corridor the same quality of service that would be provided in a proper hospital ward. A cleaner at the Tweed Heads District Hospital who left a mop and bucket in a corridor could be fined under occupational health and safety legislation, but apparently a doctor can put a patient in a bed in a corridor and not risk any negative consequences.

The Tweed is the fastest growing regional area in New South Wales—the growth rate is 2.9 per cent. However, the Government's package of reforms for the health sector makes no reference to money to provide for planning or future beds and expansion. All we can see happening is the slow winding down of the local hospital of the hardworking member for Lismore. These are not my views; they are the views of local clinicians and business leaders. The member for Lismore and I joined 6,000 local people who demonstrated about the health system. That gathering was a tribute to the hard work done by the member for Lismore in his local area.

On average, patients are now suffering for four months before undergoing surgery at the Tweed Heads District Hospital. At the same time, the New South Wales Labor Government has failed to spend \$130 million of Federal money earmarked to reduce New South Wales hospital waiting lists. A report recently published by Access Economics states that New South Wales has allocated only \$54 million of \$184 million provided by the Federal Government to cut surgery waiting times. NSW Health has admitted that the average waiting time for elective surgery at Tweed Heads District Hospital is now four months.

The damning NSW Health Services Comparison Data Book, known as the "Yellow Book", also concedes that the Tweed Heads hospital emergency department is failing to treat patients in an appropriate time frame in three out of five categories. Only 73 per cent of patients with imminently or potentially life-threatening conditions are being treated within the benchmark times despite the excellent work of our overstretched and hardworking Tweed medical professionals. Meanwhile, the State Government has a huge bag of Federal cash sitting in its bank account. At best this Government is incompetent and at worst it is being callous. Either way, Tweed patients are suffering unnecessarily. Tweed hospital is treating just on 28,000 patients a year and Lismore hospital is treating 24,000. However, the average waiting time at Lismore hospital is three months as opposed to the four-month wait experienced at Tweed Heads hospital.

Questions have been raised about governing councils and the role of the head office. As the shadow Minister said, the Government closed nominations on 17 September, before the boundaries were finalised. The deadline for expressions of interest in becoming a board member was 22 October—that is, before the legislation was introduced and before the networks were to be agreed by the Commonwealth Government. Questions about primary health areas and other issues still have not been addressed and there has been an enormous lack of detail and consultation.

We are in an unusual position in the Tweed because a large number of patients in the local hospital come from Queensland. We support our Queensland neighbours, but the implications of this situation were brought home to me late last year. At the beginning of March 2007 we were subjected to a great deal of spin and a historic meeting was held between the then New South Wales Premier, Morris Iemma, and the then Queensland Premier, Peter Beattie. At the end of the meeting they announced to the media that they would establish a task force to examine cross-border health services. The task force took approximately two years to produce a report and it took me another six months to obtain a copy of it through a freedom of information application. The report is about 300 pages long and it contains extensive detail. However, the overall theme is that the people of the Tweed and northern New South Wales can access health services over the border in Queensland.

I do not know whether many Queensland newspapers are read in New South Wales, but if we did read them we would know that the Queensland Labor Government is having significant issues with its health system. It is even having trouble paying its doctors and nurses appropriately. This State Government's strategy of telling the people of the Tweed that they can access health services across the border allows it to avoid allocating funds for health planning.

As I said, I am very concerned that senior officers of the New South Wales and Queensland health departments have said that Tweed Heads District Hospital should be annexed by the Queensland health system. No such cross-border transfer of a hospital has ever occurred before, but the proposal was contained in the Federal report that stimulated the allocation of funds. Such a move would raise protocol issues with regard to mental health, maternity services, differing pay rates and so on. What role would I have in addressing funding issues? Would I be required to approach the New South Wales Minister for Health or the Queensland Minister for Health? To which health complaints board or commission would I refer issues? I hope that the Minister will address these major issues that I have raised. Health is the most important issue in the great electorate of Tweed. Once again, I am 100 per cent for the Tweed.

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

BUSINESS OF THE HOUSE

Suspension of Standing Orders: Routine of Business

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [11.47 a.m.]: I move:

That standing orders be suspended at this sitting to permit:

- (1) The introduction, without notice, and passage through all stages of the Electricity Supply Amendment (Solar Bonus Scheme) Bill.
- (2) The following routine of business after the conclusion of the motion accorded priority:
 - (a) Government business;
 - (b) private members' statements at the conclusion of Government business;
 - (c) matter of public importance at the conclusion of private members' statements; and
 - (d) the House to adjourn without motion moved at the conclusion of the matter of public importance.

Mr DARYL MAGUIRE (Wagga Wagga) [11.48 a.m.]: The Opposition will not oppose this motion. However, I seek an assurance from the Leader of the House that time will be given for the Liberals-Nationals to consider the content of the Electricity Supply Amendment (Solar Bonus Scheme) Bill, which is about to be introduced without notice and dealt with in its entirety. I seek a commitment from the Government that it will bring on the bill later in the day, perhaps after question time, when the shadow Ministers and the Executive have had time to examine it.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [11.49 a.m.], in reply: The Government is pleased to accede to the Opposition's request. In fact, the motion states that Government business will continue after the conclusion of debate on the motion accorded priority. The Opposition will have from now until after that debate to consider the bill.

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

Motion agreed to.

ELECTRICITY SUPPLY AMENDMENT (SOLAR BONUS SCHEME) BILL 2010**Bill introduced on motion by Mr Paul Lynch.****Agreement in Principle**

Mr PAUL LYNCH (Liverpool—Minister for Industrial Relations, Minister for Commerce, Minister for Energy, Minister for Public Sector Reform, and Minister for Aboriginal Affairs) [11.50 a.m.]: I move:

That this bill be now agreed to in principle.

The Electricity Supply Amendment (Solar Bonus Scheme) Bill 2010 amends the Electricity Supply Act to revise the Solar Bonus Scheme. In introducing the bill, the New South Wales Government is striking a better balance between supporting small-scale renewable energy generation and minimising costs to consumers. The New South Wales Government already provides strong support to large-scale renewable energy generation. In addition to Commonwealth Government support for large-scale solar power stations through the Solar Flagships Program, the New South Wales Government will provide up to \$120 million to support a successful New South Wales-based solar power plant. The New South Wales Government also supports renewable energy projects through the Renewable Energy Development Fund. The Government has announced that it is establishing a commercial-scale renewable energy working group to investigate opportunities for installing mid-scale solar panels in network areas as an alternative to network expansion. This may help avoid costly capital expenditure in the future.

The New South Wales Solar Bonus Scheme commenced on 1 January 2010 and runs for seven years. It currently pays households and small businesses a feed-in tariff of \$0.60 per kilowatt hour for all electricity produced and exported to the grid by small-scale solar systems or wind turbines up to 10 kilowatts capacity. The objectives of the scheme are set out in the legislation. They are to encourage and support those who want to generate renewable energy as a response to climate change, develop jobs in the renewable energy sector by assisting renewable energy generation to compete with non-renewable energy generation, and increase public exposure to renewable energy technology to encourage the whole community to respond to climate change.

In the first 10 months of operation the Solar Bonus Scheme has proven to be an extremely popular program. Scheme capacity is now around 100 megawatts, up from around 25 megawatts when it began. More than 50,000 customers have connected renewable energy generators to the grid, up from around 15,000 when the scheme began, and applications to the scheme are continuing to grow strongly. As required by the legislation, a review of the scheme has been undertaken to examine whether the policy objectives of the scheme remain valid and whether the terms of the Act remain appropriate for securing those objectives. Public feedback was sought until 30 September 2010. More than 250 submissions to the review were received. Industry and Investment New South Wales has considered feedback from the public and obtained expert advice from modelling experts AECOM Australia. A report on the outcomes of the review will be tabled in both Houses of Parliament as required by the legislation. Once the report has been tabled, it will be published on the Industry and Investment New South Wales website.

The review found that the scheme has been extremely successful in driving increased small-scale renewable energy generation in New South Wales. Modelling forecasts installed capacity under the scheme will grow to around 960 megawatts by the end of the scheme, if it remains unchanged. Total scheme payments under this scenario reach around \$4 billion. Under the National Electricity Rules, these payments will be passed on to customers in the form of higher electricity network charges. The strong growth in installed capacity of solar photovoltaic systems has coincided with a rapid decline of system costs since the scheme was originally announced in June 2009. Current prices have more than halved. This includes the impact of generous incentives under the Commonwealth's Renewable Energy Target.

AECOM has identified a range of factors driving this dramatic reduction in system prices. External factors—notably a shift in the design of Spain's feed-in tariff scheme and the general global economic downturn—have decreased global demand, built up inventories and reduced module prices. According to AECOM, these declines in module prices have flowed through to lower photovoltaic system prices in the global market. As the majority of photovoltaic systems in Australia are imported, this leads to lower system prices for Australian consumers. The appreciating Australian dollar has intensified the impact of the decline in prices. These are not factors that were possible to predict at the time the scheme was introduced. Indeed, when the Solar Bonus Scheme was introduced in 2009 some members of this House thought the scheme was not generous enough and called for its expansion.

Now the fact is it is very difficult to predict the future price path of renewable energy technologies—precisely because it is an emerging industry undergoing rapid technological and market-driven changes. AECOM, global sustainable energy experts, has identified likely ongoing uncertainty with regards to future prices, until all levels of the market—from global manufacturing to Australian retailing and installation businesses—mature and stabilise. The New South Wales Government recognises this uncertainty and has designed a revised scheme that takes it into account.

The bill introduces a number of important changes to the scheme. A new tariff rate of 20¢ per kilowatt hour will apply to new small retail customers who join the scheme. This new rate is designed to more closely reflect the fall in system prices. A different rate may be prescribed in regulations. This will allow flexibility to deal quickly with new market conditions that emerge in the future. Other scheme criteria, such as maximum system size and the end date for the scheme, remain unchanged. This provides certainty for customers wishing to install small-scale systems.

Customers will continue to receive payment for all electricity exported to the grid. This is known as a gross tariff and is strongly supported by many customers and the renewable energy industry as it provides more certainty as to the likely payments customers may receive. Customers who prefer to receive payment for electricity exported to the grid in excess of that used at the premises may choose to do so. This is known as a net tariff. Some customers may prefer to receive a net tariff in order to take advantage of bill reductions over the longer term and to avoid the costs associated with switching to gross metering arrangements.

Existing customers will continue to receive the original tariff rate. This is to ensure no unfairness to customers who have already connected to the grid. The Government recognises that there are many customers who may have already purchased or leased an eligible generator, or entered into arrangements to do so, who have not yet been connected to the grid and will be concerned about what the changes mean for them. These customers may be eligible for the original tariff rate, provided they lodge their application to connect their system to the grid by 18 November 2010. These customers need to act quickly to lodge their application to connect to the grid on time or make sure their installer does so on their behalf. This date will not be extended. The bill does not permit it. Customers and installers need to act promptly and responsibly. There is ample time for installers and customers to submit their applications. Installers generally submit applications on behalf of customers. I urge customers to check with their installer to ensure their application has been lodged on time.

The bill also clarifies that existing customers who replace a generator—for example, during repairs—can continue to receive the 60¢ tariff rate. However, a customer will no longer be eligible for the higher rate should the size of the generator be increased on or after 28 October 2010. If a customer increases the size of his generator he will cease to participate in the original scheme and will need to apply to join the new scheme. These provisions are designed to ensure existing customers continue to receive the benefits of the 60¢ scheme but that the scheme costs are limited.

The Government has a comprehensive communications strategy in place to promote the changes to stakeholders and the public and we will be continually monitoring the impact of this strategy along the way. New strict provisions apply for those who are non-compliant with scheme requirements. The bill creates an offence if a person fails to notify a distributor—the network business—of any change in a person's circumstances that may affect the person's eligibility for the scheme. The maximum penalty is a fine of up to \$110,000. Customers have seven days to notify their network business of the change. Under the bill, customers can be required to provide information by statutory declaration in order to determine their eligibility for the scheme. This will ensure that the Government can check that customers have provided true and correct information and that purchase arrangements can be verified.

The bill introduces an overall scheme capacity limit of 300 megawatts. This is a cap on the maximum capacity of generators that may receive tariff payments under the scheme. This is a cap on the scheme costs, not a cap on the number of renewable energy generators installed under the scheme. Distributors will be required to provide regular reports on total generating capacity of all generators connected and applications to be connected. Industry and Investment New South Wales will publish on its website fortnightly scheme capacity results, based on these reports. This will enable customers to make informed choices, taking into account scheme capacity levels.

Once scheme capacity has been reached, a public declaration will be posted. Any small retail customer who has not been connected under the scheme once the declaration has been made that scheme capacity has been reached is not eligible to receive a credit under section 15A (5) of the Act. The scheme cap will enable the Government's small-scale renewable energy goals for New South Wales to be met, without imposing excessive

scheme costs on electricity consumers. Any potential future closure following the 300 megawatt capacity being reached will not impact the tariff payments for existing customers for the life of the scheme, so long as those customers continue to operate within the scheme requirements.

Finally, the bill sets future scheme reviews in 2012 and as soon as possible after 31 December 2016 to consider whether the scheme achieved its policy objectives. Reports on the outcomes of the reviews will be tabled in Parliament. These changes, taken together, provide a comprehensive package of sustainable support for consumers and the renewable energy industry, a package that limits the impact of scheme costs on energy consumers. Let me be clear: The New South Wales Government is firmly committed to protecting consumers from rising energy costs. No costs associated with the Solar Bonus Scheme will flow through to electricity bills until after 1 July 2011.

The action the Government is taking here today provides the opportunity to constrain these scheme costs for the benefit of all energy consumers. By approving this bill, members of Parliament can take direct action to reduce anticipated costs by \$2.5 billion by 2016. That is \$2.5 billion that will be shaved off electricity bills. And there is no time to delay, if Parliament is serious about keeping costs down. Scheme capacity is currently estimated to be increasing at the rate of around one megawatt per day, adding daily tariff payments. All that will change once the changes proposed in this bill come into effect.

Today the Premier announced the Government is setting up a formal inquiry to investigate options to reduce or defer electricity network charges and place downward pressure on electricity prices. The inquiry is to be conducted by Dr Tom Parry, Chair of the Australian Energy Market Operator and former Chair of the Independent Pricing and Regulatory Tribunal, and Mr Mark Duffy, Deputy Director General, Minerals and Energy, Industry and Investment NSW. The inquiry will consider options to reduce or defer network charges within the existing regulatory frameworks and independent regulatory pricing processes. Regulated retail electricity prices are determined by the Independent Pricing and Regulatory Tribunal and network charges are regulated by the independent Australian Energy Regulator.

Network costs represent almost 50 per cent of customers' final electricity bills and are the largest driver for electricity price increases. The retail and wholesale components of retail prices for small customers on standard contracts will not be examined as part of the inquiry. There is no scope under the Electricity Supply Act for the Government to set aside the regulators' determinations. However, the inquiry will be asked to identify options for any identified network cost reductions being passed through to consumers from 1 July 2011. The inquiry is expected to provide a draft report to the Government by the end of this year. The Government has acted swiftly to ease the burden of rising electricity prices. The Government has increased and extended energy rebates. Now, one in three households in New South Wales may be eligible for assistance with their energy bills.

The 20¢ tariff rate contained in the bill is a very attractive proposition, in light of falling system prices, Commonwealth Government policies such as the Renewable Energy Target, and competitive market offers from retailers. At present, some retailers are offering payments of an additional 8¢ per kilowatt hour for electricity exported to the grid by renewable energy generators as an extra incentive for customers. These offers add to the income streams of customers and must be taken into account when assessing the tariff rate to be set under the scheme. Customers are encouraged to shop around for the best energy deal through the Independent Pricing and Regulatory Tribunal's price comparison service website MyEnergyOffers, which contains details of the various offers available, including feed-in tariff incentives.

The new scheme will continue to support the small-scale solar industry, at a more sustainable rate. The Solar Bonus Scheme is an important initiative to support households that wish to install renewable energy and the growing clean energy industry. The changes proposed in this bill will ensure the scheme continues to remain appropriate in a changed environment and uphold the original objectives and intention of the Solar Bonus Scheme. I urge members to support this bill and commend it to the House.

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

HEALTH SERVICES AMENDMENT (LOCAL HEALTH NETWORKS) BILL 2010

Agreement in Principle

Debate resumed from an earlier hour.

Mr GREG APLIN (Albury) [12.02 p.m.]: In speaking to the Health Services Amendment (Local Health Networks) Bill 2010, I note that the shadow Minister for Health has put the Opposition's position very clearly and comprehensively. The shadow Minister indicated that the Opposition will not oppose the bill, but

that an amendment will be moved. I note at the outset that the bill amends the Health Services Act 1997 to accommodate Council of Australian Governments reforms agreed in April 2010. In doing so, it abolishes the current eight area health services and establishes a system of geographical local health networks. It also provides for certain statutory health corporations and affiliated health organisations to be constituted and governed on a network basis. I will speak particularly on behalf of the electorate which I represent—Albury—in the southern part of the State, and note that as of 1 July last Albury Wodonga Health came into being. In terms of this bill, our situation is unique. But I do bring to the attention of the House the concerns that have been expressed to me by employees of the Greater Southern Area Health Service and impacts of the bill on local communities.

Currently, national health and hospitals network reforms, combined with New South Wales Government policy to centralise support services within the New South Wales public health system to Newcastle and Sydney will, in my view, have further significant impacts on staff in regional and rural areas of New South Wales. The move to local health networks has increased the pace of centralisation of support services to Sydney. One of the outcomes to flow from the establishment of local health networks was greater participation and involvement of local communities in the operation of their health services. That is something that I support and have advocated on behalf of that merged health service that now exists. However, the ongoing centralisation process placed key decision-making in the area of support services in Newcastle, Sydney and potentially Wollongong. These changes will significantly impact on Albury, with job losses and likely closure of an area office presence since 1974.

In 1974 a regional office was established in Albury, responsible for management of hospitals within the then Murray region of New South Wales. The Murray region covered the area from Tumbarumba to Henty and towns along the Murray from Albury to Wentworth and to the South Australian border. The Murray health region then merged around early 1981 with the Riverina health region to become known as the South West Health Region, and this merger took in the areas around Wagga Wagga.

In 1993 New South Wales split health services further into around 21 district health services across the State. Albury was part of the Hume Health Service, Wagga Wagga was part of the Riverina Health Service, Griffith was part of the Murrumbidgee Health Service and Deniliquin was part of the then Murray Health Service. In 1996 NSW Health formed around 16 area health services with the formation of Greater Murray Area Health, which again took in Tumbarumba and extended to Wagga Wagga, Griffith and Deniliquin, and hospitals in between those towns. In 2005 Greater Southern Area Health Service was formed with the merger of Greater Murray Area Health Service and Southern Area Health Service, and this extended the area further to include Queanbeyan, Goulburn and the South Coast of New South Wales.

In March 2010 the Federal Government announced the establishment of a National Health and Hospitals Network. On 29 September 2010 the New South Wales Government announced the establishment of 18 local health networks under that national initiative with the formation of the Murrumbidgee Local Health Network, incorporating most hospitals that previously were part of the South West Health region of New South Wales during the 1980s.

Since 1974 health services have restructured and realigned staff and services to suit those ever-changing boundaries. A further significant change occurred around 2006 with the formation of Shared Corporate Services, with the centralisation of many support-type services to Parramatta and Newcastle under the banner of Health Support Services. The establishment of Health Support Services by the New South Wales Government has meant that jobs in regional and rural areas across New South Wales have gradually been transferred to Sydney and Newcastle. This has been on an incremental basis.

The following is an example of the impact of those policy initiatives within Albury and other rural areas of the Greater Southern Area Health Service. In 2001 Albury Greater Murray Area Health Service centralised payroll and human resources services to Albury. In 2006-07 Greater Southern continued this process with further consolidation in Albury and Queanbeyan. The changes in payroll resulted in employment of 25 payroll staff in Albury in 2006. In 2007 payroll was transferred to Health Support in Sydney. This resulted in the loss of 20 positions from Albury to Sydney.

In 2009 management of linen services in Wagga Wagga was transferred to Health Support Services Sydney. In 2009 management of Food and Cleaning (Hotel Services Management), previously based across Greater Southern Area Health Service with approximately 700 staff, was transferred to management under Health Support Sydney, with resultant reductions in staff cafeteria arrangements at Wagga Wagga and Albury and proposed closure of the cook-chill production kitchen at Albury. In 2009 the Program of Appliances for

Disabled People and Home Oxygen Services transferred to Sydney, with the loss of three jobs. In 2009 management of Procurement and Warehouse Services, based at Wagga Wagga, was transferred to Sydney, with the loss of four jobs. In 2009 accounts payable and sundry debtors invoicing in Wagga Wagga was transferred to Sydney, with the loss of five jobs.

In 2009 pathology services were transferred to Sydney West. This included the public laboratory in Smollet Street, Albury. Recently the Albury Public Pathology Service, which is now part of Sydney West's management, was informed that it had lost the contract to the new Albury Wodonga Health Service, with the imminent downsizing or closure of the public laboratory in Albury likely to affect up to 30 staff. There was no attempt to allow time for the Albury laboratory to reduce its costs so that it could be competitive, and there is a local view that the tender submitted was designed to be non-competitive. The laboratory has been under Health Service Management since 1989, when it transferred to Albury Base Hospital from the Commonwealth.

In October 2010, just a few days ago, 11 Albury staff members were notified that their recruitment jobs in Albury will transfer to Sydney from 1 December this year. These staff will become displaced and these jobs will be lost to Albury. Other services in Albury—such as workers compensation, which has 10 staff, information services, which has five staff, the South West Public Health Unit, which has 20 staff, the medical workforce, which has six staff, human resources support, which has two staff, and staff scheduling, which has five staff—have an uncertain future.

There appears to be undue haste now to have services moved before the next State election. It is likely that within 12 months the significant health presence that has been in Albury since 1974, when the then Murray region was formed, will be lost to Sydney. As support service jobs have disappeared to Sydney, there is now limited to no scope to place staff who become displaced in Albury. It is unlikely that staff will transfer to Sydney, to perhaps lower paid employment, given the loss of their regional and rural connections.

The formation of Albury Wodonga Health has also removed other possible avenues for job placement, with staff not afforded any priority for vacant positions at Albury Wodonga Health. Whilst some jobs may remain within the newly formed local health networks, a significant reduction of support service jobs will be lost to Sydney, further limiting job opportunities for staff wishing to remain. Staff are also concerned that forced redundancies and salary cuts will be implemented by the current State Government. One staff member observed to me that the Health Services Union, which represents many of these staff, has been noticeably silent on the issue of job losses in rural areas such as Albury. The union fully supports the transfer of jobs to what the staff member observes are safe Labor seats, such as Parramatta and Newcastle.

The current strategy of the New South Wales Labor Government appears to be aimed at supporting the member for Parramatta and the member for Newcastle. It is rumoured that further services will be based in Wollongong, for the benefit of the member for Wollongong. Three clinical support centres will be established in New South Wales under the national reform agenda, with Wollongong and other safe Labor-held seats likely to be beneficiaries, according to the staff member. In addition, the Great Southern Area Health Service has set up a transition committee to progress the local health network reforms. The committee established has no Albury representation, and draws its membership from Queanbeyan and Wagga Wagga, with one member from Pambula.

While staff members support efficiency measures, they are not supportive of mass job transfers to Sydney and Newcastle, and this has considerable social consequences on regional areas like Albury. Employees at the Albury office have not seen any evidence that the centralisation of services to Sydney and Newcastle has resulted in any major cost savings or service delivery improvements, as staff are recruited from outside the system in these metropolitan locations. There are significant disadvantages to regional and rural people having to relocate to Sydney. Obviously, addressing these concerns is a matter I intend to take up with the Government because the concerns threaten the Albury community. I will read from a letter received only yesterday from a staff member within the area health service. The staff member wrote:

... the Recruitment Services ... with Greater Southern Area Health Service (GSAHS) part of the NSW Department of Health I write to you on behalf of ... 11 staff who last week were issued with letters that advised that recruitment services will be centralised through Health Support Services in Parramatta, NSW. Staff were advised that all recruitment processing functions for the Area Health Service will be ceasing as at 6th December 2010 and all 11 staff ... face being displaced in our positions. Our Unit currently provides an excellent customer service to all 57 hospitals across the GSAHS, a service where country people are looking after country people. As already demonstrated by the transition of payroll services to Parramatta, when services are managed in the cities those staff don't have the concept of rural life, distance and geographical locations or understand the need to be able to provide support and service to remote regional hospitals in an efficient timeframe. We believe if these services aren't provided in a timely manner then they may jeopardise hospitals in remote areas from functioning to their full capacity.

I ask what is being undertaken to secure positions for rural people in regional areas? Last week (20 October 2010) a media release for \$27.6 million for Rural and Regional Hospitals was announced by Federal Minister for Health and Ageing, Nicola Roxon and NSW Minister for Health Carmel Tebbutt stating that they are committed to strengthening health services in regional communities. I realise this funding is targeted towards equipment and beds for rural communities however it does not appear to be ensuring support staff are still retained in rural communities. At this time there are now 30 displaced Pathology Staff, 11 soon to be displaced Recruitment Staff and with the introduction of the new Local Health Networks the likelihood of an additional 80 jobs within the functions of Workers Compensation, OH&S & Risk, IT, Population Health and Asset Management units all likely to be affected in this restructure.

As at 1st January 2011, the Local Health Networks will be implemented comprising three Clinical Support frameworks, where does this leave the 80 staff still working at the Albury Area Office? Strong rumours indicate that these jobs could be transferred to key Labor seats within Sydney—Parramatta, Newcastle and Wollongong.

The Government is continuing to encourage people to make a lifestyle change and relocate to regional rural communities. Saturday's Border Mail emphasised this in its push to boost the population of major regional centres and pushing for businesses and organisations to go rural to assist with population growth.

...

We are very concerned about the proposed centralising of services into Sydney as this impacts not only on our positions here with the Area Health Service and New South Wales Department of Health but ... on all facets of the community and regional NSW.

Once again, as happened with the Murray-Darling Basin Plan, the socioeconomic aspects of these moves have been neglected in the push to centralise under the current framework.

Mr ANTHONY ROBERTS (Lane Cove) [12.16 p.m.]: It is wonderful to see the Acting-Speaker [Mr Wayne Merton] in the House today. I support the Health Services Amendment (Local Health Networks) Bill 2010, together with the amendments moved by the member for North Shore, consistent with the long-held beliefs of the Opposition that local health networks provide the best framework for the delivery of health services in New South Wales. In April 2010 the then Prime Minister, Kevin Rudd, followed a long Labor tradition of stealing Coalition policy and selling it as his own. He announced health reforms that mirrored those released by the New South Wales Coalition a year before.

Under the New South Wales Liberal and Nationals policy, released in March 2009, the New South Wales Opposition called for the abolition of the eight area health services—which, by all measures, have now become a bureaucratic flop—in favour of the establishment of 20 distinct health districts, each overseen by local boards drawing upon those with the skills and attributes necessary to make our hospitals work. As can be imagined, without a thought towards the policy's merits, the Keneally Labor Government unleashed its usual barrage of attacks on the Opposition's policy. These attacks came from both the former Minister for Health, the Hon. John Della Bosca, and the current Minister for Health, the Hon. Carmel Tebbutt.

Of course, these attacks stopped abruptly when that former saint-like figure from the Labor Party, Kevin Rudd, decided for the party that perhaps things should be done differently—that perhaps, as per tradition, the Labor Party should take the Liberal-Nationals policy instead and take it national. So, we now have before the House today a bill to establish 18 local health networks—close to the Coalition's policy of 20. It would seem that Labor is so self-assured of its product that it can only haggle us down two and change the name from health districts to local health networks. Well, congratulations to the Labor Party spin-sters, but the New South Wales public is perhaps better educated about the Government's ways than it might think.

However, as with all bills proposed by the Labor Party, there are many failings in this bill. One of the problems that will stem from the bill is its implementation given the haste with which the Government is trying to introduce and develop these structures. Further, there has been very poor consultation with local health officials as to the boundaries of these networks. Whilst the Minister has harped on about "broad consultation" between NSW Health and local doctors, the reality is that this consultation amounted to nothing more than a briefing from head office about what was to be done, as the member for North Shore stated earlier. Additionally, the local health network boundaries were established prior to the Commonwealth establishing the boundaries of the primary healthcare organisations—otherwise known as Medicare Locals. For these Commonwealth reforms to work, local health networks will be required to work very closely with primary healthcare organisations to deliver the best levels of service to patients.

To draw up our boundaries before these ones are known seems like a hell of a gamble to take with our health service. This was pointed out by the State Government's own discussion paper on this matter, which noted that patient care could be fragmented by the separation of hospital- and community-based healthcare. Finally, these changes have not made any real changes to the actual structure of NSW Health. These changes

still provide for a head office dictatorship over health services that mirrors in every way the current dictatorship of Sussex Street over Macquarie Street. For example, the Government closed nominations for the chairs of governing councils before it had even announced the boundaries of local health networks. The deadline set for an expression of interest was closed before the legislation was even introduced into Parliament.

It is not even known if the chief executives responsible for the day-to-day running of a local health network will be decided by the chair or by head office. This lack of clarity will continue to support a stagnated bureaucracy in NSW Health when, for once, we have a real chance to get something done and a real chance for reform. Nonetheless, as with every time this Keneally Labor Government introduces a shadow of a Coalition policy, the Government is taking at least a baby step in the right direction. I support the amendment foreshadowed by the shadow Minister for Health and hope that the Government also will support it. I commend the bill to the House.

Mr CRAIG BAUMANN (Port Stephens) [12.20 p.m.]: I speak on the Health Services Amendment (Local Health Networks) Bill 2010. I note these reforms aim to abolish the eight area health services and to establish a system of geographical local health networks. It also provides for certain statutory health corporations and affiliated health organisations to be constituted and governed on a network basis. The bill would also see the establishment of 18 local health networks, comprising eight geographically based local health networks covering the Sydney metropolitan region, seven in rural and regional areas, and three speciality networks. Essentially, I would support any bill and any reforms to the health system that will reap benefits for the people of Port Stephens who have largely been ignored by this State Government, particularly when it comes to health services.

Sure, we are getting a new ambulance station in Nelson Bay, but it is two years late and we are still counting. We have been promised a HealthOne clinic at Raymond Terrace, but that was promised back in 2007 and has already been pushed back until 2012. But worst of all is the Government's neglect of the desperately struggling Tomaree Community Hospital. More than perhaps any other health service in the Hunter, that hospital has been utterly ignored by the equally incompetent successive Carr, Iemma, Rees and Keneally Labor governments.

This Labor Government obviously thought that simply changing the name of the Nelson Bay Polyclinic to Tomaree Community Hospital would instantly make it a hospital in the eyes of the community. It did not. This so-called hospital serves a population of more than 25,000 people; a figure that swells to more than 75,000 in the peak summer period. Yet this so-called hospital that not even have an X-ray machine. Tomaree Community Hospital has been starved of resources and funding under this Labor Government for far too long. The Government continues to stand back and claim services at the hospital are "adequate". Last year the Minister for the Hunter told this House:

I assure all members that adequate services are being provided to the communities of the Tomaree Peninsula.

That was said by a Minister who, as far as I am aware, has never stepped foot inside the hospital. In fact, I would be very interested to know the last time any Minister from this Government has stepped foot inside Tomaree Community Hospital. It is amazing that the Minister could claim services at the hospital are adequate, when the hospital is spending more than \$2,000 a day in ambulance costs transferring patients away from it for treatment. In answer to a question I asked last year, the Minister for Health admitted that her Government is spending \$808,810 per annum transferring patients away from Tomaree Community Hospital to either Maitland Hospital or John Hunter Hospital, or even down the road for an X-ray, at a cost of around \$2,000 per day. That does not sound like a hospital with adequate services. Anything that takes the management of this hospital away from this Labor Government should be a good thing.

The centre of the New South Wales Liberal-Nationals Coalition core ideology is to put the power back in the hands of the people. This State Government has taken all the decision-making from society and put it in the hands of a few Labor hacks. Hopefully, this bill will give the people of Port Stephens more of a say in how their hospital is run. Perhaps then, we can reopen negotiations with the local general practitioners in the Tomaree region who are willing to contribute to a reasonable roster at the hospital, but who have been completely shut out by this State Government.

I turn now to concerns about the bill. As with so many ideas that come from this Government and its Federal counterpart, this bill has come about with great speed and little thought. We all know Kevin Rudd was perhaps the greatest at this, and this is essentially his proposal. If the Building the Education Revolution

program and the insulation scheme have taught us anything, it is that our State and Federal Labor governments are good at making grand announcements, but monumentally bad at delivering on them. This bill, like so many others introduced by this Government, has been developed hastily and with minimal consultation. We on this side of the House also hold concerns about the boundaries of some of the health networks.

According to the Minister for Health, the National Health and Hospitals Network Agreement, signed off by the Council of Australian Governments on 20 April 2010, with the exception of Western Australia, will provide a more secure funding base for Australia's healthcare system into the future. According to the Minister, the Commonwealth will provide the majority of funding for public hospital services. The funding arrangements will differ according to the size and location of the hospital. The Minister has stated that small regional and rural public hospitals that have community-service obligations recognised by the Council of Australian Governments, will be block funded, reflecting the higher costs associated with delivering services in those areas. This must result in greater funding for Tomaree Community Hospital, which needs X-ray services and greater support for local services. I want a guarantee that Tomaree Community Hospital will not only remain open under the new reforms but will also be improved to the point that a quarter of the budget is not spent transferring patients to other hospitals for care.

Mr JOHN WILLIAMS (Murray-Darling) [12.25 p.m.]: I will speak briefly to the Health Services Amendment (Local Health Networks) Bill 2010. What we are seeing here is a process that has been gone through at great haste. Within the communities of the electorate of Murray-Darling and its local government areas a lot of questions are being asked about what this bill will mean to them and how it will work. Within a consultative arrangement all key stakeholders should be given the opportunity to understand how this will work in their area. They should know what is proposed, the sorts of effects caused by it, and whether consideration will be given to their views on how it will affect their area.

Whilst I believe this proposed network has given recognition to the Far West of New South Wales, within the scope of the proposed network no consideration has been given to cross-border arrangements. This Government always talks about health organisations taking initiatives and when they do take initiatives they should be recognised. But those initiatives should be recognised within the consultancy for establishing a local health network. I refer to a proposal that has been put together for a primary health care organisation that crosses State borders: the Broken Hill Centre for Remote Health in Far West New South Wales and the Northern Mallee Primary Care Partnership in Far North West Victoria, neighbours divided by State boundaries, that share many relevant synergies, including remote rural isolation, patient-consumer flows, indigenous populations and services, tertiary universities, sporting and cultural ties, and large distance from major cities.

