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LEGISLATIVE ASSEMBLY

Wednesday 14 October 2015

The Speaker (The Hon. Shelley Elizabeth Hancock) took the chair at 10.00 a.m.

The Speaker read the Prayer and acknowledgement of country.

PARLIAMENTARY LIBRARY 175TH ANNIVERSARY

The SPEAKER: Many members attended this morning's celebration to mark the 175th anniversary of the Parliamentary Library. I urge all those who have the chance to visit the library to look at the beautiful artefacts and books on display and to say hello to our Parliamentary Librarian and staff. It is well worth the visit.

FAIR TRADING AMENDMENT (INFORMATION ABOUT COMPLAINTS) BILL 2015

PROPERTY, STOCK AND BUSINESS AGENTS AMENDMENT (UNDERQUOTING PROHIBITION) BILL 2015

STATE ARMS, SYMBOLS AND EMBLEMS AMENDMENT (FOSSIL EMBLEM) BILL 2015

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

BUSINESS OF THE HOUSE

Notices of Motions

General Business Notices of Motions (General Notices) given.

Pursuant to sessional order Government business proceeded with.

LOCAL GOVERNMENT AMENDMENT (COUNCILLOR MISCONDUCT AND POOR PERFORMANCE) BILL 2015

Second Reading

Debate resumed from 13 October 2015.

Mr GREG PIPER (Lake Macquarie) [10.13 a.m.]: Along with many other members, I contribute to debate on the Local Government Amendment (Councillor Misconduct and Poor Performance) Bill 2015. I acknowledge that the Minister for Local Government and the Office of Local Government have tried to correct the problems that the community has perceived in this area—perceptions that, in too many cases, are well founded. I support the bill, which generally seeks to improve not just the perception but the actuality of the performance of local councils in New South Wales. Many members of this House have at least some experience in local government. Many have quite extensive experience. I think my 21 years on Lake Macquarie City Council—one of the largest councils in the State—and 8½ years as mayor give me some understanding of the problems that occur. I point out that Lake Macquarie is not one of the councils that brought about the need for the previous major changes to the code of conduct or this amendment bill.

If members have not experienced dysfunction within councils in their own electorates they will be acutely aware of the behaviour of councils or individuals that has cast a shadow over local government generally. Anyone who truly values what councils do for their communities will find such behaviour very frustrating and will consider how things can be improved. The member for Port Stephens and the member for Wyong, who have electorates close to mine, made contributions to this debate. I understand the significant frustrations that they expressed in relation, respectively, to Port Stephens Council and to Wyong Shire Council. Those councils are not on their own; many councils across the State have, from time to time, caused problems. Through this bill the Government is trying to change the paradigm and improve the future performance of councils across the board in the eyes of the community.

This bill addresses some concerns and improves the timeliness of interventions that might, from time to time, be made by the Minister or the Chief Executive of the Office Local Government. For example, the bill reduces the minimum period of notice prior to the issuing of a performance improvement order from 21 days to seven days, and gives the Minister the ability to further fine-tune an order. Those, in my view, are useful improvements, but only if applied judiciously. The use of the minimum seven days could, at times, be unreasonable but it is only a minimum period. I support the three-strikes rule that will see councillors who have been suspended three times for misconduct disqualified from holding civic office for five years, and I acknowledge that the deliberations of the Chief Executive of the Office of Local Government and the NSW Civil and Administrative Tribunal should be capable of testing appropriately whether the sanction is warranted under the circumstances.

I am concerned that the provision for a finding of minor misconduct requiring only a reprimand or counselling removes the right of a councillor to appeal that decision. I believe the councillor should be allowed, if nothing else, to place on file their response to the findings. Despite the intention that the matter will not be made public, it is quite possible—if not highly likely—that matters such as those will find their way into the public domain and then be used inappropriately by persons seeking to make political mileage. Overall, I believe that the intentions of this bill are right. I note that the Opposition and The Greens in this House will not be opposing the legislation. I note the comments made by the member for Heffron—similar comments might have been made by other contributors to the debate on this legislation—and I certainly share the sentiment that there may have been too much intervention by governments over the years.

Improvements to local government legislation have perhaps been brought about by the actions of the legislation of this House; however, in this case the Minister's hand has been forced by the recent activities of some councils. I acknowledge the problems that we have had in dealing with the activities of those councils. I therefore express my support of the Minister, the Minister's staff and the staff of the Office of Local Government. Hopefully, this legislation will set the bar at the correct height and give confidence to communities that they are being well served by councils.

Mr PAUL TOOLE (Bathurst—Minister for Local Government) [10.18 a.m.], in reply: I thank all members for their valuable contributions to this debate. Those contributors include members representing the electorates of Fairfield, Tweed, Cootamundra, Strathfield, Kiama, Port Stephens, Holsworthy, Prospect, Granville, Heffron, Wyong, Cabramatta, Balmain and Lake Macquarie. Listening to the speeches of those with a history in local government or those who have identified concerns about the performance of the councils in their electorates has only served to reinforce my appreciation of the need for this legislation and, further, the need for wider reform of local government. Clearly greater scrutiny is needed within the local government sector. Ultimately it is the community that passes judgement on its elected representatives. That is why transparency and accountability are vital to a properly functioning, healthy and vibrant democracy.

When passed, this bill will provide a stronger deterrent to repeated councillor misconduct, ensure faster yet fair action to deal with misconduct, and allow greater flexibility to address poor council performance and its causes. I have noted the concerns that were raised and I would like now to make a number of points to clarify members' understanding of the bill. Concerns were raised about the proposed

expansion of the definition of "misconduct". I can confirm that under the proposed amendments a councillor who moves a rescission motion, lodges multiple notices of motions or questions on notice or walks out of meetings will not face disciplinary action for misconduct unless there is clear evidence that doing so prevents the proper or effective functioning of the council or one of its committees.

Concerns were also raised about the proposed removal of the need for investigation for the purpose of taking disciplinary action for misconduct in certain circumstances. The amendment does not alter the existing requirement for a departmental report to be prepared in all cases where disciplinary action for misconduct is contemplated. There are no exceptions to this. The purpose of the departmental report is to set out the grounds on which the disciplinary action is being taken and the evidentiary basis for it. The amendment removes the requirement for investigation for the purposes of preparing a departmental report in every case. Usually this will be because the matter has been investigated previously under a council's code of conduct, or because the matter is minor in nature and sufficient evidence is already held to support the proposed disciplinary action.

As an added safeguard, the bill also requires the Chief Executive of the Office of Local Government to consult with the councillor on the proposed disciplinary action and the grounds for it prior to taking such action. Decisions to take disciplinary action, other than for reprimand or counselling, will continue to be subject to rights of appeal to the NSW Civil and Administrative Tribunal [NCAT], and are likely to be overturned if not substantiated satisfactorily. Concerns were also raised about the proposal to remove rights of appeal in relation to reprimand and counselling where this is the only disciplinary action taken for misconduct. Such a reprimand is generally delivered as a letter from the Chief Executive of the Office of Local Government, which is not made public.

Given the minor nature of the disciplinary action taken, a formal right of review to the NCAT is not warranted and is disproportionate to the nature of the disciplinary action taken, and it would be likely to waste the valuable resources of that tribunal. It should be noted that, as an added safeguard, the bill also requires the chief executive to consult with the councillor on the proposed disciplinary action, including reprimand or counselling, and the grounds for it, prior to taking such action; and the councillor of course retains their rights to judicial review at common law. Concerns were also raised about the expansion of the chief executive's power to compel the production of information and evidence from persons other than council officials. I clarify that this power could be exercised only by the Chief Executive of the Office of Local Government—not the chief executives of councils.

As a result of past amendments to the Model Code of Conduct for Local Councils in NSW and its associated procedures, council chief executives or general managers no longer have any role in the investigation of councillor misconduct. This amendment is necessary to allow the Office of Local Government to investigate misconduct, such as to identify a private interest that a councillor has failed to disclose. The office will be able to exercise this power only for the purpose of the investigation, and the power does not enable the chief executive to compel the production of information or documents that would otherwise be privileged from production in a court of law. I have also noted the comments about the amendments to allow the Minister to suspend individual councillors for noncompliance with a performance improvement order issued against their council.

It is important to remember that under the current legislation the only response available to me when individual councillors fail to comply with a performance improvement order is to suspend the whole council. This is unfair to those councillors who have done the right thing and taken the action required under a performance improvement order to improve their performance. The amendments proposed in this bill will serve as a powerful disincentive to noncompliance by individual councillors and will allow action to compel recalcitrant councillors to take action to improve their performance without needlessly punishing the whole council. In doing so, it provides a more nuanced set of options for dealing with the varied situations faced by the many different New South Wales councils, rather than the blunt and immediately drastic options the Act currently provides.

The suggestion was also made that the amendments made in 2012 to section 451 of the Local Government Act should be overturned completely. To do so would be to restore the unacceptable situation that gave rise to the need for the 2012 amendments, where councils were prevented from making planning changes that their communities needed due to a loss of quorum when a majority of councillors had pecuniary interests in the changes. The amendments contained in this bill strike a reasonable balance by minimising the risk of a loss of quorum while preventing councillors with extensive property and business interests from participating in decisions to make planning changes that impact on those interests.

The bill will commence on proclamation to allow amendments to be made to the parallel provisions contained in the Model Code of Conduct for Local Councils in NSW that apply to significant non-pecuniary conflicts of interests. This will allow both sets of changes to occur at the same time. If this does not happen, councillors will still be able to participate in decisions to make planning changes applying to the whole or a significant part of a council's area that affect the interests of close friends and affiliates with substantial property holdings and business interests in a council area. I commend the bill to the House.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Third Reading

Motion by Mr Paul Toole agreed to:

That this bill be now read a third time.

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

ELECTRICITY SUPPLY AMENDMENT (ENERGY SAVINGS SCHEME) BILL 2015

Second Reading

Debate resumed from 13 October 2015.

Ms JODI McKAY (Strathfield) [10.28 a.m.]: I lead for the Opposition in debate on the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015. I do so on behalf of the shadow Minister for Environment, the Hon. Penny Sharpe, who sits in the other place. I say from the outset that the Opposition does not oppose the bill. However, I put on record our extreme disappointment that the bill is being rushed through the House with absolutely no consultation with or advice provided to the Opposition. This is an important bill, which will have ramifications for businesses and households in this State. There is no reason that the bill should be rushed through the House without advising the Opposition or giving us the chance to analyse it and properly understand what it contains. I say to the Minister, who unfortunately has not graced us with his presence in the Chamber this morning, that this is not the way business should be done in this place if he wants to secure the support of the Opposition.

In saying that, I note again that we will not oppose the bill because it is an important measure. I will put on record a number of times today the fact that this is a good Labor bill. The Electricity Supply Act 2009 had the objective of creating a financial incentive to reduce the consumption of electricity by encouraging energy savings initiatives. As I have just laid out before the House and as I noted from the outset, the scheme was introduced by a Labor Minister, Carmel Tebbutt. It was a practical Labor policy

that has been highly successful—so much so that it is now being expanded by the Government. During Minister Tebbutt's address to the House in 2009, she stated:

The Energy Savings Scheme will set annual energy savings targets. These targets will help New South Wales households and businesses manage the costs of electricity, and better position the New South Wales economy for a low-carbon future.

I reiterate that this was good Labor policy. It was introduced by Labor in 2009. Of course we support this Government expanding the scheme. In conducting a review of the scheme the Government noted that since 2009 the scheme has supported projects that will deliver more than 11,000 gigawatt hours of electricity savings over the projects' lifetime, which is more than \$1.6 billion in savings. That is a good result for a Labor-initiated policy. I turn now to the bill. I note that this bill will enable energy saving certificates to be created for activities that involve the consumption of gas and to extend the scheme to 2025 as well as to increase energy savings targets. Those objectives are supported. The bill extends the automatic termination of the scheme by five years to 2025.

Within this bill and in the Minister's address to the House, there was no explanation of why 2025 was chosen. I hope in the Minister's reply he will enlighten the House in relation to this issue. I note some submissions to the review recommended extending the scheme to 2030. It is important in this place that the Minister states for the record why he has chosen 2025. In its submission to the review the National Generators Forum, which is the national industry body representing government and privately owned electricity generators, predictably detailed a range of reasons to doubt—and I adopt the forum's language here—that energy efficiency certificate schemes deliver the savings that are often attributed to the scheme.

We have no reason to doubt the effectiveness of the scheme to deliver savings. As such, again I reiterate that the Opposition welcomes the Government's commitment in this bill to ensuring that the scheme will continue. The bill replaces references to electricity consumption with the term "energy consumption" to allow the object of the bill to extend to gas savings. Other administrative changes are dealt with by the bill to allow for inclusion of gas in the scheme and dealing with both gas and electricity equally. I remind the Minister, noting that he mentioned this in his second reading speech, that the scheme was introduced in 2009. At that time Labor also had the Gas Abatement Scheme. At that time Labor adopted a complete approach to dealing with electricity and gas, and that was praised nationally and, importantly, by stakeholders. It was highly successful.

The Minister has indicated that there will be one target accounting for both gas and electricity. That may be administratively easier but it may make assessing individual performance difficult. It would also be helpful for the Minister to explain how he intends to report on the performance of both gas and electricity savings within the scheme. Given the significant change to the scheme, it is important to maintain transparency not only around meeting targets but also around reporting on performance, particularly given that this scheme will be extended to gas. I hope that the Minister will elaborate on that during his reply. Savings targets have been increased from 5 per cent in 2015 to 7 per cent in 2016, 7.5 per cent in 2017, 8 per cent in 2018 and 8.5 per cent in 2019. Those targets, while not ambitious, seem to be realistic, although again I stress that the Opposition has not had sufficient time to digest the full ramifications of this bill, given that it has been rushed through all stages in less than 24 hours.

Of course we would prefer that the Government set targets challenging itself and the sector to more readily work within the scheme. I must say how disappointing it is that the Government effectively has abandoned all targets in the emissions reduction area. With the abolition of the 2021 target that was part of the State Plan, we are left with the only target for which the Minister is accountable being litter, which is certainly not acceptable. There is no mention of energy efficiency in both the Premier's 12 priorities and the additional 18 so-called State priorities. The Opposition urges the Government to review the targets it has set itself. Of course it is important that we have targets within the bill and the scheme, but it is also important that we have broader targets that challenge us to do better in emissions

reductions.

National harmonisation should be an achievable goal within this space. We know that progress is being made, albeit slowly. Certainly allowing participants to use energy savings made outside New South Wales within the scheme should be prevented, but the ultimate goal should be a scheme that works across the country, with New South Wales being a leading contributor to that success. While the Minister has indicated the Government's preference for a staged approach, I hope there is a will on the part of the Government to see New South Wales as a leader in the goal for national harmonisation. The Opposition recognises that the bill goes some way towards achieving that. As outlined by the Minister the bill—and I use the Minister's words here—modernises and enhances the scheme administrator's enforcement powers. I note in the submission to the review by the Independent Pricing and Regulatory Tribunal [IPART] dated February 2014 that the regulator stated:

... the key issue is to protect the integrity of the scheme. Energy savings must be real and verifiable to provide certainty that the scheme is delivering against the energy savings targets.

The IPART submission requests that a thorough cost-benefit analysis be undertaken before any significant changes occur. Perhaps the Minister can indicate whether this has occurred and provide further detail on that analysis. I note that the bill acknowledges the increased administrative burden of an expanded scheme and provides mechanisms for covering that cost, but cost should not be a reason for weakening the scheme and for not expanding it. The scheme must work to its full potential without any barriers, and that includes costs. What has not been outlined in the Minister's second reading speech is how benefits from the scheme to electricity and gas customers through improved services, reduced energy costs and improved environmental outcomes will be transparently reported.

For the Opposition, this once again becomes an issue about transparency—something for which this Government is not renowned. I again draw to the attention of the House that this bill is being rushed through all stages without any consultation with the Opposition. It is important to have transparency around a scheme that has such a significant impact on both residential and business customers. It is important for the Opposition that transparency is inherent in the scheme, if the scheme is to work, because it is about taking with us on this journey businesses and local residential customers. The Opposition acknowledges that this is an issue for both the Government and IPART. I ask that the Minister during his reply provide a detailed account of how this will occur within the expanded scheme.

Significant change is occurring in the energy market. Some have described it as more than change. It is what some have referred to as significant disruption. The impact of increased efficiency, which reduces demand, and the increased use of renewable energy sources save money by delaying the need for more generation and by deferring investment in electricity networks. But, as I said, it is worth noting that it is also putting pressure on the traditional financial model for electricity networks. I draw to the attention of the House that New South Wales is way behind in the uptake of renewable energy, with only 13 per cent in 2013. New South Wales is the sixth lowest State for renewable energy that was installed since 2001. However, the Opposition acknowledges that there have been improvements through the Nyngan and Broken Hill large-scale solar plants that are coming online, but there is more to do.

For a start I emphasise to the Minister, who is not in the House, the need to have a target for emissions reduction or increased renewable energy sources under the Premier's priorities. That should be a priority for the Minister. Expansion of the scheme is a start but it is extraordinary, given the environment we have currently, that there is no target within the Premier's priorities or the State Plan. Taking into account the impact of privatisation, we also must ensure that attempts to increase renewable energy sources and energy efficiency measures are not stymied through new owners and contract design. Households and businesses must not be penalised for doing the right thing. That is a matter upon which the Minister may wish to elaborate during his reply.

In conclusion, Opposition members will not be opposing this bill but we are incredibly

disappointed that this bill has been rushed through all stages in the past 24 hours. We feel very strongly about this bill. Indeed, we welcome the opportunity to be part of a bill that was initiated by Labor back in 2009. I note that Mr Mark Speakman is a relatively new Minister, but Labor contends that it is appropriate for any Minister to give members a briefing or at least some notice that a bill is about to be introduced in this place. That has not occurred in this instance. It is also expected that appropriate procedural practices be followed in order to give members the time to present an informed view. I ask the Minister to respond to the issues I have raised in his reply. I also seek an explanation from the Minister as to why this bill has been so rushed. I note that the end of session is approaching and traditionally under this Government the last sitting week is usually abandoned. Perhaps that is one of the reasons why this bill and the following one are to be rushed through. As I have said, the Opposition will be opposing this bill.

Mr KEVIN ANDERSON (Tamworth) [10.40 a.m.]: I am pleased to speak in support of the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015. I am unsure as to why the member for Strathfield is feeling aggrieved this morning. This bill was introduced yesterday. It is now 10.40 a.m. She had late yesterday afternoon, last night and this morning to consider the bill. I agree with the member for Strathfield that this is a good bill. Proudly, this bill will provide energy savings for all communities throughout New South Wales. Indeed, for the past five years we have been successfully trying to make those savings. This will make it easier for people to make ends meet. The Government welcomes the comment of the member for Strathfield about this being good policy. We are pleased that Labor supports the legislation.

This bill will enhance the New South Wales Energy Savings Scheme [ESS]. The ESS has already helped to implement projects that will save 12,000 gigawatt hours of electricity and deliver \$1.7 billion in bill savings to New South Wales households and businesses between 2009 and 2025. The ESS provides a financial incentive to make saving energy cheaper for households and businesses in New South Wales. These energy savings make bills cheaper for everybody by reducing the need for costly new energy supply infrastructure and reducing expensive peak demand needs. We can help our communities in a number of ways. Indeed, this is an excellent opportunity for our communities to take up this opportunity to save money on electricity bills.

The enhancements proposed by the Minister for Environment and the Minister for Industry, Resources and Energy will deliver even more energy bill savings. Today I want to highlight the benefits of these reforms, particularly for households in New South Wales. Households are always looking for ways to reduce energy bills by using energy more efficiently and doing more with less. Even in my household we are environmentally aware of saving energy and money. I look forward to taking advantage of this and to letting my community know of the excellent opportunities that exist. This bill will provide real opportunities for households to be energy efficient and improve their resilience to future price rises. It will give households the choice to save energy rather than simply paying more.

On average the ESS enhancements could save New South Wales households around \$42 a year off their energy bills; with those actively participating in the scheme saving more by making energy efficiency upgrades—that is more than double the savings under the current scheme settings. Between 2015 and 2040 the scheme's changes are projected to save New South Wales consumers an additional \$8.2 billion in their energy bills, half of which is expected to flow directly to households. The Government's aim is to save money for our communities so householders have more money in their pockets to help them make ends meet. Last year, the Minister for Industry, Resources and Energy significantly expanded the range of activities that could be supported by the ESS, including a suite of new activities to make the benefits of energy efficiency more accessible and affordable for households. This bill takes that even further by expanding the scheme to gas. This will mean more choices for households to save energy and money.

Providing ESS incentives for a wider range of activities gives tradies and appliance retailers an incentive to make their energy efficient products and services cheaper for households, removing the high upfront costs associated with buying and installing better equipment and highly efficient goods. This will

create jobs in local communities and, in turn, will promote regional growth and economic development. Helping communities to grow is this Government's mantra. If we are creating jobs in regional New South Wales we are also creating prosperity and confidence. With these new activities becoming available it is predicted that almost half of all energy savings between 2016 and 2025 under the enhanced ESS could come from household activities. For example, one of the greatest contributors to household bills in New South Wales is electric hot water. When one's old continuous electric hot water storage system breaks down, replacing it with an efficient five star instant gas system could cost around \$1,200 more than replacing it with the same type of electric system.

Under the proposed ESS enhancements, an accredited plumber could potentially access the ESS to provide an efficient gas system for up to \$480 less. That is a direct saving for the consumer. For an average household this type of hot water upgrade could save up to \$325 a year in running costs. This will mean that bill savings could cover the reduced additional cost in just over two years and the household could save up to \$3,900 in energy bill savings over the 12 year lifetime of the new system. Many households also have halogen downlights that require a lot of electricity to run. Hiring an electrician to replace 10 halogen downlights with energy efficient LEDs could cost around \$310. Under these enhancements the accredited electrician could potentially access the ESS and install these LED upgrades for up to \$90 less than what it would normally cost.

This will mean that households could save up to \$90 off the installation cost and up to \$85 a year in running costs. This will also mean that the bill savings could cover the additional cost in around 2½ years and by upgrading their lights to LEDs households could save up to \$850 in energy bills over 10 years. We need to look at some of those opportunities. Whether it is upgrading our appliances or upgrading our lighting options are available to us every day of the week to reduce our electricity bills, but it takes a bit of homework. The Government is providing the environment for that to happen. Last year the Minister for Industry, Resources and Energy reduced red tape to make it easier for appliance retailers to access the ESS.

Now retailers can use ESS incentives to offer upfront discounts or more efficient models that will save households money on their bills. Ultimately we all want to lower our electricity bills and the Government is making sure that it is providing the opportunity for that to happen. A 3.5 star fridge could cost around \$100 more than a two star fridge. Appliance retailers could potentially access the scheme to offer 3.5 star fridges to their customers for up to \$20 less than their normal price. The household could save up to \$20 off the purchase price and \$17 a year in running costs. It saves dollars and makes sense to take up that opportunity. This means that the savings could cover the additional cost of purchasing a better fridge in just over four years.