This model was developed after many hours of preliminary consultation at a regional level, fits with Medicare's local objectives, and will deliver under the National Health Care Reform Agenda. It creates a perfect synergy for our local network. I believe sufficient recognition has not been given to the establishment of such a primary healthcare organisation. It should have been recognised somewhere under the local health network that extending the current Far West network was a probability worth considering. It should also have been recognised that we have a transition of health from Far West New South Wales into that north-western area of Victoria. Many people seek health services in Victoria, particularly the community of Wentworth, which has been taken into the Murray network. This is not a suitable arrangement for the establishment of that network. When one looks at the size of the Murray network and the patient flows it is easy to identify that it is not a suitable arrangement.

The proposal is that the areas of Broken Hill, Central Darling, Mildura, Wentworth and Balranald, the unincorporated Far West of New South Wales and the township of Robinvale will make up the geographic boundaries of these primary healthcare organisations. There is already a recognised agreement. The arrangements to set up these networks, which were delivered by then Prime Minister Kevin Rudd, were done on the run. Kevin Rudd said that we should look at what currently works in these areas and the initiatives people have taken to set up a framework that truly reflects the suitability of services in those areas. Under the heading of "Discussion" in a paper provided by the Government there are some interesting facts. It states:

The remote regions in a given state are usually very distant from the major population centres in that state, with service and cultural links often crossing state and territory borders. These regions are not served well by the current state based models that have poorly developed responses to cross border flows.

I believe this will continue under the proposed arrangements. This is not the way Kevin Rudd described it when he first spoke about introducing health reform. He spoke about cross-border arrangements. I do not see the

proposal working in any part of the Murray-Darling electorate. People in the Riverina area in particular rely on accessing health care in Victoria. That fact has not been recognised. The department has taken the opportunity to highlight on a map what it thinks is suitable.

In the Government's haste to pass this legislation and meet the deadlines proposed by the Federal Government to enact legislation it has overlooked the very important fact that people in these regional areas have a good understanding of these issues. Consultation would provide an excellent resource and an opportunity to develop an effective network. However, to date we have seen the non-alignment of past health service arrangements with these networks. They are not aligned to the health providers and do not take into account the way that health services are accessed in these areas. The legislation before the House is flawed. We have reached a situation where a system will be put in place without the cooperation of all the key stakeholders. Their input is totally and utterly necessary if the Government is to defend its decision on the arrangement of these networks. A number of services are misaligned by this decision. What we lock in today—regardless of the idea that we can tease out the edges—will be difficult to change.

The period for consultation with or comment by key stakeholders on the proposed network arrangement was insufficient. There is clear evidence that due recognition was not given to the contribution of these organisations. Shortly after the announcement of these networks we saw advertisements for positions on the health councils. It had not even been established that the network arrangements would be adopted. I believe changes would have been made through consultation. There is potential resistance to the Murray network. When these network arrangements were released I advised the shire representatives to comment and contribute. I do not know how many responded but today they are asking questions. They do not believe this system will work for their shire areas. The arrangement does not recognise where people access health services that are not provided by their local hospital or multipurpose service.

For example, Balranald will move most of its patients back into Swan Hill and Wentworth will draw to Mildura. Places such as Deniliquin will draw down to Moama and Tocumwal and Barooga will draw back to Cobram. We have had cross-border arrangements in the past. As I have said, it is a clear indication that this Government is happy to transfer its health responsibilities to Victoria. There should be some recognition of that. If it is to be done in that way, let us form these networks as prescribed by Kevin Rudd. He was dreaming when he made the statement that these networks would work across borders. I do not believe that will ever happen so long as the States manage health. We are already seeing a resistance in cross-border hospitals that New South Wales relies on for services. People from New South Wales are being put to the end of the queue, purely because the cross-border State has a big enough responsibility providing services to its own constituents. This has to be a work in progress. I have no doubt that there will be a backlash against this legislation. I hope in time we draw on those comments and revisit these network boundaries. In my area major issues need to be addressed, but consultation has never been entered into.

Mr JONATHAN O'DEA (Davidson) [12.38 p.m.]: The New South Wales Liberals and Nationals believe that if you trust people they will make good decisions for themselves and others. Honesty is about not fearing accountability. Governments that measure their performance openly and are honest with people about challenges will do better. The New South Wales Liberals and Nationals believe that decisions are best made by the people who are affected and as close as possible to where they will have an impact. That is the driving rationale for the Liberals and Nationals advocating to increase community involvement in the running of the New South Wales public health system.

The Liberals and Nationals have faith in local communities and believe they should be involved in making the decisions that affect their area and their future. The shadow Minister for Health has outlined how, in government, the Liberals and Nationals will empower local communities—by giving them better information and genuine data about local health services and letting them have a real say in the public health system, which is there, after all, to serve members of the public. As detailed in the Coalition's Making It Work health policy released in March 2009, we promised to:

replace Labor's huge and out-of-date Area Health Services with smaller Health Districts; appoint Boards to the health Districts and make them accountable to the communities they serve; restore the decision-making power of Hospital General Managers and give authority back to expert clinicians; further develop clinical networks that link medical experts across the system; appoint a qualified medical practitioner as Executive Clinical Director in each Health District; and publish information about health service management including Budget allocations, the capacity of an institution to undertake treatments and patient care outcomes, through an independent Information Bureau.

Despite Labor's inappropriate criticism of this excellent policy, it is at least pleasing to see that there is now consensus between most health stakeholders, including the Federal Government, that the New South Wales

health system needs a flatter and more locally focused management structure that better utilises the expertise of medical practitioners, nurses, other healthcare professionals and the community. I commend the shadow Minister for Health for her leadership, which the Garling report effectively endorsed, and which Federal, and now State, Labor have followed. However, the foreshadowed changes under this bill still require competent implementation, and we have seen repeatedly that Labor is not capable of that at either the State or the Federal level, particularly with public transport projects and building education infrastructure. I fear now that we will also see that incompetence increasingly with health reform. Only a Liberal and Nationals Government will restore confidence in the public health system, properly re-engaging medical practitioners and, once again, giving local communities a strong and direct voice in local patient care.

The Keneally Labor Government is again rushing through a reform for political purposes, despite there still being important unanswered questions. For example, how will staff arrangements work in practice and how will the networks link with primary healthcare organisations when those bodies and their boundaries have not yet been decided? This haphazard and hasty approach helps to explain why local communities and front-line health professionals were not genuinely consulted about the setting of relevant boundaries for the proposed local hospital networks, and why the Government closed nominations for council chairs before the boundaries had been finalised.

I remember that there was similar confusion in 2004 when this same Labor Government, under then Minister for Health Iemma, reduced the number of governing area health service networks from 17 to 8. At that time the Government used some of the same rationale as it is now using to increase the number from 8 to 18. We have gone from 17 to 8 back to 18. This Government fails to recognise that it made a mistake. Certainly, through a number of contacts that I have had and I continue to have, despite now not being involved in the health system, I know that there is widespread disdain for the way this Government has mismanaged the governance of health in this State.

Health infrastructure and service delivery have been mismanaged by Labor for more than 15 years and, despite its words, little is likely to substantially change under this current Labor Government's ingrained culture. In fact, a cynic might even question Labor's real commitment to local health networks and the agreed Council of Australian Governments health reform when Premier Keneally's Government has so recently and dishonourably reneged on its signed agreement over occupational health and safety. We have seen how this has prompted strong criticism from many quarters, including Prime Minister Gillard, who clearly shares the public's growing disdain for this incompetent Keneally Labor Government's mismanagement of many aspects of service delivery within New South Wales.

Ms PRU GOWARD (Goulburn) [12.45 p.m.]: Like many members of the Opposition I do not oppose the Health Services Amendment Bill 2010 but wish to make some comments about the impact that we trust these changes will have on the delivery of health services, particularly in regional New South Wales but across the State as a whole. This comes after 15 years of increasing struggle within our public hospital system and years of criticism from the Opposition about the very large networks that the State Labor Government created and the bureaucracies that appeared to come with them.

As the Parliament well knows, it has been our policy for some time to devolve public hospital administration. In that sense this policy is very much in line with our own thinking and we welcome it. There are, of course, some distinct differences, which I am sure the House has already been apprised of by the shadow Minister for Health. We wait to learn other things, such as how these new networks will link with primary healthcare organisations when those bodies and their boundaries have not yet been decided. That is an important issue for this Parliament and for each member and I trust that as soon as that becomes known and decided by the Government it will advise members.

There are two hospitals in my electorate of Goulburn. One is Bowral Public Hospital, which will now be included in the South Western Sydney local health network that includes Fairfield, Liverpool, Braeside, Bankstown-Lidcombe, Camden and Campbelltown. I welcome that as an improvement on Bowral's existing inclusion in an enormous health network that included Prince Alfred Hospital as well as Liverpool and Campbelltown hospitals. In that sense Bowral was the smallest of those hospitals and very much a younger sister or brother.

It is very welcome that we will now be part of a smaller network. It is not clear to me whether this means that there will be a greater integration of specialist services within the hospitals that make up this new network or how that will address the particular problem we have with renal dialysis patients, who at this stage

are required to travel to Campbelltown or Liverpool hospitals for dialysis, despite the fact that three chairs were donated by the community to Bowral hospital, because patients do not have access to a nurse to assist people. I would have thought that sending patients to Campbelltown or Liverpool would be a lot more expensive than paying for an additional nurse.

There is no point in dividing hospital networks into smaller areas if it does not improve the employment of local knowledge and local networks or provide face-to-face discussions between health officials, including doctors and nurses, which mean that the medical resources of a health area network are more effectively used. I would have thought that that is the whole point of making the networks smaller—so that communities are brought together, the network is not so unmanageable because of its size and so that there is an opportunity for local people to make a local contribution and be part of the decision-making in a very direct way, which was just not possible, for example, in the greater South Western Sydney area health network as it is today for a hospital such as Bowral hospital—the only hospital in the entire network that we call a local community hospital.

Ever since I became the local member the hospital's maternity services have been under threat because it has been difficult to retain the services of gynaecologists. The hospital's operating theatres are so inadequate and rundown that wider beds will not go easily through the doors and there is no room for specialist equipment. As a result, we have increasingly lost access to specialist surgery, particularly orthopaedic and eye surgery. Very good local specialists are now doing operations elsewhere, which has meant that local people have had to travel far from home despite the fact that the medical staff are available in Bowral.

Emergency services are increasingly under threat and for some time we did not have a permanent head of emergency at the hospital. I am very pleased to see that that situation has been recently remedied. Bowral hospital is so overwhelmed and underfunded that it is not always possible to get the administration right. An elderly gentleman was recently delivered to the hospital from Yerrinbool, which was 20 cold and windy kilometres from Bowral on the night in question. He walked into the hospital in his pyjamas and dressing gown as directed and was told that his surgery had been cancelled. The staff did apologise that they had not called to advise him before he travelled to Bowral. He had no way to get home other than to walk in the dark, which he proceeded to do. Fortunately, someone saw him walking along the road in his dressing gown and perhaps thought that he was lost and picked him up and drove him home. I do not blame the staff for that; that is what happens when hospitals are overwhelmed and overloaded. Hopefully, this reform package will assist in a case such as that.

Not much has been said to date about exactly how this legislation will improve the efficiency of our hospitals. In theory at least, once we start to make these areas smaller they should be able to deliver real decisions made by local people who know what they are talking about and what is needed. Goulburn Base Hospital is a very old and wonderful facility that has very big operating theatres. It has recently received money for an upgrade and we are all very grateful for that. However, I am disappointed that I learnt about it only by reading the newspaper. It would have been courteous of the Government to advise me by letter. However, we are very pleased to see that the hospital has been provided with that money. I only wish that Bowral hospital could attract similar funding.

The children's ward at Bowral hospital was appallingly rundown. It was all mixed up with the day surgery unit and the renal unit and children could not be observed from outside their room. In fact, the ward had none of the facilities one would expect to see in a modern paediatric ward. That has been addressed, but only because the local community raised \$500,000 and shamed the Government into doing something. On the day the refurbished facility was opened a senior health official said to me, "We know that one day, fairly soon, this hospital has to be knocked down. This project was the only way we could shut up the community." There is another way to shut up the community; that is, to make sensible decisions and to recognise that although Bowral hospital might be only a community hospital in the eyes of the bureaucracy its importance to a very rapidly growing and ageing community cannot be underestimated. It was unfortunate that Bowral hospital was always at the bottom of the list because it was competing for attention with facilities such as Liverpool Hospital and Royal Prince Alfred Hospital.

I have no doubt that once this new system is properly established it will produce very welcome improvements. However, while Goulburn Base Hospital functions very well, it is absolutely horrifying to see that the new region still stretches right down to Batemans Bay. The hospital is in a health region that includes Batemans Bay, Bega, Bombala, Braidwood, Cooma, Crookwell, Delegate, Moruya, Pambula, Queanbeyan and Yass. That is an enormous area and I predict that there will still be inefficiencies in administering it unless the

staff are very smart with e-communications and do a lot more video conferencing. I have seen many health officials visiting Goulburn Base Hospital who have travelled almost from the Victorian border in a day for a meeting. That must change.

I suspect that the region is still too big and I urge the Government to examine it and to consider subdividing it as a matter of urgency. It is all very well for the Government to say that it needs evidence and that it will suck it and see, but we can be confident that it will be very difficult to manage a health region bigger than Wales or Scotland. Why take the risk? We have had enough change and every change takes a while to bed down. We should go straight to the right answer, which is to subdivide the southern local area health network.

Mrs DAWN FARDELL (Dubbo) [12.57 p.m.]: I support the Health Service Amendment (Local Health Networks) Bill 2010. My constituents believe that insufficient time was allowed for submissions on the legislation to be lodged. I commend looking at structure and change to meet current and future needs. The new area health network incorporating Dubbo is about the size of Germany, which is a huge area to administer. I will refer to part of my submission expressing the community's concerns about this legislation. The primary concern has been the boundaries of the proposed network incorporating the electorate of Dubbo. My submission is based on not only my observations but also wide-ranging discussions I have had with regional councils, clinicians, non-government organisations and the everyday men and women of my electorate who have shared their experiences of the local health system. I am also indebted to the Orana Regional Organisation of Councils [OROC], which incidentally has a meeting at 4.00 p.m. today with the staff of the Minister for Health about this legislation.

At the outset I register my concern about the haste with which the new boundaries of the local health networks were defined in New South Wales while the Commonwealth was undertaking its own submission process. Furthermore, with the New South Wales election only six months away, it is entirely conceivable that there will be a marked change in the political landscape that could directly impact on the administration of health services and facilities throughout the State. It was pleasing to hear the member for Goulburn say that the Opposition will not oppose this legislation. However, a more open discussion of the potential network boundaries within the broader context of the agreement would have been a more helpful exercise for health providers and consumers and it would have assisted incoming Federal and State governments with useful feedback for progressing health reform.

I addressed three issues in my submission about the proposed networks: first, greater flexibility for rural and regional communities; secondly, recognition of the natural communities as a key determinant; and, thirdly, key indicators in network delivery of patient care. The Central West model did not fulfil the national health and hospitals networks stated goals. The following points relate to how these goals have been interpreted and applied to the New South Wales discussion paper.

In regard to the greater flexibility for rural and regional communities, the discussion paper made a number of impressive claims regarding the overhaul of health care across the nation, including a fundamental shift in the way health care is delivered to make it easier for patients to navigate and access services in their community. The plan also proposed that the eight existing New South Wales area health services would be replaced by 17 local health networks, more than doubling the number the health divisions in New South Wales. That is a positive move and, on the surface at least, would appear to provide more local and responsive health delivery.

Unfortunately, despite those lofty intentions, the proposed western local health network demonstrates no strategic vision or flexibility that might deliver improved health outcomes for rural communities in the State's west. The model as proposed incorporates the regional cities of Dubbo, Orange and Bathurst. It also includes about 40 communities and covers more than one-quarter of New South Wales. The Central West model largely duplicates the current and unwieldy Greater Western Area Health Service with the exception of Broken Hill, which has been removed because it is closely aligned to South Australia, and we all accept that.

Submissions lodged by the Orana Regional Organisation of Councils and Dubbo City Council clearly detailed the stress, uncertainty and the financial deprivation suffered by those who are forced to travel hundreds of kilometres from their homes and familiar social networks to access health care. That is particularly so in the case of cancer treatment, which is very limited in Dubbo. Persisting with cobbling together dissimilar communities over vast stretches with few transport options with the overwhelming majority of health service concentrated towards the eastern border of the patient catchment will continue to disenfranchise rural and regional communities and restrict access to appropriate and timely health care. It is also evident that the western

model does not embrace strategic vision for future health care delivery. It is essentially more of the same and is based on discredited assumptions about the way country people and rural and remote communities access health services. As for the recognition, "natural communities" is a key determinate.

The city of Dubbo is a vital service hub that provides health, education, financial, business, government and non-government organisation services to all the communities of the State's west. There is a strong economic interdependence between this regional city and the smaller communities to the west. Each year more babies are born in Dubbo—approximately 1,300—than Orange and Bathurst combined, and more than half of these mothers come from communities outside Dubbo. Some months ago I formed a committee. I chaired the first two meetings but I have now stood aside to remove the politics. That committee is now chaired by the Dubbo Health Council and seeks to provide accommodation for out-of-town mothers. It is hoped that people attending for operations will be able to utilise the facilities. Lourdes Hospital has a proposal to provide temporary accommodation for a couple of years until Dubbo Base Hospital has the necessary facilities. With the support of surrounding communities, the city is currently investigating the establishment of accommodation for out-of-town mothers and I thank the Dubbo Health Council for taking that matter on board.

A trip to Dubbo usually serves a number of purposes, such as attending medical appointments, banking, accessing government services, pursuing educational opportunities, shopping, social activities and visiting family. A recent regional health survey by the Orana Regional Organisation of Councils of 2007 found that 70 per cent of respondents identified Dubbo as their preferred location for accessing health services while only 10 per cent preferred Orange. The angst by Orana Regional Organisation of Councils and Dubbo residents referred to the delivery of different services to Orange and Bathurst and was why the feeling at the time was for a separate local health network.

The submissions by Orana Regional Organisation of Councils and Dubbo City Council, which the Minister has seen, called for the local health network to be based in Dubbo. This would meet the natural communities test and support the particular challenges of rural medicine, including the demands of indigenous health, maternity and aged care. We are aware that, for varied reasons, many people in Aboriginal communities do not fill in the census form so the Australian Bureau of Statistics figures may not be accurate as to the number of people accessing services, not only health services but also other services in Dubbo. Both Orana Regional Organisation of Councils and Dubbo City Council suggested potential boundaries for a separate local health network to make it more responsive to the health service needs of communities west and north of Dubbo.

I met with the Minister and I appreciate the time that she and her staff have given me. I have made numerous phone calls, to which they have always responded, explaining why Dubbo needs to be included in the same network as Orange and Bathurst. That is not merely my opinion; I have sought the opinion of medical professionals. The surgeons at Dubbo Base Hospital and members of the Dubbo Plains Division of General Practitioners have also spoken to me. Considerable time and effort has been expended by the Chief Executive Officer of the Greater Western Area Health Services, Danny O'Connor, who has the confidence of the community. Doctors working out of Orange, servicing Bathurst and Dubbo, are on one contract.

If another health service were involved, it would require two separate contracts but many things could prevent that from happening. Visiting medical officers are happy to work under the network. I was originally annoyed—and some members of Orana Regional Organisation of Councils are still not convinced—but I am now convinced. No deals have been done; common sense has prevailed and I have listened to the opinions of the medical professionals upon whom we rely to come to our community. It is very difficult to attract medical professionals, which is why maternity services are now located in Dubbo. General practitioners no longer deliver babies outside the Dubbo area, so that women from other areas now find it difficult to deliver their babies locally. Although it is a very large network, I am confident from speaking to the professionals about the contracts that the system will work. It is also important to ensure that the right people from a cross-section of the communities represented by the western network are on the governing councils. This is only a line in the sand. We merely ask that good health services are delivered to the electorate of Dubbo and the Far West.

Mr THOMAS GEORGE (Lismore) [1.07 p.m.]: I speak on the Health Services Amendment (Local Health Networks) Bill 2010. In April 2010 the State entered into the National Health and Hospitals Network Agreement with the Commonwealth, certain other States and Territories. The objects of this bill are to amend the Health Services Act 1997, firstly, to establish a system of local health networks for the purposes of the National Health and Hospitals Network Agreement for the whole of the State; secondly, to provide for certain

statutory health corporations to be constituted and governed on a network basis so as to enable them to be recognised as health networks for the purposes of the National Health and Hospitals Network Agreement; thirdly, to enable certain affiliated health organisations to be recognised as networks for the purposes of funding under the National Health and Hospitals Network Agreement; fourthly, to make other related amendments in the nature of statute law revision; and, fifthly, to enact provisions of a savings or transitional nature and to make consequential amendments to certain other Acts and statutory rules.

Earlier today the shadow Minister and member for North Shore clearly identified the Opposition's concerns, and every member has views and needs in our electorates relating to health issues. The Government criticised the Opposition's policy on district health boards that it took to the last election. Even the Chief Executive Officer of the North Coast Area Health Service, Chris Crawford, was critical of the district health boards. However, now the Government has virtually reinforced our policy, although there may be some dispute about the number of district health boards.

Concern has been expressed about the haste with which the Government has developed the new structures. There has been poor consultation, inappropriate boundaries and there do not seem to be any links with primary health care organisations. Questions remain unanswered with respect to the governing councils and the role of the health head office. We value the comments of doctors and health administrators, but the bill seems to be missing some detail. I note that the Health Services Association has been successful in ensuring that the legislation allows the Minister to deem affiliated health organisations not-for-profit bodies such as Tresillian, Hammond Health, Catholic Health Care and Calvery Health Care as health networks. These organisations are concerned that, while any area health service can make application to become a health network, the bill omits the criteria on which an area health organisation is to make an application.

This Labor Government said everything would change on 1 July as a consequence of the Council of Australian Governments health agreement, but to date nothing has changed. Hospitals are still struggling and patients are waiting too long for treatment. Case after case has been mentioned this morning. Those in the Northern Rivers are no different. I instance Lismore Base Hospital, which has been the subject of headlines such as "Sickening Wait" and "Bed shortages at Lismore hospital causes ambulance backlog". That was not a staged backlog. A reporter rang me and said, "I'm just driving past the hospital; I cannot believe it, but there are five ambulances there." That has created concerns. That is happening day in and day out. It is not an everyday occurrence, but it is happening all too often.

The member for Goulburn spoke about patients being released from hospital without being provided with appropriate support to enable them to return to their residence or wherever. Recently, I highlighted concern about a 70-year-old patient who was admitted to intensive care at a hospital in Lismore. When his wife came to visit him in intensive care, he was told he could go home. Although she did not have a car and they live at Casino, 40 kilometres away, they were marched out of intensive care and told to find their own way home. Another gentleman was admitted to a multipurpose services hospital at Bonalbo with what were thought to be stones in the kidney. He was kept there over the weekend, treated, and even given morphine. He was transported from Bonalbo to Lismore by ambulance to have appropriate scans or tests. At Lismore, he was told, "Sorry, you don't have stones in your kidney." Although he was still in serious pain, he was told, "You'll be able to go home now." He said, "Where's the ambulance?" They said, "He's gone. You'll have to find your own way home." Home was a hundred kilometres away, and he was still in pain and on morphine. Because scans did not show that he had kidney stones, and even though there must have been something else wrong with him, he was told to go home. Every member could tell such stories.

Before the recent opening of the cardiac catheter laboratory at Lismore, public patients with heart concerns were brought by air ambulance to Sydney. There, after it was determined that they did not have a heart problem, they were told, "Thank you, you can go home now." People have rung my office and asked, "How do I get home?" But that is only part of the system. Lismore Base Hospital has an ongoing issue. It is the base hospital of the area. For years the community had been led to believe that stages one and two had to be completed before stage three could be started. Stages one and two have been completed. But over the years stage three has fallen from the plans. We now have bed-locks and bed shortages.

Mr Daryl Maguire: They promised you a new hospital too, did they?

Mr THOMAS GEORGE: Yes. It has been an ongoing promise.

Mr Daryl Maguire: As with Dubbo, Tamworth, Parkes, Forbes and Port Macquarie.

Mr THOMAS GEORGE: Stage three has fallen from every plan available to the community. As the member for Wagga Wagga indicates, most members of this House could speak about hospital problems. Over the years governments have encouraged Lismore to be the base hospital. People have been influenced to send patients to Lismore Base Hospital. That is all right if it has the facilities, but it does not. Public transport is also not available. Further, service cuts in outlying hospital areas have forced people to go to Lismore Base Hospital, which sadly does not have in place the infrastructure necessary to enable the hospital to handle all the problems it should be able to deal with. The one thing that I am quite proud to say is that Lismore does not have a shortage of top specialists, whether in cancer, orthopaedics or whatever. We have sufficient specialists to handle any issue. I pay tribute to St Vincent's Private Hospital in Lismore. It has been an asset that has drawn specialists to the Northern Rivers, especially to Lismore. If St Vincent's Private Hospital did not exist, the facilities at Lismore Base Hospital would not be enough to entice specialists to the Northern Rivers.

I commented earlier about the areas listed in the bill. I ask the Minister to comment in reply on the matter I raise. The bill notes that the Northern New South Wales Local Health Network includes the shires of Ballina, Byron, Clarence Valley, Kyogle, Lismore, Richmond Valley and Tweed. There is a hospital within the network at Urbenville, which is in the Tenterfield shire. It was part of the old Northern Rivers Area Health Service, now the North Coast Area Health Service. Tenterfield is not listed in the program. I would like that matter clarified.

While I am speaking about the Tenterfield shire, I raise a matter that the Speaker, if he were in the chair, would confirm. I do not represent the town of Tenterfield but the Speaker and member for Northern Tablelands does. The Speaker and I made representations to the Minister for Health following representations to us by the council and the community that Tenterfield hospital be included. The Urbenville hospital, in the Tenterfield shire, is in the North Coast Area Health Service, but Tenterfield hospital is not; it is in the Hunter area. Tenterfield people, who automatically come down to Casino or Lismore for all their services, have been trying to have that hospital included in the North Coast Area Health Service, or what was the old Northern Rivers Area Health Service. I ask the Minister—I believe with the support of the Speaker, unless there has been a change in the community since I last spoke to him on the issue—to consider including Tenterfield in the Northern Rivers area. Some comments on that would be appreciated.

Typical of the Keneally Labor Government, it is rushing through reforms without addressing many unanswered questions. Another headline in a local paper amused me. As all members realise, every area health service had an advisory council. Our advisory council advised the Minister that the current service, the North Coast Area Health Service, should be retained. However, Dr Chris Ingall and Dr Peter Rankin, chair of the Lismore Base Hospital Medical Staff Council, soon sent off a letter to inform the Minister that after extensive discussions over the past few months there was "unanimous approval from within the larger doctors group for the breaking up of the present cumbersome North Coast Area Health Service".

This was suggested in the Garling report. Many of the complaints registered this morning have been brought forward in the findings of the Garling report. For example, the finding regarding the exiting of patients from hospitals has not been acted upon appropriately, particularly with regard to hospitals in my electorate. The Government has not acted upon the findings of the Garling report. I strongly believe that the legislation is being rushed through the Parliament. It is typical of the way the Keneally Labor Government handles its legislation.

Mr ROB STOKES (Pittwater) [1.20 p.m.]: The Health Services Amendment (Local Health Networks) Bill 2010 amends the Health Services Act 1997 to accommodate the recent Council of Australian Governments [COAG] health reforms. Previous speakers on this side of the House have already referred to the fact that there is a fair bit of hypocrisy about the bill in relation to the Government's opposition to proposals by the New South Wales Nationals and Liberals to do effectively what the Government's bill seeks to do. It is a bit rich that the Government attacks the Coalition for referring to the need to improve local accountability of the health system, when effectively this bill, which is a response to COAG health reforms, seeks to do exactly that.

We have known for some time that there have been significant problems with overcentralisation and increasing bureaucracy within the health system. New South Wales has a health system that employs almost 100,000 people. An article in the *Daily Telegraph* of 8 March 2010 referred to the fact that NSW Health's 2007-08 annual report stated NSW Health had almost 95,000 employees and that 72.6 per cent of staff were medical staff, which meant that more than a quarter, or 25,800 staff, were administrators. I suspect there are more health administrators in New South Wales than there are soldiers in the Australian Regular Army. When we reach that situation, clearly things are ridiculous and out of control.

When former Premier Iemma introduced the eight area health services in 2005, there were obviously major concerns—and the Garling report pointed out many of them—that this process set up a system that was significantly overcentralised. The Garling report noted, "It is clear that the establishment of the eight area health services has caused serious disruption and unrest." The Garling report also noted that the restructure "created an over-centralised management structure which has only alienated clinicians who are the heart of the public hospital system". The report also noted that the geographic areas, particularly in regional areas of the State, were "immense", rendering them difficult to organise. It is clear that the area health system approach—

Mr Brad Hazzard: Was a disaster.

Mr ROB STOKES: —was a disaster. It was too overcentralised; it was not responsive to local needs. The establishment of local health networks is critical. It is extremely important to devolve decision-making on issues that are as important as public health and that directly affect local communities and individuals. It is imperative that local health networks be responsible to the local communities they serve. That is why this reform is so important. It is important that the system envisaged by the bill is set up correctly, and it is why the bill needs to be very carefully considered. The system this bill introduces needs to be introduced very carefully.

My mentor in a law firm always used to tell me, "The long way is always the short way." That is similar to a saying I know teachers are fond of, which is: Proper preparation prevents poor performance. It is the same in relation to these systemic changes in the health system. We need to ensure we get this reform right. If we do not do so, an already bloated bureaucracy will simply have another layer of bureaucracy inflicted upon it. That is the danger we face if this reform is not implemented properly. I do not for one moment suggest that this reform is not necessary: it is very important. But it needs to be done extraordinarily carefully, and it needs to involve cultural change in relation to the bureaucrats that are subject to the system. Without cultural change, this may end up making the morass even worse.

In 2009 Wolfgang Kasper, Emeritus Professor of Economics at the University of New South Wales, wrote an excellent report entitled "Radical Surgery: The Only Cure for New South Wales Hospitals", a Centre for Independent Studies policy monograph report. In the report Professor Kasper referred to the new bureaucracy established by the area health services. He wrote:

The new bureaucracy has closed a number of hospital beds, hospital wards, and even entire hospitals. For example, no fewer than 34 maternity units in country NSW have been shut down over the past thirteen years. The tendency has been towards "big is beautiful", irrespective of what the clients may want. The trend has been to cut costs by reducing facilities and services rather than searching for improvements in productivity. This is of course typical of most central bureaucracies: Fewer and more uniform facilities are easier to plan and control, while the pursuit of customer service is seen as an inconvenient nuisance.

I can give a local anecdote to support Professor Kasper's comment. In my community of Pittwater we have seen a central edict that has closed down our local maternity ward, and has seen a 40 per cent drop in the number of public maternity beds available to the more than 230,000 people who live on the northern beaches. The closure of the Mona Vale Hospital maternity ward has seen the centralisation of all services at Manly Hospital. That might be terrific for bureaucrats because it makes it easier for them to plan. It is also easier for them because it has resulted in a significant reduction in the number of women using public hospital facilities for giving birth. In turn, that may tend to make the bureaucrats' statistics look better because there are fewer patients. The *Yes Minister* example of the perfect hospital for a bureaucrat is a hospital that does not have any patients. While that might work terrifically well from the perspective of a bureaucrat who is not interested in service, it does not serve the health workers, the obstetricians, the midwives, and the local communities that depend on these services.

For example, there are 16 beds in the maternity ward at Mona Vale Hospital and there are 17 beds in the maternity ward at Manly Hospital. We are told by the bureaucracy that we now have a better service which delivers 40 per cent fewer beds. There are only 20 beds in the new "improved" maternity ward at Manly Hospital. There has been a significant reduction in access to services. Ridiculously, under the new model obstetricians who are visiting medical officers at Mona Vale Hospital are now prohibited from providing obstetrics services. Women giving birth at Mona Vale Hospital now have access to midwife-only services, with no intervention allowed by the obstetricians who serve Mona Vale Hospital. If anything goes wrong in a routine pregnancy that turns into a non-routine delivery, what is the response of the bureaucracy? "We will put them in an ambulance and take them to Royal North Shore Hospital." That is not as a solution; it is negligent and dangerous, and it puts the lives of expecting mothers at risk. That is a local example of why we need to get these structural changes right. If we do not do so, we will make the problem even worse.

The problem we face in New South Wales is that front-line hospital services—the number of hospital beds and the health workforce who care for the patients—have been cut back progressively while the hospital administration has grown. I quote further from the Kasper report:

... Many a nurse and doctor have been pushed from patient care and the ward into administration by pay relativities and career opportunities, which make frontline service unattractive.

This reform needs to address those types of problems. If they are not addressed, we will make an already difficult situation worse. While devolution and more local input into local health services is crucial, if it is not done properly we will make a bad situation worse. We were told that the proposal as to the maternity situation at Mona Vale Hospital was endorsed by the Area Clinical Council. As a result of inquiries, I have ascertained that the Area Clinical Council did not involve any of the obstetricians or midwives, or anyone who provides maternity services at Mona Vale Hospital. The people who are making decisions about local health services and local health care do not include representatives from the affected community or the health workers who provide the services in question. These are but some of the issues that need to be considered in this reform. I will say it again: If we do not get this important reform to bring in local accountability and devolution right, we will make a bad situation worse. This reform is vital but I am concerned at the haste with which it has been brought in. We really need to focus on this to get it right.

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

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

ASSENT TO BILLS

Assent to the following bills reported:

Coastal Protection and Other Legislation Amendment Bill 2010 (No. 2)
Community Justice Centres Amendment Bill 2010
Ombudsman Amendment (Removal of Legal Professional Privilege) Bill 2010

REPRESENTATION OF MINISTERS ABSENT DURING QUESTIONS

Ms KRISTINA KENEALLY: I inform the House that the Minister for Police, and Minister for Finance will answer questions today in the absence of the Minister for Primary Industries, Minister for Emergency Services, and Minister for Rural Affairs and the Minister for Roads, and Minister for Western Sydney.

Mr Brad Hazzard: Who is answering on your behalf?

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

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (for Bills) given.

BUSINESS OF THE HOUSE

Routine of Business

[During the giving of notices of motions to be accorded priority.]

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

QUESTION TIME

[*Question time commenced at 2.23 p.m.*]

INFRASTRUCTURE PROJECTS

Mr BARRY O'FARRELL: My question is directed to the Premier. Given that since 1998 the Government has received more than \$8 billion in windfall tax revenues, including \$1.1 billion last year, will the Premier apologise for Labor's failure after 15 years to deliver on much-promised and much-needed projects such as the North West Rail Link, hospitals in Tamworth and Dubbo, and the Gerringong to Bomaderry upgrade on the Princes Highway?

Ms KRISTINA KENEALLY: I thank the Leader of the Opposition for his question and for the opportunity to report on State finances. A report for 2009-10 was tabled today in this place.

[*Interruption*]

I note an interjection from the member for Kogarah that a lot of money was spent on Port Macquarie hospital when Labor came to Government. I also note that a great deal was spent on the airport rail link and getting us out of that hole. I could go on and on and on and on.

The SPEAKER: Order! Members will come to order.

Ms KRISTINA KENEALLY: However, the report tabled today is more good news. There has been a strong recovery in the New South Wales budget position for 2009-10—a \$2 billion turnaround in the New South Wales budget. It is a remarkable achievement for our State and another vote of confidence in our \$400 billion New South Wales economy. That \$2 billion turnaround comes at the tail end of the global financial crisis. Our State budget is strong; our solid-gold triple-A credit rating is strong. This result again highlights the sustained recovery of the New South Wales economy after the global financial crisis and especially the strong recovery of the New South Wales housing sector.

The New South Wales budget surplus for 2009-10 is at \$994 million. That is \$1.984 billion higher than the original budget estimate, which was released on 16 June 2009. At that time the forecast was for a \$990 million deficit for 2009-10. We have seen stronger than expected economic activity in the aftermath of the global financial crisis. The report also shows the volatility of revenues such as stamp duties and GST grants from the Commonwealth. Today the total State revenue is \$3.375 billion higher than the original budget estimate. That is largely due to higher property transfer duties—about \$1 billion over budget—which reflects an earlier than expected recovery in the residential property market. We also saw above-budget funding from the Commonwealth for vital services with \$504 million above budget for Commonwealth national agreements and national partnership grants. That is funding for new programs, such as the Better TAFE Facilities Program, Training Infrastructure Investment for Tomorrow and the Australian Technical Colleges programs.

The budget papers clearly show that much of our revenue comes from the Commonwealth—that is how our system of government works. In 2010-11, 45.3 per cent of total revenue for New South Wales comes from the Commonwealth—that is about \$26.1 billion. However, the State accounts also show added investment in vital infrastructure projects. That included an extra \$350 million for the South West Rail Link, which is under construction now to improve the Sydney public transport network. The general government sector net debt is 2.2 per cent of gross State product. Of course, the House will remember that it is a far cry from the debt the Coalition left the taxpayers of New South Wales—a net debt level at 7.5 per cent of nominal gross State product in 1995. Members who wish to view the full report can do so on the Treasury website.

I note that last night the Parliamentary Budget Officer legislation passed this Parliament. We all recall the Leader of the Opposition's famous challenge in debate on that legislation when he said, "Let us end the 'he said, she said' approach to budgeting."

Mr Mike Baird: No, you said it.

Ms KRISTINA KENEALLY: The member for Manly does not want to mock his own leader's words.

The SPEAKER: Order! Members will refrain from interjecting.

Ms KRISTINA KENEALLY: Maybe he does. This Government put forward legislation for a Parliamentary Budget Officer—something that has been supported federally by Tony Abbott and Malcolm Turnbull. If it is good enough for Tony Abbott and Malcolm Turnbull, why is it not good enough for Barry O'Farrell and his Coalition colleagues? The Leader of the Opposition opposed it in this House.

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

Ms KRISTINA KENEALLY: The record will reflect that the Leader of the Opposition opposed it in this House. However, he has new-found support for the Parliamentary Budget Officer. We look forward to him submitting his plan to bring forward the North West Rail Link in the next term of government to the Parliamentary Budget Officer. Until the Coalition submits a plan for proper costing by an independent Parliamentary Budget Officer nothing it says can be believed.

STATE ACCOUNTS DATA

Ms TANYA GADIEL: My question is addressed to the Premier. Will the Premier update the House on the latest State accounts data released today?

Ms KRISTINA KENEALLY: As I have just told the House, we have had great news about the strength of the New South Wales economy. We saw a stronger than expected performance from the New South Wales economy during the 2009-10 financial year. The property market is recovering faster than expected; retail sales in New South Wales lead the nation; new home starts lead the nation; State final demand is above the national average—it was 5.3 per cent last year; and unemployment has declined to 5.2 per cent. Despite those figures, members opposite continue to moan and to talk down the great results achieved by this State. When the New South Wales economy is going gangbusters, all they can do is moan.

The Coalition ceded the ground on economic credibility a long time ago. We have seen the daisy debts—or should I say, the Waratah bonds—proposed by the shadow Treasurer, the member for Manly. The would-be Treasurer gave a presentation to New South Wales business groups during which he made up projections. We have recently discovered that he cannot even read his own press releases. On 7 October he issued a press release responding to the State's September unemployment result of 5.2 per cent. What did he say? Did he say it was better than the result in any other State except Western Australia? No, he said that it placed New South Wales once again at the back of the pack. His own press release included the unemployment rates in the other States in black and white and it showed that the figure for New South Wales is lower than in every other State except Western Australia. He said that that amounts to being at the back of the pack.

Mr Richard Amery: Perhaps he was reading it upside down!

Ms KRISTINA KENEALLY: Perhaps he was. He cannot read his own press release but he is touted as the alternative Treasurer of this State. Having successfully seen off many external threats—

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

Ms KRISTINA KENEALLY: —we now see the internal threat of a would-be Treasurer who cannot read basic figures. No wonder he ran straight to the media last night. Did the Leader of the Opposition just say that the Opposition now supports the establishment of the Parliamentary Budget Office? Is that what he said?

Mr Barry O'Farrell: We voted for it last night.

Ms KRISTINA KENEALLY: Perhaps the Leader of the Opposition can explain why last night the shadow Treasurer ran straight to the media and said that the Coalition did not think that the office would be ready for the next election and that it would get on with costing its own promises. That support for the Parliamentary Budget Office survived for about 10 minutes.

The SPEAKER: Order! Members will cease interjecting.

Ms KRISTINA KENEALLY: That is just what we need in this State: A Liberal Party approach to election costings. We saw how well that worked during the Federal election. Who can forget the audit that was not an audit? No wonder the Leader of the Opposition feels the need to leap into print in a national newspaper today to remind his Federal colleagues that honesty is the best policy.

Mr Barry O'Farrell: No, to remind you.

Ms KRISTINA KENEALLY: Here is the chance. In March this year the Leader of the Opposition challenged me and suggested that we end the "he said, she said" approach to and scare campaigns on costings. He suggested that we put in place an independent process. I embraced that challenge, the Government embraced that challenge and the Parliament embraced that challenge. In fact, the only people who have not embraced that challenge are the Leader of the Opposition and his colleagues. The Parliamentary Budget Office will be established in January. The Opposition asked for it and the Government has delivered it. We look forward to receiving the Opposition's costings. Will members opposite adopt honesty as the best policy? Their actions will tell.

ROAD PROJECTS

Mr ANDREW STONER: My question is directed to the Premier.

[Interruption]

That is what they are saying about your parliamentary career. The member's branches are saying that.

The SPEAKER: Order! The Leader of The Nationals will ask his question.

Mr ANDREW STONER: With road projects, including the M5 expansion, the M4 East and F3 to M2 link, still on the drawing board, more than 200 people killed on unsafe country roads so far this year and congestion costing the economy billions of dollars each year, how can the Premier possibly justify the delays, bungling and underspending on road projects worth almost \$1 billion that the Auditor-General has announced today?

Ms KRISTINA KENEALLY: This Government has a fully funded, 10-year, \$50 billion transport plan. The Government has been clear with the community about its priorities, which are fully funded. From memory, the Roads budget represents \$20 billion of that \$50 billion plan. The Government is aware of the matters raised by the Auditor-General in terms of accounting issues and project management. I am advised that the Roads and Traffic Authority has challenged a number of the Auditor-General's assumptions and that it has changed its accounting treatment of earthworks during the year in consultation with the New South Wales Treasury and the Audit Office.

Mr Adrian Piccoli: And you want to cost our election promises!

Ms KRISTINA KENEALLY: No, we want the independent Parliamentary Budget Office to do that. We look forward to Leader of The Nationals' commitment on the M2 being submitted to the Parliamentary Budget Office. A technical issue was raised by the Audit Office during the audit and after a review undertaken by the technical accounting team; it disagreed with the Roads and Traffic Authority's interpretation of the accounting standard. That change in treatment resulted in a \$4.3 billion adjustment. That is a non-cash accounting adjustment.

I also understand that the Roads valuation comprises 18,000 segments that are valued each year. Apparently an error in the spreadsheet was identified during the audit process. Again, that involved a non-cash accounting adjustment. The Roads and Traffic Authority has implemented changes to ensure that an error of that nature does not occur again. As the report notes, these matters were corrected in the agency's financial statements. I find it astounding that the Opposition would put up the Leader of The Nationals to talk about roads at any time. We should remember some of his gems.

The SPEAKER: Order! The member for Murrumbidgee and the Leader of The Nationals will come to order.

Ms KRISTINA KENEALLY: Here we go. The Leader of The Nationals believes that we can decrease driver fatigue by increasing speed. He also thinks that Los Angeles is a good model for traffic flow.

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

Ms KRISTINA KENEALLY: He thinks that traffic flow should have a higher priority than saving lives in an emergency situation. When it comes to the Ports portfolio, he cannot correctly differentiate one side of the harbour from the other.

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

Ms KRISTINA KENEALLY: The Roads budget for 2009-10 was a record \$4.4 billion and for 2010-11 it is \$4.6 billion. In keeping with the practice followed with previous budgets, Transport and Infrastructure NSW advises that about 70 per cent, or approximately \$3 billion, of the total allocation will be spent on rural and regional roads.

SURGERY ACCESS

Ms CHERIE BURTON: My question is addressed to the Minister for Health. How is the New South Wales Government improving access to surgery for patients across New South Wales?

Ms CARMEL TEBBUTT: I thank the member for Kogarah for her question. There is no doubt that elective surgery and emergency surgery are key parts of the health services provided by our public hospitals across New South Wales. They are very important to the communities of New South Wales. I have spoken on many occasions about the strong and growing demand for health services, in particular for surgery. Our public hospitals carry out approximately 280,000 operations each year and on any typical day in a public hospital there will be 20 patients having their hips replaced, 18 patients having their knees replaced and 73 patients having cataracts removed. We have an enormous amount of surgery in our public hospitals, and we invest record expenditure on both elective surgery and emergency surgery. Our record budget in 2010-11 means that we will spend on elective surgery in the order of \$1.5 billion, and our emergency surgery funding has increased to \$1.69 million; so a substantial portion of our budget goes on both elective and emergency surgery. To manage the demand into the future we need to be smarter about the way we deliver surgery in our public hospitals.

I am very grateful to the work of the Surgical Services Taskforce, an initiative of this Government, which has provided clinician leadership and advice on surgical matters and on innovative ways of addressing surgery demands in New South Wales. For example, the task force has been responsible for developing the Surgery Futures Project, which is a comprehensive plan for public sector surgery in the greater Sydney region for the next 5 to 10 years. We know that the face of surgery is changing and what was done in an operating theatre a few years ago can now be done in procedure rooms, radiology suites and other clinical units. We know that cardiologists now do work that a few years ago would only be done by a cardiac surgeon, and that radiologists, for example, also routinely undertake complex procedures. So this is changing the face of surgery in our public hospitals.

The Surgery Futures Project is looking at what the demographic trends tells us about future demand, what the infrastructure needs are both now and into the future, and what is the best environment to attract and retain surgeons and other clinicians. By looking at these and other questions, the project will help us paint a detailed picture of surgical services in greater Sydney, so that we can make the best use of our available resources and, importantly, produce the best outcomes for our patients.

In the meantime, we continue to see very positive results when it comes to patients in New South Wales receiving their planned surgery within clinically recommended timeframes. The end of financial year performance results reflect the percentages of patients treated within the required timeframes: 92 per cent of category one patients, where surgery is required within 30 days; 84 per cent of category two patients, where surgery is required within 90 days, and 89 per cent of all category three patients. So our elective surgery performance is very strong. We are moving forward with smarter ways of delivering elective surgery, including the separation of facilities that provide elective and emergency surgery when appropriate.

This means that more elective surgery can be performed without cancellations or interruptions due to emergency surgery. For example, the Government has invested some \$600,000 to establish the Mount Druitt Planned Surgery Centre, which opened earlier this year. As at September, the centre had provided 2,160 operations, which is an increase of about 525 on the operations provided in the previous year before the centre was established. We have also established an elective surgery unit at Auburn Hospital, the Institute of Rheumatology and Orthopaedics at Royal Prince Alfred Hospital and the Whitlam Joint Replacement Centre at Fairfield Hospital. We are also investing \$83 million in an elective surgery unit at Wollongong. By any measure, the New South Wales Government is delivering when it comes to our elective surgery performance. Our results are some of the best in the country. Of course, we would never know this if we only listened to the member for North Shore—

The SPEAKER: Order! Members will cease interjecting.

Ms CARMEL TEBBUTT: I have to say, the member for North Shore is very fond of issuing press releases, but no issue excites a greater flurry of press releases from the member for North Shore than the question of elective surgery. But, as we have seen on so many occasions, the member for North Shore is often plainly and simply wrong. We saw it again when the member for North Shore rushed out her press release with a bold claim. If I was a less robust person, I could be hurt and offended by some of the claims that the member for North Shore makes because I must say some of them are quite harsh. The member for North Shore can be assured that I am made of stern stuff and I am not deterred. Nonetheless, the member for North Shore rushed out her press release with her bold claim that the Government had hidden the official waiting list figures from the public by removing them from the website, that we had taken them off the website and hidden them from the public. I quote from the member for North Shore's press release:

The removal of waiting lists from the official report will only suggest to the public that this figure has climbed to another new record.

So there we are, according to the member for the North Shore, hiding the waiting lists, taking them off the website.

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

Ms CARMEL TEBBUTT: The number of people waiting, according to the member for North Shore, has climbed once again.

Mrs Jillian Skinner: Wrong.

Ms CARMEL TEBBUTT: But what do we in fact see? At the end of the quarter on 10 September, yes, we can see the waiting list register right there on the website, just as we see it every quarter. I ask the member for North Shore to check it. The waiting list was there. It is not my fault if she thinks it is the Bureau of Health Information that is reporting that. It is in fact the NSW Department of Health.

The SPEAKER: Order!

Ms CARMEL TEBBUTT: What do we see on the list? Is there an increase in the number of patients waiting, as is so breathlessly anticipated by the member for North Shore? No, of course not. Once again, the member for North Shore got it wrong. Once again, the member for North Shore is so desperate to undermine the hard work of our nurses and clinicians that she resorts to mysteries. What we saw, of course, was that the number of people on the waiting list has declined by some 661 people—fewer people on the waiting list, fewer people in June than in March. I know the member for North Shore is fond of issuing press releases. I am waiting for the corrected version, but it has not come. In the meantime, of course, the Government will get on with providing services and improving elective surgery for the people of New South Wales.

RESCUE HELICOPTERS

Mr RUSSELL TURNER: I direct my question to the Minister for Health. The Canadian rescue helicopter based in Orange has a long list of faults and problems, including not having a winch, not being able to take off from our hospital, being three times more expensive than the model it replaced, and it is now grounded. How can the Minister justify axing of the community rescue helicopters to the communities in Orange and the rest of western New South Wales?

The SPEAKER: Order! The member for Bathurst and the leader of The Nationals will come to order.

Ms CARMEL TEBBUTT: I thank the member for his question. Certainly, I know there has been a great deal of genuine concern from the member with regards to health issues in his electorate, but, once again, on this occasion the member is simply not reflecting what has happened in reality. He is putting together two incidents and coming up with the wrong conclusion. For the benefit of the House, I advise that on 22 October an emergency medical helicopter and two ambulance road crews attended an accident on the Old Pacific Highway at Mooney Mooney. The helicopter encountered some mechanical difficulties. This meant that the helicopter was unable to depart the scene of the accident in the normal manner, as I am advised has happened on so many previous occasions.

The incident was properly reported. The Ambulance Service immediately commenced a review of this incident as the take-off performance was not according to the Ambulance Service's expectations. The

Ambulance Service has been in contact with the patient's family, and will remain in contact with them as the review progresses. I am advised that it is not the case that Ambulance Service staff communicated any unwillingness to fly on the aircraft. The aircraft was taken off line so that any mechanical problem that may be present can be repaired and the aircraft is able to perform at the expected level.

There has been an enormous amount of criticism from the Opposition with regard to the CHC Helicopters contract. The helicopter emergency medical services are provided through that contract, but it is important to recognise that the new helicopters available to the Ambulance Service are a significant upgrade on the previous helicopters. They provide a better range, are 20 per cent faster than the previous aircraft, have improved capacity to carry heavier patients and have improved poor weather performance. The two EC-145 helicopters have completed more than 325 missions since coming into service. I might add that the Auditor-General reviewed the helicopter emergency medical contract between the Ambulance Service of New South Wales and CHC Australia and found that the contract had improved the ability of the Ambulance Service to transport patients to the right hospital at the right time. The review highlighted many positive outcomes of the new service. I can reassure the member for Orange that the Orange helicopter is not off the road; it is still working.

BEACH WATER QUALITY

Mr MATT BROWN: I address my question to the Minister for Environment and Climate Change. Would the Minister update the House on the findings of the latest report on water quality in swimming locations across New South Wales?

Mr FRANK SARTOR: Mr Speaker—

Mr Barry O'Farrell: Are you happy today?

Mr FRANK SARTOR: Careful!

The SPEAKER: Order! I warn the House in anticipation.

Mr FRANK SARTOR: They just don't know when to give up! They cannot help themselves. They lost the argument, but they are still at it.

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

Mr FRANK SARTOR: I would be happy to get stuck into them again for 25 minutes, but I am sure, Mr Speaker, you would like me to deal with the question that I have been asked.

The SPEAKER: Good call!

Mr FRANK SARTOR: I acknowledge that the electorate of Kiama has more than 40 kilometres of wonderful coastline. What people might not know, apart from the fact that the member for Kiama is trying to grow a beard, is that the member is a surf lifesaver of 20 years standing. My spies on those beaches tell me that he has not missed one single patrol in the past 12 years. I applaud the member for Kiama. I could not think of a more appropriate person—

Mr Adrian Piccoli: I have not seen him in any Speedos.

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

Mr FRANK SARTOR: He is thinking about Nielsen Park and the member for Vaucluse, who ran around trying to show us what his body looked like. Everyone voted him down.

The SPEAKER: Order! The Minister should return to the leave of the question.

Mr FRANK SARTOR: Opposition members do not want to hear this answer because they know that the record of this Government on the environment over the past decade or so has been nothing short of outstanding. The latest State of the Beaches report, which I released last weekend, brings home more evidence

of what a wonderful environmental performance we have achieved—often with opposition from that bunch of losers on the other side. For the first time, we have monitored the 265 swimming locations up and down the coast, from Byron Bay to Bega.

Mr Adrian Piccoli: The one behind your place is fantastic.

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

Mr FRANK SARTOR: They do not even know when they have lost. That is the problem. For the first time, we have followed new national Health and Medical Research guidelines to rate beach water quality. What do this year's results tell us? If we look at beaches alone, we monitored 156 ocean beaches over 12 months, and 99 per cent of those were graded as very good or good, ahead of every other country in the world. The member for Kiama would be interested to know that Boyd Jones and Warri beaches were very good; Shellharbour at Warilla and Shellharbour beaches, Wollongong at Austinmer, Fishermans and Woonona beaches and, at Wyong, Frazer, Birdie Hargraves and a host of other beaches were rated very good.

[Interruption]

Members opposite want to know about Malabar. I am coming to that, via Lane Cove.

The SPEAKER: Order! I would encourage the Minister not to respond to interjections.

Mr FRANK SARTOR: The achievements with Sydney's beaches over the past decade are even better. Ten years ago—soon after the Coalition left office—only 40 per cent of Sydney's ocean beaches had water quality rated as good or very good. Today, it is 97 per cent. The Government's environmental record is nothing short of outstanding. All of the six ocean bays monitored were rated good or very good. The Minister for the Hunter will be very pleased to hear that five of those were in the Hunter region. Some 82 estuarine swimming sites were monitored. A decade ago, 10 per cent of those were rated as good or very good. Today, over 70 per cent are rated good or very good. This is a terrific curve; it is moving in the right direction. Environmental quality is zooming, while the mob opposite continues its carping and whingeing.

At the Cronulla sewage treatment plant, the North Side storage tunnel and elsewhere, urban environmental initiatives have made a big difference. We are continuing to address the issues that are still occurring. Malabar was mentioned, and we are working with Randwick council to deal with and resolve that issue. A council drainpipe is causing most of the problems, which will be resolved. The Minister for Water, the member for Maroubra and I have had discussions about that. We are after 100 per cent, we want perfection, and that is what we are pursuing. I know the member for Lane Cove is interested in Greenwich Baths, a 40-metre long netted swimming area, backed by a sandy beach. It has been monitored for a while.

Mr Adrian Piccoli: How big is it, Frank?

Mr FRANK SARTOR: It is a lot bigger than the space behind my backyard, I can tell you that—a lot bigger! Of course, they like photographs that are three or four months old, before building structures have been built. They would rely on those! That is fine. But I am pleased to report that water quality at Greenwich Baths has been improving; it is becoming quite clean. In the past 10 years water quality has been improving, which is more than I can say for the mind of the member for Lane Cove, which has been cloudy and polluted, and continues to be so. He is the genius who, in 2006, along with his mate, organised a bus and came to my place and abused my wife on the intercom. He was the one, he and his communications company. That is what he was doing. That is the sort of person who wants to interject in an attempt to get me to digress. But I shall digress no more. Our record on the environment has been outstanding, our record on beaches has been outstanding, and we are all the better for it.

WASTE MANAGEMENT

Mr GREG PIPER: My question is directed to the Minister for Climate Change and the Environment. With the Government currently collecting around \$250 million annually in waste levies from residents, and increasing regulation requiring local government councils to adopt new efficiencies and waste management technologies, will the Minister investigate increasing the current annual rebates and Waste and Sustainability Improvement Program to well above the current \$37 million?

Mr FRANK SARTOR: I thank the member for Lake Macquarie for his question. Indeed, it is a good question—better than I get from other members opposite. I want to report to the House that we have an important waste levy strategy. It is an economic instrument to drive the reduction in landfill, and it is helping to drive our achievement of recycling and waste recovery targets. The strategy is going very well. About one-third of the levy that is collected is levied through local government ratepayers; the rest comes from industry and other sources.

In the current five-year program, which is about to come to an end at the end of this financial year, we have reinvested \$80 million in the waste service improvement payments under the City and Country Program. The payments are made to each council in the levy area, provided they meet standards that progressively improve waste and recycling services for residents. We are paying \$80 million, committed over five years, for urban sustainability programs. These are payable to local councils across the State. They provide support for local waste and sustainability environmental programs. A further \$50 million over five years has been allocated to the environmental trust and is used to support a range of waste reduction and recycling programs. These bring together the State Government, industry and councils to increase the recycling and reuse of recycled materials.

The total contribution is about \$230 million, whereas I think the member for Lake Macquarie referred to \$250 million. I am advised that the amounts from the New South Wales-based levy allocated to waste-related programs, including those in local government, exceed the amounts allocated in any other State of Australia. Of course, as we are nearing the end of the first five-year City and Country Program, I will be reviewing further allocations.

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

Mr FRANK SARTOR: I could start talking about the shadow Minister, but it would take too long.

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

Mr FRANK SARTOR: To get to the nub of the question, we are coming towards the end of the five-year program. It is appropriate that we review the policy settings and the allocation of funds, so we can best address achieving these important goals of recovery and recycling. In the coming months I will be sitting down with the industry and local government and going through these sorts of programs to see how we can improve them and how we can reapportion some of the funding, to try to address these issues. We have been addressing the issues, and I can assure the member for Lake Macquarie that we will hold further discussions. I am happy to discuss the issues with the member as well.

COMMUNITY SAFETY PRECINCTS

Mr PAUL PEARCE: I address my question to the Minister for Police. Will he update the House on community safety precincts?

Mr MICHAEL DALEY: That is a good question on crime prevention from the member for Coogee—a member who will, in March next year, perform the ultimate act of crime prevention when he holds his seat against a host of pretenders.

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

Mr MICHAEL DALEY: The first thing that is apparent when conducting an analysis as sought by the member for Coogee is that police are doing a fantastic job, not only in his seat in the Eastern Suburbs and on the Eastern Beaches but across the State. The latest Bureau of Crime Statistics and Research statistics show that 17 out of the 17 major categories of crime across New South Wales are either stable or falling. So, I begin by congratulating the police.

Over the last decade particularly, the role of policing has become more complex. No longer is it simply about conducting patrols and happening upon crime. No longer is it simply about prosecuting people who have committed crime. Modern policing is increasingly about intelligence-based, proactive policing. It is about crime prevention. It is about ensuring that people do not become victims of crime in the first place. For example, in the last decade property crime has more than halved. That means tens of thousands of people in New South Wales have not become victims of crime. That is an outstanding testament to the hard work of police—police who go about utilising community contacts very well.

In this continuing endeavour, engaging the community is all-important. Police are utilising their most valuable asset in preventing and solving crime: the eyes and ears of the community. Police are working with local councils, local businesses, chambers of commerce, precinct committees, schools, shopping centres through initiatives such as community safety precincts committees, crime prevention partnerships, Crime Stoppers and the Police Assistance Line, to continually provide and receive important information. Community safety precinct committees are a particularly valuable tool. They are chaired by the local area commander. Their aims are to increase community awareness of crime risk and prevention strategies; encourage community involvement in promoting local community safety; identify actual and potential community safety problems; develop local community safety plans; coordinate crime prevention efforts; and utilise local police services regarding early intervention programs for young children.

It is apparent that we on this side of the House believe in the evolution of police policy, rather than its devolution. That is why we do not recycle old policies like the Opposition's policy announced last month to relaunch Neighbourhood Watch. That program already exists, has evolved and is now augmented by other policies and programs, representing community engagement that has now gone twenty-first century, with police using Facebook, Twitter, YouTube and other social networking sites to engage with the community across all demographics. That was an embarrassing foray into police policy for the Leader of the Opposition.

Mr Alan Ashton: It was a good start.

Mr MICHAEL DALEY: As the member for East Hills says, it was a good start. I was intrigued by that small foray. So I looked further. What did I find? I found online a 68-page tome, a PDF document entitled "Start the Change—Make NSW Number One Again"—Barry O'Farrell's big blue book for the future of New South Wales. I note that one of my colleagues is holding up the tome. I thought, "Surely, it is a comprehensive tome for the future of this State, chock-full of policing policy ideas." So I embarked upon an electronic journey, searching for any and all references to the word "police". The first hit was halfway in, on page 33—a tired old reference to the highway patrol, a simple motherhood statement about more police in the highway patrol. There was no mention of costings, no mention of where the officers are coming from, no mention of recruitment, no details—

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

Mr MICHAEL DALEY: I continued on my electronic journey; I clicked on the next button to interrogate the computer again. The second hit was on page 54. It was a vague reference to the existing law on the Independent Commission Against Corruption; it was simply a restatement of the existing law. With 14 pages to go, I thought surely the best was to come. I pressed the button to interrogate the computer once again. The third hit was on page 65. I thought, "We are getting close. This is a cracker!" It was a reference to sobering-up cells for drunks, costing \$9 million in capital investment and \$5 million in recurrent funding, so police, rather than being out and about preventing crime in the local community, can sit in a station somewhere with a medico, babysitting drunks. That is a disgrace.

With three pages to go I thought, "Surely we have a strong finish by the Leader of the Opposition." I clicked on the search button once again, only to be confronted by the screen of death, a dialogue box with the message "Reader has finished searching the document. No more matches were found." I was trapped, like in a bad episode of *Little Britain*. Press as I might, the computer said no. Nothing more from Barry O'Farrell—no more results; no more mention of police. This 68-page manifesto made three mentions of police. One of them is not even a policy. Another one is a tired old suggestion about more highway patrol officers. And the final insult to the police is to have them babysit drunks. The Coalition has had 15 years to start the change. Perhaps Barry O'Farrell should start the change on his front bench. Embarrassment on that side of the House: action on this side of the House—and the police know it.

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

SOLAR BONUS SCHEME

Mr RAY WILLIAMS: I direct my question to the Premier. Will the Premier guarantee that her Government's incompetent handling of the Solar Bonus Scheme—

The SPEAKER: Order! Members who do not put their props away will be removed from the Chamber. The member for Wakehurst will calm down. When I call the member for Wakehurst to order it makes no difference to his behaviour. Instead, I will ask him to calm down.

Mr RAY WILLIAMS: I think the member for Wollongong was holding up some photos from her family album!

The SPEAKER: Members will leave the jokes to me! The member for Hawkesbury will continue to ask his question.

Mr RAY WILLIAMS: Will the Premier guarantee that her Government's incompetent handling of the Solar Bonus Scheme, which has led to a blowout of more than \$1.2 billion, costing households an extra \$100 and businesses \$336, will not be paid for by the people of New South Wales through higher electricity prices?

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

Ms KRISTINA KENEALLY: I quote from *Hansard* of 26 November 2009 when the member for Manly said:

... I reiterate that I support the measures outlined in the bill to boost [the] current and future use of solar energy in New South Wales, but it is a very small start. ... The Government's legislation does not go far enough. I urge—

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

Ms KRISTINA KENEALLY: I continue to quote from *Hansard*:

The Government's legislation does not go far enough. I urge the [Rees] Government to explore the full potential of solar in New South Wales, embrace its future, and transition the economy of the State to one that embraces renewable energy—or, indeed has renewable energy at its core.

I further quote the member for Manly from *Hansard* of 26 November 2009:

There should be an acknowledgement from the Government that it has adopted the Coalition's position, which was proposed in March this year, for a gross feed-in tariff. We are delighted [that] the Government has taken up some good policy but it should acknowledge it was an idea from the Opposition. We refute any criticism and wonder why the Government spent so long criticising our policy when today it has said it is a marvellous thing. Certainly, we think it is a start.

To quote from the document entitled "Start the Change"—

Mr John Williams: Point of order: My point of order relates to Standing Order No. 129. My question specifically related to a blowout of \$1.2 billion and whether the people of New South Wales—

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

Ms KRISTINA KENEALLY: To quote from page 62 of "Start the Change", a document just released by the Opposition—

Mr John Williams: Point of order: I raise Standing Order No. 129 again.

The SPEAKER: Order! I have ruled on the point of order. I will hear further from the Premier.

Ms KRISTINA KENEALLY: I quote from page 62 of that document:

The NSW Liberals & Nationals policy for a gross feed-in tariff was first announced in October 2008. The Labor Government mimicked the policy when it adopted a solar bonus scheme in November 2009 for small photovoltaic installations. ... The NSW Liberal and Nationals policy will ensure that NSW leads Australia in establishing a decentralised energy sector, by honouring the State Government's current commitments ...

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

Ms KRISTINA KENEALLY: I quote from an email submission of Andrew Stoner, MP for Oxley, dated Tuesday 28 September 2010, 10.12 a.m., on the Solar Bonus Scheme:

Dear Solar Bonus—

The SPEAKER: Order! I do not understand why members are finding this amusing. The Premier has the call.

Ms KRISTINA KENEALLY: To quote the member for Oxley:

Dear Solar Bonus Review Team, with reference to the request for submissions to the New South Wales Solar Bonus Scheme I request the following:

- (1) a continuation of the New South Wales Solar Bonus Scheme to encourage uptake of renewable energy in New South Wales ; and
- (2) an amendment to the scheme so that *all*—

he has that in italics—

renewable energy technologies are included equally in this scheme.

Not only does he want the scheme to continue; he wants the scheme to expand. I continue:

I encourage the adoption on an equal basis in the scheme *at least*—

he has that in italics—

the following technologies:

- (1) mico-hydroelectric,
- (2) solar photovoltaic,
- (3) small scale wind,
- (4) biofuels, including biomass, and
- (5) solar thermal for electricity generation.

Yours faithfully,
Andrew Stoner, MP, member for Oxley.

Today the Government announced that it has introduced legislation to ensure that the Solar Bonus Scheme continues on a sustainable basis, given the rapid uptake and acceleration of this scheme, which has been largely due to a halving of the cost of solar panels since the introduction of the scheme. Since 2009—when the scheme was brought to the Parliament—the cost of solar panels has halved. The Government has taken responsible action today in order to ensure that the scheme continues on a sustainable basis.

What the Government will not do is adopt the recommendation of the member for Oxley, that not only we continue the scheme in its current form but that we expand it. To do so would put an onerous burden on householders in terms of costs going forward to 2016. The steps taken by the Government today are responsible, insofar as they encourage investment in solar electricity but they do so in a way that avoids substantial future costs to household electricity prices. The Government would hope that the Opposition—which supported the scheme when it was introduced and demanded that it go farther—would now reconsider its position and recognise the impost of costs that the acceleration of this scheme is having on households, that it would reject the policy position taken by the member for Oxley, that it would come into this House and support the householders and businesses of this State that are facing rising electricity costs and do what this Parliament can do in order to deliver reduced electricity costs to households.

HUNTER ECONOMY

Ms SONIA HORNERY: I address my question to the Minister for the Hunter. How is the New South Wales Government supporting the Hunter economy?

Ms JODI McKAY: I thank the member for Wallsend for her question. She is a great supporter of jobs in the Hunter region. This question is entirely pertinent, particularly given the good news that the Premier delivered on the economy in the House today. Last week I attended that Hunter Valley Research Foundation Economic Update Breakfast.

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

Ms JODI McKAY: I would have thought that the member for Murrumbidgee would want to share in the good news for the Hunter region that I am about to deliver. The regional labour force statistics were

delivered at the Hunter Valley Research Foundation breakfast. When BHP closed 10 years ago, we never thought we would be in the situation that we are now in: the unemployment rate in the Hunter is below 10 per cent. This Government has worked tirelessly to support the Hunter region and job diversity. I can tell the House that the latest job statistics show that the Hunter region now has the lowest unemployment rate in New South Wales. Our unemployment rate is under 10 per cent. In fact, it is under 5 per cent. It is 4.2 per cent and heading below 4 per cent. When one considers the situation that the Hunter region faced, this is an extraordinary achievement that deserves recognition.

Even more remarkable is that an additional 28,600 residents joined the labour market over the corresponding period. On top of that, figures show that the Hunter region has the highest employment growth of any region in New South Wales over the same period, now at 9.2 per cent. Furthermore—more good news for the House—the latest Hudson employment expectations report shows that hiring intentions in the Hunter remain well above the average for New South Wales and Australia.

The SPEAKER: Order! Members will cease interjecting.

Ms JODI McKAY: It is important that I convey to the House the positive news about what is happening in the Hunter region.

Mr Adrian Piccoli: I love the Hunter; don't get me wrong.

Ms JODI McKAY: I thank the member for Murrumbidgee for saying he loves the Hunter.

Mr Adrian Piccoli: Just you.

Ms JODI McKAY: It is important that he understands how successful the region is and the work that the Government has done to diversify jobs and investment in this area.