Mr Chris Minns: I've done the maths.

Mr KEVIN ANDERSON: I welcome the interjection by the member for Kogarah. I am explaining that significant savings can be made over a period when people take up the opportunities of the Energy Savings Scheme, with household savings of up to \$205 in energy bills over the 12-year life of the fridge, so that is good news. The proposed enhancements to the ESS brought forward by the Minister for Industry, Resources and Energy will deliver direct benefits to all New South Wales households, increase their share of Energy Savings Scheme incentives and help grow and mature the household energy efficient industry. The Government is getting on with the business of supporting households to reduce their costs and help them to make ends meet. I am pleased to support the bill.

Mr RON HOENIG (Heffron) [10.50 a.m.]: I make a contribution to debate on the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015. I will endeavour to be as informed as possible, bearing in mind the late notice the Opposition received about this bill. The member for Strathfield legitimately asked why the Government is rushing through this bill, which would automatically be seen to be on a bipartisan basis because it is consistent with an overall policy scheme introduced by the Labor Government in 2009.

Mr Gareth Ward: Why oppose it?

Mr RON HOENIG: The member for Kiama interjects and asks why we oppose it. I have enormous respect for the member for Kiama. However, he should well and truly understand, because he has been elevated to the important role of Parliamentary Secretary, that in the Legislative Assembly we pass laws that impact on people throughout New South Wales. Therefore, we have an obligation to read the bill and understand its effect. In relation to such bills the devil is always in the detail. I have always contributed to debates on legislation and I have endeavoured to do so in an informed way. Recently when I sought to have informed input in a debate about boat trailers, the member for Kiama constantly interjected, suggesting that what I was saying was nonsense and I did not know what I was talking about. But the Minister in the other place adhered to the provisions of the bill that I criticised and amended the bill before it was returned to the Legislative Assembly.

Members of the House are entitled not only to closely scrutinise a law that the Parliament is considering; there is an opportunity for some of us to add value to legislation with which we agree. When bills get rushed through without even a private conversation with the Government and an indication as to why the matter is urgent, I am notoriously suspicious. I apologise if that conversation took place. However, after listening to the member for Strathfield I understand that it has not taken place. So I operate on this basis. When the Government seems to be shoving something through that looks so good on the surface and Government members are given a hand-up brief by the Minister and they say there are great cost savings involved, I am notoriously suspicious. If legislation is designed to give back to energy consumers of this State a specific quantifiable reduction in expenditure why is a chart not produced and utilised so we can all see it?

If the framework is anticipated through modelling to have an effect, where is the modelling to equate to the amount? One thing I have found to be extraordinary in this House since I have been a member is that members make profound statements about savings and benefits to people or consumers from hand-up speeches given to them, with absolutely no idea whether what emanates from their mouths will translate to a benefit at the end of the day. What I find extraordinary is that whenever there is a debate on energy supply, energy efficiency and costings, for the past 4½ years every time members opposite have opened their mouths about looking after energy and electricity consumers and reducing costs, they have put more than \$2 billion a year into Treasury coffers as, in effect, an electricity tax.

The Government could effectively reduce all electricity bills by \$700 today if it stopped sucking dividends, tax equivalent payments and the TCorp levy straight back into Treasury. From the time the State took control of electricity distribution and supply, governments—not only this Government but also its predecessor—have basically provided an indirect tax to generate billions of dollars worth of revenue. That is why people are paying the prices they pay. In 1996 Treasurer Keating put together the National Electricity Market [NEM] as a way to create competition in the electricity market. Thinking back 19 years to 1996, the very thing that Keating talked about occurring had occurred, that is, the National Electricity Market stopped the States from having to build power stations, having surplus power and having one national grid that basically comprises most of the eastern States of the Commonwealth of Australia.

As a result, despite the electricity price hikes that have occurred over the past 10 years, we have seen the cost of manufacturing electricity increase but not much beyond the consumer price index. Where have the huge costs gone? They have gone in the transmission and distribution networks—basically an electricity tax into the pockets of electricity consumers. I guarantee that most members of the House, both past and present, had no idea what Treasury was slipping in by sleight of hand. Now governments are so used to that revenue they clutch on to what they are gouging out of those distribution companies. Once they are no longer able to receive the same level of revenue, because they do not have the benefit of the dividends, they will find themselves in considerable difficulty.

Mr Gareth Ward: Are you going to change it?

Mr RON HOENIG: If the member for Kiama wants another history lesson I will give it to him.

TEMPORARY SPEAKER (Ms Melanie Gibbons): Order! The member for Kiama will come to order.

Mr RON HOENIG: Expanding opportunities for improving energy efficiency by adding things such as gas creates an environment in which there is an incentive and a market to create products that cause the manufacture of renewable energy. One thing the Labor Government was criticised for—the member for Blacktown was the Minister at the time—was the size of the feed-in tariffs for solar energy installation.

Mr Gareth Ward: Sixty cents.

Mr RON HOENIG: The member for Kiama reminds me that it was 60¢. I simply remind him that the feed-in tariffs were wholeheartedly supported by the then Opposition under the leadership of the Hon. Barry O'Farrell. At the time that decision was made something had to spur the market for the construction of solar panels, and it did so. Consequently, the next step in using renewable energy for electricity supply will be solar storage. Once solar storage units are manufactured widely, as solar panels were when the member for Blacktown was the Minister, a huge market will develop.

Labor supports the concept of the bill, but it is complex and difficult to follow. I know the Minister is courteous. A complex bill such as this requires the Government to extend to the Opposition the courtesy of holding discussions to seek common ground. Rushing the bill through is an act of arrogance and hubris. This Government has displayed arrogance and hubris since the election. Government members know they will be in government for the next 3½ years, and one can hear the hubris flowing from their lips. Government members should understand that this is a legislature. We are here to pass laws. Each of us is entitled to have input into those laws. The Government should listen to that input.

Ms ELENi PETINOS (Miranda) [11.00 a.m.]: I speak in support of the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015, which will enhance the Energy Savings Scheme [ESS], our State's premier energy efficiency program. Today I speak about the benefits of these reforms for businesses in New South Wales. It is also important to highlight the benefits to households, which the member for Tamworth spoke of so eloquently. I note the comment by the member for Heffron that in this place we should pass important legislation for the people of New South Wales. That is exactly what the Government is doing: making important legislative decisions to impact the hip pocket of all businesses and households in the State.

The enhancements to the Energy Savings Scheme will improve the competitiveness of New South Wales businesses by reducing bill costs, improving productivity and increasing investment in the energy efficiency sector. Energy is one of the greatest contributors to business costs in New South Wales, and energy costs are expected to rise over the coming years. The Energy Savings Scheme provides a financial incentive to make saving energy cheaper for households and businesses. Energy savings make bills cheaper for everybody by reducing the need for costly new energy supply infrastructure in the future. This means more money in the pockets of businesses, undeniably a fantastic outcome for the people of New South Wales.

The Energy Savings Scheme has already assisted households and businesses to implement projects that will save more than 12,000 gigawatt hours of electricity and \$1.7 billion on household and business energy bills. The enhanced Energy Savings Scheme is predicted to contribute an additional 524 gigawatt hours towards this Government's energy savings target of 16,000 gigawatt hours by 2020. This ambitious target is driving continued improvement in policies and programs and has made New South Wales a leader in energy efficiency. It is reducing energy bills, reducing emissions and avoiding costly infrastructure investments that consumers end up paying for.

Between 2015 and 2040, the proposed enhancements are expected to deliver an additional \$8.2 billion in bill savings to New South Wales households and businesses in net present terms. Around half of those savings are predicted to flow directly to businesses. On average, the Energy Savings Scheme enhancements could save an average small business \$128 a year, with those actively participating in the Energy Savings Scheme able to save more by making energy efficiency upgrades. That is double the current bill savings delivered by the scheme. Hundreds of businesses have already benefitted enormously from participating in the Energy Savings Scheme, by implementing energy efficiency measures such as upgrading lighting in commercial buildings and improving production processes at large industrial sites.

Last year the Minister for Industry, Resources and Energy significantly expanded the range of activities supported by the Energy Savings Scheme. Several of the measures enable easy and affordable access to the benefits of energy efficiency for smaller businesses, such as quick and easy incentives to purchase highly efficient commercial refrigeration and air-conditioning equipment. Through the reforms in this bill, the Energy Savings Scheme will be broadened to provide incentives to save gas. This presents a great new opportunity for our manufacturing sector to invest in energy efficiency and stay competitive, such as through boiler upgrades in food and beverage manufacturing or gas hot water system upgrades in the hospitality sector. Combined with this expanded range of activities, the enhancements proposed by the Minister for the Environment provide an incentive for businesses to invest in opportunities to save energy, reduce costs and improve their competitiveness. I commend the Minister on his important work on this legislation.

The Energy Savings Scheme enhancements also provide the long-term investment certainty needed to support new businesses, jobs and economic activity in the growing energy efficiency industry. I note that the Energy Savings Scheme has already created a new service industry that is becoming a major employer. This bill will ensure that that industry continues to flourish. More than 3,000 people are employed in the Australian energy efficiency industry, most of them in New South Wales. Many are employed in one of the 123 businesses accredited to create energy savings certificates, deliver energy efficiency projects and help households and businesses to access the benefits of saving energy.

In addition, by raising the target by 70 per cent, from 5 per cent to 8.5 per cent, the New South Wales Government is putting downward pressure on electricity prices by avoiding future costly infrastructure investments. By increasing the energy efficiency targets for New South Wales and by extending the duration of the scheme, these reforms provide certainty for this industry. Minister Roberts has pointed out that, as the demand to improve efficiency grows, more jobs and opportunities will be created for tradespeople and appliance retailers. The changes proposed by the Minister for the Environment will encourage additional investment in energy efficiency services and enable the energy efficiency industry to grow sustainably over time. The enhanced Energy Savings Scheme is good for business in New South Wales. It will reduce the cost of doing business, improve the productivity of our industries, increase investment in the energy efficiency industry and improve the competitiveness of all New South Wales businesses. I commend the bill to the House.

Dr HUGH McDERMOTT (Prospect) [11.07 a.m.]: I speak in debate on the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015. What a great Labor policy. I commend the Government on it. It is sensational. It is such a shame that the Minister is not here. There is a Nationals representative in the Chamber; the member for Upper Hunter is here. That is great to see. I love it when Labor legislation is presented by a Nationals or Country Party Minister. It shows that The Nationals have much more in common with the Labor Party than they will ever have with their Coalition partner. This week is the anniversary of the Labor Party in Victoria governing with the support of the Country Party. That is fantastic. This legislation has come from Labor policy. The measures in this bill will affect almost every household. As the Minister said, there will be savings in certain areas. That is really good. It is good to see that The Nationals are still in touch with their constituents. It is a shame that the Liberals are not. I commend the Government on this legislation.

TEMPORARY SPEAKER (Ms Melanie Gibbons): Order! I remind the member for Prospect to direct his comments through the Chair.

Mr Gareth Ward: It is entertaining.

TEMPORARY SPEAKER (Ms Melanie Gibbons): Order! I am sure that the member for Kiama finds it entertaining, but the member for Prospect has the call.