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

Ms JODI McKAY: As I said, the latest Hudson employment expectations report shows that hiring intentions in the Hunter remain well above the average the New South Wales and Australia.

Mr Adrian Piccoli: I like Jodi. I am just trying to help her.

Ms JODI McKAY: I appreciate the kind comments of the member for Murrumbidgee, but it would be far more beneficial if he listened to me rather than gave me positive comments. The Premier would be very disappointed if he moved from her to me. He should sit there and be quiet. These are the types of results people in the Hunter region expect and deserve. They do not take kindly to being presented with half-baked policies that threaten not only livelihoods but also jobs and investment. That is a lesson that the Leader of the Opposition learned two weeks ago when he fronted the Property Council in Newcastle. When he delivered that ludicrous suggestion of the Tillegra Dam proposal for Hunter Infrastructure, which we all know is about taxing Hunter Water customers, the shadow Minister for the Hunter was nowhere to be seen. One would think that the shadow Minister for the Hunter would front such an important function when his leader is delivering their infrastructure plan for the Hunter region. He failed to appear, clearly embarrassed by what the Leader of the Opposition was putting forward. He was not in attendance.

On Monday in the Newcastle *Herald* we read the response of the member for Port Stephens, Craig Baumann, to his leader's idea. He was laughably restrained when he said it was, "not my preferred option". We have "not my preferred option" from the member for Port Stephens, the shadow Minister for the Hunter nowhere to be seen and that marvellous Tillegra Dam proposal. No-one in the Hunter will forget that. The people of the Hunter like straight talking. This is what they have dished up in response to the Leader of the Opposition's marvellous Tillegra Dam proposal. I quote again from the Newcastle *Herald*, in direct response to the Leader of the Opposition:

Don't come back, it's very obvious that you have no idea or care.

Poor old Barry, couldn't win a raffle even if he bought every ticket.

A case of "both feet in mouth" for O'Farrell.

Mr Andrew Fraser: Is that from the Newcastle *Herald*?

Ms JODI McKAY: It is directly from the Newcastle *Herald* website. The Government is investing \$1.7 billion in infrastructure in the Hunter region. I attended the Hunter Manufacturing Awards last Friday night where I spoke to 450 manufacturers, all there to acknowledge the very best in manufacturing in the Hunter region. I was pleased to be able to assure them that the New South Wales Government would back Forgacs' bid to build eight custom patrol vessels for the Federal Government. If successful, this project will deliver some \$400 million in economic benefit for New South Wales and some 250 jobs direct to the Hunter region. On top of that are all the direct jobs that come from subcontracting work.

When I launched the Hunter Manufacturing Awards last Friday night, I said that in coming weeks I will lead a delegation—including Hunter, Forgacs and the Australian Manufacturing Workers Union—to Canberra. We are leading such delegations because we want more work like this in the Hunter region. I acknowledge the great work of the member for Wallsend and my other Hunter colleagues who are fully supportive of such initiatives in the Hunter region. The support the Government has given Forgacs is one more example of our commitment to generate and secure jobs for a stable and sustainable economy in the Hunter region. I say to the Leader of the Opposition that when he is there on Friday he should make sure he has something to say.

Question time concluded at 3.26 p.m.

VARIATIONS OF RECEIPTS AND PAYMENTS ESTIMATES AND APPROPRIATIONS 2010-11

Mr Michael Daley tabled, pursuant to section 26 of the Public Finance and Audit Act 1983, variations of the receipts and payments estimates and appropriations for 2010-11 arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates—Department of Health.

STANDING COMMITTEE ON PARLIAMENTARY PRIVILEGE AND ETHICS

Report

Mr Paul Pearce, as Chair, tabled the report entitled "Report on a memorandum of understanding with the NSW Police relating to the execution of search warrants on members' premises", dated October 2010.

Ordered to be printed on motion by Mr Paul Pearce.

PETITIONS

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

Whale Protection

Petition requesting the protection of whales in Australian waters, received from **Mrs Judy Hopwood**.

Orange Rescue Helicopter Services

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

Yass Hospital

Petition requesting improved services at Yass Hospital, received from **Ms Katrina Hodgkinson**.

Binalong District Transport

Petition requesting an alternative form of public transport to replace the Fearness Wagga Wagga to Canberra bus service, received from **Ms Katrina Hodgkinson**.

Rural Rail Branch Lines

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

Walsh Bay Precinct Public Transport

Petition requesting improved bus services for the Walsh Bay precinct, and ferry services for the new wharf at pier 2/3, received from **Ms Clover Moore**.

TAFE Fees

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

Murrumbateman Public School

Petition requesting that a public school be reopened in Murrumbateman, received from **Ms Katrina Hodgkinson**.

Shoalhaven Police Station

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

Rural and Regional Police Resources

Petition calling for allocation of more police resources to rural and regional communities throughout New South Wales, received from **Ms Katrina Hodgkinson**.

Cowra Policing

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

Pet Shops

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

Barton Highway

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

Mental Health Services

Petition requesting increased funding for mental health services, received from **Ms Clover Moore**.

Centennial Park and Moore Park Trust Land

Petition opposing any transfer of land from Centennial Park and Moore Park Trust to the Sydney Cricket and Sports Ground Trust, and requesting increased funding to the trust and proper public consultation on any future proposals that affect public access to the parklands, received from **Ms Clover Moore**.

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

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**.

Mona Vale Hospital Maternity Unit

Petition requesting that the maternity unit be restored at Mona Vale Hospital, received from **Mr Rob Stokes**.

Burrill Lake

Petition requesting the opening of Burrill Lake, received from **Mrs Shelley Hancock**.

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

The Hon. Kevin Greene—Penrith Valley Regional Sports Centre Stadium—lodged 22 September 2010
(Mr Allan Shearan)

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

Ms GLADYS BEREJIKLIAN (Willoughby) [3.28 p.m.]: I move:

That General Business Notice of Motion (General Notice) given by me this day [North West Rail Link] have precedence on Thursday 28 October 2010.

I assume that no member of this Chamber will oppose this motion, which relates to an important public transport infrastructure project. Residents of the north-west of Sydney have been disappointed time and again by a Labor Party that simply does not appreciate their day-to-day struggles. This was demonstrated yesterday when the Minister for Roads could not even give us the details about the upgrade of the M2. He bungled it. He clearly does not know the briefs within his portfolio.

There is no hope that the Minister for the Roads will deliver any improvements for the residents of the north-west, and the Minister for Transport in the other place is more interested in being the Labor leader after the election than focusing on the problems associated with public transport. It is extremely disappointing because this is the same Government that had identified the north-west and the south-west as growth centres. The Government said that the north-west growth centre is approximately 10,000 hectares and is the size of Wellington in New Zealand. The Government has made a number of announcements about how many new dwellings there will be in the north-west of Sydney and yet it has failed to deliver in relation to public transport.

What does the future hold for people of the north-west under Labor? Their future is that they will pay higher tolls—up to \$25 and more just to get to the city and back every day; they will have to face overcrowded buses; and they will have to face the prospect of no alternative because the Labor Party simply cannot deliver on its promises. Let us look at the history of the North West Rail Link and the Labor Party's abysmal record. The Labor Party first announced the North West Rail Link in 1998 and said that it would be completed by 2010. It then announced that it would be delayed in 2005 and would not be completed until 2017.

The Labor Party then axed the entire project in 2008. The Labor Party then promised a metro to the north-west, which would be delivered by 2017, and that copped the chop as well. Then the Labor Party re-announced the heavy rail link, with construction not to commence until 2017 and not to be completed until 2024. Then in a desperate bid to gain some relevance, given its pathetic history on the issue, the Labor Party put in a couple of lines in a recent submission to Infrastructure Australia claiming that the North West Rail Link should be a transport priority. The Labor Party has simply abandoned the residents of north-west Sydney.

Mr Richard Amery: Rubbish!

Ms GLADYS BEREJIKLIAN: It has indeed. This project must be a priority for any responsible State Government, let alone the Government we have now. But we have seen from the history of this project—from Labor's failed promises, its axing and its re-announcements—that, unlike members on this side of the House, it does not care about the residents of north-west Sydney. I particularly commend the member for Castle Hill, the member for Baulkham Hills and the member for Hawkesbury, who have been very strong advocates of this project. I am disappointed that the member for Riverstone, the member for Londonderry, the member for Blacktown and the member for Parramatta have not supported this project, which would improve transport for their constituents.

Instead, we have a Labor Party that basks in the glory of spin. We have a Labor Party that cannot even demonstrate to the people of New South Wales what its transport priorities are. If we believe the Premier, if we

believe the Minister for Transport and if we believe the Minister for Roads, the Labor Party will deliver about five new rail lines in the next term of government. In the past 15 years the Labor Party has managed to build half a rail line from Chatswood to Epping at double the original cost and three years later than promised. Now it expects us to believe that it will build all these rail lines in its next term of government, whilst failing to acknowledge on that important list the validity of the North West rail line and failing to acknowledge that the residents of north-west Sydney—an area of Sydney it had identified as a growth centre—would miss out on critical attention and funding from the State Government.

It is very frustrating for commuters and taxpayers alike to add up the number of glossy brochures put out by the Labor Party since 1998. We all remember the television advertisements and letterbox drops before every single election campaign about the North West Rail Link, but the residents of the north-west have nothing to show for it. Instead residents of the north-west have increasing tolls, a Minister for Roads who cannot even give an accurate assessment of the project he is announcing, and a Minister for Transport who is more obsessed about his prospects after the next election and about trying to find a seat in this place to replace one of the members on the other side of the House—

[Interruption]

He wants either Gibbo's seat or Mr Amery's seat—rather than focusing on the critical needs of the people of the north-west. The only message they have for the people of the north-west is that under Labor they will pay more tolls, they will be forced onto overly congested buses and, regrettably, under Labor they will not get the North West Rail Link they so desperately deserve.

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [3.33 p.m.]: It is a pity that some members opposite have such short memories or do not understand the history of what has happened with the north-west. I would like members to cast their minds back to the days of the Greiner and Fahey governments and what happened in the north-west as far as rail—absolutely zero. The Greiner and Fahey governments completely neglected the north-west sector. In fact, the Unsworth Government had a proposal to duplicate the railway line from Blacktown.

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

Mr JOHN AQUILINA: One of the first acts of the Greiner Government was to cancel that duplication project. The current member for Mount Druitt was the member for Riverstone at that time and he will be able to tell the House the history of it, chapter and verse. I am advised by the Minister for Transport that under the Metropolitan Transport Plan the Government will construct the North West Hills District Rail Link valued at \$6.7 billion, which will run from Epping to Rouse Hill and will be supported by a quadruplication of the line from St Leonards to Chatswood, allowing connection to the existing rail network.

The North West Hills District Rail Link will be a heavy rail line linking the CityRail network at the recently upgraded Epping station. Land has already been purchased along the corridor of the new rail line. We already have the land; it is already there. The Government acknowledges that the north-west is one of the city's major growth areas and that the North West Hills District Rail Link will provide much-needed public transport for the area. The North West Rail Link submission to Infrastructure Australia, to which the shadow Minister referred, includes \$6.7 billion for the Hills line, \$700 million for the Chatswood to St Leonards quadruplication and \$140 million for associated stabling. The Government has a 10-year fully funded \$50.2 billion Metropolitan Transport Plan, and the projects listed in our submission to Infrastructure Australia are transport projects that could be brought forward with funding support from the Federal Government. I oppose the motion.

Question—That the motion be agreed to—put.

The House divided.

[In division]

The SPEAKER: Order! I have been advised that there is a problem with the lifts. With the concurrence of the House I will admit the member for Murray-Darling.

Ayes, 36

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

Noes, 44

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

Pairs

Mr Baumann	Ms Beamer
Mr Hartcher	Mr Koperberg
Mrs Hopwood	Mr McBride
Mr Humphries	Mrs Perry

Question resolved in the negative.

Motion negatived.

BUSINESS OF THE HOUSE**Business Lapsed**

General Business Notices of Motions (General Notices) Nos 1052 to 1062 will lapse on Thursday 28 October pursuant to Standing Order 105 (3).

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY**Central Coast Transport**

Mr DAVID HARRIS (Wyang—Parliamentary Secretary) [3.45 p.m.]: My motion should be accorded priority because it is not about talk but delivery. In 2002 this Government delivered the 10-year Central Coast

Transport Action Plan, which was designed to facilitate the delivery of transport outcomes to residents of the Central Coast. I had great pleasure recently meeting a number of groups, including the two local councils, to outline the goals that have been achieved under that plan since 2002. The Government not only promised to deliver projects; it delivered them. It has delivered station upgrades; it has delivered record road funding; it has delivered cycleways; it has delivered commuter car parks; it has delivered railway line upgrades; it has delivered new rail carriages; and it has delivered new buses.

We hear much about transport from members opposite, and particularly the member for Terrigal. When the member drives around the Central Coast—which is not very often because he is usually off on safari in Africa at crucial times—he obviously has his eyes shut. With his hand on his heart he told a recent meeting of the Central Coast Chamber of Commerce convened to launch its 10 proposals to strengthen the local area that over the past 10 years the Government had delivered nothing on the Central Coast.

Mr Brad Hazzard: Point of Order: Nothing in the motion warrants the very short-lived member for Wyong attacking a longstanding and well-respected member of this place. If he wishes to make such comments about the member for Terrigal he should do so by way of substantive motion. He should debate his motion.

The DEPUTY-SPEAKER: Order! I will hear further from the member for Wyong.

Mr DAVID HARRIS: We are actually debating priority, but it is not unusual for the member for Wakehurst not to know what is going on. This Government announces its intentions and then it delivers. Projects have been delivered and members opposite cannot deny that. They cannot deny that this Government has provided record funding for transport infrastructure for the people of the Central Coast. The Government went one step further a couple of weeks ago and delivered a new bus project for the local area. This motion deserves priority because the Government does not simply make promises to the residents of the Central Coast, it also delivers. The Government announced two weeks ago that 41 new buses would be delivered over the next few weeks. Members opposite can count them, touch them and feel them. Those buses will be delivered. Most importantly, the Government is delivering on its commitment to provide 1,500 new bus routes—that is, additional bus routes—on the Central Coast each week.

So we have been out there, we have listened to the community, we have understood what people have said about transport and we are delivering. Opposition members can go out there and carp and snipe and be in denial and cover their ears and eyes and everything else. The member for Terrigal can deny all these things are happening, but we have actually delivered on all of these projects. Today we have launched the new plan for the next 10 years. What is important about that is that the community can be sure that when we say we are going to do things in our policy we have actually delivered in the past and so we will deliver in the future. We are delivering at the moment \$300 million worth of road projects.

Central Coast commuters, no matter where they travel within the Central Coast, can see those new roads being built. Not only that, if they are pensioners they can now travel for \$2.50 while other commuters can get their MyZone cheaper fares and travel across that road network on new buses to get to the stations that have been upgraded and the interchanges that are there. They can travel to Sydney on the new OSCar trains that have been delivered, are operating now, and they can make sure that they are travelling in comfort. Not only that, we have actually exceeded the 2002 plan: we have delivered more. In the past few months construction on a new car park at Woy Woy has started. We have also completed car parks at Ourimbah and at Wyong. That is why this motion deserves priority.

State Economy

Mr MIKE BAIRD (Manly) [3.50 p.m.]: I love days like today, because what we see is State Labor members exposed for all they are. The Treasurer came out overnight to tell us what a wonderful job they are doing with the economy. It is a tale of two reports. You have the spin, that is the Government's report, and then—what is that?—the Auditor-General's report, the truth. I love it when the truth comes out. As soon as Eric gets the opportunity up goes the spin machine. Let us go through it, because the House has to be very clear about all the facts of this.

The Treasurer said there was a billion-dollar surplus or a billion dollars that they found mysteriously. What does the Auditor-General say? His first point, and he makes a few points, is that excluding the Federal

stimulus money, which is extraordinary income—you cannot in a day-to-day budget include extraordinary income—would mean that New South Wales would be in the red, in deficit by \$861 million. We have an underlying budget deficit—that is the fact of the matter. Ask the Auditor-General. That is the truth rather than the spin.

It gets worse: the Auditor-General's report confirms that expenses increased by almost 10 per cent, 9.5 per cent year on year. In another sort of mythical act of "Tell me if you are going to believe it? No, we do not, Eric", he says expenses are going to be 2.7 per cent next year. So the figure of 9.5 per cent, almost 10 per cent, is down to 2.7 per cent. If the underlying deficit figure is \$861 million what happens if expenses are not controlled? You get to about \$3 billion or \$4 billion in the red. That is the concern for the people of New South Wales. Unless this Government actually matches income and expenses—and we have not seen it for 15½ years, so how all of a sudden are they going to do it?—there is a real concern unearthed by the Auditor-General.

I have to talk about the member for Blacktown, because he makes a particularly special contribution in this. The Auditor-General has called for improvements in financial reporting, and the reports of seven of the 24 largest agencies—today we heard about the efforts of the Roads and Traffic Authority—contain significant error. Significant error involves more than \$20 million. You would think that people overseeing the accounts of the State would be making sure there were no errors, let alone significant errors. This Government does not care. It is not acceptable to the people of this State that there should be mistakes in reporting at this level. Paul Gibson—to his credit, an absolute champion of the Sea Eagles and I am happy to join him in that, as is the member for Wyong—said in the Public Accounts Committee:

Financial reporting may not be sexy, but it is the foundation for good government decision-making. To prepare a budget a government needs to know exactly what it can and cannot afford. The bread and butter decisions of government require knowing how much money you have.

We agree. He said that there were significant differences between the previous year's net operating balance included in the budget in June and the actual balance. He has articulated that there are huge problems with the accounting standards in this State, and for the people of New South Wales. We agree with him. If you do not have the accounting processes in order how can you be trusted to run the economy of the State? It is absolutely fundamental. I turn to unfunded superannuation. This is one of my favourite bits because the Treasurer, back in 2008, said about unfunded superannuation:

The long-term target of fully funded superannuation liabilities is on track.

Everything is okay. We do not need to worry about unfunded superannuation. He does not care. He said:

I am also advised that the high reported unfunded superannuation liabilities in the original budget handed down earlier this year reflect short-term cyclical volatility in financial markets and volatility in measurements from new accounting standards. It does not alter the Government's long-term target to fully fund superannuation liability for 2030 which remains firmly on track.

What the Treasurer failed to tell us in that spin that was produced in his documents today is that the financial implications of that unfunded super blow-out—he did not do anything about it back in 2004 when the Federal Coalition actually started to address it—of almost \$4 billion mean that it is necessary to sell assets. So the money from the NSW Lotteries sale during the year was used to deal with the unfunded super obligations. So at every single point and turn the finances of this State are going backwards at a rapid rate. We have got a deficit. The Government cannot add up, it cannot do accounting, it has no idea about unfunded superannuation and now it is selling assets to fulfil the obligations it should have dealt with six or seven years ago. The people of New South Wales have every right to be worried and have every right to condemn the economic and financial management by the Treasurer.

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

The House divided.

[In division]

The SPEAKER: Order! As there has been a problem with the lifts this afternoon, I order that the doors be unlocked to admit the member for Baulkham Hills.

Ayes, 45

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

Noes, 35

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

Pairs

Ms Beamer	Mr Baumann
Mr Koperberg	Mr Hartcher
Mr McBride	Mrs Hopwood
Mrs Perry	Mr Stoner

Question resolved in the affirmative.

CENTRAL COAST TRANSPORT**Motion Accorded Priority**

Mr DAVID HARRIS (Wyang—Parliamentary Secretary) [4.05 p.m.]: I move:

That this House:

- (1) congratulates the Government on the introduction of 41 new buses and 1,500 extra services a week for Central Coast commuters; and
- (2) welcomes the release of the draft Central Coast Regional Transport Strategy, which sets out future investment in transport solutions for our growing region.

The Central Coast is one of the fastest-growing regions in New South Wales. It is forecast that by 2036 the population on the Central Coast will have grown by 120,000 people, with 45,000 new jobs predicted by 2031. The Central Coast presents unique challenges due to its natural environment and extensive waterways. The

natural environment attracts people to the Central Coast, and the Government recognises this in putting together transport initiatives for the area. It is why the Government is investing in transport projects right across the Central Coast.

But it is not just projects on the ground that we are building. The Central Coast is unique, and as such requires transport projects and plans that meet its specific needs. That is what the Government is delivering. With the growth that is expected over the coming years, long-term planning to support an integrated and well-connected transport system is essential for the Central Coast. Today the Minister for Transport and Minister for the Central Coast, John Robertson, released the draft Central Coast Regional Transport Strategy for the community to have its say. It is a comprehensive plan that recognises the importance of the Central Coast to the State and the priority of the region to the Government. The strategy highlights the actions this Government will deliver to support the growing population on the Central Coast and provide a modern transport system for the community. I am pleased to say the strategy includes investments in roads, commuter car parks, train stations, new buses and new trains.

The plan sets out an exciting and new vision for transport services on the Central Coast. Our region is already well supported by transport, particularly through good train services connecting the Central Coast with Sydney and Newcastle, as well as communities between. In two weeks time one of the first actions to arise from the Regional Transport Strategy will be put into place. Earlier this month the Premier visited the Central Coast to make one of the most significant transport announcements the region has seen. In fact, the local newspaper said it was the biggest announcement in 25 years. From 8 November, in less than two weeks, more than 1,500 extra bus services a week will start operating on the Central Coast, with 41 brand new buses being delivered to Central Coast bus operators Busways and Redbus to deliver this huge increase in services. This is a total increase in fleet size by a fifth, or 20 per cent. The 41 new buses are all wheelchair accessible, making it easier for the elderly, disabled and mums with prams to catch the bus. These buses are in addition to the 16 new vehicles delivered last financial year to boost services on the Central Coast.

Under the changes Central Coast bus commuters will receive huge increases to weekend and late-night services and more frequent buses throughout the morning and afternoon peaks. The new integrated network will begin on 8 November, improving services to the main centres of Gosford, Erina Fair, The Entrance, Tuggerah, Woy Woy and Wyong. It has been called a "bus revolution" by local media. I like to call it a massive win for commuters right across the Central Coast. The sheer number of additional services will make people walking around some of the key Central Coast bus interchanges on 8 November stop and look. People will notice the difference with buses running every 15 minutes on some corridors instead of every hour. These services include new late-night buses, more frequent services during peak periods, and better connections between towns and suburbs on the coast and our major train stations and transport interchanges.

The newly expanded integrated bus network will better link employment and residential centres across the region. These new buses will boost transport services in major growth areas, as well as improving the frequency of buses to towns and suburbs all over the Central Coast. The new network also simplifies—or straightens—some routes to ensure better local connections to employment areas, hospitals, shopping centres, railway stations, TAFE colleges and universities. Not only will there be more bus services, but they will also be better integrated to ensure that the different bus operators on the coast work together to meet the needs of the travelling public.

These buses will unlock new opportunities for young people, pensioners, workers and their families to access employment and education. The benefits will flow right throughout the region, creating connections that previously did not exist, increasing frequencies and providing services that the community has been advocating for. These are the sorts of changes that those on the other side would never deliver but that this Government is extremely proud of. The new services are a credit to the New South Wales Government and its commitment to the people of the Central Coast.

Importantly, the increase in services focuses on parts of the Central Coast outside the major centres of Gosford, Woy Woy and Wyong. The new network also increases services for town centres including Umina, Wamberal, Forresters Beach, Lake Munmorah, Kariong, Somersby, Wyoming, Bateau Bay, Norah Head, Berkeley Vale, Budgewoi, Toukley and Morisset. For example, where there used to be 13 services connecting Bateau Bay and Gosford on a Sunday, there will now be 56. This means the buses will run every 15 minutes rather than every hour, which is an enormous improvement for people on this route. It will also mean an enormous boost to the economy from additional tourism.

In addition, this financial year the New South Wales Government will spend \$4.3 million replacing a further 10 buses on the Central Coast with brand-new, wheelchair-accessible vehicles. This is great news for commuters, great news for residents, and great news for businesses on the Central Coast. Indeed, it is what the community wants. The new extra services as part of the new network followed extensive public consultation with the local community. More than 1,400 submissions were received from local residents and public transport users about the proposed changes. The Government listened to the feedback from the community and delivered the extra rolling stock, the new buses and, as a result, more services. A lot of the feedback was about more evening and weekend services, and that is exactly what we have delivered. The new network delivers this. The final network, which will start operating next month, incorporates many of the requests made during the consultation process.

This is a great example of how the community can shape an initiative that will benefit them. We asked people from the Central Coast to have their say about their new bus services. Now the Government is asking the community to tell us what they think about the draft Central Coast Regional Transport Strategy. To get to this point with the strategy, the New South Wales Government has undertaken wide consultation and incorporated a range of suggestions and ideas. The strategy is on display from today until 26 November for the community to have its say.

Ms GLADYS BEREJKLIAN (Willoughby) [4.12 p.m.]: It is always good to talk about public transport in this place. I agree with the member for Wyong on one aspect: the Central Coast plays an integral role in our State, both in its economy and its social contribution. Regrettably, beyond that we disagree. Rather than give himself and his colleagues a pat on the back, the member for Wyong should acknowledge the transport problems that exist on the Central Coast and explain how the Government proposes to fix those problems. Regrettably, he has failed to do that.

A person who is a long-suffering commuter on a Central Coast rail service, a resident who is trying to get a bus connection from one township to another, a frustrated motorist on the F3 when it is a "car park", a frustrated commuter wanting to park his or her car safely in a car park which Labor promised year after year, in election campaign after election campaign, or an older person who needs access to a Central Coast railway station because there are only stairs, will wonder what on earth the member for Wyong has been going on about. For the average commuter who is trying to get around, trying to get from home to work on time, or trying to go about their business on public transport, life is extremely frustrating.

The member for Wyong should have addressed that. He should have at least acknowledged that. He should have at least talked about the concerns that many commuters raise with him, no doubt, and raise with me as the shadow Minister the Transport. I take this opportunity to thank all the commuters on the Central Coast who take the time to write to me or contact me to tell me about their concerns regarding public transport. Given the concerns that have been raised, I propose an amendment to the motion moved by the member for Wyong. I move:

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

this House condemns the Government for 15 years of failure in providing Central Coast and New South Wales commuters with safe and reliable transport services.

On my many visits to the Central Coast I am constantly made aware of the concerns raised by residents on a number of issues. One issue is that there are now fewer station staff than there were before. Many residents have told me how upset they are about the fact that Gosford and Woy Woy railway stations, in particular, have lost a number of front-line staff. This has raised safety concerns. Regrettably, Gosford railway station was listed as the eighth most dangerous station in terms of crime occurring in and around the rail network. Given that statistic, it is hypocritical for the Labor Party—which purports to support front-line services—to cut so many station staff jobs, including those on the Central Coast.

When that issue first emerged I was asked on a couple of occasions to attend the Central Coast to speak to station staff anonymously, and I did so. The staff did not want to be named, because they were worried about their jobs. But they were extremely concerned about the situation. These front-line workers were concerned about the impact of the staff cuts on commuter safety. Commuters are desperate to ensure that when they travel home in the dark hours, as they do in winter—when there is no daylight saving most Central Coast commuters leave home in the dark and get home in the dark—there is a presence of railway station staff. Regrettably, they do not have that presence of staff. Many Central Coast residents highlighted those issues.

I want to place on record an article published in the *Daily Telegraph* on 9 December 2008. It is important to note that date, because it was after proposed timetable changes were announced. The headline speaks for itself. It reads: "NSW trains were much quicker in 1960". The article highlights the plight of Central Coast commuters who are having to travel, on average, about 20 minutes longer than they had to travel in 1960. These are third-party sources providing this information. We have done our own analysis, and it confirms that information. Similarly, it has been reported by third-party sources that trains from the Central Coast to Sydney were quicker in 1960 than they are today in 2010.

To back up the points made by that article I want to highlight the number of rail services that have been slashed. The Gosford electorate now has one less morning peak service than it did previously. In The Entrance electorate Narara now has one less morning peak service, Niagara Park now has one less morning peak service, and Lisarow now has one less morning peak service. In the Wyong electorate, Tuggerah now has one less morning peak service, and Warnervale now has one less morning peak service.

I would like to know why the member for Wyong did not fight for his community to keep those services. Indeed, I would like to know why the member for Wyong did not fight to get more services. Rather than patting himself and his colleagues on the back, he should be explaining to the people in his electorate and in neighbouring electorates why it takes them longer to travel to work every day, why it takes them longer to get home every day, why they do not have a safe place to leave their cars, why there are fewer station staff—

The DEPUTY-SPEAKER: Order! The member for Camden will come to order.

Ms GLADYS BEREJIKLIAN:—why there are fewer services, why the services are overcrowded, and why they are not comfortable. We have a State Government that is very quick to pat itself on the back but is slow to acknowledge the problems faced by commuters and motorists on the Central Coast. People want and deserve viable public transport options. I know that many people from Sydney would further boost the economy of the Central Coast by using public transport to get there. Regrettably, however, the services are not reliable, and they are not frequent enough to warrant people's confidence in using them.

I have highlighted the rail services the Government slashed in the recent timetable changes. If the member for Wyong and his colleagues were so concerned about public transport in their communities, why did they not lobby the Minister for Transport not to slash those rail services? Why did they not lobby the Minister to keep their front-line rail staff? Why did they not lobby the Minister to maintain and increase their commuter car parks? There are so many issues which the commuters of the Central Coast want and deserve to have answered. Rather than having these concerns addressed—and I know they exist, because I am told about them in my office on a weekly, if not daily, basis—the member for Wyong and his colleagues simply pat themselves on the back. That is unacceptable. The residents of the Central Coast deserve better. [*Time expired.*]

Ms MARIE ANDREWS (Gosford) [4.19 p.m.]: It is with great pleasure that I speak in support of the motion moved by the member for Wyong. I remind members opposite that when the Coalition Government won office in 1988, one of its first actions was to sack 15,000 or 16,000 rail workers across the State—that decimated the rail industry of this State. I also remind members opposite that it was a Labor Government that extended the electrification of the rail line to Newcastle. The Government's commitment to the Central Coast region is without question. Contrary to what those Opposite would have one believe, we have invested in the region to develop public transport infrastructure, as well as infrastructure for the economic development of the region as a whole.

The release today of the draft Central Coast Regional Transport Strategy is the next step in delivering integrated transport solutions for the region. It outlines the exceptional achievements of this Government to date on the Central Coast and sets out our plan for the future. So what has the Government achieved? Let me take members through it. An amount of \$195 million has been invested to upgrade the train line from Gosford to Newcastle, delivering a smoother, more reliable ride for commuters on the Central Coast; Easy Access upgrades have been completed at Wyong, Gosford and Woy Woy; a 500-space transport interchange and commuter car park have been built at Tuggerah Station; 50 extra parking spaces have been delivered at Ourimbah; 64 new outer suburban carriages [OSCars] are now operating on the Central Coast line complete with CCTV, air-conditioning, toilet access for disabled passengers, on-board passenger information screens and comfortable seats with graffiti and fire-resistant coverings; 16 new buses were delivered last financial year to boost bus services across the Central Coast; and cheaper fares have been delivered under MyZone, saving commuters from Wyong to the City more than \$300 a year.

What about roads funding you might ask? What has the Government achieved for road users on the Central Coast? Let me enlighten those opposite. I refer to the \$42-million upgrade of the Pacific Highway to a four-lane dual carriageway between Tuggerah and Wyong, completed in October 2009; the \$52-million upgrade of the Pacific Highway through Ourimbah to a four-lane dual carriageway, completed in January 2010; the \$15-million improvement works to the Dog Trap Road intersection, completed in July 2007 as a separate first stage of the project; the \$94-million widening of the F3 Freeway to six lanes between Sydney and the Central Coast to better serve the 70,000 motorists that use the freeway each day, completed in late 2009; the \$15-million upgrade of the Central Coast Highway between Terrigal Drive and Carlton Road, completed in August 2007; and the \$40-million upgrade of the Central Coast Highway between Ocean View Drive and Tumbi Road, completed in July 2008. But the New South Wales Government will not stop there.

Under the draft Central Coast Regional Transport Plan, the New South Wales Government will deliver more trains, more buses, more commuter car parks and more roads funding. It is a bonanza for the Central Coast. We will deliver new commuter car parks at Wyong, Woy Woy and Gosford; a major upgrade to Tuggerah railway station, including two new lifts to make catching the train easier for mums with prams, those in wheelchairs and the elderly; more outer suburban carriages for the Central Coast; more roads projects, including upgrading the Central Coast Highway between Carlton Road and Matcham Road at Erina Heights, the West Gosford intersection, which is a multimillion dollar project; and \$18 million to upgrade the Kariong intersection between the Central Coast Highway and Woy Woy Road. But there is more.

We are working with the Commonwealth Government, which has committed \$840 million to the development of projects along the rail line between Strathfield and Newcastle, to improve capacity for freight services. This project will deliver significant benefits for the reliability and capacity of passenger rail services on the Central Coast. What about bicycles? The New South Wales Government has committed \$158 million of new funds in the Metropolitan Transport Plan to complete high-priority missing links in the bike network. In the period to 2012 in Gosford, the shared path around Brisbane Water will be completed and the feasibility of a new connection along the rail line between Point Clare and Gosford will be investigated. Cycleways will be extended along the Central Coast Highway and Avoca Drive.

Over the same period in Wyong, shared paths will be extended and connected, completing missing links such as between Tuggerah and Norah Head. They are but some of the initiatives this Government is delivering hand-in-hand with local councils to make cycling on the Central Coast safer and easier. This Government is on the side of Central Coast commuters. We are delivering the infrastructure this growing region needs right now, and we are putting in a place a plan for the future. If only those on the other side would commit to doing the same. [*Time expired.*]

Mr RAY WILLIAMS (Hawkesbury) [4.24 p.m.]: Speaking to the amendment to this motion gives me an opportunity to raise concerns on behalf of not only the people of my electorate but also the people of western Sydney who have been let down by this Government by the cancelling of runs in the area. I am more than happy to speak about the electorate of Mount Druitt in due course. It is quite despicable that the Government would pat itself on the back once again when it is charged with the responsibility of providing these bus services. Let us take a look at what the Government has done since the so-called bus reforms of former Minister for Transport Michael Costa in 2005. It has cancelled dozens and dozens—in fact, hundreds—of runs across New South Wales, and in western Sydney in particular.

Mr David Harris: Point of order: While it is always interesting to listen to the member for Hawkesbury, even the amendment referred to bus services for Central Coast commuters.

The DEPUTY-SPEAKER: Order! I will hear further from the member for Hawkesbury.

Mr RAY WILLIAMS: I intend to talk about the bus services across New South Wales relating to the amendment, particularly those in my electorate of Hawkesbury. One morning in February 2009 the people of my electorate woke up to discover 30 cancelled bus services from Round Corner, Dural alone. The commuters in my area had not been advised of any cancellations or changes to bus routes. I refer to the cancellation of all those services affected people trying to get to work, as well as disabled people. Members will recall the great work done by people such as Alan Jones and Ray Hadley in fighting to have those services replenished, which we did in the space of a week. It is amazing what can happen when Alan Jones and Ray Hadley stump up and address such issues!

As a result of the coverage of this matter on Channel 9, Channel 7 and Radio 2GB, I was contacted by many dozens of people from various other electorates, such as Londonderry. I note that the member for Londonderry is nowhere to be seen in the Chamber—

Mr David Harris: No, because the motion is about the Central Coast.

Mr RAY WILLIAMS: I am talking to the amendment, which refers to bus services across New South Wales. I am talking about the bus services that have been cancelled in the electorate of Londonderry, such as those in St Marys. Good people such as Ken Moriarty—a senior citizen—walked the streets of St Marys with a petition and gathered hundreds of signatures because the Government cancelled his bus services. When the 782 services were restored around St Marys, we moved to Mount Druitt. I acknowledge that the member for Mount Druitt is in the Chamber. He could not restore the runs into Chestnut Drive, nor could he could restore the runs into Gasmata Street or Popondetta Street.

The people in that area, who had depended on those bus services for 40 years, found them cancelled overnight by an uncaring and an unscrupulous Labor State Government. That Government now has the hide to pat itself on the back while telling us about the runs it is replacing. It is only replacing runs that have been cancelled over the past five years. I acknowledge that the member for Parramatta is in the Chair. Not long after the Mount Druitt issue, I was called to the electorate of Parramatta. I gladly went down to Parramatta, representing the good shadow Minister—

Mr David Harris: Point of order: My point of order again is one of relevance. I am happy to provide the member for Hawkesbury with an atlas so he can see where the Central Coast is. The Opposition has given up. It has waved a white flag. It has admitted that the Government is doing well on the Central Coast, so the member for Hawkesbury does not want to talk about it.

The DEPUTY-SPEAKER: Order! That is not a point of order. I will hear further from the member for Hawkesbury.

Mr RAY WILLIAMS: I acknowledge that the Deputy-Speaker, who is in the Chair, is the member for Parramatta. I visited the good people of the Belarus Retirement Village, who had a bus service to their front door. Guess what? That service has been cancelled. That is in the Deputy-Speaker's own electorate. We will continue to fight on behalf of the people in her electorate and the electorates of Mount Druitt, Londonderry, Riverstone, Blacktown and Hawkesbury and people across New South Wales.

Mr David Harris: Except the Central Coast.

Mr RAY WILLIAMS: We will fight on behalf of people on the Central Coast. Those poor people have been treated disgracefully with the cancellation of their bus services.

Mr DAVID HARRIS (Wyong—Parliamentary Secretary) [4.29 p.m.], in reply: I thank the member for Willoughby and the member for Gosford for their contributions. I am not sure what to say about the member for Hawkesbury after his performance. It was tired, old rhetoric. The Opposition is in denial. It gave up in this debate. It is tragic. The shadow Minister talked about trains on the Central Coast but she did not mention buses. The member for Hawkesbury referred to all the services that have been cut on the Central Coast. On my mathematics, 1,500 additional services on top of the ones already there represent an increase. That is the result on anyone's estimation. As the front page of the local paper said, it is a "Bus revolution".

On the Central Coast we have been delivering on transport. As the member for Gosford said, our transport initiative included \$195 million worth of track upgrades. Despite what the shadow Minister said, it included Easy Access upgrades at Woy Woy, Gosford and Wyong stations. It included the installation of lifts and ramps at Woy Woy. A lift is also being installed at Tuggerah railway station. We are putting more OSCars, more trains and more carriages on the line. The Opposition says the trains are slower. A tragic accident occurred at Waterfall and one of the recommendations from the subsequent inquiry was that to improve safety trains had to be slowed. For the Opposition to use that as an attack on the Government, which implemented the report's recommendations, is pretty low.

The shadow Minister left out the fact that when the trains were running those many years ago there were probably only four stops on the Central Coast. We have built at least another 10 stations since then and the

trains have to stop at all those stations. My brother-in-law is a train guard. He says he has to make sure the train stays at the station long enough for mothers with prams and elderly people to get on and off the train safely. It is absolutely outrageous for the Opposition to criticise the Government for being safe. Opposition members do not know a whole lot about the Central Coast. They send a very important message to the people of the Central Coast coming into the next election, and I will make sure that they hear it very clearly. The member for Hawkesbury related exactly what will happen. The money that has been given to the Central Coast will be taken away. It will be ripped off Central Coast commuters and it will go into Sydney electorates. The Government is providing all these extra services, rail upgrades and bus upgrades.

Ms Gladys Berejikian: How much money?

Mr DAVID HARRIS: It is \$300 million in roads alone. It is a massive increase in funding. We are building road after road after road.

The DEPUTY-SPEAKER: Order! The member for Willoughby had an opportunity to contribute to the debate.

Mr DAVID HARRIS: One cannot drive around the Central Coast without coming across road works.

Mr Ray Williams: Point of order: I bring your attention to Standing Order 129, relevance. The debate is about public transport on the Central Coast, not roads.

The DEPUTY-SPEAKER: Order! That is not a point of order. The member for Hawkesbury will resume his seat.

Mr DAVID HARRIS: I am pleased that the member for Hawkesbury thinks I am a Minister. For his future reference, he should be referring to Standing Order 76. He should learn the standing orders. It shows again that he does not take this place seriously. He made a speech that had nothing to do with Central Coast people and commuters. The message he sends is that a Coalition government will rip money out of the Central Coast and give it to Sydney—that is what it would do and that is what we have been telling the people of the Central Coast all along.

The Coalition will not increase bus services. It will not deliver new buses. It will not continue the road upgrades. It will not continue to upgrade the rail lines and stations. It will not do all those things that the Government is planning to do. It will rip the money out and the people of the Central Coast will get nothing, zero, zilch. That is what will happen if a Coalition government is elected in this State. The member for Terrigal is a prime example. More road works are occurring in his electorate than anywhere else on the Central Coast and he says that nothing is happening. He must drive around with his hands over his eyes and ears. He is in denial. He will not admit that it is happening.

Mr Ray Williams: Point of order: I once again take a point of order on relevance, Standing Order 129.

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

Mr Ray Williams: The debate is about bus services. The member for Wyong is talking about road upgrades.

The DEPUTY-SPEAKER: Order! That is not a point of order. I suggest the member for Hawkesbury learn his standing orders. He will resume his seat. He will stop wasting the time of this House.

Mr DAVID HARRIS: We will spread the news to the people on the Central Coast. We will make sure they know about the Coalition's real policies and plans.

Question—That the words stand—put.

The House divided.

Ayes, 45

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

Noes, 36

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

Pairs

Ms Beamer	Mr Baumann
Mr Koperberg	Mr Hartcher
Mr McBride	Mrs Hopwood
Mrs Perry	Mr Humphries

Question resolved in the affirmative.

Amendment negatived.

Motion agreed to.

PROTECTED DISCLOSURES AMENDMENT (PUBLIC INTEREST DISCLOSURES) BILL 2010

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

ELECTRICITY SUPPLY AMENDMENT (SOLAR BONUS SCHEME) BILL 2010

Agreement in Principle

Debate resumed from an earlier hour.

Ms PRU GOWARD (Goulburn) [4.45 p.m.]: The Opposition does not oppose the Electricity Supply Amendment (Solar Bonus Scheme) Bill 2010. The fact that we are legislating for the closure of this scheme only

10 or so months after its introduction is yet another chapter in the Kenneally Labor Government's mismanagement of the State. The solar bonus scheme is a State version of the Federal Labor Government's insulation scheme in which the principles might be fine and, indeed, are environmentally very friendly, but the implementation has been so appalling in both cases that it has demonstrated just how irresponsible Labor is with other people's money. The lack of planning, the lack of management, the lack of transparency and the lack of ministerial oversight have contributed to this financial disaster. It could easily have been stopped months ago if the Minister, the Minister's office and the department had been properly monitoring this scheme.

The Government is still not coming clean on the price impacts of the bungle. The Coalition's modelling suggests that levies will be needed to pay for it. An average \$96 increase in household power bills and an average \$336 increase in non-household power bills are expected from 1 July next year. That is a very high price to pay. Over the seven-year life of the scheme Labor's mismanagement will have cost households an average of \$677 and non-households \$2,533, and these cost increases are in addition to the massive price hikes necessary due to Labor's mismanagement and its running down of the State's electricity infrastructure, such as transmission lines and transformers.

The total cost of the solar bonus scheme to the taxpayers is still not known. The Premier has refused to release data on the total cost of the subsidy paid to participants in the scheme. But, under our modelling, we have estimated the subsidy per participant to be \$10,000. That is an enormous subsidy and someone has to pay for it. That "someone" is electricity users in this State. The scheme was supposed to cost \$202 million over seven years, but recent advice is that it will cost \$1.5 billion—eight times the figure presented to Parliament last year. The scheme was supposed to accept 33,000 participants over seven years, and the modelling was based on a regular linear uptake. But, according to the Minister's figures, by August of this year—10 months after the scheme began—30,000 people were already being paid, and acceptances of 70,000 people were confirmed in the first nine months.

In the modelling, in the first year of a scheme that was going to cost \$208 million over seven years, the number of participants anticipated would have been 4,762. According to the Minister's press release, there were 30,000 participants. If there were 30,000 participants in August then the total year's expected number would be reached by March. That is when the alarm bells should have rung and that is when the review should have occurred; not so late that the cost of the blowout is a phenomenal amount that should be to the absolute shame of the Minister and the Government. The New South Wales Liberal-Nationals take no comfort from the fact that we told the Government this would happen. When the legislation introducing the scheme was debated last November the Opposition and others said that the 60¢ feed-in tariff was too generous, but the Government assured us that it was a sustainable price. Tragically for the people of New South Wales, it was not. The Hon. Catherine Cusack stated in debate in the other place:

... the scheme is unbalanced. It is a top-heavy, front-loaded feed-in tariff that offers massive benefits for those in the first few years and little for those in the final years. This means it could produce temporary growth, rather than long-term growth, in the solar industry. Some parts of the industry fear that a bust might follow a boom.

That will certainly happen as a result of the reduction in the tariff. The Hon. Catherine Cusack continued:

Thirdly, the scheme lacks the degree of nuance that allows it to drive constant efficiency gains in the solar sector over the medium term that will give New South Wales a competitive advantage in renewable energy.

The Opposition said that the scheme would create a boom-bust cycle similar to the cycle created by the Federal Labor Government's botched insulation scheme. Of course, that scheme also resulted in personal tragedies. The Opposition asked for more modelling but was told by the then Minister for Energy, the Hon. John Robertson, to accept the Government's word about the costs and promises. He also gave assurances that it would be closely monitored. All of those promises have been broken and the Government's position as the custodian of the data has also been abused. Basic monitoring should have alerted the Government when it received 4,700 applications within a couple of months of the introduction of the scheme that the price was too high and the subsidy too generous. It had every opportunity to do something about it and to avoid what will now be an incredible bill.

Three weeks ago the Hon. Catherine Cusack, the shadow Minister for Climate Change and Environmental Sustainability, called for the solar bonus scheme to be closed to minimise the financial damage. Members on this side of the House do not deny that we believe in the benefits of solar energy and that a rebate scheme would be a useful way of promoting its use. We also do not deny that we thought it could be extended beyond households. That is not the point; the point is the cost of the subsidy. That is where the Government's model has gone astray. It let down itself and the people of this State by failing to monitor the number of

applications being lodged, which it could so easily have done. If the shadow Minister was being advised by energy companies and installers of the incredible growth in the number of consumers wanting to install the technology it certainly should have been good enough for the Government, with its one-third of a million public servants, to be similarly advised.

The Clean Energy Council said that the changes proposed would see New South Wales households experience the boom and bust that had been predicted. It warned the Government at the time that the scheme was too generous. More recently it advised that the best way to fix the situation was to ease down the scheme to provide more long-term certainty. Reducing the tariff from 60¢ to 20¢ is not easing down the scheme. New South Wales will now have one of the lowest tariffs in Australia. One assumes that the intention is to strangle the scheme and the industry that has flourished over the past six months. What was the Government's response to the calls from the Opposition and respected industry lobby groups? It rejected the claims and smeared the Opposition. The Premier went further and waxed lyrical about what she described as a widely popular scheme, no doubt causing a further avalanche of applications while the scheme was under review. An AAP article of 7 October states:

NSW Premier Kristina Keneally has backed a popular government scheme encouraging households to invest in renewable energy, despite calls for it to be scrapped.

The Solar Bonus Scheme came under attack on Thursday amid claims costs were blowing out because more people had applied for it than expected.

But Ms Keneally defended the scheme, which the government has described as "the most generous in Australia", as the renewable energy sector rejected claims it was putting upward pressure on electricity prices...

"It has exceeded every expectation in terms of its take-up rate.

The Premier must be innumerate because the expected take-up rate was not the point; the point was that the take-up had to occur at a steady rate over seven years. No-one believed that the scheme would be sustainable if entire take-up was exhausted in the first six months of the scheme's operation. That should have been explained to the Premier—presumably she is numerate enough to understand that—and it certainly should have been understood by the Minister for Energy. The review announced in August was already too late, the scheme was already haemorrhaging.

Last week the New South Wales Coalition was successful in moving a motion calling for all papers relating to the solar rebate scheme. It will be interesting to see the increase in the number of applications following the Premier's comments. The Minister for Energy should have advised the Premier not to make those comments. Where is the coordination and teamwork in this Government's ranks? I imagine that it will be very depressing to calculate the cost of the scheme based on the limited data and modelling released by the Government. I remind members of that basic principle of good governance, transparency. That means the Government not hogging all the data. The Government was attempting to avoid someone finding out that if it had been committed to transparency from the time the scheme was introduced and when the Opposition asked for the modelling we would not be in this position today. Everyone would have been able to model the scheme and if one-third of a million public servants could not keep up, I am sure some external agency could. The Government could have had this advice confirmed months earlier and we could have saved the residents of New South Wales an enormous amount of money.

This situation is scandalous. The Government must have known in March this year that the buy-back price was too high. However, it did nothing other than announce a review on 24 August after it knew that the scheme's seven-year application threshold had already been reached. The Government knew the review's conclusion would be that the scheme was too generous and that the cost of the subsidy would be an enormous burden on the electricity consumers of this State. The Government then took another two months to do the right and only thing, that is, to introduce this legislation. The scheme is undoubtedly reckless and irresponsible.

As the scheme began to explode, the Government concealed the facts from the public hoping to limp through to the March election in the knowledge that the levy required to pay for it would not be introduced until 1 July 2011. Members opposite presumably assumed they would no longer be in government and would not have to explain themselves. Perhaps they even anticipated that this would create difficulties for an incoming government. The Minister and his departmental officers should hang their heads in shame. Resignation would be a dignified alternative to what must ultimately be sacking for gross incompetence. We must again accept the Government's proposed method of closing the scheme without giving any notice. Even today we cannot scrutinise the new 20¢ scheme without the economic modelling and again the Opposition was given no notice of the Government's decision. If the Government wanted to improve its reputation it could provide that modelling.

It is a shocking mismanagement, but we all accept and understand that the 60¢ seeding tariff must be halted for new applicants. We also understand that all existing participants must have their existing agreements honoured. This side of politics particularly understands the importance of retrospectivity. I want to be very clear on this point: A future O'Farrell-Stoner Government, a Liberal-Nationals Government, will also honour those agreements. This fiasco is not the fault of the participants who looked at an unbelievably good thing, figured that it was too good to be true, and it was. But who can blame them for rushing in to join a scheme that was so generous that it would repay their investment in 2½ years? It is hard to find another investment in this post global financial crisis world that can do that. The fiasco is not their fault. They did what they were expected to do, which was respond to a price incentive. It is, in fact, the fault of the Keneally Labor Government, which should hang its head in shame. It is difficult to imagine a greater and more terrible mismanagement of other people's money. We do not oppose the bill.

Mr PAUL LYNCH (Liverpool—Minister for Industrial Relations, Minister for Commerce, Minister for Energy, Minister for Public Sector Reform, and Minister for Aboriginal Affairs) [5.00 p.m.], in reply: That contribution from the member for Goulburn is probably one of the most entirely incompetent presentations I have seen in this House. It is a classic example of spin over substance. Her pompous and preposterous presentation cannot hide the idiocies, the dishonesties and the stupidities that she revealed. She talked about the numeracy of the Premier. She is herself either illiterate or lazy. She said, amongst other things, that this scheme should have been stopped months ago and gave us a lecture about the principles of good government. I suggest to the member for Goulburn that one of the first principles of good government is to read the legislation. She is either too lazy or too stupid to have done that. The legislation prevents the scheme being stopped, except through legislation. So her claim that the Government should have stopped it months ago is entirely absurd and preposterous.

As I say, it indicates that she knows nothing about this area. She has the temerity to stand up in this House and make that claim, when what she is demanding we do was illegal. It was not allowed by the Act, not allowed by the legislation. As I say, her pompous and preposterous presentation cannot hide the fact that on the substance she literally does not know what she is talking about. She has the temerity to lead for the Opposition in this House, but does not know what the law actually says. Likewise, she said there should have been an earlier review. Once again, I recommend that before she weighs into this field, she actually bothers to acquaint herself with the terms of the legislation. The legislation requires that a review be carried out either by a particular date or when a particular amount of generating capacity was reached. That is precisely what has happened.

In addition to that, she has done some extraordinary and dishonest misquoting of the record about who supported what and when. It is very clear when you read *Hansard* that the shadow Treasurer, the member for Manly, made it very clear that he regarded what we were doing as "a very small start"—they are precisely his words. He went on to say that the Government's legislation does not go far enough. The member for Goulburn gave us some quotes from Catherine Cusack. She should have read the rest of what Catherine Cusack said. She said the scheme was not wide enough; it should have covered a whole range of other things as well. Then we had a whole range of people from The Nationals, such as the member for Barwon, who was running around like Joe the Demtel man with Nu Energy trying to get people right through north western New South Wales to take advantage of a free offer of solar panels. I quote from that journal of record the *Coonabarabran Times*, of 17 June:

Mr Humphries has personally signed up for the offer, as have hundreds of local residents, and said we were very fortunate in this area to qualify for renewable energy credits (RECs) under the Australian Government's Renewable Energy Targets Scheme.

He said this particular program was inclusive of strategies such as gross feed in tariffs, which was a Nationals/Liberal policy adopted by New South Wales Labor.

If we got it so wrong, I have to say the people that got it much more wrong than we did and before we did were the Liberals and The Nationals. That claim from the member for Barwon has been replicated in a number of places. I note a report in the *Cobar Age* of 16 June is almost verbatim, except that it has a very fetching photograph of him and someone from Nu Energy going around trying to promote the scheme and get people to sign up to it for nothing. Of course, the *pièce de résistance* in all of this, at the same time as Catherine Cusack was calling for the scheme to be closed, when in fact we did not have the legislative capacity to do so, was the wonderful contribution by the leader of The Nationals from the submission to the solar bonus review, where he called for a continuation of the scheme and indeed an expansion of it to other forms of energy.

I must say, the member for Golbourn has really displayed a lack of substance and an obsession with presentation, without understanding at all what has happened and what the provisions of the legislation are.

I note that she also claimed that we have run down transmission lines. Again, that is a lie. It is totally untrue. It is a reflection of both her lack of integrity and lack of knowledge in this field. In terms of the network, \$10 billion has been spent over the past 10 years. The level of expenditure on those things is in fact set by independent regulators. The suggestion that somehow or other there has been underspending is just simply wrong.

I am also fascinated to note that she quoted from the Clean Energy Council, which has been saying today that 20¢ is too low. If she is endorsing the Clean Energy Council position, is she in fact saying that we should not reduce the tariff to 20¢ and it should be higher? That seems to be the logical conclusion of what she is saying. Of course, the fallacy in that argument is to assume there is any logic in what she said, let alone any accuracy, let alone any engagement with the legislation as it currently stands. I am delighted to commend the legislation 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.

HEALTH SERVICES AMENDMENT (LOCAL HEALTH NETWORKS) BILL 2010

Agreement in Principle

Debate resumed from an earlier hour.

Mr DAVID CAMPBELL (Keira) [5.06 p.m.]: I support the Health Services Amendment (Local Health Networks) Bill 2010. This bill is a reflection of the fact that in April the State entered into the National Health and Hospitals Network Agreement with the Commonwealth, certain other States and the territories. The objects of the bill are to amend the Health Services Act 1997 to establish a system of local health networks for the purpose of the National Health and Hospitals Network Agreement for the whole of the State, to provide for certain statutory health corporations to be constituted and governed on a network basis so as to enable them to be recognised as health networks for the purposes of the National Health and Hospitals Network Agreement, to enable certain affiliated health organisations to be recognised as networks for the purposes of funding under the National Health and Hospitals Network Agreement, to make other related amendments and amendments in the nature of statute or revision, to make provisions of a savings and transitional nature, and also to make consequential amendments to certain other Acts and statutory rules.

This is important legislation. It comes about, as I said in mentioning the overview of the bill, as a result of work done earlier this year in which New South Wales took a strong leadership role. It is well recognised that the Premier of New South Wales, Kristina Keneally, took a strong leadership role in national negotiations at the Council of Australian Governments meeting around restructuring the health budget for the nation. The Premier led that debate, well supported, I am sure, by the Deputy Premier and the Minister for Health. A number of officers of NSW Health made a contribution, as did people from the Department of Premier and Cabinet, and of course Treasury.

The facts are that there is a national agreement for a changed structure in the way health is managed and part of that led to substantial additional funding coming to New South Wales. We should recognise that and indeed celebrate the fact that that additional money will flow as a consequence of the leadership shown by the New South Wales Government and most particularly by the New South Wales Premier. I will make some comments on the way the health networks work and the way the Government supports the health system. I recall in the mid to late 1980s the then Labor Government had commenced work by demolishing some buildings and doing an excavation for what was to be the clinical services block at the Wollongong Hospital, just over the border from the Keira electorate.

For the whole of the terms of the Greiner and Fahey governments that was a hole in the ground and the clinical services block was not built. Indeed, water ponded in the hole and, as we used to say, mosquitoes probably infested it. Subsequently the Carr Government was elected and the clinical services block was

constructed. The former block known as Hickman House was demolished and rebuilt. It is now known as block C. Over the term of the Carr Government it has been onward and upward for health services in our region. The current structure, put in place by Morris Iemma when he was health Minister, linked health services in the broader Illawarra and Shoalhaven regions with those of south-eastern Sydney. This saw continuing growth in services in the region, meaning that patients are treated in the region rather than having to travel to Sydney as had been the case in the past.

In June this year extra funding was announced for 21 new beds at Wollongong hospital. The \$5.5 million expansion of the emergency department at Wollongong hospital was recently opened. The project included seven extra treatment bays and a four-bed psychiatric emergency care centre, which is up and running. We have seen \$5.2 million spent on the 14-bed Illawarra older persons mental health unit, which is now providing specialist inpatient care for older people with a mental illness. Funding of \$6.6 million was used to establish a 20-bed mental health rehabilitation unit, and \$1.3 million has seen the establishment of a child and adolescent day unit to provide mental health services to local young people. An allocation of \$12.1 million has been made to upgrade the Illawarra Cancer Care Centre with additional chemotherapy chairs and increased radiotherapy services. Spending of \$4.5 million will see renal dialysis services increased from 6 to 12 chairs at Shellharbour hospital.

Some 296 full-time equivalent jobs for staff have been provided at Wollongong, Bulli, Coledale, Port Kembla and Shellharbour hospitals. Those staff provide frontline health services—the doctors and nurses—and of course people working in the hotel areas of health, those who clean and those who prepare and serve meals to patients. I want to take to task a member opposite who earlier in the day tried to disparage the contribution made by ancillary staff. They may not be doctors and nurses, and certainly not clerks or bureaucrats, but they do indeed provide frontline health services. I think it was most unfair of the member for Pittwater to seek to undermine during debate on this bill the contribution that those people make.

This investment in capital for health services in our region has been important. I also point out that with that capital come the additional staff, whether medical staff or the ancillary staff, that I have been talking about. In some instances they fill clerical positions, such as a ward clerk supporting the health staff on a ward. By any measure, I am proud to say, there has been strong government investment in direct new services, extra staff, new and upgraded infrastructure and extra beds, with more to come.

This year's Labor State budget provides planning money for an \$83 million specialty elective surgery service. I note that the Minister for Health referred to this in question time today. I am on record as saying that this should be the infrastructure used as the catalyst for building on the partnership between the area health service, soon to be the local area health network, and the University of Wollongong. Training a strong health workforce is particularly important. That is why I and the Labor Government have supported both the University of Wollongong Graduate School of Medicine and its interaction with our local hospitals.

I am particularly pleased to have made representations for and worked with the University of Wollongong in the establishment of the Illawarra Health and Medical Research Institute building and the receipt of \$15 million from this Labor Government to build a centre of research excellence—locally, nationally and internationally. The research unit is up and running. I was pleased a couple of weeks ago to make a private member's statement about the opening of the Illawarra Health and Medical Research Institute. I note that last weekend the town versus gown cricket match and subsequent fundraising dinner were held to support the work of the Health and Medical Research Institute. I was certainly pleased to be part of the activities on that day and to support that fundraising effort. While talking about training of staff, I am pleased that \$5 million has been allocated for new training facilities and student accommodation in Loftus Street, opposite the Wollongong hospital. The recent establishment of the "Your Health Service" website is an important initiative.

I turn now to talk about the health precinct which the university is working on with St Vincent's hospital, in collaboration and cooperation with the New South Wales Government through the Department of Health. I have no doubt whatsoever that that concept will take the provision and delivery of health services, as well as training of health-related staff, to a whole new level in the Illawarra. It will add to the critical mass that we have been building through some of the investments to which I have been referring. Many of us in the region look forward with confidence to the Commonwealth Government, under its recently announced \$1.8 billion regional funding package, coming on board.

As I said earlier, the \$83 million in the forward estimates for the surgical wing at Wollongong hospital should and can play a significant part in that project. I look forward to continuing to work on it. Of course, it

will be through the establishment of the local area health network, which this bill provides for, that those sorts of initiatives can be advanced. This is a change in the administrative structure of the way health services are delivered. But the principle and initiatives of networking that have been in place through area health boards, through the larger areas that we have been working with, and now through local area health networks as provided for in the bill, mean the days of every individual hospital being all things to all people are long gone.

It is through specialty and collaboration with significant and fantastic organisations like the University of Wollongong that government, through NSW Health, can continue to provide the outstanding service that we see in the national measures and the outstanding service that those frontline health workers, whether they be doctors, nurses, ancillary staff, or clerical staff who support this ongoing delivery of services to patients in the Illawarra region. I certainly support the establishment of local area health networks, and I support the bill that is before the House. I commend the bill to the House.

Mr MALCOLM KERR (Cronulla) [5.17 p.m.]: I am pleased to have this opportunity to speak to the Health Services Amendment (Local Health Networks) Bill 2010. It is interesting that the shadow Minister for Health told us how she was rubbished in supporting the concept of boards. We at Sutherland hospital well remember when the hospital had a local board and a local general manager, ensuring that when there were problems access to them was freely available at a local level. Clearly, that is how hospitals should operate. Members might recall that Lorna Stone was the chairperson of the Sutherland hospital board.

Mr Andrew Fraser: I do.

Mr Brad Hazzard: I do.

Mr MALCOLM KERR: My colleagues recall. I pay tribute to the kiosk workers at the hospital. They have raised more than \$130,000 to provide essential equipment for the hospital, serving about 1,500 or 1,700 people a week. This type of volunteer work, carried out right across New South Wales, enables hospitals to obtain equipment that otherwise would not be available to the general public and patients. The shadow Minister for Health mentioned that Sutherland hospital now serves a very large area, with competing interests. That is not a satisfactory situation. On a number of occasions attention has been drawn to the problems that have arisen. Nevertheless, given that the bill progresses towards our policies and abandons the Government's previous policy, it will not be opposed by the Opposition.

Mr ANDREW FRASER (Coffs Harbour) [5.19 p.m.]: Many Opposition members in this debate have said that when the Coalition mooted that we should have district boards, local boards, area boards—or whatever one wants to call them—we were absolutely rubbished by the Minister for Health, the Premier and other Government members, who said it would not work. But surprise, surprise: Kevin Rudd decided we needed a policy that would take some heat out of the health debate because of the failed Labor Government in New South Wales, and he put this forward. All of a sudden it has become the leading light of the Government of this State. The unfortunate part about this is the amount of consultation that has taken place with local communities in relation to the areas that are now being suggested.

In the Coffs Harbour electorate we will have the mid North Coast local health network. That network will include Bellingen, Coffs Harbour, Hastings, Kempsey, Nambucca and Lord Howe Island. Previously when we had district boards we had Coffs Harbour, Bellingen, Dorrigo and Macksville, and they worked well together. I have had discussions about the bill with the Medical Staff Council. The council believes that the Coffs Harbour health campus should now encompass areas from Clarence through to Macksville, which includes Dorrigo, which has a national prescribing service, and Bellingen. But we want an assurance that, No. 1, Bellingen hospital—which is located in the electorate of the member for Oxley and Leader of the Nationals, but which services Urunga, which is in my electorate, and areas west of Urunga, which are also my electorate—will stay open. We want an assurance that the model that is to be adopted is adopted with community support. The model that is being considered at the moment does not have community support.

A large proportion of the people in the Grafton-Maclean area come to Coffs Harbour for specialist treatment, including cardiac and cancer care services. Under the model we have at the moment Port Macquarie and Coffs Harbour share linked cancer care services, and it works very well. But that is one specialist field. That situation can continue under a new health district. However, rather than the 18 local health networks that have been proposed by the Government under the bill we need to look at establishing 28 or 29 local health networks around regional New South Wales.

We need to ensure that the catchment for the hospitals that is there at the moment is mirrored. Alternatively, we need to ensure that the services offered by, for example, the Coffs Harbour health service for the people in the Clarence region are paid for by the health service. We should not have a situation where the funding for cancer care services or cardiac services offered in the Clarence region comes out of a budget that is based on the catchment as nominated in this proposed model. The Government should make sure that the provision of funds—and this has always been our problem—for services in regional New South Wales is determined on the basis of the number of people serviced by that health service.

For example, many patients from Armidale come to Coffs Harbour to access orthopaedic services, cancer services and cardiac services. The Coffs Harbour catchment is far bigger than the catchment nominated in the proposed model. Under the proposed model Hastings and Kempsey would be in one catchment, possibly together with Lord Howe Island. I think the plane services to Lord Howe Island and many other services are provided out of Port Macquarie these days. We need to have some discussion with the medical staff councils of the areas to be serviced. We also need to have discussions with the local general practitioners, because they are the ones who will have to service the patients in these areas and they are the ones who will, I assume, be on the local advisory committees or boards which will give advice back to the Government and ensure that the funds that are needed are provided.

Whilst the Coalition supports the legislation, we do not believe that the model that has been put forward has been properly discussed and negotiated with local regional communities. We do not believe it will service people in regional areas in the way we believe it should service them, especially those in the Coffs Harbour area, and we do not believe it is in their best interests. It is purely politics in the lead-up to the next election. It simply backs up what Kevin Rudd proposed and Julia Gillard is now proposing. The bill has been introduced with haste: proper consultation has not taken place.

The member for Keira referred to ancillary services, and he cast aspersions on the member for Pittwater. The member for Keira needs to recognise that in the North Coast Area Health Service when 480 jobs were cut under this Government the first jobs to go in Coffs Harbour were the jobs of Coffs Harbour hospital cleaners—those vital front-line services. As a result of those job cuts we had two of the largest vancomycin-resistant enterococci [VRE] outbreaks in Australia's history. To this day I honestly and fervently believe that the reason that happened was that all the hospital cleaners were sacked.

We are told by Chris Crawford that the hospital is now advertising for more cleaners. He keeps telling us we have an increase in the number of cleaners. I agree that the current number of cleaners at Coffs Harbour hospital is above the number after the sackings of the cleaners. I have friends who are nurses at that hospital, and they work their guts out. But the support they are getting from the North Coast Area Health Service in relation to ancillary staff is absolutely appalling. When trained nurses, who are supposed to be looking after people who are in dire straits, are having to empty bedpans, strip beds, and do all the things that really should be done by cleaning staff it is no wonder that dirty linen is left in corridors and wards and so on and we have these outbreaks of VRE infection and other infections in the hospital.

I know Government members will rabbit on, as they did last week, about the extra funding that has been provided to Coffs Harbour hospital in relation to new beds, new services and so on. That \$4.5 million is being applied to 51 hospitals in relation to emergency department funding is laughable: it works out at less than \$100,000 per hospital. It is absolutely appalling. Rather than the Government giving lip-service to health we need real services to be given back to our hardworking nurses and doctors in regional areas, and I would suggest in metropolitan areas as well.

Mr BRAD HAZZARD (Wakehurst) [5.27 p.m.]: Coming from the northern beaches as I do, I know there is a higher level of cynicism both within the community and, I would say, within each of the local members of Parliament who represent electorates on the northern beaches when it comes to assessing the Government's commitments and its policy directions on health reform in this State. I cannot begin to tell members of the frustrations we have had in trying to get the Government to listen to our concerns in regard to health delivery on the Northern Beaches in the 16 years of the Keneally Labor Government and its previous incarnations. I have spent so much time with our local medical practitioners, I have heard from them about their frustrations, their anger and their contempt for the Government. I might add, they are not generally party-political people; they are just extremely committed, good medical practitioners who have lost faith in the current Government. I do not doubt that they would lose faith in any government that made as many promises as this Labor Government has made, set up as many expectations as this Government has set up, and promised as many outcomes as this Government has promised, but failed to honour every one of those commitments.

There is no question that the two hospitals on the northern beaches, Manly Hospital and Mona Vale Hospital, survive despite the incompetence of the current Government. Those hospitals survive because the medical practitioners, the nursing staff and the allied medical staff are committed to providing the best services possible. Like many members who have lived on the northern beaches all our lives, I have experienced the failure of this Government to simply keep pace in the provision of medical services. I will never forget my mother in a ward two years ago, just before she passed away, with roof tiles that literally looked as if they would fall down on to her and other patients. An elderly lady approached me as I was standing nearby to where my mother was and said, "You should look out because that roof tile looks as if it is going to come down."

The time has come for this Government, even if it is in its last days—and I sincerely hope that it is—to do something useful for the people of the northern beaches. We are well past the time where, effectively, health apartheid should apply. Everybody in this State should be entitled to adequate health care and the certain knowledge that the government of the day is committed to providing the best possible hospital services. This legislation is yet another amendment that I have seen in my time in public life. It is yet another change to the health structure which comes with big promises. The Health Services Amendment (Local Health Networks) Bill 2010 amends the Health Services Act of 1977 and purports to establish a system of local health networks for the purposes of the National Health and Hospital Network Agreement for the State. It comes off the back of a political fix that was arrived at between the Federal Labor Government, this beleaguered State Labor Government and other governments around the country prepared to get involved in what is probably a political quick fix.