Dr HUGH McDERMOTT: The New South Wales Government is doing a good job in following Labor's lead. I congratulate the Government on that. Saving electricity is essential for the New South Wales economy. The member for Miranda made a valid comment on the impact of the bill on manufacturing. I congratulate her on that. I had not thought about it, but the member is right: electricity savings will have an impact on all industries. There will be an impact in the electorate of Prospect, especially in the Wetherill Park, Smithfield industrial estate, Eastern Creek and Huntingwood. That is brilliant. It also has an impact on the environment, which is good. It is good Labor policy that is being put through, but it is shameful that we did not get to do this more apolitically and have the opportunity to discuss it more over the past few days. As the member for Strathfield said, taking us by surprise and being thrown this in the morning did not give us enough time to work with the Government and make sure that this is a very good piece of legislation.

Mr Gareth Ward: I thought it was good Labor policy?

Dr HUGH McDERMOTT: It is. If the Government wants to look at our past policies and put them through that is fine. We are happy to work with the Government to do that; it is not a problem. We are in a democracy so let us work together in this Chamber and not just try to ambush the other side. Let us be honest: We would never try to ambush the Government.

Mr Jai Rowell: Not successfully.

Dr HUGH McDERMOTT: I cannot possibly comment on such things. This legislation will impact on the hip-pocket of people in New South Wales. Since the New South Wales Government is selling off a perfectly good and profitable State business to the quickest offer it may as well save energy at the same time. It will be very interesting to see what the impact will be when the Government finally sells the assets, the poles and the wires.

Mr Gareth Ward: Just like you sold the generators and the retailers and the Commonwealth Bank and Qantas. You sold everything that wasn't bolted down.

Dr HUGH McDERMOTT: There were some parts of the assets that needed to be sold, but there are some parts that should not be sold. That debate has been had and it has been lost, unfortunately. We will see what the impact will be on the hip-pocket of people in New South Wales. I think we all agree in this Chamber that it is important for New South Wales that an energy savings target be implemented and followed and that we need to make use of advances in technology to reduce New South Wales' energy consumption. I believe that using a market mechanism to do that is the best way.

The Energy Savings Scheme [ESS] was established under Labor in 2009. It is a New South Wales based mandatory energy efficiency scheme for electricity retailers and other participants under the Electricity Supply Act 1995. It assists households and businesses to reduce electricity consumption and electricity bills. What a great initiative. The primary objective of the ESS is to create a financial incentive to reduce the consumption of electricity by encouraging energy-saving activities. The ESS works by placing an obligation on New South Wales energy retailers and large energy users to purchase energy savings in the form of certificates every year. This bill expands the scheme to include gas, which is consistent with what is included in Victoria, South Australia and the Australian Capital Territory, and extends the lifetime of the scheme to 2025, which is currently set to end in 2020.

The bill also will increase savings targets from 5 per cent in 2015 to 7 per cent in 2016, 7.5 per cent in 2017, 8 per cent in 2018 and 8.5 per cent in 2019. It also will better recognise energy savings in regional New South Wales by introducing a regional network factor or multiplier of 3 per cent in the Essential Energy regional network. Since 2009 the ESS has assisted the implementation of energy efficiency projects that have saved some 12,000 gigawatt hours. Between 2009 and 2013, certificate providers created 8.8 million energy savings, or 0.7 million residential certificates, 6.7 million commercial certificates and 1.3 million industrial certificates—equal to 8,291 gigawatt hours of energy saved.

This has been estimated to provide savings worth close to \$1.7 billion to energy consumers in New South Wales by 2025. As I have said, we are supporting this bill. The Opposition sees this as a great piece of Labor Party policy that is being progressed by the Government. Let us be honest: Good policy should be progressed by either side. The Opposition is always happy to work with the Government on good policy; it is just a shame that there is not enough of it. I commend the bill to the House.

Mr GLENN BROOKES (East Hills) [11.14 a.m.]: I speak in support of the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015. This bill will amend the Electricity Supply Act 1995 to strengthen the New South Wales Energy Savings Scheme [ESS]. This Government continually makes changes to our everyday lives to save our households and our businesses money, and this bill will further do that. The key aspects of the bill are to extend the ESS to 2025; to expand the ESS to include gas; to increase the current ESS targets; and to ensure more efficient administration of the scheme.

The move to extend the ESS to 2025 is extremely important. This long-term goal provides both energy suppliers and energy retailers with investment certainty. Certainty is important for any business, and this bill provides that. Gas prices are on the way up. Any measure to help reduce gas prices for families is always welcome. By expanding the ESS to include reductions in gas use, similar savings experienced in the electricity network will be observed for gas. These gas savings will result in lower gas bills for New South Wales households and businesses, resulting in significant economic savings. Importantly, this delivers on a New South Wales Government commitment in the NSW Gas Plan.

The ESS targets will be increased to 7 per cent in 2016 and to 8.5 per cent from 2019 onwards. The increase in these targets will see significant electricity bill savings. On average, these changes can save New South Wales households \$42.00 a year and small businesses an additional \$128.00 a year. By creating a more efficient administration of the scheme, New South Wales will have the opportunity to harmonise with other States. This will result in a consistent national market in energy efficiency. The ESS has been successful so far in achieving economic savings, and this bill will only add to the effectiveness of the scheme.

The ESS works by creating financial incentives for organisations to invest in energy-saving projects. This puts downward pressure on household and business electricity and gas bills. The ESS places a mandatory obligation on certain businesses to obtain various levels of energy savings. This bill looks to increase the savings targets to 8.5 per cent by 2019. This bill and these increased targets will have significant economic, environmental and social benefits for New South Wales. On an economic level, these revised targets will see New South Wales households and businesses save an estimated \$8.2 billion on their energy bills between 2015 and 2040. An additional benefit of \$853 million will also be provided to the New South Wales economy by avoiding electricity generation and gas supply, reducing the need for costly upgrades to our electricity infrastructure.

At an environmental level, this scheme will reduce greenhouse gases. Through greater energy efficiency the scheme will cut CO₂ emissions by another 730,000 tonnes. This will reduce the ESS's total emissions reduction to approximately 1.9 million tonnes of carbon by 2020. From a social perspective, this bill is good for New South Wales jobs. More than 3,000 people are employed in the Australian energy efficiency industry. By increasing the targets to 8.5 per cent from 2019 and including the gas industry, a great opportunity exists for the energy efficiency sector to grow and create new jobs of the future.

This bill specifies that the increased reduction targets will deliver an additional 524 gigawatt hours of energy savings per year. This is an important step forward in achieving the New South Wales Government's energy saving target of 16,000 gigawatt hours by 2020. In a time when the cost of living is a concern, all the money we can save households and businesses is extremely important. This bill will save people money and have positive environmental consequences. I commend the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015 to the House.

Mr JAMIE PARKER (Balmain) [11.20 a.m.]: I speak on behalf of The Greens to address the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015. I thank the Minister and the Minister's staff for the crossbench, briefing but I believe that there has not been sufficient time to address the issues raised in the bill. I am not surprised, because the Government—legitimately and correctly—has set a target of 16,000 gigawatt hours of annual savings from the "business as usual" electricity use by 2020. And the legislation we are considering today confirms that the Government will not meet its own target of 16,000 gigawatt hours. It is not our target—it is a target developed by the Coalition. I draw attention to a petition that I recently presented to the Parliament from an organisation in my electorate: Climate Change Balmain-Rozelle.

That organisation raised a petition calling on the New South Wales Government to maintain its full share of the national renewable energy target which, until recently, was 41,000 gigawatt hours by 2020. I mention this because the transition to a renewable energy future has suffered a serious blow from the Federal Government's reduction in the Renewable Energy Target [RET]. I believe New South Wales could go a long way towards rebuilding industry confidence, creating new jobs and promoting efficiency by establishing a state-based target at an equivalent pro-rata rate at the now abandoned national target of 41,000 gigawatt hours. The intention of this legislation is positive; it is about efficiency, driving down the cost of electricity bills, driving efficiency in the market, and ensuring that we can help develop the reduction in infrastructure costs which will result from any increased use of electricity. But I want to focus on the weak targets in this proposal. The Government undertook a review of the 16,000 gigawatt hour annual savings and the review said, in part:

Further action is needed to reach NSW 2021 targets. NSW 2021 sets a long term energy savings target to "assist business and households to realise annual energy savings of 16,000 GWh by 2020 compared to 'business as usual' trends". These savings are to be achieved through state and national energy efficiency programs. The ESS is the largest NSW program contributing to this target.

That is positive. The Government sets a target of 16,000 gigawatt hours and implements legislation to achieve that. To fill the gap—because the Government, frankly, will not meet that target—it is proposing to increase the energy targets by just 7 per cent in 2016 and a meagre 8.5 per cent from 2019 onwards. What does that target in this legislation mean? It means the Government will not meet its own commitments. The Government is legislating for failure. It is legislating to say that it will not even meet the commitments that it made to this community and this State in regard to energy efficiency. I am incredulous that members of the Government can support this project when they are not meeting the 16,000 gigawatt hour target they have set for themselves.

It is disappointing but there is a solution. The solution comes from the Government's own review that identifies that there is an option to meet its target. So the Government enters into a review: How do we meet the 16,000 gigawatt energy savings target? How do we reduce energy bills? How do we develop economic security? How do we drive efficiency? The answer is in the Government's own report. The report makes it clear that in order to meet the obligation, the 5 per cent obligation will need to increase to 24 per cent. What this legislation proposes is just 7 and 8.5 per cent.

The Government has rejected this option and is instead advocating an option of just 6.5 per cent—a gap of 3,000 gigawatt hours, an almost 20 per cent gap between the 16,000 gigawatt hours in

efficiency savings the Government has committed to. This legislation will mean that it will be impossible, under this program. This program does the heavy lifting when it comes to meeting the target and is the program that can deliver the results but it has been identified as being 20 per cent short of the target—over 3,000 gigawatt hours short. Even though The Greens believe the target of 16,000 gigawatt hours is modest, it is nevertheless a good step forward. However, it is disappointing that we have reached the state where the Government cannot even meet its own target. The targets in the bill are a slight increase on the Government's former position of 5 per cent but we will fail to meet the target.

There has been no serious attempt to transition away from fossil fuels. Recently there was a report about the Premier blocking the climate change report, which comes from the Government's own bureaucracy, pointing to the demise of fossil fuels and the huge transition that we are in the process of seeing at the moment and where this State needs to be moving towards to secure its economic future. We need to drive efficiency and to develop good quality jobs in the green technology sector to make sure we can help to drive the economy in an efficient way. We know that the most efficient way, in terms of generating electricity into the future, is renewable energy.

I ask the Minister, when the Minister replies to this: How will he reach the 16,000 gigawatt hours target when he knows that it cannot be delivered? The Government should just say: The target we set, we cannot deliver. Or it should do what its own Government report has identified, which is to increase the target to 24 per cent. At the moment we know that the Energy Savings Scheme [ESS] requires electricity retailers and large consumers to surrender certificates that are worth 5 per cent of their demand. These certificates can be purchased from other consumers who reduce their electricity usage from energy saving companies, often through the market.

We know that this mechanism, which is being promoted here in the ESS, is a really powerful market mechanism to help deliver these efficiencies. What is the point of setting a target as inadequate as 16,000 gigawatt hours, if the Government cannot meet it? It is disappointing. The Government might say: We have a more efficient measure to meet the target, but we want to see what it is. The truth is that, for some reason, the Government has decided to commit to not delivering its own target. I draw your attention to the ESS briefing paper from the Government which talks, in glowing terms, about how the ESS is a New South Wales Premier's Energy Efficiency Program. Well, New South Wales Premier, you are not delivering on your own meagre target of 16,000 gigawatt hours.