It was supposed to commence on 1 July 2010. I do not think that anybody, on either side of the Chamber, could honestly say there have been many improvements whatsoever in the health or hospital outcomes in this State. I suspect that even those on the Labor benches would have a degree of cynicism about whether or not the establishment of a local health network is going to make the slightest bit of difference. It is different from what the Coalition proposed in 2009. The essential difference is that the Coalition recognised, and continues to recognise, that local hospitals do best when they are managed at more local levels. That does not necessarily mean every hospital having a board, but it certainly means that based on the sort of criteria the community would understand to be the relevant criteria we should have board structures in place—perhaps in some cases in an individual hospital, and in others across districts where there may be a number of hospitals—whereby the local community has a say about the direction of its health services.

I can inform the House, and I have been around a while, that when Manly Hospital was managed by a board the outcomes were far better. When the State Labor Government centralised the approach to health and put in large local area health services—in our area it was first the Northern Sydney Area Health Service, which was then extended to the Northern Sydney Central Coast Area Health Service—all local input disappeared. As the member for Pittwater correctly observed earlier today, there has been a downward slide ever since. Our latest agony is about the closure of maternity services and broken promises at Mona Hospital. I am quite sure that there is no great expectation on the northern beaches, or indeed anywhere else in the New South Wales community, that the State Labor's Governments supposed fix with these local health networks will change much at all.

In the end the voters of New South Wales, the residents of New South Wales, the real people of New South Wales, simply want a government that is prepared to listen to local people about what is needed in local health services. The community wants a structure where there is an opportunity for their voices to be heard and for there to be a response. The community wants local organisations, and eventually the State Government, to be held to account. That is why the March 2009 policy of the Liberal-Nationals Coalition will provide a far better solution. If the Coalition is elected—and that still remains to be seen—by the public of New South Wales on 26 March 2011 then this State will get health districts with local health boards.

If we win office there will be consultation with local communities about the formulation of the boundaries of those health districts. There will be consultation about how those boards will integrate with the existing clinical networks and the roles of existing hospitals. We will consider with the community the location of major referral hospitals. We will look at the existing divisions of general practice boundaries. We will look at the boundaries of any newly created primary health care organisations that need to be established. We will also look at how the local health network boundaries now being established will fit within our proposal. It will not be a negative; it will be a distinct positive for the community, because for the first time in the best part of two decades the voice of the community will again be heard in health across this State.

Mr RUSSELL TURNER (Orange) [5.36 p.m.]: I speak briefly on the Health Services Amendment (Local Health Networks) Bill 2010. The bill amends the Health Services Act to implement a health network

system for the purposes of the National Health and Hospital Network Agreement, to make consequential amendments to certain other Acts and statutory rules, and for other purposes. The general thought in the electorate of Orange is: Here we go again! This Government has reallocated and changed the boundaries so many times. It rubbished the Opposition when it came up with a proposal to implement district health boards to reintroduce some autonomy into local health authorities and how local people want their hospitals run.

In the past virtually every hospital had its own health board. The Opposition is not proposing to go back that far but we believe the Government went too far when it cut the number of health boards to eight. Eventually the Government acknowledged that the Greater Western Area Health Service, the conglomerate it became, was not working and they broke it up into eight clusters. That worked a little better but we then had the problem of the service basically being broke. At one stage the Greater Western Area Health Service was given a loan of \$6 million to pay some bills. Even then the Government was embarrassed by how long it was taking to pay those bills, and it copped some flack in local areas. I understand that the amount of \$6 million had to be repaid at the rate of about \$1 million per year.

The Government extolled the virtues of the Greater Western Area Health Service, despite all the criticism and lack of confidence from the people trying to run the system—the doctors and clinicians—and the embarrassment of unpaid accounts. This time the Government is proposing to establish 18 local health networks as it comes under the National Health and Hospital Network Agreement. That is just another admission that the Government got it wrong.

The Coalition's policy—if we are in government after March 2011—will have slightly more than 18 district health areas. Under this new proposal, there is still confusion within the Greater Western Area Health Service network. Will Lithgow come into the network or stay with Penrith? It has been proposed that Broken Hill and other Far Western areas be taken out. Debate is ongoing about Dubbo. Dubbo does not want to be part of Bathurst or Orange because it considers it will get a lesser service if it stays within the Bathurst-Orange network. Many questions need to be answered. Historically, the Government's handling of the Greater Western Area Health Service and, I assume, other area health services has been poor. People cannot be blamed for having a lack of confidence in this new proposal because they have been through this situation many times before. Every time they are given the usual spiel and told they will receive the ultimate in health services. But it does not happen.

One can understand the lack of confidence of people within the Greater Area Western Health Service that this proposal will work any better than the previous one. The nurses, clinicians and allied staff will be forced to work within the system. They have no confidence that it will work any better than the last one. Perhaps it will. With input from the Federal Government, necessary changes may be forced on the arrangement. I maintain that the system proposed by the Opposition, if we are in government in 2011, will provide local input, local autonomy and more efficiencies and we will be able to provide more health services with the same amount of money that is currently being spent on health. We will never have enough money to provide the ultimate service. It is a matter of efficiently using the dollars allocated to health in New South Wales so that we can provide the public with the health services they expect and deserve.

Mr PETER BESSELING (Port Macquarie) [5.42 p.m.]: I will speak briefly on the Health Services Amendment (Local Health Networks) Bill 2010. I support the bill. With the introduction of local health networks we are going not so much back to the future but forward to the past. Local health networks will localise decision-making so that we get better clinical outcomes within the hospitals and the network more broadly. Local health networks will be able to gauge the needs and desires of the community and take a holistic approach to health. Community health is a major part of this approach. Members have referred to the need to address simple issues, such as paying bills. Many area health services are far too large and remote. The North Coast Area Health Service is hundreds of kilometres away from the delivery of service in my electorate of Port Macquarie. This makes it difficult to deal with matters that may seem relatively minor to the health service but are a major issue to those providing the services. Local service providers have difficulty coming to an arrangement to pay their bills quickly.

It is a fine balance trying to establish local hospital boards in a large-scale area health service. We need to provide economies of scale. It is important that we are able to meet the health needs of local communities within those local health networks. This bill goes some way to addressing that. As the member for Coffs Harbour said, cancer services are shared between Port Macquarie and Coffs Harbour. That arrangement works very well. We must continue on that path, to a certain degree. There are historic inequities in funding for the North Coast. The North Coast is growing rapidly, and that has to be recognised. In the resource distribution

formula those inequities were not addressed, certainly in the view of the people of Port Macquarie. Perhaps the Government is making a rod for its own back by having more local hospital networks. That means more local advocacy, rather than people having to deal with a large bureaucracy.

Concerns remain about services that are sent out of the region. The issue of a cardiac catheterisation laboratory in Port Macquarie has been raised in the House. I would like to raise the matter again. People who need this service are sent to Sydney. It is inefficient and an imposition on the people of Port Macquarie, Kempsey, Wauchope and surrounding areas who have to travel to Sydney for this service. There are concerns about the relationship between State and Federal governments. In the past we have seen cost shifting and blame shifting. We welcome the fourth pod funding from the Commonwealth Government that is set to occur in the next few months. However, we need recurrent funding from the State Government. The State Government must step up to the plate and do its job. It is my job to keep applying the pressure on the Government to do so.

Early childhood services and mental health are part of community health. I am concerned about the remoteness of the bureaucracy when we move to a Federal funding model. The further away the point of delivery of hospital and health services from the administration of funding means more layers of bureaucracy to deliver that service. If we focus on local points and the provision of properly funded services, hopefully we can move forward with a better health network. I support the bill.

Mr DARYL MAGUIRE (Wagga Wagga) [5.46 p.m.]: The Health Services Amendment (Local Health Networks) Bill 2010 is ultimately a result of the failed area health services that were created some time ago. The amalgamation of the area health services a number of years ago has been an abject failure in the opinion of most people in our community. The way in which the Government informed our communities about the creation of these area health networks was appalling. When the Greater Southern Area Health Service was created, I attended a public meeting held in Wagga Wagga. Ian Sinclair chaired the meeting. On each chair was a document that the gathering was asked to consider within about 1½ hours, to give an opinion on and vote. At the time the community said that the proposal would fail.

The bill brings about change once again. My office has received information from members of the public and people who work within the health service. I place on the record my appreciation of the dedication of the hardworking staff—nurses, doctors and others—who work in very stressful circumstances. They have told me that again it has been a *fait accompli*. Before the plans were made public, they were called to meetings in Sydney and elsewhere to be told about the new borders that were being developed and implemented.

This Government has been in power for 15 years. It has had a long time to fix our hospitals, yet the infrastructure is crumbling. Wagga Wagga, Tumut, Tamworth, Dubbo, Forbes, Parkes and Bega have all been promised new hospitals. The Government has not delivered. The member for Port Macquarie referred to the fourth pod funding for Port Macquarie. A hospital at Port Macquarie has been promised as long as I have been a member in this place. The Government has promised improvements in health services in that area, but they have not occurred.

In relation to Dubbo, Parkes and Forbes, I have taken part in debates in this place with the member for Dubbo in which she expressed her disappointment at not being able to get any action from this Government. We were told on 1 July that with the Council of Australian Governments' health agreement things would change, but they have not. There are still examples of ambulance block and positions being unfilled, and there is a great deal of unhappiness within the area health service. This whole process has been rushed and, as we saw before, there will be flaws in this legislation because the Government always fails to consult properly and widely. The Government will say that it does, but when one gets out in the community and talks to people the reality is that what the Government says occurs is just spin.

I put on record my thanks to the shadow Minister for Health for her long and detailed speech to this House about the process and our position on this legislation. I will not go over what she said because time is limited and there are Opposition and Government amendments to deal with in this place. However, I point out that the area health service that is being proposed, the Murrumbidgee Local Health Network, is large. It basically follows our proposal for the Riverina TAFE. It has a different delivery of service but when the departments were amalgamated we argued with the then Minister for Health, Morris Iemma, that there should be a ninth area, including Wagga Wagga. It is still a large, difficult terrain or geographical area to manage but the Wagga Wagga Base Hospital is a regional and referral hospital and the entire health network that will be created through this bill will rely on it.

The Government has committed \$90 million over four years. I am pleased that the Minister is in the House to hear this. I am advised that that money will be spent very quickly because of the planning work that is now occurring. Stage two is designed to put three floors of a new hospital on top of two, which is stage one. I know it is confusing, but the reality is that \$90 million will build stage one—two floors—and stage two will be an extra three floors on top of that. The Federal Government has now announced \$1.8 billion in infrastructure funding. The doctors and nurses are very concerned that when this development goes ahead they will be working on the first and second floors while construction is occurring on the next three floors. They also questioned why the Government has not suggested that they apply for the third tranche of funding. I urge the Minister to do that.

The people of the region want to know whether the Government will apply for the entire amount of the balance of funds needed to complete Wagga Wagga regional referral hospital. In other words, the \$90 million put forward is a good starting point, but about \$150 million is needed for stage two—which is to build the three floors on top of the two that are proposed to be constructed—and about another \$150 million is needed to finish the hospital. That would then mean that the hospital would be completely redeveloped within a reasonable time frame. Federal Minister Roxon went to Wagga Wagga, looked at the hospital and agreed.

On a television program recently she again sympathised with the region of Wagga Wagga about the need for a new hospital. I understand that she has agreed to meet with the hospital committee that has been working energetically to bring this about. I point out to the Minister that whilst there may be some work occurring in NSW Health to apply for stage two—and that is on the record; the health bureaucrats have said in the local papers that they would apply for stage two—no work has been done on the planning and costing for stage three. That would mean that when the fund closes federally in December, NSW Health would be unprepared for a stage three application and we would technically miss out on the ability to apply for the entirety of the funds.

The great concern is that this hospital needs to be redeveloped, built and finished because it would shoulder the pressure of the entire region that will now be called the Murrumbidgee Local Health Network, but this project could be delayed. The shadow Minister and the Leader of the Opposition have already said that on coming to government we will begin construction of Wagga Wagga Base Hospital. I ask the Minister to ensure that NSW Health does the mathematics and the planning so that stage three can be applied for in this \$1.8 billion round of funding. The Federal Government has said it is happy in this agreement to provide 60 per cent of infrastructure funding.

I know that the Government has promised hospitals and multipurpose service centres in a number of towns and centres. But there is a priority about the service that is delivered within the hospitals. Wagga Wagga Base Hospital met the guidelines to apply for the last round of funding and, sadly, we were disappointed. If we met the guidelines last time to be prioritised to apply for funding from the Federal Government fund then we should meet the guidelines again. This regional referral hospital treats a catchment area of about 250,000 people. We have a medical fraternity that has been built up over many years and, unlike other communities, we have not lost that. We have had doctors and specialists that have brought to the region ancillary services that provide a terrific service to the wider area. We do not want to lose that. But in order to achieve the outcomes of recruitment and retention we need to have assurance from the Government that this building will be finished quickly, and the only way to do that is to support the call for stage three funding.

I ask the Minister for a commitment that the department will be instructed to do the planning and costing so that stage three can be applied for and the community can be reassured that this project is supported. I do not know what the outcome of next year will be—I suggest that the Liberals-Nationals will be successful in March. But, as I said before, the fear is that this project could be stopped because of lack of funds.

Ms Carmel Tebbutt: So when you get into government you are going to stop it?

Mr DARYL MAGUIRE: No. The fear is that in 1991 the Liberals-Nationals Coalition spent some \$35 million on stage one of a new Wagga Wagga Base Hospital—indeed, under the new plan that piece of infrastructure will be retained. But, on coming to power, the Labor Government canned stages two, three, four and five. When Bob Carr was elected he canned the Wagga Wagga Base Hospital stages two, three, four and five; the Wagga Wagga police station; the veterinary laboratory; and also 110 jobs from the Department of Education. One can understand the community's fear. The Liberals-Nationals say to those people of Wagga Wagga and the region that on coming to government we will construct that hospital. I ask the Minister to ensure

that the process takes place to allow us to apply for funding. The community supports that option. We want the complete rebuilding of that hospital quickly and we want the department to be in a position to be able to advocate and have that work done.

Ms CARMEL TEBBUTT (Marrickville—Deputy Premier, and Minister for Health) [6.00 p.m.], in reply: I thank all members for their contributions to this debate and for their support of this important legislation. I also thank the Opposition for its support. I thank the many clinicians and staff of New South Wales hospitals and area health services and members of the community who have taken the time to participate in the discussions and consultations that have taken place to date. I thank the staff of NSW Health and the Office of the Parliamentary Counsel for their diligent work in drafting this legislation.

The changes in the legislation before the House today mark the beginning of significant change for the New South Wales health system. The legislation gives the Government the clear tools to begin the process of implementation of national health reforms and it will help guide the way forward. The establishment of 18 local health networks across New South Wales will mean that we continue to improve patient-centred care and will strengthen local decision-making and clinician engagement. Implementation of these reforms will result in improved patient-centred care, better coordination and linkages with the primary care system through the new Medicare locals. The State Government will work with the Commonwealth Government to ensure that Medicare local boundaries align as closely as possible with our local health networks.

I note the issues that have been raised in the debate and will address them briefly. First, these reforms have not been introduced in haste. The establishment of local health networks is a key plank in the National Health and Hospitals Network Agreement signed in April. The Government has been out in the community consulting about the proposals since July. It has undertaken an extensive consultation process, meeting with clinicians and key organisations such as the Australian Medical Association, the Australian Salaried Medical Officers Federation and the New South Wales NSW Nurses' Association, and has received nearly 400 submissions in response to the discussion paper.

I also refer to the issues raised about the Dubbo Base Hospital and the Orana region. I met with the member for Dubbo and the mayors of Gilgandra, Bourke and Warren on 17 August 2010 and my office has again met with the member for Dubbo and Orana Regional Organisation of Councils representatives this afternoon. The door is always open to meet with local government representatives to discuss local health issues. I reiterate what I said in my agreement in principle speech: We will work with our interstate colleagues to address cross-border issues as part of national health reform. Joint planning is already underway.

We will obviously have to deal with this in regard to local health network boundaries in the future as the population changes. With regards to the criteria used to inform boundaries, particularly the need to maintain and enhance clinical networks, Dubbo actually has additional clinical services as a result of the links that have been developed with Orange; for example, cardiological and oncology services. It is important that these benefits are maintained. As I have indicated, ministerial directions will be used to recognise distinct sector arrangements for Dubbo and the Orana, including a distinct budget. The Government's initiatives in relation to the local health networks working more closely with local government arose from my meeting with the Local Government and Shires Associations on 23 September 2010. I acknowledge Genia McGaffery's contribution and that of Councillor Bruce Miller, who hails from Cowra, and Councillor Paul Braybooks from Cootamundra.

The Opposition has raised the question of how the governing council will be involved in the employment of the appointment of the chief executive officer. The chief executives of local health networks will be appointed under the arrangements that apply to all staff in NSW Health and in the broader public sector. Since 2006 the Government, or the New South Wales Crown, has been the employer of staff. In 2006 the employment arrangements applying to some public sector workers were changed to insulate them from the affects of the WorkChoices legislation. Under the changes, staff previously employed by statutory corporations were made employees of the Crown. The Government does not propose to change the current working conditions of NSW Health and the protections provided by this approach. In making these changes, the Government wants to retain the skills and expertise it has in the health system. Therefore, staff in the current area health services will transition either to local health networks or clinical support clusters.

The Government also recognises the need stated in the National Health and Hospital Network Agreement for governing councils to have a direct role in decision-making in the appointment of their chief executive. To this end, the amendments proposed to be made to section 28 that establish the functions of the new governing councils include at clause 28 (e):

... to make recommendations for the appointment of the chief executive of the local health network and, where it considers it appropriate to do so, to make recommendations concerning the removal of the chief executive

This ensures that the governing council of each network will have a direct role in decisions about the appointment of the chief executive. The bill also contains an express provision that the chief executive is accountable to the governing council in relation to the management of the network.

The Government's strong commitment in this bill to local involvement and local medical, nursing and allied health involvement in the working of their local health networks should be recognised. While clause A10 of the National Health and Hospital Network Agreement provides for clinical expertise on the governing council, it specifically requires that this clinical expertise should be external to the local health network wherever practicable. The Government is firmly of the view that local clinicians should be represented on the local health network governing councils and for this reason those limiting words are not in the bill. These changes are all about strengthening local decision-making, enhancing clinician engagement and greater community involvement in health care. The provisions of the bill reinforce that approach.

As I indicated when introducing this bill, the Government issued a statewide expression of interest for membership of the governing councils, and local doctors, nurses and allied health professionals are eligible to apply. This next step will bring on board our new chairs and members of our governing councils and our chief executives, who will then be able to establish the new networks from 1 January 2011 and work with their local communities and clinicians as national health reforms are implemented throughout New South Wales.

More work needs to be done with our local clinicians. One of the key priorities over the next few months will be to formalise the processes operating within the local health networks for their input into the new management structures. As with the developments to date, I am committed to a strong, ongoing involvement and consultation with medical, nursing and allied health clinicians and the community as we move ahead. I make it clear that in implementing the local health network model the Government is not increasing the Health bureaucracy. Indeed, one of the central planks of the agreement between the States and Commonwealth was that health reforms will improve and increase health services for our patients and not increase the number of back-office staff.

The Government has taken a very considered approach in establishing local health networks and it believes that it is simply not necessary to duplicate every administrative position in every local health network. Instead, they will have a core local management and support team that will focus on delivering health services to the community. I take this opportunity to inform the member for Pittwater that currently 73 per cent of the NSW Health total workforce is employed in a clinical capacity. A further 23 per cent of hospital staff are employed in roles that contribute directly to patient care, including staff providing food services, cleaning and security, maintenance and trades. Only 4 per cent of the total health workforce is corporate services staff. This is the lowest of any health system in Australia.

The member for Albury made comments opposing the consolidation of various services within Health Support Services. We know that the consolidation of these services is delivering efficiencies in a number of areas, which means that we can dedicate more resources to frontline service delivery. In the case of the Program of Appliances for Disabled People [PADP], we can assist more people within the available budget. It is incumbent upon us to deliver health services in the most efficient and effective way we can. Taxpayers do not want to see their health dollars being wasted; they want to ensure that the Government is using that money in the most efficient way possible. EnableNSW has achieved significant savings by purchasing some standard disability equipment in bulk so that more people can be assisted within the available budget. This is demonstrated by the South Eastern Sydney and Illawarra Area Health Service's PADP waiting list, which is at its lowest level in five years following transition to EnableNSW in September 2009.

Finally, I advise the member for Lismore that the Tenterfield Health Service is part of the current Hunter New England Area Health Service. The boundaries will remain the same for Hunter New England under the local health network model. This decision has been made following very strong advice from the great majority of local clinicians, who had concerns about how changing the boundaries would impact on patient care and existing clinical networks. The process of national health reform has been long, involving extensive consultation and discussion and negotiation and a lot of hard work by many people. Nonetheless, we should not at this point lose sight of what led us to introduce this legislation. A growing and ageing population along with the rising cost of medical technology are placing huge demands on State budgets across Australia in delivering the health services to the standard that communities expect.

At the same time, we know that in Australia we have high rates of hospitalisation; for example, 67 per cent higher than the rate in Canada and 19 per cent higher than the rate in the United Kingdom. There are

also not enough incentives, particularly in the primary care system, to deliver coordinated care. We must address these issues and work with the Federal Government to provide a more sustainable source of funding for health services and get the incentives right so that the appropriate care is provided in the right place at the right time. The Council of Australian Governments agreement that the Government has signed takes it further along the path to achieving these goals. 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.

Consideration in Detail

Consideration in detail requested by Ms Jillian Skinner.

The ACTING-SPEAKER (Mr Thomas George): Order! By leave, I will propose the bill in groups of clauses and schedules.

Clauses 1 and 2 agreed to.

Mrs JILLIAN SKINNER (North Shore—Deputy Leader of the Opposition) [6.10 p.m.]: I move the Opposition amendment:

No. 1 Page 9, schedule 1 [22], proposed section 62B. Insert after line 33:

- (2) Such an order may be made:
 - (a) on the application of one or more affiliated health organisations, or
 - (b) on the Minister's own initiative.
- (3) The Minister may make an order pursuant to the application of one or more affiliated health organisations only if the Minister is satisfied that:
 - (a) in the case of an application by one affiliated health organisation:
 - (i) the affiliated health organisation has more than one recognised establishment or service, or
 - (ii) the affiliated health organisation provides State wide services or services of State significance, or
 - (b) in the case of an application by two or more affiliated health organisations, the affiliated health organisations have agreed to form a health network.

I have moved this amendment at the request of the Health Services Association, which is the peak body representing affiliated health organisations in the State. The organisation wrote to the Minister asking that these amendments be considered. In his letter to the Minister, the Health Services Association Executive Director, James McGillicuddy, said:

We believe the proposed section needs be further strengthened by setting out the criteria on which the Minister may deem an Affiliated Health Organisation to be a health network for the purposes of the National Health and Hospitals Reform Agreement. This will also assist Affiliated Health Organisations in making application to the Minister to be deemed a health network for the purposes of the agreement.

As I said, the amendment I moved was set out in the letter to the Minister. In my response to this legislation I pointed out that the haste with which this whole issue has been addressed has led to mistakes. It has led to mistakes in network boundaries. I foreshadow that should there be a change of Government next year and should there be community disquiet about those boundaries, we will revisit them. If there is disquiet about the application of the councils, we will revisit that as well. But in this case we have an amendment that should have been part of this bill. If the Government had taken the time to draft it according to the recommendations of this very important body, which represents a number of very important health service providers—Tresillian, Karitane, a lot of the not-for-profit hospitals, such as those run by Catholic Healthcare and others—it would have been. I recommend support for the amendment to make sure that there is the capacity for those affiliated health organisations to be included in the schedule at a future date.

Ms CARMEL TEBBUTT (Marrickville—Deputy Premier, and Minister for Health) [6.13 p.m.]: I recognise the importance of the Health Services Association of New South Wales and the organisations that it represents. The amendment the member moved proposes that the bill include statutory criteria to guide affiliated health organisations seeking recognition as a network for the purposes of the National Health and Hospitals Network Agreement. The amendment is in line with proposals put forward by the Health Services Association identified by the following criteria. I do not need to go through the criteria, because the member for North Shore has done that. The Government will not oppose this amendment. It is fair to say that we do not believe it is necessary because the proposed criteria would generally be the relevant considerations in favour of recognition as a network. Nonetheless, as I said, the Government will not oppose the amendment that has been moved by the member for North Shore.

I note that the association's letter makes it clear that it sees this as a threshold for making an application and that the changes they propose are not intended to fetter the Minister's discretion not to agree to a particular application. This is important, as in considering such matters the Minister will need to look to a range of broader criteria relating to service provision and other matters, including whether the service in question readily fits within the services that are covered by the National Health and Hospitals Network Agreement. I have had discussions with the member for North Shore and I understand that the member considers the amendment she is moving is not intended to fetter the discretion of the Minister and that it was designed to reflect the approach put forward by the Health Services Association that I have just outlined. On that basis, if the member for North Shore is willing to confirm that, I would be happy to support this amendment.

Mrs JILLIAN SKINNER (North Shore—Deputy Leader of the Opposition) [6.16 p.m.]: In response to the Minister's request for confirmation about the intent of this amendment, I know the Minister has considered changing this amendment to include the words "but need not" after the word "may", which apparently was a recommendation by departmental legal people. I contacted the Health Services Association and I agree with its view that this is not necessary. "May" is a discretionary word and I think that it is another example of what happens when you rely on advice that is questionable. Parliamentary Counsel drafted this legislation for me based on the Health Services Association letter to the Government. I am very happy to confirm that "may" is a discretionary word and I believe that that is how most people would see it.

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

Opposition amendment agreed to.

Ms CARMEL TEBBUTT (Marrickville—Deputy Premier, and Minister for Health) [6.17 p.m.], by leave: I move Government amendments Nos 1, 2 and 3 in globo:

- No. 1 Page 12, schedule 1 [34], proposed schedule 1. Insert "Lord Howe Island" in Column 3 of the matter relating to the South Eastern Sydney Local Health Network.
- No. 2 Page 14, schedule 1 [34], proposed schedule 1. Insert "Orange," after "Oberon," in Column 2 of the matter relating to the Western NSW Local Health Network.
- No. 3 Page 14, schedule 1 [34], proposed schedule 1. Omit "Lord Howe Island" from Column 3 of the matter relating to the Mid North Coast Local Health Network.

As I have previously indicated, NSW Health has conducted extensive consultations with local communities, staff and key stakeholders, including through the National Health Reform in New South Wales discussion paper, since we signed the National Health and Hospitals Network Agreement in April. Over that time frame there have been different configurations of the borders for networks, and local government areas to be included in each network were developed and discussed and changed over time with input from the community.

Unfortunately, I am advised that the version of the boundaries that is contained in the bill is not, on two specific matters, in accordance with the final version agreed to by Government. The Government is therefore proposing an amendment to correct these errors. Government amendments Nos. 1 and 3 will move Lord Howe Island from the Mid North Coast Local Health Network to the South Eastern Sydney Local Health Network. Lord Howe Island is currently associated with the South Eastern Sydney and Illawarra Area Health Service. There were discussions and some proposals put forward to transfer the island to the Mid North Coast Local Health Network. However, in response to public consultations with the community of Lord Howe Island, the Government agreed that the current links with South Eastern Sydney Local Health Network would be retained. The Government amendment will ensure that, in keeping with this decision, Lord Howe Island will transition to the new South Eastern Sydney Local Health Network from 1 January 2011.

Government amendment No. 2 deals with a second omission whereby the Orange local government area was inadvertently left out of the Western New South Wales Local Health Network.

Mrs JILLIAN SKINNER (North Shore—Deputy Leader of the Opposition) [6.19 p.m.]: I intend to say no more than that the amendments support my concern that the bill was drafted in haste.

Question—That Government amendments Nos 1 to 3 be agreed to—put and resolved in the affirmative.

Government amendments Nos 1 to 3 agreed to.

Question—That schedule 1 as amended be agreed to—put and resolved in the affirmative.

Schedule 1 as amended agreed to.

Schedule 2 agreed to.

Consideration in detail concluded.

Passing of the Bill

Motion by Ms Carmel Tebbutt agreed to:

That this bill be now passed.

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

COURTS AND CRIMES LEGISLATION AMENDMENT BILL 2010

Bill received from the Legislative Council and introduced.

Agreement in principle set down as an order of the day for a future today.

WORKERS COMPENSATION LEGISLATION AMENDMENT BILL 2010

Agreement in Principle

Debate resumed from 23 June 2010.

Mr MIKE BAIRD (Manly) [6.21 p.m.]: As I speak to the Workers Compensation Legislation Amendment Bill 2010, I notice that the Minister for Health is in the Chamber. I ask the Minister, as I have been asking for a long time, whether she will come and visit Bear Cottage. Matters of finance are very important, but matters relating to Bear Cottage transcend politics. Again I ask the Minister, as she is leaving the Chamber, whether she will come and visit Bear Cottage. I am happy to talk about the Workers Compensation Amendment Bill 2010. I note that the member for Bathurst is very keen on the bill, so I will get to the point.

I have to say at the outset that the Opposition is supportive of the bill. It makes various amendments to legislation relating to the determination of compensation and damages for people injured at work. The Coalition certainly supports any moves to improve the workers compensation system so that it is fairer for injured workers and easier for employers to administer. I note that it is only within the past 10 minutes that we have been made aware of some amendments to be made to this bill. As explained to me, the amendments appear to make sense. However, I have to reserve rights in relation to those amendments until the shadow Minister has seen their intricate detail so that I can confirm my understanding. Whilst on their face they seem to be reasonable, without having gone through the detail I will reserve rights until the shadow Minister has a look at them. However, I am happy to proceed on that basis.

The bill proposes various amendments to the Workers Compensation Act 1987 and the Workplace Injury Management and Workers Compensation Act 1998. We understand that the clear intent of the amendments is to improve dispute resolution and improve efficiency in administering workers compensation claims. I wish to make a number of points in relation to the bill. The first relates to disputes about prospective

medical treatment. Currently, the Workers Compensation Commission does not have the power to make determinations with regard to expenses for treatments not yet incurred. This has meant that injured workers must pay for their treatment themselves before the commission can hear their case. That is unreasonable. Schedule 1 [11] to the bill empowers the commission to make determinations about prospective medical treatment that will incorporate obtaining the opinion of an approved medical specialist in order to overcome the problem.

The second point I make relates to grounds of appeal. The bill addresses delays in injured workers accessing treatment and higher costs in administering the system that have occurred as a result of the grounds of appeal against the decisions of arbitrators being extended. I understand this has come about as a result of recent case law. The bill clarifies that an appeal against a decision of an arbitrator is limited to where there is a "legal, factual or discretionary error". The appeal should not be a full review of the decision, and the Opposition supports this amendment.

The third point I make relates to appeals against medical assessments. The bill also provides clarification so that an assessment by an approved medical specialist is limited to the reasons why the appeal was made, and not on the broader medical assessment. My fourth point relates to reconsideration provisions. The bill contains an amendment to close a loophole that has seen "reconsideration powers" being used to hear matters that are not eligible for appeal. Schedule 1, items [16] to [18], increases the threshold for appeals from \$5,000 to \$7,500, so that it will be in line with others at the commission. I understand that the amendments recently provided to the Opposition may change those provisions. The bill also removes the requirement that the amount appealed must be at least 20 per cent of the amount in dispute. That provision is also being reconsidered, and I reserve to the shadow Minister the right to look at the intricate detail of the amendments.

The fifth point relates to medical specialists. The bill provides that senior approved medical specialists will be appointed from the pool of existing medical specialists, predominantly to improve the quality and consistency in decisions made. The Opposition supports this provision. The next matter relates to work injury damages claims. The bill incorporates a provision to pay statutory entitlements in a lump sum to eligible workers and then work injury damages separately in an effort to improve transparency between insurance companies and workers. We support the amendment to ensure injured workers will continue to receive weekly benefits while an appeal is pending. That appears eminently sensible.

The seventh point I make relates to maximum payments during partial incapacity. The bill attempts to offer a greater incentive to workers who are only partially incapacitated to resume working. It does so in schedule 1, items [3] to [6], by clarifying that the maximum weekly compensation amount is a limit on the compensation payable and not a limit on the combined total of compensation and earnings. The eighth point relates to the waiving of liability. The bill restricts the jurisdiction of the Workers Compensation Commission to review the nominal insurer's discretion to waive rights of recovery against uninsured employers.

My final point relates to insurance bonds. Schedule 1, items [21], [23] and [24], provides for the provision of a security bond as a means of offering financial security by self- and specialised insurers and retro-paid loss employers. Instead of simply through a direct deposit, the bill provides the option of insurance bonds, by either Commonwealth or State bonds, or bank guarantees. I am reluctant to talk about State bonds because that gets the Treasurer particularly excited. Given all of the time that he has worked with bonds, he seems to pay extraordinary attention to them. This flexibility in providing financial security makes sense, and we understand it is in response to requests by employers. Opposition members have not seen those responses, but we understand they have been made. That flexibility obviously is supported.

Other provisions of the bill bring the maximum age for determining future economic loss in line with the increase in the age of retirement to 67 years, as put forward by the Commonwealth. We have not yet seen the response to that proposal. The cost of permanent impairment certificates to be met by insurers is another provision proposed by the bill. There are also some provisions in relation to workplace rehabilitation that have arisen due to the adoption of a nationally consistent approval framework for rehabilitation providers.

In summary, the amendments appear to make sense, and we are happy to support them. We would not oppose a bill that seeks to improve the system. However, we note some concerns, and we ask the Parliamentary Secretary or Minister to respond to them. The Bar Association, the self-insurers and the Australian Lawyers Alliance have raised concerns about the amendments limiting appeals, including against medical assessments, and we urge the Government to work closely with those stakeholders to resolve those issues. We certainly would appreciate an update. I am not sure whether the amendments that we have just received will address some of those concerns. If they do not, we would be keen to hear the Government's response to the matters raised by

the Bar Association, the self-insurers and the Australian Lawyers Alliance. We believe those matters should be considered, and the Government should be looking to adapt the system to take those matters into account. We support the bill, but reserve rights in relation to the final amendments to be made in the upper House.

Mr NINOS KHOSHABA (Smithfield) [6.28 p.m.]: I am pleased to lend my support to the important proposals in the Workers Compensation Legislation Amendment Bill 2010. The bill proposes a number of changes aimed at improving dispute resolution services at the Workers Compensation Commission and enabling WorkCover to more efficiently administer the workers compensation system. The bill includes a number of provisions to improve dispute resolution processes at the Workers Compensation Commission. I regard these reforms as essential to ensure continued improvement and streamlining of dispute resolution services provided by the commission. The first of the proposed changes gives the Workers Compensation Commission jurisdiction to make determinations with regard to proposed medical treatment. At the moment, the legislation has been found to grant the commission only jurisdiction to make determinations on medical treatment that has already occurred and being paid for. This situation is against established practice and may require an injured worker to meet the cost of his or her treatment up-front and then seek reimbursement from the scheme agent or insurer.