The bill places obligations on electricity retailers and market participants to purchase an amount of energy savings a year and it is a positive framework for creating and engendering positive change. It is driving down the cost of electricity bills and it is making sure that efficiency is taken forward. It also identifies that these enhancements will contribute 524 additional gigawatt hours towards meeting the New South Wales energy saving target, assisting businesses and households to realise annual energy savings of 16,000 gigawatt hours. It also highlights:

The reforms are projected to save NSW households and businesses \$8.2 billion on their energy bills between 2015 and 2040. These changes are expected to deliver an additional net economic benefit of \$853 million in present value terms over the life of the scheme, above current policy settings.

The Greens want there to be even greater savings, even greater reductions in electricity bills and we want to deliver an even higher economic benefit. That is the position of The Greens. It is ironic that I am here fighting for the Liberal Party's own target—not our target, but theirs. It is disappointing when the Government cannot deliver—

Mr Gareth Ward: What's your target?

Mr JAMIE PARKER: As I said in my opening, 41,000 gigawatt hours. The Greens believe that in New South Wales, when one talks about targets, the now abandoned 41,000 gigawatt hours should be

pro rata, that New South Wales should make a commitment to the gigawatt hour target and ensure that the State can deliver the efficiencies we desire. There are positive elements to the bill and I want to mention those before I conclude. The Greens support the extension to 2025, and of course covering gas is logical and recognises the same steps that have been taken in other jurisdictions. I conclude by saying that The Greens are supportive of the positive environmental initiative this Government puts forward, we are supportive of reducing energy bills and of driving energy in the sector.

It would be fantastic if the Government supported its own target; it is disappointing that it does not. The Greens encourage the Minister and the Premier—because this is the Premier's ESS scheme—to do everything within their power to meet the target. I look forward to hearing the Premier and the Minister inform the House on how they will meet the 16,000 gigawatt hours target they have set. The Greens will not oppose the bill because it contains some excellent measures, but the Government can and should do a lot better. Cabinet should look at this scheme to ascertain why it is not meeting its target. I think it is the responsibility of the Premier and the Cabinet to support their target of 16,000 gigawatt hours.

Ms MELANIE GIBBONS (Holsworthy) [11.30 a.m.]: I am pleased to speak in support of the Electricity Supply (Amendment (Energy Savings Scheme) Bill 2015 to enhance the New South Wales Energy Savings Scheme [ESS]. Today I was surprised when Labor referred to the scheme as great Labor policy but then complained about how little time they have had to address the bill. If it is great Labor policy members of the Opposition should be ready to go and it should be naturally in them to sell this scheme as it is good for them. The ESS has been one of the great successes of energy policy in New South Wales, reducing the cost of energy for households and businesses, creating jobs in the industries of the twenty-first century, and providing real environmental benefits in a practical and cost-effective way.

I will highlight one aspect of these reforms that is long overdue. The bill includes provisions to expand the ESS to create incentives for the more efficient use of natural gas. The Government is proposing to expand the ESS to gas to help alleviate those pressures and give energy consumers the choice to save gas rather than simply pay more. Fortunately there are real opportunities for households and the industrial sector to be gas efficient. Under the scheme, appliance retailers and tradespeople will be able to provide discounts to households and businesses when they upgrade their appliances. This presents a great new opportunity to reduce costs for our manufacturing sector to invest in energy efficiency and stay competitive, such as through boiler upgrades in food and beverage manufacturing or gas hot water system upgrades in the hospitality sector. For households, inefficient electric hot water is one of the greatest contributors to household bills. Even with increasing gas prices, a household with an existing gas connection will still be better off upgrading to an efficient gas hot water system.

For example, to replace a continuous electric storage hot water system with a five-star instant gas hot water system in a gas-connected household could cost approximately \$1,200 more than replacing it with the same electric system. Under these reforms, an accredited plumber could access the Energy Saving Scheme and install a five-star instant gas hot water system for up to \$480 less than the normal price. With this more efficient system in place, the householder could then save up to \$325 in running costs every year. This means that the savings could cover the additional cost in just over two years, and the household could save up to \$3,900 in energy bills over 12 years. That is the impact of these reforms at the individual household level.

When they are scaled up to all sectors across the State, the inclusion of gas in the ESS is expected to deliver an additional \$1.6 billion in gas bill savings between 2016 and 2040. Almost half of that saving will accrue to New South Wales industrial gas users, who are expected to save \$732 million on their gas bills from 2016 to 2040, reducing their operating costs and making New South Wales industry more competitive. As well as being good for households and good for industry, these reforms are also good for employment. More than 3,000 people are employed in the Australian energy efficiency industry at present, and mostly employed in the 123 businesses accredited to access the ESS in New South Wales. Expanding the ESS to include gas presents greater opportunity to grow the industry, and maintain the competitive advantage of New South Wales in this sector. The benefits of these reforms have been

widely recognised.

During the Government's extensive consultation on these reforms, approximately two-thirds of all submissions explicitly welcomed the expansion of the ESS to gas. The Government found strong support from energy retailers, large energy users, gas networks, suppliers and industry associations. It is worth noting that expanding the ESS to gas will deliver this Government's commitment to gas energy efficiency outlined in Action 4 of the New South Wales Energy Efficiency Action Plan and Action 17 of the New South Wales Gas Plan. Action 4 committed the Government to investigate options for market-based mechanisms to provide incentives for household and business gas efficiency. Action 17 aims to support households and businesses to use gas more efficiently to help reduce their bills and release pressure on overall gas supplies. I remind members that the Coalition has been a longstanding supporter of extending this scheme to gas. In debate in the Legislative Assembly on 4 June 2009, the member for Goulburn said:

The Government should implement a scheme for natural gas similar to that implemented in Victoria. If it does not, New South Wales will inevitably fall behind States such as Victoria in the creation of green jobs in the energy performance contracting sector for gas. New South Wales could reduce its emissions faster and at less cost if gas were included in the efficiency scheme, thus reducing the overall cost of decarbonising the economy.

At last, we have the opportunity to correct this long overdue enhancement. New South Wales is now the lead State in the country on energy efficiency, driven by our ambitious targets that are helping to reduce energy bills across New South Wales. I am pleased to support this bill, which will put downward pressure on gas bills by making it easier for consumers to benefit from energy efficient gas use, fostering new growth in the energy efficiency sector of New South Wales and helping industries in New South Wales to reduce their costs and improve their competitiveness.

Mr GUY ZANGARI (Fairfield) [11.35 a.m.]: The Opposition welcomes the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015. The Energy Savings Scheme [ESS] was established by the then Labor Government in 2009 and has been an incredibly successful scheme to date. The scheme aims to reduce energy consumption and by extension electricity bills. Since 2009 the ESS has assisted the implementation of energy efficient projects that have saved 12,000 gigawatt hours. Between 2009 and 2013 certificate providers have created 8.8 million energy savings certificates, which altogether equal 8,291 gigawatt hours of energy saved.

The proposed amendments to the Electricity Supply Act of 1995 will expand this scheme to include gas consumption, a move that is consistent with other States including Victoria, South Australia and the Australian Capital Territory. The amendments would also extend the lifetime of the scheme to 2025 and would gradually increase the savings targets over its lifetime. The amendments would also better recognise savings in regional New South Wales. This scheme works, and it is all thanks to Labor's forward thinking in 2009. Contrast our record on climate change policy to that of those opposite. There is nothing more of a joke than action on climate change by a Coalition Government. Remember that Liberal Prime Minister who was stabbed in the back not long ago? Remember his all-time famous quote, "The climate change argument is absolute crap." That is what Tony Abbott said on 2 February 2010.

I would not be surprised if there are members opposite who would agree with Tony. On 14 September this year the Premier issued the top 30 priorities for the State. There was only one environmental priority on that list, and that was the reduction of litter. There you have it! The only thing those opposite care about is reducing litter. I think they looked at a student diary at Patrician Brothers' College, Fairfield, for the priorities for the environment and chose the reduction of litter. There is nothing on the list of top 30 priorities about energy consumption targets or renewable energy. There is only one party that the people of New South Wales can trust for good policy on the environment. There is only one party that people can trust for real action on climate change, and that is the Labor Party.

Mr Adam Crouch: True, the Liberal Party.

Mr GUY ZANGARI: The member for Terrigal has acknowledged that. The Labor Party will always support lower electricity and gas bills, and a lower consumption of energy. We are not the type of party that would use taxpayers' money to go to court to make sure that electricity prices stay up. The Government's policy is to use taxpayers' money to ensure that people pay more for electricity. That is why electricity prices are going up. Mr Temporary Speaker, I draw your attention to the member for Wollondilly, who is walking around in the Chamber. That is disorderly. I ask him to sit down during my short contribution. I put on the record that the New South Wales Labor Opposition does not oppose the bill.

Mr JAI ROWELL (Wollondilly) [11.40 a.m.]: I thank the member for Fairfield for his interest in my health and walking activities. He might want to come for a run with me tomorrow. It is interesting that the member for Fairfield spoke about the Labor Party being all for the reduction of electricity prices. Electricity prices increased somewhere between 40 and 75 per cent during Labor's last few years in office and we are trying to ensure that electricity prices remain low. I am not sure what the member for Fairfield was talking about then—or when he was speaking about schools in his area.

I am proud to be a member of a Coalition Government that tackles the cost of energy and grapples with the State's contribution to greenhouse emissions. The extension and broadening of the Energy Savings Scheme [ESS] will reduce energy bills for small businesses and families. The ESS will enable households in New South Wales to save an additional \$42 a year and small businesses to save up to \$128 a year on their energy bills. Furthermore, those actively involved in the scheme will in fact save more by purchasing certificates from accredited providers. Statewide that is a saving of \$8.2 billion across households and businesses between now and 2040. Those savings will provide an additional \$853 million to the State economy.

The scheme will ensure that businesses will be more able to offer energy efficient goods to consumers and thereby, provide long-term improvements to our greenhouse emissions. Whether the goods are efficient appliances or efficient lights, providing greater competition and supply of those products will take the burden both off our pockets as well as the environment. The benefits of the ESS will result in a saving of an additional 524 gigawatt hours of energy per year in 2020, which is a significant contribution to our savings target of 16,000 gigawatt hours every year by 2020. It will result in a reduction of an additional 730,000 tonnes of carbon dioxide [CO₂] and bring our total greenhouse reductions by 2020 to 1.9 million tonnes a year.

We have been given the opportunity to build and expand the State's energy efficiency industry. Undoubtedly, energy efficiency and green energy will be growing industries as we combat climate change. We have the opportunity to expand an industry that currently employs 3,000 people and remain at the forefront of energy conservation innovation. This is an extremely important bill to support. Even though we have heard a lot of rhetoric from members opposite, they have concluded their contributions by saying that they will support the bill. That is because they know it is good policy. Of course they will put their spin on it, but they know that the bill contains good policy. I acknowledge the Opposition for supporting the Liberal-Nationals Government.

The bill not only assists in energy affordability for households and small businesses across the State but also allows us to manage our greenhouse gas emissions effectively. A reduction of 1.9 million tonnes of CO₂ a year by 2020 is an extremely ambitious target. The Energy Savings Scheme is an amazing extension that will significantly reduce our emissions. However, to achieve those ambitious energy targets we must extend the scheme until 2025. Over the forthcoming decade the bill will diminish the need for costly new infrastructure by ensuring that power is not wasted. Not only do we expect that to push prices down; it will also ensure that New South Wales does its part in combatting climate change by reducing excessive electricity usage.

The reduction in demand for electricity removes the wear and tear on our electricity infrastructure across the State—something that those opposite failed to invest in for at least 16 years. As a result, substation and transmission upgrades that were a considerable drain on capital and further forced electricity companies to raise their prices to cover the costs will decline. The targets will also be achieved by the plan in the bill to extend the Energy Savings Scheme to gas. Like electricity, the ESS will remove unnecessary gas usage and drive down the prices, delivering on our commitment outlined in the New South Wales Gas Plan. We will also achieve it by increasing the scheme targets to 7 per cent in 2016 and 8.5 per cent from 2019. That will achieve greater savings for households and will stimulate the energy efficiency industry. As mentioned, the increase delivers an additional 524 gigawatt hours of energy saved per year, totalling a savings target of 16,000 gigawatt hours each year by 2020 and resulting in a reduction of 1.9 million tonnes of carbon emissions.

We all need to play our part to conserve energy. A little over a year ago my wife and I built a house and installed energy efficient lighting and the most energy efficient appliances. We also put 50 solar panels on our roof. I am making sure that my kids see us putting our money where our mouth is, and it is providing real savings on electricity costs for my family. It is good to see many of my neighbours doing the same thing. As I said, we all need to play our part in reducing energy consumption—including the member for Orange. The Energy Savings Scheme is forward-looking. It is a long-term plan to reduce our greenhouse gas emissions and electricity costs. The bill nurtures our energy efficiency industry, which will be an amazing asset as we look forward to a future in which we combat greenhouse gas emissions. That is why I am extremely proud to be a member of a forward-thinking government that is backing hardworking families and businesses. I commend the bill to the House.

Mr GEOFF PROVEST (Tweed) [11.46 a.m.]: The principal object of the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015 is to make amendments to the Energy Savings Scheme in the Electricity Supply Act 1995, the principal Act. Under the scheme, electricity network operators and retailers are required to meet energy savings targets based on their liable acquisitions of electricity. They meet their targets by purchasing and surrendering energy savings certificates that have been created by accredited certificate providers. The bill includes amendments to enable energy savings certificates to be created for activities that involve the consumption of gas, extend the scheme to 2025 and increase energy savings targets.

The Energy Savings Scheme will reduce energy bills and save the consumer money, which is an important issue. The scheme sets electricity retailers a target for energy efficiency, which they meet by buying certificates from accredited providers. They are generated when households and businesses make investments that improve their energy efficiency and include upgrading an office, retrofitting a warehouse, refurbishing a block of flats or purchasing energy efficient appliances at a participating retailer. In my great electorate of the Tweed we are conscious of climate change and energy efficiency. I am pleased to say that solar panels are on virtually every roof within the electorate, and Tweed Shire Council recently awarded energy efficiency certificates to a large number of local builders. The Tweed is a fairly green electorate. Its people are conscious of their local environment and always strive to improve their energy efficiency.

The scheme makes energy efficient products and services more readily available, popular and affordable, which will mean savings across the board. On average New South Wales households can save an additional \$42 a year and small businesses can save \$128 a year, with those actively participating in the ESS saving more by making energy-efficiency upgrades. Before I came into this Parliament I was the general manager of one of the largest bowls clubs in Australia—the great Tweed Heads Bowls Club. We actively participated in a number of green energy schemes and were the recipient, on a number of occasions, of Green Globe awards. These recognised the club, which is a significant energy user, for its energy-saving measures. So I say well done to the Tweed Heads Bowls Club. I am sure that trend will continue.

The scheme will put downward pressure on electricity and gas bills by making it easier to choose

energy efficient options. For example, retailers will be able to offer hot water systems, efficient fridges and lighting upgrades at more competitive prices to consumers. It will also avoid costly upgrades to electricity infrastructure by keeping electricity demand down. It will avoid having to make new substation and transmission upgrades. This will avoid future increases to bills and put downward pressure on electricity prices. The scheme's new target of 8.5 per cent by 2019 will deliver an additional 524 gigawatt hours of energy saved per year in 2020. This is a healthy contribution towards the annual energy savings target for New South Wales of 16,000 gigawatt hours each year by 2020. The scheme will also reduce greenhouse gas emissions and air pollution through energy efficiency. It will cut emissions by another 730,000 tonnes of CO₂ in 2020, increasing the total emissions reduction of the ESS to approximately 1.9 million tonnes of carbon by 2020.

More than 3,000 people are employed in the Australian energy efficiency industry, so expanding the ESS to include gas presents greater opportunity to grow the industry, to create new green jobs and to stay competitive. The changes to the scheme are projected to save New South Wales households and businesses an additional \$8.2 billion on their energy bills between 2015 and 2040. The changes will also deliver an additional net benefit to the New South Wales economy of \$853 million by avoiding electricity generation and gas supply, deferring investment in electricity networks, and reducing carbon emissions and air pollution.

The New South Wales Government has an ambitious target to save energy—16,000 gigawatt hours by 2020. This will reduce the bills of businesses and households at a time when the cost of living is a pressing concern, as we all know from speaking to constituents. We encourage people to be actively involved. The fact is that, under the Minister, we are actually doing something to help the average household and the average business, and that is a very good thing. Equally as importantly, we are doing more and more to protect the environment and to reduce greenhouse gas emissions and CO₂. I think this is a very good and clever move.

I applaud the Government and the Minister for this initiative and for its continuation. As I said, the constituents of the great electorate of Tweed are conscious of not only their bills but also the environment. They would like to participate actively by involving themselves in a number of schemes. The Office of Environment and Heritage website is very informative. In my electorate office I have a number of documents available for people who want to learn more about energy efficiency. I commend the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015 to the House.

Mr MARK SPEAKMAN (Cronulla—Minister for the Environment, Minister for Heritage, and Assistant Minister for Planning) [11.53 a.m.], in reply: I thank all members for their contributions to the debate on the Electricity Supply Amendment (Energy Savings Scheme) Bill 2015, namely the members for Strathfield, Tamworth, Heffron, Miranda, Prospect, East Hills, Balmain, Holsworthy, Fairfield, Wollondilly and Tweed. The Electricity Supply Amendment (Energy Savings Scheme) Bill 2015 amends the Electricity Supply Act 1995 to enhance the largest energy efficiency program in New South Wales. By making these amendments we will broaden the scheme to include gas savings and increase targets to strengthen incentives for both electricity and gas saving by households and businesses. This will ultimately deliver net economic benefits to New South Wales.

The amendments will provide greater certainty for scheme participants by extending the duration of the scheme to 2025. The amendments also allow the regulations to provide greater clarity on the conditions for when energy savings targets are likely to be reviewed. The amendments will improve the efficiency of the scheme administrator's compliance powers. This will enable the Independent Pricing and Regulatory Tribunal [IPART] to avoid costly court action and better target poor performers. The amendments will better enable an orderly, staged approach to future harmonisation of energy efficiency schemes across jurisdictions. Providing for consistent rules and processes across jurisdictions will make it easier for New South Wales businesses to expand their operations interstate.

The member for Strathfield asked why we have set a target date of 2025. Why is it not, for example, 2030? A 2025 target adds an extra five years to the scheme. This is a sensible, measured approach to policy development and it provides sufficient market certainty. Last year the Government indicated its intention to extend the scheme to 2025. Most stakeholders who commented on our options paper, released in April this year, welcomed that extension. The member for Strathfield asked whether there will be reporting on the performance of the scheme. IPART reports annually to the Minister on the performance of the scheme. The bill requires IPART to report on the actual electricity and gas savings that have and will be realised by end users—that is, the savings to date and the projected savings from these activities.

The member for Strathfield asked why this target is set for electricity only. The preferred option we consulted on was to place targets on electricity sales only. This was supported by gas networks, energy efficiency providers, some electricity retailers and around half of the large gas users. Placing a separate target on gas sales would increase red tape for no tangible benefit. The member for Strathfield also raised questions around transparency. In fact this bill increases the transparency of the scheme. IPART will be required to report annually on both the electricity and now the gas savings of the scheme.

The bill also provides a clear and transparent mechanism in the regulations reviewing target and penalty rates in the future to ensure that the ESS is flexible enough to adapt to changing market conditions. As part of the administrative changes arising out of the comprehensive review of the ESS, the New South Wales Government will develop an evaluation, monitoring and verification framework. This framework will provide the New South Wales Government and stakeholders with the information required to continuously improve the ESS, to maintain the accuracy of financial incentives, and to make the costs and benefits of the scheme transparent to stakeholders. The Government will also manage an annual process to update the ESS rule with minor updates and to limit freeloaders, with a major review every three years.

The member for Strathfield referred to the 12 "Premier's priorities" and suggested that the Government had abandoned energy efficiency, renewable energy targets and the like. The premise behind the member's comments is incorrect. To help contain energy costs, the Government has committed to deliver an ambitious annual energy savings target of 16,000 gigawatt hours by 2020 through the Energy Efficiency Action Plan. This target of 16,000 gigawatt hours by 2020 of energy savings compared with business as usual remains. It is the equivalent of saving 20 per cent of 2011 energy projections through energy efficiency. In 2011 it was projected that New South Wales would be using around 80,000 gigawatt hours per year in 2020.

The member for Strathfield referred to renewable energy. Between 2013 and 2014, leaving aside hydro, which fluctuates from year to year, there was a 15 per cent increase in generation from other sources of renewable energy in New South Wales. There have been major initiatives in renewable energy. For example, earlier this week I was at Broken Hill for the installation of the last photovoltaic modules at Australia's second-largest solar plant. This followed the opening earlier in the year of Australia's largest solar plant at Nyngan. We have the highest rate of renewable energy investment in Australia here in New South Wales. Indeed, New South Wales leads the way in renewable energy.

The member for Strathfield complained about an alleged lack of targets. I draw her attention to the New South Wales Government Resource Efficiency Policy, announced in July 2014 and designed to ensure that taxpayer funds are used efficiently and that this Government leads by example. Other targets in that policy include: all clusters will undertake energy efficiency projects at sites representing 90 per cent of their billed energy use by the end of 2023-24, with an interim target of 55 per cent for Health and 40 per cent of other clusters by the end of 2017-18; large owned and leased office buildings will achieve and maintain a National Australian Built Environment Rating System energy rating of at least 4.5 stars by June 2017, and all data centres will achieve a minimum infrastructure and information technology equipment NABERS energy rating of 4.5 stars by June 2017; and the purchase of a minimum 6 per cent GreenPower.

The member for Strathfield asked, "Where is the modelling?" I do not know whether that was a rhetorical question, but the modelling is online at www.resourcesandenergy.nsw.gov.au/energy-consumers/sustainable-energy/scheme/energy-savings-scheme-review. It has been publicly available in draft form since at least April this year—I will return to this shortly. The member for Strathfield also raised issues about national harmonisation. As outlined in the NSW Energy Efficiency Action Plan, the Government supports a national energy efficiency market. We are engaged in ongoing discussions with other jurisdictions with energy efficiency schemes to align activities and to reduce red tape, while ensuring that schemes continue to deliver the high-quality outcomes that consumers expect. This will help to expand opportunities for consumers to reduce their energy costs and continue to grow jobs and skills in each State or Territory energy efficiency sector.

The Government intends to expand the Minister's power to approve corresponding schemes under section 127 of the Act to enable a staged process to harmonising with other States and Territories. This will include allowing the accrediting and crediting functions of the ESS to be used in other jurisdictions, while preventing energy savings generated outside New South Wales from being used to meet ESS targets. This will enable the ESS to be expanded to other jurisdictions without cost to New South Wales energy users. The Office of Environment and Heritage and the NSW Department of Industry will investigate how the crediting and accreditation functions of the ESS can be expanded to the Australian Capital Territory, South Australia, Tasmania and Queensland with the relevant departments in each State. The Office of Environment and Heritage and the NSW Department of Industry will continue to investigate other opportunities to harmonise methods and product acceptance with the Victorian Department of Economic Development.