It was never envisaged that a worker would have to pay for major and necessary medical treatment up-front. This can cause considerable hardship when workers cannot afford to pay, and it can lead to delays in the injured worker receiving treatment for their injury. This delay also impacts the injured worker's recovery and return to work. The bill also includes proposals that aim to reinstate the position with regard to appeals against decisions of arbitrators and medical appeal panels. A number of decisions by the Court of Appeal have extended the grounds of appeals against decisions of arbitrators and approved medical specialists at the commission beyond what was originally envisaged. This has the potential to hinder the commission in its objective of delivering a timely and efficient dispute resolution system.

Other changes in the bill to streamline dispute resolution at the commission include clarifying the operation of the reconsideration powers to ensure they assist in streamlining appeal and review procedures, indexing the maximum amount for medical expenses for an interim payment direction bi-annually, giving the commission the discretion to hear appeals of an interlocutory nature, and allowing for the appointment of one or more senior approved medical specialists at the commission to assist with the professional development, mentoring and appraisal of approved medical specialists.

I support the changes proposed in the bill that will allow the commission to deliver a more effective, efficient and streamlined workers compensation dispute resolution system. I also support the various miscellaneous changes that go to improving the administration of the workers compensation system in New South Wales and protecting the rights of injured workers. One change in the bill is aimed at ensuring that an injured worker who reaches the threshold of 15 per cent whole person impairment has been paid their statutory lump sum entitlement before settling any work injury damages claim. Once a worker has settled a work injury damages claim they are precluded from making any other claim with respect to that injury. This important proposal will ensure that injured workers are not encouraged to settle a common law claim without knowing they had other statutory lump sum entitlements.

The bill seeks to align the maximum age for determining future economic loss for work injury damages claims with the age of retirement under Commonwealth legislation. This change will ensure that the future earning potential of all workers created by the increases in the age of retirement by the Commonwealth will be reflected in work injury damages settlements occurring now. Other measures seek to ensure that specialised insurers are able to renew their specialised insurance licence despite not holding an authority under the Commonwealth Insurance Act 1973, and make changes to implement the nationally consistent approval framework for workplace rehabilitation providers.

Another proposal in the bill will allow self-insurers and specialised insurers and employers participating in the retro-paid loss premium calculation method to give security by way of insurance bonds. This worthy amendment will ensure that self-insurers and specialised insurers and large employers have flexibility in meeting their obligation to give security for their claims liabilities without diminishing the value of the security given. The bill also includes measures that will benefit workers. One such measure will ensure that injured workers will receive weekly benefits awarded to them by an arbitrator, pending the outcome of any appeal that may be lodged against the arbitrator's decision.

Another measure confirms a beneficial interpretation to the provision that applies a maximum cap for statutory weekly benefits. This measure confirms that the maximum cap applies to the compensation payment

component only. The change will ensure that an injured worker is provided with appropriate incentives to assist in their recovery and return to work. The bill includes a proposal that will streamline the administration of reimbursement of the cost when a worker obtains a permanent impairment medical certificate by aligning it with the determination of the worker's claim for permanent impairment.

The bill includes a measure that provides that the Nominal Insurer retains the discretion to waive an uninsured employer's liability to reimburse the Nominal Insurer the cost of a claim made by one of the employer's workers. This amendment is necessary to overcome a court decision that found that the Workers Compensation Commission had the jurisdiction to override the Nominal Insurer's discretion with regard to waiving liability of an uninsured employer to reimburse the Workers Compensation Insurance Fund. The Nominal Insurer is responsible for the management of the Workers Compensation Insurance Fund. Therefore, the decision to waive liability for reimbursement to the fund must be considered in relation to the impact on the overall WorkCover Scheme. Such a decision rests properly with the Nominal Insurer, as the body responsible for the management of the fund.

Overall, the bill makes important changes that will streamline dispute resolution services at the Workers Compensation Commission and improve the administration of the workers compensation system. The Government will move a number of amendments. As a result of continuing consultation, the Government has decided not to proceed with proposed changes in the bill that would have changed the threshold for appeals in the Workers Compensation Commission. These changes would have increased the monetary threshold for appeals from \$5,000 to \$7,500, removed the existing threshold requiring the amount in dispute to be at least 20 per cent of the compensation awarded, and indexed the monetary threshold twice each year. If agreed to, the Government amendments will mean that the current appeals threshold provisions will continue to apply—namely, the amount in dispute must be at least \$5,000—that this amount will not be indexed, and that the amount in dispute must constitute at least 20 per cent of the amount awarded.

The Government will also move an amendment that remedies a small anomaly in a proposed amendment to the Workplace Injury Management and Workers Compensation Act 1998. The proposal would enable the applicant to an appeal to produce fresh evidence under certain conditions. The proposal as worded in the bill does not make clear that this right should also be extended to other parties to the appeal. This is remedied by the amendment. These are minor amendments that I trust will have the support of members. I commend the bill to the House.

Mr DAVID HARRIS (Wyong—Parliamentary Secretary) [6.36 p.m.], in reply: I thank members for their contributions to the debate. I am pleased to advise the House that the reforms in the bill will improve dispute resolution processes at the Workers Compensation Commission and enable WorkCover to more efficiently administer the workers compensation system. The Government has moved amendments to remove the proposal to increase the threshold for access to appeals in the Workers Compensation Commission and to correct a minor anomaly that may place parties other than the appellant at a disadvantage when producing evidence on appeal.

The bill makes a number of changes to the review powers of the commission and the jurisdiction of the commission to be able to make determinations with regard to prospective medical treatment. It also clarifies the provisions with regard to reconsideration powers and makes changes to the provisions concerning appeals. All these changes are aimed at ensuring that the Workers Compensation Commission maintains a flexible, efficient and effective dispute resolution system. Ensuring the commission's capacity to provide for the timely and effective resolution of workers compensation disputes enables employers and injured workers to focus on what is important: injury management, rehabilitation and return to work.

The bill also contains a number of miscellaneous changes aimed at improving the administration of the workers compensation system. For example, the bill contains proposals to allow self-insurers, specialised insurers and some large employers to give security by way of insurance bonds. The bill clarifies that the maximum statutory cap for weekly benefits paid for partial incapacity applies to the benefit entitlement only, and it makes changes to reflect the implementation of the Nationally Consistent Approval Framework for Workplace Rehabilitation Providers. These worthwhile amendments merit the support of members.

In response to issues raised by the member for Manly with regard to the concerns of the Bar Association, the Australian Lawyers Alliance and the Self Insurers Association, the Government is very keen to engage with stakeholders such as these. We invite these organisations to continue to work with the Government to refine the operations of the commission. I commend the bill, and the amendments, 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.

Consideration in detail requested by Mr David Harris.

Consideration in Detail

Clauses 1 and 2 agreed to.

Mr DAVID HARRIS (Wyong—Parliamentary Secretary) [6.40 p.m.], by leave: I move Government amendments Nos 1 to 5 in globo:

No. 1 Page 5, schedule 1 [17] and [18], lines 14–24. Omit all words on those lines. Insert instead:

[17] Section 79 Definitions

Insert at the end of the definition of *adjustable amount*:

, and

(c) the amount of \$7,500 specified in section 297 (2) of the 1998 Act.

[18] Section 79, definition of "base index number"

Renumber paragraph (c) as paragraph (d) and insert as paragraph (c):

(c) in respect of the adjustable amount of \$7,500 specified in section 297 (2) of the 1998 Act—the latest index number for the adjustment date of 1 October 2010, and

No. 2 Page 8, schedule 1 [25], lines 18–26. Omit all words on those lines. Insert instead:

9 Adjustment of maximum interim medical expenses payment

For the purposes of the operation of Division 6 (Indexation of certain amounts) of Part 3 of the 1987 Act in relation to the adjustable amount in section 297 (2) of the 1998 Act, 1 October 2010 is not an adjustment date and the first adjustment date is 1 April 2011. Accordingly, the first adjustment under that Division of that adjustable amount is to be the adjustment provided for under that Division on and from 1 April 2011.

No. 3 Page 11, schedule 2 [14], lines 17–22. Omit all words on those lines. Insert instead:

(3) Evidence that is fresh evidence or evidence in addition to or in substitution for the evidence received in relation to the medical assessment appealed against may not be given on an appeal by a party to the appeal unless the evidence was not available to the party before that medical assessment and could not reasonably have been obtained by the party before that medical assessment.

No. 4 Pages 11 and 12, schedule 2 [15], line 36 on page 11 to line 2 on page 12. Omit all words on those lines. Insert instead:

(3) There is no appeal under this section unless the amount of compensation at issue on the appeal is both:

(a) at least \$5,000 (or such other amount as may be prescribed by the regulations), and

(b) at least 20% of the amount awarded in the decision appealed against.

No. 5 Page 12, schedule 2 [17], lines 20–25. Omit all words on those lines. Insert instead:

[17] Section 352 (6)

Insert "The Commission is not to grant leave unless satisfied that the evidence concerned was not available to the party, and could not reasonably have been obtained by the party, before the proceedings concerned or that failure to grant leave would cause substantial injustice in the case." at the end of the subsection.

As a result of ongoing consultation the Government has decided not to go ahead with the proposals to increase the monetary threshold for appeal, index this threshold and delete the requirement for the amount being appealed to be at least 20 per cent of the amount awarded. The bill incorporates a package of measures to ensure the efficiency of the appeals process and the removal of these provisions will not undermine the key reforms, which have the support of stakeholders. There is also concern that the wording to the amendment to section 328

of the Workplace Injury Management and Workers Compensation Act 1998 would limit the production of fresh evidence to the appellant, with no like provision for other parties to the appeal. That is not the intention. Accordingly, the amendment will make it clear that the arrangements for admissibility of fresh evidence will equally apply to all parties to the appeal. The proposed amendments address stakeholder concerns and I commend them to the House.

Mr DARYL MAGUIRE (Wagga Wagga) [6.41 p.m.]: The shadow Treasurer indicated that we would not oppose these amendments in this place and would reserve the right of the Opposition to deal with them in another place. When these amendments were handed to the shadow Treasurer it was suggested that the Opposition had been briefed on them but, as I understand it, that has not occurred. The Opposition will deal with the amendments in another place. All the amendments will be considered in the time that transpires between their approval now and their receipt in another place.

Question—That Government amendments Nos 1 to 5 be agreed to—put and resolved in the affirmative.

Government amendments Nos 1 to 5 agreed to.

Schedules 1 and 2 as amended agreed to.

Consideration in detail concluded.

Passing of the Bill

Motion by Mr David Harris, on behalf of Mr Michael Daley, agreed to:

That this bill be now passed.

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

ACTING-SPEAKER (Mr David Campbell): Government business having concluded, private members' statements will now be proceeded with.

PRIVATE MEMBERS' STATEMENTS

SOUTHERN HIGHLANDS COALMINING AND GROUNDWATER

Ms PRU GOWARD (Goulburn) [6.42 p.m.]: On 9 July this year Cockatoo Coal announced to the Australian Stock Exchange its intention, in conjunction with the Korean company POSCO, to purchase Anglo Coal (Sutton Forest) Pty Ltd, or its major asset: a mining lease covering a 115 square kilometres centred on Sutton Forest. In addition, Boral has obtained a new exploration licence for an adjoining 63 square kilometres in Berrima. In a nutshell, nearly 180 square kilometres of the land in my electorate of Goulburn has appeared in the sights of two mining companies that are interested in what lies beneath. I am pleased to say I have met with Boral and I have been assured that its coalmining plans are in line with historical trends—it will use bord and pillar techniques.

I say from the outset that I am aware there are two sides to any discussion about economic developments, be it coalmining or a new shopping centre. I take the opportunity for job creation in my local area or anywhere else in New South Wales very seriously and I certainly do not easily discount the possibility that coalmining in the Southern Highlands would create jobs. While I acknowledge the difficulty of balancing economic growth and sustainability, there is no doubt in my mind, and in the minds of many experts, that coalmining would also create a raft of problems for the area and for those who live there. Coalmining in the Southern Highlands would have a devastating impact on our community, particularly on water security and quality. Clearly, I am but one voice in the many objecting to these plans. I am adding my voice to those of the hundreds of people who attended the two public meetings held to discuss this issue, and to whom I have said: If it means so much to you, it means everything to me.

One of the successful industries in the Southern Highlands is tourism. Every weekend visitors flock to the area to sightsee, walk, rock climb, enjoy the beautiful seasonal changes or sample the fruits of the local

vineyards. I cannot imagine that piles of coal waiting to be transported from the area would have a similar visual appeal—not to mention that instead of blossom blowing in the wind coal dust would be blowing and settling across the landscape. I understand that longwall mining—Cockatoo Coal's preferred option—is technology reliant and capital intensive. It may not even generate a great number of jobs; perhaps not sufficient to offset the loss of employment in tourism and associated industries. It also causes major subsidence. It is also an issue of concern in regional communities around New South Wales as it creeps noticeably closer to Sydney.

Tourism, however, is not the only cross against longwall coalmining in the Southern Highlands. The areas that would be directly affected are Sutton Forest, Exeter and the outskirts of Berrima. Some farming and agriculture is undertaken in those areas but the townships are mostly residential. It is home to thousands of families whose quality of life would undoubtedly suffer if coalmining were to go ahead in the area. If the mining is approved I would not be surprised if the value of the homes and farms of many local residents fell. Significantly, the impacted areas form part of the area of the Sydney Catchment Authority that supplies water to Sydney. Longwall mining impacts on local and metropolitan water supplies as it fractures the aquifers in the Hawkesbury sandstone. It inevitably affects the quality and quantity of the local groundwater supply. The Sydney Water Management Plan specifically includes aquifers in the Southern Highlands. This proposal would therefore put at risk the delivery of water not only to the Southern Highlands but to Australia's largest metropolitan population.

Kim and Peter Martin are spearheading the local action against the proposed coalmining, along with people such as Rhonda Vanzella and Tim Frost, and they have set up the Southern Highlands Coal Action Group website. They have conferred with people from across New South Wales who are experts in the field and with community activists who have been engaged in battles elsewhere, including local engineer Rob Parker. Members may recall that Rob Parker was a Labor candidate in the 2007 State Election. Rob has left us in no doubt that if we do not express our concerns clearly and immediately longwall coalmining will form part of the backyards of residents of the Southern Highland. I reiterate that any damage to the aquifers could possibly be permanent and reflected in the water quality and supply not only to the Southern Highlands but to the greater Sydney area.

Mr DAVID HARRIS (Wyong—Parliamentary Secretary) [6.47 p.m.], in reply: I thank the member for Goulburn for bringing this important issue to the attention of the House, which is vexing a lot of communities across New South Wales—particularly those where water sources are located in popular areas. Tomorrow morning I will travel to the Central Coast to give a presentation to the Planning Assessment Commission on the proposed Wallarah 2 coalmine, situated close to my electorate. This issue does cause great consternation and I have been representing the views of my electorate just as strongly as the member for Goulburn. I wish her and her community all the best in their fight. I hope they achieve the best outcomes for their local area and New South Wales.

FIRST HOME BUYERS IN THE SUTHERLAND SHIRE

Mr BARRY COLLIER (Miranda—Parliamentary Secretary) [6.49 p.m.]: Recently I assisted a young local branch member through the process of buying his first home. He continually searched the internet and attended some 70 open houses and auctions—all at the lower end of the market. Finally, after eight months, with the advice of a highly experienced solicitor and reputable agent, he moved into his first home. I can inform members that from my attendance at some of those open houses and auctions, and from looking at the contracts he gave me, it is very tough out there for young buyers in the shire. Weekend after weekend I saw the same young couples viewing the same properties, excited at the prospect of buying their first home only to be disappointed time and again.

They were disappointed that the final auction price was well beyond their reach. They were disappointed at the paucity of vendor disclosure. They were disappointed about the costs they had to meet before making any sensible decision to proceed. I have no doubt that many of these first home buyers were quietly angry at the behaviour and tactics of some of the selling agents. It was clear that a number of agents simply sucked in young buyers, wasted their time and used the process to promote themselves. In some cases the advertising was both deceptive and misleading.

A 1950s fibro house in Gynea was advertised for auction at "offers above \$530,000" as a guide. Following two open house inspections the advertisement on the internet the night before the auction still had "offers above \$530,000" as a guide. At the well-attended auction the house sold for \$695,000. That is \$165,000,

or 31 per cent, above the guide price. One has to ask: How can these blokes who hold themselves out as professionals get it so very wrong? Many of those committed first home buyers had outlaid probably \$1,500 on pre-purchase inquiries to protect themselves.

A 1950s fibro house backing onto the rail line in Miranda was up for sale. The contract came with a mandatory section 149 certificate and sewerage diagram as well as a 1913 subdivision plan. That plan came into being before the rail line was built and had a street on it which no longer existed. This house had had at least five additions over the years, some of which looked decidedly dodgy. There was no survey, no pest report, no building report and no council building certificate with the contract. The agent could not even be bothered to list the inclusions. This was a real "buyer beware" case. The property was passed in at a well-attended auction. There was only one bid, and that was after the agent gave a young man in dark glasses a nudge.

Meanwhile, a house at Oyster Bay was offered for sale by private treaty. When several offers above the advertised price were made on a Saturday the agent suddenly announced there would be a "Dutch auction" on the Tuesday night, when presumably the cooling-off period would not apply. Next, a high-profile agency advertised a nice house for sale at Como West. The property was well located and within the reach of first home buyers. On arrival at the open house prospective purchasers were informed that the land was to be subdivided through the house within six months of settlement in such a way that the house would lose its kitchen and dining room—costing the buyer only an extra \$10,000 in modification costs! Of course, the advertisement said nothing about this at all.

Down the road at Como a smiling agent welcomed first home buyers. On the way out the door he told them, "We are expecting exchange this afternoon." This is a typical example of agents wasting first home buyers' time and putting unnecessary pressure on them. Two weeks later that house was still for sale and no exchange had taken place. Down at Jannali a property was advertised as an open house on a Saturday. On the Friday afternoon before the word "sold" was plastered across a "for sale" sign in front of the house. Overnight the sign suddenly disappeared and the open house inspection was held on the Saturday morning.

Many of the activities of agents are about gathering potential buyers and promoting themselves rather than seeking genuine first home buyers. Another obstacle facing first home buyers is the virtual absence of vendor disclosure beyond the mandatory section 149 certificate and sewerage diagram. Of the many contracts I was asked to look at, only one had a pest report. Even that was useless because the pest inspector said he could not get under the house because of the volume of the vendor's rubbish there. I am aware that the member for Kiama is conducting a review of vendor disclosure, including pest inspection and building reports.

First home buyers typically buy older properties at the lower end of the market. These houses often have additions that appear questionable and the properties are often on battle-axe blocks. In my view the prudent first home buyer requires a council building certificate at a cost of \$231, a survey at a cost of \$585, a pest inspection costing \$220 and a building report costing \$400. These are, of course, on top of the fees charged by a solicitor to view the contract and write to the vendor's solicitors. This means an outlay by prospective first homebuyers of between \$1,500 and \$2,000 on each and every property they are interested in, with no guarantee that they will be the successful buyer.

The financial burden on first home buyers is simply intolerable, preventing many of them from achieving their dream home and encouraging them to take unnecessary risks with the biggest purchase in their life. I encourage the member for Kiama to consider full vendor disclosure for both auction and private treaty sales, with the successful buyer paying for reports as part of the contract on settlement. This means also providing the survey, the council building certificate, and building inspection and pest inspection reports. The survey and the building certificate will usually be "one offs", running with the title and attached to the contract. I fully appreciate the maxim "caveat emptor". I realise that disclosure involves issues of liability. But at the end of the day we must do all we can to assist first home buyers. That means reform of contractual arrangements and the behaviour of some selling agents.

URANA SHIRE FLOODING

Mr JOHN WILLIAMS (Murray-Darling) [6.54 p.m.]: Only last week in the House I had the opportunity to speak on a priority motion moved by the Parliamentary Secretary, the member for Wyong, that recognised the changed conditions of farmers in New South Wales with the lifting of the drought. Unfortunately, on Saturday morning I received a call from Barry McFarlane, a councillor in Urana shire, advising me of flooding that had occurred in the shire. I had trouble contacting him and did not speak to him

again until late that afternoon. He advised me that due to overbank flooding on Billabong Creek there were significant flood events back through the Urana shire via Walbundrie. It has been assessed that 100,000 hectares in the Urana shire is underwater. This water, which has come in the flooding event, has caused a major problem. Unfortunately for the farmers, their crops have been submerged over five days. I am told that basically the crops are a write-off.

No-one could understand the feelings of frustration of these farmers following this event. The floodplain plan, which was established to ensure that the water drained, has been frustrated by the breaking of levy banks. The water has not been able to drain appropriately. Most of the farmers have said they do not want to hear about offers of counselling or the availability of a light-hearted program. They have been pushed to the wall. For most of the farmers in the area this is the end of the road. After nearly six years of drought in this area they were looking forward to the best crop they had ever had. In the Oaklands district people who have been farming for many years told me that they had never seen a crop like this before. To lose this crop has been absolutely devastating.

I met with the Minister for Primary Industries, Steve Whan. The scope of assistance available to these farmers is limited to their immediate needs. That primarily relates to not borrowing money. Most of them have gone to the bank once again to obtain finance to put the crops in the ground. Now that crop has been written off. Together with the Minister, we are working towards recognition by the Federal Government to provide assistance to these farmers. I have advised the farmers that both State and Federal assistance is limited. I have advised the Federal member, Sussan Ley, about the issue and she is pursuing the matter with the Federal Minister. It must be recognised that this is an unusual situation. Most cases of flooding involve an overnight event: the next morning the flood recedes and, to all intents and purposes, there is a recovery. That is not the experience in the Urana shire. The people of the Urana shire are devastated. The son of the mayor, Marg Buntin, farms at Oaklands. He is suffering the same circumstances. I know his personal situation and he has battled during the drought. This is a huge kick in the guts for these people.

FAIRFIELD HUMAN LIBRARY PROGRAM

Mr NICK LALICH (Cabramatta) [6.59 p.m.]: On 8 October 2010 I had the great pleasure of officially launching Fairfield City's Human Library program at the Whitlam Library in my electorate of Cabramatta. This program is a first for the Fairfield City Library Service, and I believe any library in my region, and it involves some of Fairfield City's residents becoming human books. The human library concept was first established in Denmark in the year 2000 and is now well established in many other countries. Fairfield City's Human Library program is made up of people who make themselves available to tell their particular story or experience. A resident who chooses to become a human book is "borrowed" by a reader. They are then brought together in a one-to-one conversation at a special human library session. Residents who are interested in becoming a human book are welcome to apply. They will need to be available at least once a year for half a day to talk with members of the public who are interested in learning more about different life experiences.

The idea of the program is to encourage an understanding of different cultures and experiences as well as challenge negative stereotypes. By borrowing a human book we can get to know more about the people that make up our community. You might not normally get to interact with everyone in your community and the Human Library program is a great way to meet different people and exchange ideas in a safe and friendly environment. Having a human library is particularly relevant to a city such as Fairfield and my electorate of Cabramatta, with their many culturally diverse communities.

The Fairfield City Library Service already has eight human books available for loan free of charge. They have attended a training course and are ready to share their stories. Part of their training is that if any questions are asked about their life experiences that are a bit too painful for them to answer they do not have to answer. There is no compulsion for them to answer every question that they are asked. These people are ordinary community members from all walks of life and from different ethnic and cultural backgrounds. Some of the stories they offer as part of Fairfield City's human library collection are challenging and some are joyous. Some of the human books available for loan have lived through war and great moments in history. They can talk to people about things such as how to cope with depression, the plight of refugees, recreational experiences, retirement, and even extreme sporting experiences such as skydiving. Ms Shirley McLeod is a skydiver who can talk about extreme sports. She is a lovely lady who has done a lot of work for the Fairfield City Library as a volunteer over many, many years, and I thank Shirley very much for her input.

It is clear that with such a diverse range of themes talking to any of the books will provide an enjoyable and moving experience and an opportunity to learn something new. I thank all of our human books that are

taking part in the program. Being a human book is a gift to their community. They are all courageous people who are willing to discuss their values with others. There is something about the attitude and qualities of a human being who agrees to being lent out for hours on end to talk with complete strangers about important and sometimes very personal issues. It shows great character and it demands respect and admiration. On behalf of Fairfield City Council and my electorate of Cabramatta I thank all the people involved in this project which will enhance community relationships in our city. I know that we will hear more about the success of this fantastic program in the future.

BEGA HOSPITAL PROPOSAL

Mr ANDREW CONSTANCE (Bega) [7.03 p.m.]: This evening I speak in relation to the much-needed regional hospital for the south-east to be located at Bega. In April 2006 the Labor Government promised to build a regional hospital for the south-east by 2011. Since then we have had five New South Wales Labor health Ministers—we have seen them come and go—and no Treasury approval for this much-needed facility. No building work has happened although there has been a little bit of planning within the health service and a lot of talk about the purchase of a parcel of land as a site for the hospital. The community has been left with a feeling of despair and disbelief that such a new hospital will ever be built. It is time that the Government honoured its commitment.

I urge the Minister for Health and the Keneally Labor Government to make available to the community the submission that has been prepared by Health Infrastructure, which will go to the Commonwealth to seek the \$100 million-plus that is required to build the new facility. It is vital that the submission is made public because at this point in time, to the best of my knowledge, nobody within the local community, including local health bureaucrats, is yet to lay eyes on what submission is going to the Commonwealth. The hospital will service a region from Batemans Bay to the Victorian border and up into the Monaro. The hospital should have 140-plus beds, four operating theatres, an intensive care unit, a high dependency unit and hopefully should also provide for 30 mental health beds. It is a much-needed facility. The current hospitals are not in a good condition and are ageing, so it is critical that the building of this facility proceed as quickly as possible.

In recent weeks the Federal Labor member for Eden-Monaro, Mike Kelly, has expressed his confidence in attaining the funds for the facility in the next few months. I share his hope that that will happen. I am very prepared to work closely with Mike Kelly to secure the funding, whether it comes from the State Labor Government or from the Gillard Labor Government. Everyone in the region is working in unity to make this hospital a reality. The State Government announced five years ago that Bega hospital would be built. As the Commonwealth has indicated that \$1.8 million will be available to go into regional health care and the building of new hospitals I think it is only fair that we receive our fair share of that \$1.8 million and, in doing so, ensure that the funds are freed up to go towards that vital facility.

It is in the hands of the Keneally Government to put this case strongly. The submission that is being put forward to the Commonwealth should be made available for the entire community to examine and to provide their input. We cannot afford to continue to have the blame game that goes on time and again in relation to this issue. The hospital has to be funded. Unfortunately, a couple of people have taken up claims made by the member for Monaro that the argy-bargy that we have seen in previous years between Merimbula and Pambula has been the reason for the building of this facility being delayed. That is not true. The communities are working together to improve health services for their own local townships and, more importantly, for their whole region.

This facility is vital. It will stop patients being transferred to Canberra for procedures that should be provided at a local level. It is therefore unacceptable that we have paid \$70 million to the Federal Government to fund health services in Canberra, much of which could have been provided at a local level had we had the facilities in place. I share the Federal member's hope and aspirations that this funding will be provided as quickly as possible. I am very keen for the Minister for Health to spell out when the land purchase will be finalised. More importantly, we have to see this submission made available to the medical staff councils, the doctors, the nurses and the allied health professionals so that they can provide input. Some doctors are very keen to make sure that this funding comes through the next funding round and I am calling on the Government to make sure that it happens.

KEDDIES LAWYERS

Mr TONY STEWART (Bankstown—Parliamentary Secretary) [7.08 p.m.]: I have received advice recently from Bankstown constituents and others that has raised very significant concerns about the conduct of a

well-known Sydney-based law firm, Keddiess Lawyers. The concerns I have received relate to allegations about the gross overcharging of a significant number of vulnerable clients who have used Keddiess legal services to pursue compensation and associated entitlements. I am advised that Keddiess is one of the largest law firms in New South Wales specialising in personal injury cases. I note that, according to media reports yesterday, Keddiess now faces a possible takeover from another large legal firm, Slater and Gordon.

But none of this effects the concerns I raise today, which relate to the conduct of Keddiess Lawyers under the management of senior partner and founder of Keddiess, Mr Russell Keddie, along with his partners, Mr Tony Barakat and Mr Scott Roulstone. I understand that currently more than 70 legal actions are on foot against the three partners of Keddiess Lawyers, all aimed at getting a fair and reasonable remedy for the numerous clients that Keddiess appears to have blatantly ripped off through gross and excessive overcharging over a number of years. A number of those people are here today in the public gallery and I thank them for being here.

Mr Mahmoud Zoufekar from Greenacre in my electorate of Bankstown was a client of Keddiess. He was awarded a settlement of \$925,000 in August 2004, but Keddiess' legal fees and disbursements left Mahmoud with less than half of that amount. Keddiess took a whopping \$458,205 from this man. And his case did not even go to a hearing. Mr Mohamed Tariq was amazingly charged \$49 by Keddiess simply to read his "thank you" email to them. Mr Ke Ping Zhou received a settlement of \$800,000, but after legal costs were imposed by Keddiess he received only \$435,000. I am advised that his legal costs should not have been no more than \$70,000 in total.

Yesterday I spoke to another victim of Keddiess Lawyers, Mr Mitchell Smith of Riverwood. Mitchell, who is only 32 years old, is an amputee and is permanently disabled after a terrible motor cycle accident that was not his fault. Mitchell engaged Keddiess and finally received a settlement of \$1.5 million. Keddiess deducted \$322,230 and after other costs were imposed Mr Smith ended up with a final payment of \$1 million. He lost a whopping total of \$500,000 as a result of dealing with Keddiess Lawyers. I am advised that the maximum costs that Keddiess should have charged for Mitchell Smith's legal case were about \$50,000 for less than one year's legal representation that resulted in an out-of-court settlement, without even going to hearing.

Keddiess' systematic overcharging involves taking advantage of people who because of their background and inexperience placed their trust in the firm to protect them. Instead, Keddiess charged grossly excessive fees, often, I am advised, without even rendering a bill. Victims have informed me that to conceal their overcharging Keddiess would sometimes not even tell the client the final settlement amount. All the client would receive was a cheque in the mail with no report, no account, no explanation—no nothing. As a consequence, it often was not until much later when clients complained that that they found out how much their case had settled for and how much they had been charged.

In almost all cases that I am aware of there is a similar pattern of Keddiess preying on some of the most vulnerable and disadvantaged people in our community. Despite this, Keddiess took advantage of them by running up huge bills without, in my opinion, any regard for the needs of the victims for compensation in the future. I, along with numerous victims of Keddiess Lawyers, am very disappointed in the toothless tiger role that the Legal Services Commissioner has played with regard to the Keddiess matter. I know that many complaints have been lodged with the Legal Services Commissioner alleging gross professional misconduct by Keddiess Lawyers. However, strangely, despite the continued human tragedy of this issue, only one complaint out of dozens has been upheld.

The Legal Services Commissioner has the power to deal with the issues I have raised. For the sake of the people of New South Wales and the integrity of the legal profession Russell Keddie and his partners Scott Roulstone and Tony Barakat must be brought to proper account for what they have done to many disadvantaged people in our community. I will now be forwarding my concerns about Keddiess Lawyers to the New South Wales Attorney General, the Hon. John Hatzistergos, in the hope that if the Legal Services Commissioner apparently cannot do anything about this issue the New South Wales Attorney General can.

CEREBRAL PALSY

Ms JODI McKAY (Newcastle—Minister for Tourism, Minister for the Hunter, Minister for Science and Medical Research, and Minister for Women) [7.13 p.m.]: There are many people within the community of Newcastle and the Hunter who live with cerebral palsy. Whilst significant advances have occurred in our understanding of cerebral palsy there remains much about this condition that is not known. However, we have thankfully come a long way. Much of the work done to improve our understanding of cerebral palsy has been

driven by organisations such as the Spastic Centre, which operates the Stuart Centre in Croudace Bay in the electorate of my colleague the member for Swansea. I pay particular tribute to the efforts of the Spastic Centre in the work it does to support those living with cerebral palsy and their families and carers.

There has been a maturing of attitudes within the community towards people living with disabilities and this has been greatly enhanced by the work of the Spastic Centre and the individual and collective efforts of people living with disabilities. I was recently very pleased to launch the Building Futures ... Making Connections at Merewether's South Leagues Club on behalf of the Spastic Centre. The Building Futures ... Making Connections kit has been prepared to enable young adults living with cerebral palsy to prepare for the world, independence and all the opportunities available in life. The kit is a great resource that will help to empower young people with cerebral palsy to seize the opportunities that are available and to go forward with pride, confidence and gusto into the world.

Whilst people living with cerebral palsy, their families and carers will continue to face different and complex challenges, living with a disability should not necessarily place limitations on their ability to succeed. They may encounter obstacles and physical limitations through life, but with widespread community support we can all work together to reduce real or imagined barriers to the success of people living with cerebral palsy through education, work, health care, information and understanding. The development of Building Futures ... Making Connections will provide further support and encouragement for those young people to go forward with their lives. At the launch last week I was encouraged by the determination and strength of character of the young people who attended.

It is important for anyone taking their first steps into independent living to acknowledge that they are going to give this opportunity their best shot, no matter how frightening and exciting it may be. Building Futures ... Making Connections will add to the building of confidence to take those steps. I understand that the development of Building Futures ... Making Connections has been based on the life experiences of a group of adults and supporters associated with the Community Access Service. I commend their efforts to create this document in an effort to help other young people.

The project commenced with Christina Morris creating an extensive set of factsheets about local services and resources for adults with disabilities. Through an extensive collaborative effort, Sarah Blakemore, Joanna Cook, Wendy Evans, Erin Newcombe, Delma O'Neill, Aletia Pepperal, Ryan Walpole and Catylin Weir have all helped take this project to a new level that I believe will lead to greater empowerment for those young adults to live and interact within the community. I particularly congratulate Catylin Weir, who has led this project and who has brought so many other young people on board to create this special resource. I also thank Wendy Evans for her kindness to me on the day and for making sure that I was looked after and knew what I was doing in launching this resource.

I understand that the group behind Building Futures ... Making Connections plans to continue contributing to the ongoing development and evolution of the kit and already has ideas about how this resource can be further improved by inviting friends to join them in a process of researching new topics. I was very honoured to be asked to launch the resource and even more honoured to meet the people who have worked to put this kit together and who will benefit from the information that will be shared through the resource. It is initiatives such as Building Futures ... Making Connections that will continue to improve the opportunities and experiences of people living with cerebral palsy. I congratulate all involved in this project.