The member for Strathfield complained about a lack of consultation. Let me recite this history. In December 2013 the Office of Environment and Heritage and the NSW Department of Industry released an ESS review issues paper. The paper raised issues across four broad themes: scheme performance, the energy efficiency market, roles and responsibilities, and scheme design. The Office of Environment and Heritage and the NSW Department of Industry received 39 written submissions. In February 2014 the agencies held a public forum, which was attended by 245 stakeholders from 148 organisations. In November 2014 the Minister for Industry, Resources and Energy and the then Minister for the Environment announced initial enhancements to the ESS. The Ministers announced that the New South Wales Government intends to enhance the ESS by expanding it to include gas, extending it to 2025, introducing a regional network factor, and improving its administration and effectiveness.

The Government also announced that it would consult on the statutory review and further proposals to enhance the ESS in April 2015. Those further proposals include: revising cost-recovery fees for the Independent Pricing and Regulatory Tribunal's [IPART] administration services to reduce budget dependence, enhancing targets and penalty rates, and improving IPART's compliance powers as scheme administrator to enable better targeting of poor performers and to reduce costs to business. In April this year the Minister for Industry, Resources and Energy and I released the ESS review report package for a four-week consultation period. The package included: an overview, which provided an executive summary of the ESS review; "Part 1: Draft Statutory Review Report", which examined the scheme's performance during its first five compliance years and considered whether the policy objectives of the scheme remained valid and whether the terms of part 9 of the Act remained appropriate; and "Part 2: Options Paper", which provided further details on how the Government intended to implement the reforms announced in November 2014 and presented options on how the scheme could be enhanced to better meet its objectives.

The four-week consultation period included two main engagement activities: a public information session and a call for written submissions. In May 2015 the Office of Environment and Heritage and the Department of Industry held a public forum, which was attended by 149 stakeholders from 102 organisations. The purpose of the information session was to inform stakeholders about the proposed

reforms to improve the quality and quantity of submissions. Some 39 stakeholders made written submissions to the ESS review report package. So a diverse range of stakeholders have made submissions to the review. They include energy efficiency service providers, energy retailers and generators, large energy users, gas suppliers, environmental advocacy groups and government agencies. The reforms have been underpinned by a thorough cost-benefit analysis. We consulted on our approach to the cost-benefit analysis in an options paper released in April this year. That can still be found at www.resourcesandenergy.nsw.gov.au. The Government's final position paper, including cost-benefit analysis and sensitivity analysis in response to stakeholder feedback, is also now available on that website.

I turn now to address the points raised by the member for Heffron. Despite the member for Strathfield saying that the Opposition was confident about the energy savings, the member for Heffron appeared to say that he was suspicious of them. So I am not sure what Labor's position is. The modelling is online in the options paper, which was released in April. This has gone through over a year of consultation and development with industry and stakeholders. There is no surprise here. I encourage the member for Heffron to read the report that has been available online in draft form for some months now. We are continuing to implement the Energy Efficiency Action Plan and we intend to meet the target of 16,000 gigawatt hours.

The member for Balmain suggested that somehow we were admitting our own failure, that we had conceded defeat and were not meeting our target of 16,000 gigawatt hours avoided energy consumption by 2020. That target was announced in 2011. It is a target for 2020; it is now 2015. We might be halfway there in time, but we are well and truly more than halfway there in terms of energy savings. We now have 12,600 gigawatt hours of avoided energy consumption per annum and the enhancements to the ESS will deliver another projected 524 gigawatt hours in savings. We are well on track to meeting our target and the Energy Efficiency Action Plan will roll out further initiatives between now and 2020 to make up the balance. The member for Balmain also referred to a 41,000 gigawatt hours target. That was the national renewable energy target, not an energy efficiency target.

The *Hansard* will give us a clearer idea, but I am unsure whether the member for Balmain was confusing that number with an energy savings target. The member for Balmain appeared to suggest that the Government should have gone further than 8.5 per cent. He referred to a figure of 24 per cent. I think he obtained that figure from page 146 of the draft options paper that has been online since April. The cost-benefit analysis in that paper showed that a 24 per cent target—which the Opposition does not suggest we aim for—even factoring in the benefits of avoided electricity generation, deferred network investment, avoided gas supply, a notional cost of carbon and health benefits from avoided air pollution, resulted in a net benefit of negative \$2.873 billion.

That The Greens advocate for a 24 per cent target demonstrates how economically irresponsible they are. We all want energy efficiency and greater reliance on renewable energy, but we must do it in a methodical, careful and measured way. The Government has undertaken rigorous analysis to address the undoubted costs of pollution and carbon emissions. The member for Balmain cherry-picked the 24 per cent figure from the options paper without addressing the negative net cost to the economy of \$2.873 billion—even factoring in all the advantages. A 24 per cent target would add \$178 to the average household power bill. The Greens' approach to economic sustainability and power prices is irresponsible.

The Government has an energy savings target of 16,000 gigawatt hours. It is an ambitious target. It represents a 20 per cent saving compared with the 2011 projection for 2020. New South Wales leads the way in energy efficiency in Australia. The bill will allow greater access to opportunities for energy efficiency activities in New South Wales. It will deliver energy bill savings for consumers, it will facilitate the growth of the energy efficiency industry in our State and it will contribute to releasing the pressure on gas supplies. It will enhance the administration, compliance and operation frameworks for a scheme that is already highly successful. I commend the bill to the House.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Third Reading

Motion by Mr Mark Speakman agreed to:

That this bill be now read a third time.

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

ENERGY LEGISLATION AMENDMENT (RETAIL ELECTRICITY AND GAS PRICING) BILL 2015

Second Reading

Debate resumed from 13 October 2015.

Mr MICHAEL DALEY (Maroubra) [12.13 p.m.]: I lead for the Opposition in debate on the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015. The Opposition supports most of the bill and will not oppose its passage in this place but will seek to move amendments to it in the other place. I will address the amendments in due course. The overview of the bill states that the objects of the bill are as follows:

- (a) to amend the Electricity Supply Act 1995 and the Electricity Supply (General) Regulation 2014 to update references and remove provisions as a consequence of the deregulation of retail electricity prices,

The Opposition supports that object and the provisions that facilitate it. Paragraph (b) states:

- (b) to provide for retail gas pricing order provisions to be retained and revived in the Gas Supply Act 1996,

The Opposition has no objection to those provisions. Paragraph (c) states:

- (c) on a future date to be proclaimed, to amend the Gas Supply Act 1996 to remove provisions authorising regulation of retail gas prices,

The Opposition supports that in principle, with caveats that will be reflected in amendments in the other place. Paragraph (d) states:

- (d) to make other consequential amendments.

In an effective market consumers can benefit from increased competition, particularly in the electricity and gas markets. Having a choice of electricity and gas providers is good for consumers as long as the market is mature. Consumers can seek the best deal or switch to another electricity and gas provider to obtain a better deal. That is why the Labor Party, at the national and State levels, has championed energy reform over the years. I remind the House that Labor established the National Electricity Market in December 1998. Labor introduced full retail contestability in the New South Wales electricity sector in 2002. Labor supports the provisions in this bill that tidy up the parts of the legislation that relate to electricity regulation. Labor will support in principle the deregulation of gas prices when there is clear

evidence that competition is working to benefit consumers across New South Wales. In a press release yesterday the Minister for Industry, Resources and Energy said:

Under the proposed legislation, gas prices will be deregulated from 1 July 2017, on the condition that there is a considerable increase in the level of competitive offers available to customers in regional NSW.

In his press release the Minister cited the "NSW Energy Prices July 2015" report from the St Vincent de Paul Society as providing unconditional support for the deregulation of the retail energy market. He ought not to have done that because the report contained caveats and reservations expressed by the St Vincent de Paul Society. On Monday in the *Sydney Morning Herald* Brian Robins wrote a good article quoting Gavin Dufty, policy and research manager with the St Vincent de Paul Society. Mr Dufty expressed serious concerns about the reforms that are needed in the retail energy market nationwide. He called on the Council of Australian Governments, the Federal Minister for Resources, Energy and Northern Australia, and the States to do something about that. The Minister for Industry, Resources and Energy should be careful when quoting selectively from reports.

The Minister for Industry, Resources and Energy says that deregulation will occur when there is a considerable increase in the level of competitive offers. He also cited the 2015 competition review by the Australian Energy Market Commission [AEMC]. The Minister says that the review found competition in the retail gas market to be effective, with six brands competing for the State's 1.3 million customers. Again, the Minister has quoted selectively. The AEMC said that competition in the retail gas market was effective, though less intense than in the electricity market—and understandably so. The AEMC report is a snapshot of competition in the national and State marketplaces at a point in time.

It does not consider future concerns or factors that may or may not influence the electricity and gas markets. It is a snapshot of the health of marketplace competition at a point in time, taking into account things such as customer reviews and surveys, the number of entrants and participants in the market switching rates—otherwise referred to as "churn"—customer satisfaction and complaints to the Ombudsman. I note that complaints to the energy ombudsman in the time frame covered by the AEMC's report in relation to gas have increased by 36 per cent, which we should all be concerned about. It is an informative report; it is not definitive.

The issue with the eastern gas market is that there is no authority that provides a definitive conclusion as to what might happen, even in the short term, regarding some of the concerns that were expressed recently by the Australian Competition and Consumer Commission [ACCC]. The ACCC is currently conducting an inquiry into the east coast gas market. Looking at the issues paper released by the ACCC on 4 June 2015—and I will take some time to note some of those concerns for the House—I believe it would be an understatement to say that all members of this and the other place should be quite concerned to ensure that the Government gets it right. The issues paper states:

Eastern Australia is witnessing an unprecedented level of investment in the development of liquefied natural gas (LNG). More than \$63 billion is being invested in three LNG projects in Queensland, creating thousands of jobs and business opportunities across Australia.

These projects are contributing to the significant growth of export earnings in the Australian economy.

We all welcome that. It continues:

In 2013-14, Australia exported 23.2 million tonnes of LNG worth A\$16.3 billion. By 2019-20, the LNG projects across Australia are expected to be exporting 76.6 million tonnes of LNG worth A\$46.7 billion with around one-third of this volume coming out of Eastern Australia.

Here is where it gets interesting:

While providing economic benefits for the Australian economy, the LNG projects are significantly altering the supply and demand dynamics in the domestic gas industry in Eastern Australia. Domestic gas users have been exposed, for the first time, to international gas prices and there are increased uncertainties about the future availability of gas for domestic use in Eastern Australia.

I repeat:

... there are increased uncertainties about the future availability of gas for domestic use in Eastern Australia.

That is not just domestic use relating to households; it is for manufacturers, restaurants and businesses—manufacturers large and small. The issues paper goes on:

These developments are occurring at a time when many long-term domestic gas supply agreements are expiring, putting many domestic gas users in an unfamiliar position when negotiating new gas supply arrangements.

A number of public inquiries have been undertaken by federal and state governments, triggered by LNG developments and the concerns of industry participants about the effect of these developments on their businesses.