NEWPORT DEVELOPMENT PROPOSAL

Mr ROB STOKES (Pittwater) [7.18 p.m.]: I will use this opportunity to inform the House about a residential flat building proposal in my community of Pittwater on leafy and historic Beaconsfield Street, which is on the residential fringe of Newport. It is a busy road because it is the main route to Newport pub and Newport wharf and because of the school pickups and drop offs at Newport Public School—a wonderful school with around 1,000 students—situated halfway along the street.

The built form on Beaconsfield Street, particularly on the southern side between Barrenjoey Road and Crescent Road, is low-density residential. This is what gives this beautiful place its character and identity. It is also the law. Pittwater Local Environmental Plan 1993 clearly includes Beaconsfield Street within the residential 2A zone in which, by virtue of the operation of clauses 9 and 20, the erection of residential flat buildings is unlawful. This zoning is clear and it provides certainty for residents who purchased their homes on the clear understanding outlined in the section 149 (2) certificates forming part of their contract that flats could

not be built next door without a change in zoning. It also provides certainty for developers, who could buy land in that place for developing detached residential homes. However, if they wanted to build flats then they could do so just down the road in the Newport town centre, where flats logically should be built.

All this is good planning and it provides for certainty and gives the council and the State Government some direction about where infrastructure and services should be located. These simple zones, and what can be done in them, were carefully debated with the local community and signed off by the Minister for Planning. Of course, good planning is anathema to this Labor Government. This Government is a bit like a naughty toddler seeing a more resourceful toddler putting the finishing touches to a sandcastle—it just cannot help itself but rush in and destroy it. Under a new planning policy designed to facilitate more medium-density development under the guise of affordable rental housing, Labor has opened the door to speculative developers to construct a 25-unit gun barrel style residential flat building right in the middle of the detached housing that characterises Beaconsfield Street. This stupid outcome would see a block of flats developed on land where blocks of flats are prohibited.

There is no opportunity for the locals to comment on the effective rezoning because there is no actual rezoning. Even if flats referred to in this policy are built, the land would still prohibit flat development. How ridiculous and how inimical to the concept of effective, strategic or deliberative planning. But even worse than the scattergun approach to urban consolidation, sprinkling flat buildings with absolutely no strategy is the clear venality, dishonesty and spin underlying this new flats policy.

When these flats are sold there will be no affordability discount. They will sell for exactly the same as any other unit. In fact, they may sell for more because they are built where they are not supposed to be built, benefiting from outlooks over other people's gardens and trees and taking the views of surrounding detached houses like a great concrete parasite. The developers who use this back door opened by Labor may get an unfair advantage over those builders who obey the local planning laws. Laughably, the Department of Planning anticipates that these flats will stay affordable since the building would have been "built to a budget"—that is, do not worry, they will stay cheap because they will be built on the cheap.

There was absolutely no consultation with the community before this new planning policy was introduced. The Planning Act lists one of its key objects as "to provide increased opportunity for public involvement and participation in environmental planning and assessment". What a joke! No average citizens were consulted by Labor. In a briefing paper from 19 August 2009 Shelter New South Wales notes that a confidential briefing session on the proposed Affordable Housing State Environmental Planning Policy [SEPP] was afforded to the property and development industry sector, but for ordinary homeowners and renters there was no consultation. Clearly, we are not important enough to Labor.

On its own terms the Government is required to have reviewed the policy by July this year. Of course, Labor has not followed its own laws. It just inflicts them on the people of Beaconsfield Street and across the towns and suburbs of New South Wales, generating conflict and cost, and causing litigation, grief, loss and environmental damage. It does not seem to care. This is the mob that devised SEPP 5, a planning policy that has probably made more money for planning lawyers and cost more money for ratepayers than any other in Australian history. Yet, despite all we know about the costs, delay and damage caused by SEPP 5, this Government has introduced those same scattergun flats laws via a policy ostensibly about affordable housing.

The people of Beaconsfield Street have been mistreated by not having the right to have a say on planning laws that contradict their wishes and their interests. This whole thing will inevitably end up in court, costing the rate payers of Pittwater a fortune. This Government is incapable of honesty or transparency in urban planning. We need flats, yes, but we should have the right to plan where they go. We should have the right to make decisions about where we choose to live based on the knowledge of what development is allowed around us.

COMMUNITY TRANSPORT

Mr RICHARD TORBAY (Northern Tablelands—Speaker) [7.23 p.m.]: Inequities and anomalies exist in the way community transport is delivered in country regions compared with the city. These issues need to be addressed in the interests of transport for disadvantaged people who need access to health and other social services. The funding formula is based upon the number of trips provided and not on the kilometres travelled per trip. This clearly disadvantages rural services. Funding for community transport should be based on the kilometres travelled and not just the number of trips. That is clear.

In the city all community transport services are delivered by paid staff. In the country it is a mix, shared by volunteers and paid drivers. Normally volunteers use their own cars and the paid drivers are used for service supplied buses and cars. In some cases business partnerships are established with local private bus operators and taxi operators with 50 per cent taxi voucher subsidy schemes. Services are not means tested but funding criteria restricts availability and requires small co-payments by clients. I am advised that volunteer management is costly and that with an ageing population the number of available volunteers is declining. Also, they are often daunted by a regime that now requires them to obtain higher professional development standards and provide complex personal care management for clients with high-care needs.

A research study conducted through the University of New England on the volunteer experience in delivering community transport has found that volunteers are often required to assume the financial risk to deliver rural community transport services in providing their own comprehensively insured cars. They also found that volunteer insurance coverage is inadequate and places both the volunteer and the services at operational risk, and the drivers' work environment is often unhealthy, with some volunteers having to work 18-hour days. Yet this same work context would not be expected for paid staff under occupational, health and safety work conditions.

This is clearly unacceptable and an example of Government cost shifting at community and individual expense. There are two types of governance within the community transport system—structured incorporated bodies with a management committee or bodies auspiced by local government authorities with an advisory committee. These bodies rarely communicate with each other or take a coordinated approach. The result can produce political infighting and over servicing of the same few individuals. Consideration should be given to whether community transport would be more effective as a single regional service, not funded as a small service in each town.

For the last 10 years Tablelands Community Transport, based in Armidale, has successfully trialed an integrated model of service delivery. It has found a customer service model based on community business partnership with local bus operators and taxi companies is the most administratively effective way to deliver transport within a local community. Tablelands Community Transport also advises that communities do not need more buses as school bus operators have many buses available during school hours. Furthermore, offering passengers 50 per cent subsidised taxi vouchers enables them to determine when and where they will go. The sustainability principle also supports local transport providers and hence has a positive impact on the local bus and business operators.

By consulting widely with clients Tablelands Community Transport has found they are seeking choice and want to be self-determining and independent. This is not possible if government-funded service providers make decisions for them about when they can travel and where they can go. Customers also say they do not want to be patronised or be defined by age and disability. A customer service model based on a 50 per cent taxi voucher scheme rather than a volunteer-managed program is ultimately more sustainable and gives passengers 24-hour access to transport seven days a week within their local community. Volunteer managed programs are restricted to a volunteer availability. That is not to say volunteers have not made a very important contribution in those communities where there is no taxi service.

We need to shift the thinking from service provider decision-making to customer centred decision-making, from volunteer drivers to paid drivers, from trips to kilometres. The way forward for New South Wales and community transport services is to ensure that the policy and funding landscape sustains and supports its services. A safe journey should be expected as paid drivers and their passengers travel the distances of their rural and metropolitan landscapes to connect with essential health, social care services and consumers are provided with a choice to be more self-determining in how they get around.

LISMORE ELECTORATE POLICING

Mr THOMAS GEORGE (Lismore) [7.28 p.m.]: I again highlight the concerns I have about police numbers throughout my electorate. The electorate of Lismore takes in a big part of the Richmond Local Area Command and part of the Byron Local Area Command. Long-term sick and stress leave at both commands has been a major issue for some time—it was brought to my attention when I was first elected to represent the seat of Lismore. At the time the police briefed me about their concerns and about the need for a new police station at Lismore.

Long-term sick and stress leave is still an ongoing problem, and an ongoing problem for most areas in the northern region. The police have been working on this issue and trying to address the problems. Sadly,

people succumb to the pressure of their work and go off on long-term sick and stress leave. The NSW Wales Police Force is not like the area health services or the Department of Education and Training. When Inspector Jones or Senior Constable Jones goes off crook no-one replaces them. This is where the pressure is felt. The pressure is felt not only by the person who is sick but also by the other police who work at the station or in that command. They have to do their work and also try to cover the work of the person who is on leave. That is a major issue and not just for the Richmond Local Area Command. I am sure similar concerns have been expressed to every member of the House. However, it is a problem of particular significance in the northern region where the percentage of long-term sick leave and stress leave seems to be greater in comparison with other parts of the State.

Even putting long-term leave to one side, the Richmond Local Area Command has been able to demonstrate a need for additional police officers. Estimates I have been given to address the need range between 10 and 15 additional police officers, but the most commonly mentioned estimate is 10. Having said that, I hasten to add that I appreciate that the Minister for Police probably receives requests for additional police officers from every local area command in the State, as the Acting-Speaker, the Hon. David Campbell, could confirm from his experience with the Police portfolio.

I was disappointed earlier this year when Deputy Commissioner Dave Owens visited the Tweed-Byron Local Area Command and the Richmond Local Area Command and suggested that they both had sufficient resources. I assure the Minister for Police and the House that the need for additional police officers in the Richmond Local Area Command exists. It is my responsibility to continue representations for more police officers because my constituents and communities in my electorate are continually confronted with problems that arise as a result of insufficient numbers of police in their areas.

Rural crime is emerging as a big problem. As cattle, fuel, and machinery prices increase, rural crime rates keep pace. At Casino a rural crime officer has been appointed, which is greatly appreciated. He is certainly doing a tremendous job, but as he is just one person trying to cover the whole Richmond Local Area Command as a rural crime officer he certainly has his work cut out to him. I congratulate and thank all police officers attached to both local area commands in the Lismore electorate for their contribution to policing in the northern region. I will continue to make representations on their behalf to obtain additional police officers for the region. Cross-border issues are a major problem, especially in country areas such as Legume, Woodenbong and Liston that are close to the State border. I will continue to highlight issues associated with policing in the Lismore electorate and make representations to have needs addressed.

VICTORY MIRACLE CENTRE

Mr PAUL LYNCH (Liverpool—Minister for Industrial Relations, Minister for Commerce, Minister for Energy, Minister for Public Sector Reform, and Minister for Aboriginal Affairs) [7.33 p.m.]: I again draw to the attention of the House concerns held by constituents of mine concerning the Victory Miracle Centre. The centre is a Pentecostal Church based in the Liverpool area. A significant part of the congregation comes from the Indo-Fijian community. Its three leading figures are church elders, Pastor George Mani, Anand Prasad and Neil Lal. The latter of these three was a candidate in the 2008 Liverpool local government election in North Ward for the Liberal Party as a running mate of Mazhar Hadid.

The investment arm of the church was Ephraim Investment Pty Limited, which was run by Lal. Central to what happened, Lal was a mortgage broker. The story that has emerged is tragic and deplorable. I have spoken before about parts of that story. The elders would focus particularly on vulnerable people who were unwell or in crisis. They would have held out to them the possibility of miraculous intervention in their problems. The likelihood of this would increase in some cases if financial investments were made through Ephraim Investments. Congregation members also were told that the financial investments in Ephraim were in line with religious visions granted to the elders: they said the visions for these investments were given by God.

As a mortgage broker, Neil Lal was very busy filling in loan and mortgage applications for church members so they could invest through Ephraim Investments. It seems clear that in some cases false and incorrect information was put in these applications lodged by Lal. In some cases lies were told by elders to prospective investors, such as that they were going to build a church on land they did not own, or that they were developing land on the coast north of Sydney, which likewise they did not own. Promises made to investors were not kept. People's lives have been ruined by these crooks, and much money has been lost. Much of what went on has the appearance of a Ponzi scheme. Following litigation by one victim, who had been a church member, Ephraim investments now has been wound up. Untangling the loans and dealings will be a process that many will watch closely.

Scott Pascoe was appointed an official liquidator of Ephraim Investments on 31 August 2010. On 21 September the liquidator wrote to me. He said he was "currently investigating the affairs of the company and its officers Messrs Anand Prasad, George Mani and Neil Lal". He is doing that in an attempt to recover moneys that could be distributed to creditors of the company. He also indicated to me that he will report any officer who has breached any rule to the appropriate authority. I have spoken to the liquidator's office and have sent information I hope will be helpful. An active investigation by the liquidator is to be welcomed—and by no-one more than the victims who continue to come forward to speak to me.

The liquidation obviously turns everyone's attention to the central question: Where has all the money gone? What was the destination of the money that was scammed, conned and in some cases defrauded out of the vulnerable, the weak and the ill in the Liverpool Fijian-Indian Pentecostal community? I can reveal today that some of it went to fund the 2008 Liverpool local government Liberal election campaign. There was a fundraising function for the Liberal party campaign for the 2008 Liverpool council elections. The event was held at the Macquarie Function Centre in Liverpool. Tickets cost \$100 per person. Separate research suggests it was held on 15 August 2008.

I have spoken to several people who were present at the function. Attendees included many people from, or associated with, the Victory Miracle Centre. Neil Lal organised three tables of 20 to 30 people who attended. I am told only a small number, if that, of those could have paid for their own tickets. The cost was met by Ephraim Investments. Specifically, I have spoken to two families who attended, including someone who was involved closely with Ephraim. They most certainly did not pay for their own tickets. They told me their tickets were paid for by Ephraim Investments. So, the victims of Ephraim now know that some of the money out of which they were duped has gone to the Liverpool Liberals. Successful candidates. Councillors Mazhar Hadid, Tony Hadchiti and Ned Mannoun should pay the money back.

Of course, there is no reference to Ephraim Investments in electoral funding returns. On 24 June this year in this place I pointed out that the relevant electoral funding documents did not disclose all of the campaign expenditure of the Liberal Party. I suggested then that there was probably undisclosed income to match that undisclosed expenditure. I call upon both the Election Funding Authority and the liquidators of Ephraim Investments Pty Ltd to pursue these issues further. As I have mentioned previously, Ephraim Investments was described to some potential investors as a development company specifically for developing and selling property. At that level, it makes perfect sense why Ephraim and its officers would want preferably one of its members, or at least one of its allies, to be a member of the Liverpool City Council.

Many Victory Miracle Centre members campaigned for Lal and his party at the council elections. George Mani at the time of the election organised a Pentecostal crusade called Combined Churches, although it was really only Victory Miracle Centre with an American pastor, to try to get Neil Lal and his ticket elected. The connection between Lal and Liberal councillors is hardly coincidental. Lal's Facebook page described Councillor Mannoun as his friend. Certainly I have received reports of them sharing social events. As I have previously advised, victims of Ephraim were referred off to an accountant, Peter Ristevski, who was another Liberal Party candidate at the 2008 Liverpool council elections. This is an appalling and awful story. The Liberal Party should give back the money.

WOOL TRANSPORTATION

Mrs DAWN FARDELL (Dubbo) [7.38 p.m.]: For more than 100 years New South Wales woolgrowers have been transporting their produce across New South Wales to the eastern seaboard—first by horse and dray, and then by truck—and that 100 years of continuous transportation of produce has created the wealth that has driven development of this State. But now, with the stroke of a pen, the New South Wales Roads and Traffic Authority [RTA] plans to bring the entire wool industry to its knees, literally resulting in bales of wool being dumped by the side of the road. With no consultation and no advice, from Monday 1 November the Roads and Traffic Authority will ground trucks carrying wool that are more than 2.5 metres wide. Transport operators will be fined \$800 and forced to dump the bales of wool by the roadside, despite the fact that for the past 100 years trucks have transported wool with loads measuring 2.6 to 2.7 metres, depending on the size of the bale.

The size of bales depends on the wool presses operated by the farmers. The wool presses are already designed to fill bales to the current width so, to comply with the new rules, not only will every wool producer in New South Wales have to replace their wool press, but the manufacturers will have to design new ones. One of my constituents, Rowan Woods, operates Jemalong Wool, which transports more than 30,000 bales of wool a

year from farm to regional storage, thence onward to a seaboard dump from regional New South Wales. Jemalong Wool's main storage centre is at Forbes where currently there are some 15,000 bales in store, awaiting sale and/or shipment. A similar number of bales are scheduled to arrive by the end of the financial year.

They also have storage facilities at Tamworth and Cooma, but these centres will become obsolete if the wool cannot be transported as required. The bales already are set at the length they will be when they are loaded. Transport operators have no control over the precise length that the wool shed staff makes the bales, and to begin with there are many different types of wool presses that form the bales. The variables are far too numerous to mention. I have been advised by Mr Woods that when a truck is loaded the bales are arranged on the truck according to section 5.5 of the "4.6 Metre High Vehicle Route Notice 2008" which is issued pursuant to part 2 of the Road Transport (Mass, Loading and Access) Regulation 2005. The mere shape of the bale, despite complying with this regulation, can vary the overall width of the load. No amount of fines, or reloading of bales, can or will change the shape of a bale of wool, nor the thousands of wool presses which produce them.

The safest way to load bales of wool is in accordance with the patterns prescribed in the regulation. It is impossible to guarantee a maximum length for each bale of wool on the truck. In most cases road freight is the only option for transporting wool bales in New South Wales. I also have been approached by Dubbo truck operator Robert Holmes, who says his drivers have received feedback from transport inspectors at the weighbridges of Mount Boyce, Bell and Marulan that trucks will be grounded at the weighbridges from 1 November if they exceed the 2.5 metres width. That will result in the absurd situation of millions of dollars worth of wool being dumped on the roadside. The wool transported by Mr Holmes' company is for export, resulting in a domino effect if it was delayed. The overseas shipment would be missed, the farmers and wool brokers would not be paid and New South Wales would gain a reputation as an unreliable exporter.

This may have seemed like a good idea to the Roads and Traffic Authority at the time but the ramifications for New South Wales would be enormous in terms of lost revenue and loss of trade reputation. The New South Wales wool industry has defied flood, drought, bushfires, the threat of synthetic fibres, economic highs and lows and every other challenge thrown at it for more than 200 years. It is inconceivable to think that it can be brought to a standstill by a bureaucrat specifying 200 millimetres length on a tape measure. Placing such restrictions on wool producers, wool brokers and transport companies is simply not acceptable. In an email Mr Cameron Coggan, the director of Coggan Wool in Dubbo, stated:

If transport trucks are grounded this would cause great problems in the shipment of wool to our overseas customers. Most wool is sold to exporters whilst still in country locations like Dubbo, Forbes, Parkes, Wagga etc. Woolbrokers have 2 days to get wool to Sydney dumps for containers to be packed and to be on ships. If these commitments are not met, buyers penalise brokers by price deduction or ultimately not purchasing wool from their catalogues, therefore reducing the price to wool growers.

Mr Coggan asked me to speak to the Minister about this problem. Yesterday, on learning of this terrible situation, I spoke to the Minister for Roads and advised him of the situation. He has taken that on board. I have been advised that there is a stalemate. Firstly, the date of 1 November would no longer be in effect and the regulation will not be in place on that date. Secondly, a meeting will be arranged with related industry groups regarding this issue. The groups will include those who have contacted my office and representatives of the New South Wales Farmers Association, the Roads and Traffic Authority and the Road Transport and Trucking Association. I thank the Minister for acting swiftly on this matter. I believe we have an overzealous Roads and Traffic Authority inspector in the mix without realising the consequences. It is more than just taking loads off a truck; it is more about the necessity for people to get new wool presses. I thank those who have contacted my office in this regard, and I thank the Minister for his swift action.

Private members' statements concluded.

ILLAWARRA JOBS

Matter of Public Importance

Ms NOREEN HAY (Wollongong—Parliamentary Secretary) [7.43 p.m.]: I ask the House to note as a matter of public importance Illawarra jobs. The New South Wales Government continues to invest in the Illawarra. In this year's budget we are investing \$1.7 billion in the region, creating jobs, building infrastructure and delivering better services. We have laid the foundations to build an economy for the future. It was this Labor Government that made the decision to relocate car imports from Sydney Harbour to Port Kembla, making it Australia's largest car import port. This project, which is part of the expansion of the inner harbour at Port Kembla, was a \$170-million project that is creating more than 1,000 jobs and generating economic output of

\$200 million each year. That is 1,000 families in the Illawarra who can be grateful for the vision and economic credibility of the New South Wales Government; 1,000 families in the Illawarra who know that the right decisions are being made, with the strength and prosperity of the region as the central pillar of those choices.

The responsible economic management of this Government steered the Illawarra, and the whole State, through the global financial crisis. Testament to that achievement is Port Kembla's record trade figures for the last financial year. More than \$13 billion of trade passed through the port gate. Yet if the Leader of the Opposition and the Coalition had their way and stopped the relocation of car imports to Port Kembla—that is what members opposite said during the 2007 election campaign that a Coalition Government would do—that would be 1,000 families worse off. Occasionally they will get their travelling sales representatives to visit the region and Wollongong, but they will not commit to any policies for the Illawarra. They will not promise to support jobs and invest in the region. They come to the Illawarra with their usual negative tirade, talking down the region and its future.

This Government is investing in a better future for the Illawarra. We have already started this investment at Port Kembla. Earlier this month I was pleased to join the Treasurer to announce that a contract has been awarded to start work on a new permanent location for the tug fleet at Port Kembla. That is a \$13 million investment in upgrading vital infrastructure at Port Kembla. The New South Wales Government is undertaking an expansion, worth about \$700 million, of the Port Kembla outer harbour to bring new trade and investment opportunities to the Illawarra. Construction of the first stage of the expansion is expected to create about 180 jobs in the region. We are also working to bring jobs to the Illawarra through our investment and support of the development of the Innovation Campus at the University of Wollongong.

Recently the New South Wales Government officially announced that a leading Indian information and communications technology company, Mphasis, has chosen the University of Wollongong for its new integrated development and delivery centre in Australia. This is great news for the Illawarra. It is expected to create at least 265 jobs over the next five years. These will be highly skilled jobs, with many of the new employees likely to be graduates of the university. We have also supported the university with our \$15 million investment towards the establishment of a medical research hub. The findings of this innovative research will flow directly to the Illawarra community.

The New South Wales Government has also supported the university through funding towards the establishment of the SMART Rail Institute. It is claimed that this institute will become Australia's pre-eminent research and training facility for rail research and technology. This is all part of the New South Wales Government's support of the Illawarra's world-class university. The New South Wales Government has been on the front foot in attracting new businesses and investment to the Illawarra. We have the Illawarra Advantage Fund, which has so far invested about \$10 million to support 143 projects. They represent more than \$294 million in capital investment in the region, and it is estimated that 3,466 jobs will be created and retained over the life of the projects.

Wollongong is well placed for investment in financial services, offering collaborative research opportunities with the university, as well as world-class business facilities, and we are working on further developing the city as a financial centre. This year two major international financial companies, ING and Virgin Money, have chosen to locate services in the Illawarra. Currently ING has 350 people working in Wollongong, and there are plans to grow this to 600 over the next three years. We continue to grow the Government's Pillar Superannuation business which manages the superannuation funds of 1.9 million people and supports around 600 jobs in the Illawarra. The Illawarra Advantage Fund has supported businesses such as Cooks Confectionery at Albion Park Rail. The company recently invested in state-of-the-art machinery and doubled the size of its factory. The company expects to create 12 new jobs over the next three years.

Through the Illawarra Advantage Fund the New South Wales Government has supported coffee-roasting company Greenrise Pty Ltd to establish itself in Wollongong. Greenrise has made a substantial investment in setting up in Wollongong, creating six new jobs over three years, and plans to expand in the near future, resulting in further investment in the Illawarra region. The fund has helped to convert business leads for investment in new locations such as the Innovation Campus at the University of Wollongong, the Flinders Industrial Estate in Nowra and the Illawarra Regional Airport precinct at Albion Park. We are also supporting the tourism sector by investing to bring major events to the Illawarra. Last year the Government announced that it would invest \$28.9 million in a grandstand at WIN Stadium. As members know, construction on this is underway.

The redevelopment of the Western Grandstand will create 180 construction jobs, while the completed facility will support the full-time equivalent of a further 20 ongoing jobs at the WIN Sports and Entertainment Centre. Once completed, it is expected to lift the total economic output of the WIN Sports and Entertainment Centres by \$8.5 million a year. Not only will this project deliver a state-of-the-art sporting facility; it will help stimulate the local economy. In May this year the New South Wales Government announced that it would jointly fund with the University of Wollongong a feasibility study into the development of a conference and convention centre in Wollongong. It is anticipated that a purpose-built conference and exhibition centre would help to attract larger events and exhibitions to Wollongong.

In the lead-up to the 2010-11 budget Treasurer Roozendaal met with Noel Cornish from Bluescope Steel and Mark Webster, the Principal of Illawarra Senior College, and through discussions with these leading Illawarra community leaders a program of \$11.4 million to help young people get better access to job opportunities was born. This is a job-readiness package where employment advisers from industry work with targeted schools to help young people get into jobs. We are already rolling out these initiatives in the Illawarra. Since August this year we have provided an extra 100 pre-apprenticeship courses to support young people in the Illawarra to get a job. We are encouraging young people in their early years so that they can thrive and work in later life.

Mrs SHELLEY HANCOCK (South Coast) [7.50 p.m.]: I have pleasure in contributing to this debate on jobs in the Illawarra. I acknowledge the comments of the member for Wollongong about the importance of employment generation strategies and job creation schemes in the Illawarra. Those comments also apply to the Shoalhaven area because they are similar regions. They have traditionally had a somewhat higher than average unemployment rate and a traditionally high youth unemployment rate. I know the Illawarra well. I have said in this place before that I started teaching in the Illawarra. Both the Illawarra and the Shoalhaven require a very consistent, determined and committed approach to ensure that every level of government makes every effort to focus on small business, infrastructure and investment.

The Illawarra and the Shoalhaven are very important and growing regions in the New South Wales economy. We need to attract potential investors to relocate or locate their businesses in those regions. Part of any strategy to do so should include strengthening our economic relations with our neighbouring trading partners and actively competing for international trade and export opportunities. I agree with the member for Wollongong that in the Illawarra there have been some very successful programs which have resulted in the creation of many jobs in the Illawarra. The member for Wollongong has alluded to them on many occasions in this House. I know that she is very pleased about the expansion of the port of Port Kembla, and so she should be. She also has talked about the Illawarra Advantage Fund on many occasions in this House and about the many interesting and exciting things happening at the Wollongong university.

We all have to be committed to make sure that these things are not piecemeal and that there is a consistent approach to job creation schemes. For July and August 2010 the Australian Bureau of Statistics shows that 5,900 jobs were lost to the Illawarra, which is surprising given the fact that every effort has been made by many people in the Illawarra to make sure that it has increasing numbers of job opportunities. I realise that the figures fluctuate but we have to keep watching them and make sure that we understand why we have lost nearly 6,000 jobs in one month and work hard to ensure that it does not recur month after month and year after year. Youth unemployment has traditionally been above 10 per cent in the Illawarra and certainly hovering about 14 per cent to 15 per cent sometimes in the Shoalhaven. Sometimes those figures are lost amongst all the other figures we hear about in relation to unemployment. The job creating schemes for young people referred to by the member for Wollongong are important.

I do not intend to be negative but I want to say that if the Coalition is elected to Government in March next year, it will target jobs. Under the Coalition's Jobs Action Plan we will create 100,000 new jobs for New South Wales, 40,000 of which should go to the regions. We acknowledge that regions such as the Illawarra and Shoalhaven are extremely important. To ensure that we get close to that figure, the Coalition will provide a payroll tax rebate of \$4,000 per full-time employee for the first 100,000 new payroll tax paying jobs created in New South Wales. We will pay the rebate in two equal parts on the first and second anniversary of the hiring of the new full-time employee to encourage long-term sustainable jobs in the Illawarra and the Shoalhaven.

The Opposition wants to deliver what it calls a Decade of Decentralisation. I understand that under the current Labor Government the Department of Local Government was decentralised and set up in Nowra, which was a good move. The Liberals and The Nationals are determined to work with councils, shires and communities around New South Wales to ensure that regional New South Wales plays an even bigger part than

before in the future of New South Wales. We do not want to become, what we are often accused of being, Sydney-centric and concentrating on Sydney alone—not even New South Wales and Wollongong any more. We want actively to pursue strategies and policies to encourage decentralisation.

We want to identify more public sector job opportunities to locate into regional areas. We want to ensure that the services people need to make regional living attractive and viable are available and of high quality. I am sure all members of Parliament who live in regional areas have experienced difficulty in fulfilling the positions of doctors, specialists, accountants and planners. The Shoalhaven does not even have a psychiatrist. As much as we try to tell people about the benefits of moving to the regions, we are not able to sell the message even though Wollongong and the Shoalhaven are the best places to live in the State, if not the country, something that I am sure the member for Wollongong would acknowledge. They are the best regions in the State and in the country.

We want also to strengthen economic relationships with our neighbouring trading partners. We want to compete for more international trade and export opportunities. As in commerce and life, New South Wales has to get out and compete. The Opposition has released that policy as well as the others I have alluded to already. The Opposition wants to send a clear message that New South Wales is open for business. The Opposition will stimulate economic activity and boost trade and exports with measures to create a consistent and cohesive brand of New South Wales to restore Sydney's reputation as a global finance capital, to engage our universities and think-tanks in economic development and make the most of our multicultural society to strengthen trade relationships.

Ms LYLEA McMAHON (Shellharbour—Parliamentary Secretary) [7.57 p.m.]: The Illawarra is a priority for the Labor Government, which has consistently been investing in infrastructure and services to grow the region. The Government's record is long and clear and I will highlight some of its achievements. It was a Labor Government that developed growth at our port which has supported jobs across the region. It was a Labor Government that supported initiatives and collaborations with the university. It was a Labor Government that encouraged the interests of financial services in the Illawarra. It was a Labor Government that invested record amounts into health and transport. This year alone the Government has invested \$1.7 billion into infrastructure and front-line services to continue growth in the Illawarra.

The Illawarra has continued to grow and become one of the key drivers of our \$400 billion State economy. This Labor Government recognises that the Illawarra is a proud region built on steel and coal, but evolving over time into something far more diverse; a growing region of more than 400,000 people with renewed focus and new growth in key sectors such as education, information technology and business and financial services. There are many exciting opportunities opening up for the Illawarra in those fields but, unlike the Opposition, whose members only occasionally visit the Illawarra for lunch, we live there, we work there and we know there are still more challenges. We are not afraid to acknowledge that we need to do more work to help our young people get the skills and training to find the right jobs.

It must be frustrating for the member for South Coast to know that the party she represents has such little regard for the people of the Illawarra. Yet the Labor Government holds the Illawarra region in high regard and continues to invest in it. The Government has been building partnerships to help foster talent and grow those opportunities. This year alone the Government is investing \$644 million in the Illawarra's education services in public schools and in TAFE. To provide our children with skills for the future the Government has built trade training centres at both Wollongong and Shellharbour TAFE. It has been actively fostering partnerships between TAFE NSW institutes, the university and industry through initiatives such as the Illawarra Institute. School-based traineeships partner students with local businesses to get the best education outcomes possible.

We need to do all we can to equip our next generation with the skills and opportunities they need to succeed. We continue to work with the University of Wollongong to develop initiatives that will benefit the whole region and the whole State. We are taking action in the Illawarra to tackle the drivers of youth unemployment by funding programs that support young people to make the best possible choices when it comes to their education and employment. We are encouraging young people in their early years so they can thrive in work and later life. We are also working to support indigenous residents, for both students and for professional development for people already in employment, with school-based traineeships and partnerships with local services to develop programs focused on Aboriginal residents, including successful programs such as Project Murra.

The Corporate Partners for Change program is a successful training and employment program that provides initial training for unemployed people in skill shortage areas. Participants of the program in the

Illawarra are primarily mature-aged women returning to the workforce. Around three-quarters of the participants found employment or continued on to higher education on completion of their program. As well, State Training Services retrained workers who have lost their jobs. By working closely with local businesses and other local organisations, the Retrenched Workers program offers retrenched workers training designed to meet the needs of specific job vacancies in their local area and facilitates negotiations with other services to complement the training. The Illawarra State Training Services centre has worked with Pacific Brands, Poppets Schoolwear, Azzura Nowra, UGL Ltd and Bradken, Southern Highlands to assist 110 retrenched workers to access relevant training and other services to assist them in looking for employment.

Ms NOREEN HAY (Wollongong—Parliamentary Secretary) [8.02 p.m.], in reply: I acknowledge the contributions to the debate made by the member for Shellharbour and the member for South Coast. I take on board a number of matters raised by the member for South Coast. I concur that Wollongong is a wonderful place, as is the rest of the Illawarra. It is, in my view, the best region in this country. One issue raised in this debate is what the New South Wales Government has been doing and intends to do to encourage business to invest in the Illawarra and create in jobs. The member for South Coast spoke in her contribution about the growing region. The growth in the region is a result of investment in infrastructure, job creation programs and encouragement of business. It is easy to make motherhood statements such as, "We need to stimulate economic activity." That is what the Government has been doing. It is working with training providers and high schools through a job readiness program under which the Government is investing millions of dollars.

To indicate that the Government is investing right across my area I advise members that recently the Minister for Transport and I opened an \$11 million commuter car park within 18 metres of Wollongong railway station. This was in addition to a \$6 million easy access upgrade to allow those with young children and buggies, as well as those with disabilities and the frail and aged, easy access to trains at Unanderra railway station. Let us not forget the provision of a free shuttle bus in Wollongong. It had more than 2 million uses in the first few months of its existence. All concerned have recognised it as a fantastic achievement. It takes the frail and aged from trains to the hospital or the beaches, or conveys students from all around Wollongong to the university. The pensioner excursion ticket perhaps does not get enough credit for the mobility it gives pensioners to get from A to B, whether to go shopping or see a doctor. This is a one-off, low-cost payment. If they go into Wollongong, they can take a free shuttle bus to the hospital.

This Government has taken a whole-of-picture initiative in the Illawarra. I could speak all night naming different areas of investment, but these are examples of what happens when government looks at the total picture and invests in programs to train our youth so that, hopefully, they can apply for jobs resulting from the investments made by the Government in job creation projects. This reduces youth unemployment. I agree with the member for South Coast that we need to do whatever we can to assist youth to obtain employment. But there must be the political will to invest. I would like to know what the Opposition means by 40,000 jobs for the regions. How many of those will be in the Illawarra, where they will be created, and how much money is proposed to be spent on those schemes? I would like to know their overall game plan.

The member for South Coast and I agree on a whole host of issues relating to the Illawarra, but we need from the Opposition not motherhood statements but detail and policy on what its intentions are and the extent of spending proposed. I congratulate the member for Shellharbour, who clearly is right up to speed on all issues of government investment, particularly in the Illawarra but also in Shellharbour and further south. I congratulate the New South Wales Government on its recognition of the Illawarra region.

Discussion concluded.

**The House adjourned, pursuant to standing and sessional orders, at 8.07 p.m. until
Thursday 28 October 2010 at 10.00 a.m.**