So currently there is great uncertainty and the nation and most State governments are looking into what is happening. We should be very careful. The issues paper continues:

Many of these inquiries reported that domestic gas users had experienced difficulties in finding reasonable gas supply offers and raised concerns about rapidly increasing gas prices and deteriorating non-price terms and conditions. A number of inquiries recommended a review of the state of competition in the domestic gas industry to identify and assess any actual or potential presence of market power and any actual or potential exercise of market power, particularly resulting from the developments triggered by the LNG projects.

On 13 April 2015, the Small Business Minister required the Australian Competition and Consumer Commission (ACCC) to undertake an inquiry into the competitiveness of wholesale gas prices ...

The terms of reference are wide and members can look them up for themselves. The issues paper goes on to state:

Previous inquiries into the supply of wholesale gas in Eastern Australia received conflicting reports from gas suppliers and gas users about prevailing supply and demand conditions, the extent of active gas supply negotiations and the supply outcomes. It was difficult for these inquiries to assess competing claims about these issues due to critical information about gas supply agreements and contractual negotiations being unavailable due to confidentiality restrictions.

I do not believe anyone could argue reasonably that you cannot have a mature market that is opaque. The ACCC intends to use its compulsory information-gathering powers in relation to these confidentiality restrictions, which is good. Apart from the matters addressed in the issues paper, concerns were also raised by Rod Sims, Chairman of the Australian Competition and Consumer Commission, in a speech he made on 17 September 2015. He said:

Gas seems to be an energy commodity in eastern Australia particularly amenable to government

inquiries. Nearly all state governments or parliaments have reviews under way into some aspect of gas markets or production.

A consistent theme of previous inquiries, such as the Department of Industry and Science Market Study, is that they have not been able meaningfully to assess conflicting claims from gas suppliers and gas users about prevailing supply and demand conditions.

The confidential nature of gas supply negotiations and the terms available in the gas market also meant that it was difficult to determine policy recommendations for government out of these inquiries.

Indeed many aspects of the east coast gas market are opaque and complicated.

- The market is dominated by confidential, bi-lateral contractual arrangements which make price discovery almost impossible.
- Trading markets are immature and illiquid—

What a comment to make—

with conflicting views as to their utility.

- At nearly all points along the value chain, the market is dominated by large players: be they gas producers and processors, pipeline operators or gas aggregators and retailers.

These types of characteristics have the potential to set a market up for the inappropriate exercise of market power.

And we all know what happens as a result of that: Consumers get hammered. Mr Sims continued:

While we are not quite at the halfway mark in our 12-month Inquiry, and we are still some way off drawing conclusions, there are some preliminary observations I would like to make today.

- First, it is apparent that the arrival of the major LNG projects has upended the east coast gas market, likely permanently.
- Second, gas user complaints about a dearth of offers for the supply of gas in recent years are largely true.

Mr Sims said that the commission is not quite at the halfway mark in its 12-month inquiry and that other inquiries are currently being conducted across the nation. The Government introduced this bill yesterday, defying the usual convention that legislation sit on the table for five days so that all and sundry can review it properly. The Government suspended the standing orders of this place to rush this legislation on today. I believe it has done so because it has run out of work. But the fact that the Government would put that consideration first and not allow full discussion for five days, as the convention requires, serves only to heighten the concerns I have about some inherent aspects of the bill. I return to the speech of Rod Sims on 17 September this year. He said:

As we all know, QCLNG has commenced production from both its trains, and GLNG and APLNG are ramping up their initial trains towards production. Already LNG demand equals the total domestic demand of the east coast gas market.

By the time all six trains are operating, east coast gas production will need to have tripled to meet both LNG and domestic demand from industrial, commercial and household customers and the remaining gas-powered generation.

This burst in demand for gas over a very short timeframe for the LNG industry is effectively upending the east coast gas market.

To meet these changing market dynamics, transmission pipelines are being inter-connected and flows are being made bi-directional. In other words, the transmission network is being prepared to enable some gas to flow north out of southern production areas and into Queensland.

There was originally a strong presumption that CSG with some incremental supply from the Cooper Basin, would largely supply LNG demand.

Indeed, at one time it was thought that CSG in Queensland and unconventional gas out of the Cooper Basin was going to drive an LNG boom with 16 or more trains being mooted by different projects using gas sourced out of these areas.

However, despite this early expectation of a gas production boom, the east coast market seems to be perhaps one of the few gas markets in the world which is now living under the shadow of supply uncertainty.

...

It is often said that linking the east coast market to international gas markets means domestic prices netted back from international prices. However, with lower oil and LNG prices, and a falling Australian dollar, it is becoming increasingly unclear as to what exactly a netback gas price for the domestic market should be.

...

We have evidence that many domestic users went from a market where they received, say, three to five offers of supply on terms that were able to be negotiated, to one where they received zero or one true offer, on largely take-it-or-leave-it, inflexible terms.

Particularly during 2012-2014 it was hard to find signs of an effective domestic gas market.

That sounds alarm bells. It continues:

When you look at some of the gas deals that were struck in this period, it is clear that a number were related party transactions with the LNG projects shoring up supply positions, or other deals between suppliers.

...

Some have also asserted that once the Government started to publicly canvas the idea of an ACCC inquiry into the gas market, behaviours also changed. The prospect of regulatory scrutiny can affect behaviour.

...

The ACCC is working with the AEMC to ensure that the findings of our inquiry informs the work of the Commission.

...

In this market characterised by uncertainty, the scope, timing and changes in LNG demand will be

critical. It will be important to establish, with some certainty, if production meets project expectations and if the reserve base of these projects is sufficient to cover production over the life of the project.

That is critical. This Parliament wants to try to enact legislation to regulate a mature, transparent, well-regulated, effective and genuine top to bottom market—the bottom line for the effective passage of this bill. The evidence before the ACCC inquiry and the evidence before the parliamentary inquiry paint a picture that is far from that sort of market at this time. We all hope that we will get there in time. I understand that the Minister wants to send signals to the market with the passage of this bill, as does the Opposition. But let us compare for one minute the gas market with the electricity market. Under the urgings of Paul Keating, the Labor Party commenced the National Electricity Market [NEM]—a mature market that has been functioning for 20 years and which has an effective auction from the generators every 30 minutes.

There are more than 20 retailers in the retail market in New South Wales and I think the Australian Energy Market Commission [AEMC] said that, since deregulation, another four have come in. The monopoly aspect of our electricity—that is, the network—is regulated by the Australian Energy Regulator [AER]. The Australian Energy Market Operator [AEMO] operates a gas short-term trading market for the market in New South Wales, the Short Term Trading Market [STTM]. But if one listens to Rod Sims, that is not enough and the shortcoming in that is that the NEM is transparent but the gas market, at least on the eastern seaboard, is not.

The Opposition has some concerns with the legislation. First, the ACCC is only half way through its report. There is uncertainty around even the short-term effect on the market from liquefied natural gas [LNG] plants and if the short-term effects are uncertain there can be no comfort whatsoever in this place about the medium or long-term effects of those projects. Until there is some certainty about that, I cannot see how the Minister can proceed and I am not confident that by 2017 we will be in a position to proceed. It would be good if we were and that the evidence was in. However, I am not sure that we will be in a position to proceed because of the uncertainty around oil prices nationally and we know that oil and gas prices are almost inextricably linked.

There are still relatively few retailers in New South Wales for gas. There are six and in regional areas—places like the Shoalhaven and Wagga Wagga—there is only one. I acknowledge that the bill addresses that issue but I also wish to remind the House of the recommendations in the report of the Legislative Council Select Committee on the supply and cost of gas and liquid fuels in New South Wales, delivered in February this year. Concerning evidence was put before that committee that is entirely relevant to the question at hand and those recommendations need to be noted:

Recommendation 1: That the Minister for Resources and Energy, through the Council of Australian Governments' Energy Council, seek to have information detailing the amount of gas available for purchase included on the National Gas Bulletin Board.

Good luck with that one because Rod Sims is having trouble finding it. The recommendations continue:

Recommendation 2: That the Minister for Resources and Energy: through the Council of Australian Governments' Energy Council, seek to create a gas market equivalent of the National Electricity Market and undertake an audit of all regulatory tools available to the NSW Government to improve transparency and openness in the gas markets in New South Wales and Australia.

Recommendation 3: That the New South Wales Government fully implements the Chief Scientist and Engineer's *Final Report of the Independent Review of Coal Seam Gas Activities in NSW* (September 2014) before any expansion of the coal seam gas industry in New South Wales is contemplated.

And finally:

Recommendation 4: That the Minister for Resources and Energy, through the Council of Australian Governments' Energy Council, pursue the implementation of an Australia-wide domestic gas reservation policy, while the recommendations in the Chief Scientist and Engineer's *Final Report of the Independent Review of Coal Seam Gas Activities in NSW* (September 2014) are being implemented.

I understand that the Government has expressed in-principle support, if not more substantial support, for those recommendations.

Mr Michael Johnsen: All of the recommendations.

Mr MICHAEL DALEY: All of the recommendations, which is good. The Minister says he will monitor developments in the gas market with a view to deregulating it by 2017. I assume he will do that with consumer interests in mind. However, we have deep concerns about this Government's genuineness and bona fides when it comes to doing what it needs to do to look after consumers in the energy market in New South Wales. The independent Australian Energy Regulator [AER] 2014-19 Network Revenue Determination will result in electricity prices falling. The AER sets the amount of revenue electricity networks can charge their customers, regardless of who owns the network. The Minister for Industry, Resources and Energy says:

The NSW Government shares the objective of the independent AER in ensuring a safe and reliable supply of electricity, at the lowest sustainable cost for the state's household and businesses.

The network revenue determination means NSW residents will receive the following average annual reductions on their electricity bills in 2015-16:

Network distribution area: Ausgrid, average saving on a household bill, \$165.

Network distribution area: Endeavour Energy average saving on a household bill, \$106.

Network distribution area: Essential Energy average saving on a household bill, \$313.

NSW small business customers will also receive an annual reduction on their electricity bill in 2015-16.

The Minister then referred to additional prices, which is terrific and unmitigated news.

Mr Damien Tudehope: Fantastic.

Mr MICHAEL DALEY: It is fantastic news.

Mr Damien Tudehope: I am glad you read it out.

Mr MICHAEL DALEY: I read it out as it is a Government press release dated 30 April 2015. Subsequently the Government appealed the decision of the AER, which will reduce costs to electricity users from top to bottom in New South Wales. The Government is doing that simply to fatten the network market for sale. It has put its own sale price concerns ahead of the concerns of consumers in New South Wales, which does not bode well for the passage of this bill. In 2014 the Government again decided to pursue the sale of Macquarie Generation assets. On pages 14-17 of its Statement of Issues the ACCC said:

AGL is currently the largest electricity generator in Victoria (with 29 per cent of capacity) and South Australia (with 38 per cent of capacity). Following an acquisition of Macquarie Generation, AGL would also become the largest electricity generator in NSW (with 28 per cent of capacity).

The ACCC is concerned that the aggregation of Macquarie Generation's capacity with AGL's existing generation capacity in the NEM may have the effect of substantially lessening competition in one or more of the following markets:

- the wholesale supply of electricity in NSW, taking into account interconnector flows;
- the wholesale supply of electricity in a combined NSW/Victoria/South Australia market, taking into account interconnector flows; and/or
- the wholesale supply of electricity in the NEM.

An increase in the price of electricity in wholesale markets is ultimately likely to flow through to the price of electricity paid by retail end users, in regulated or deregulated retail markets.

The ACCC made unequivocal statements about what the sale of Macquarie Generation to AGL would do to the price of electricity in New South Wales, Victoria and South Australia, which the Premier ignored. The third concern of the Opposition, which relates to the bona fides of this Government in having consumers' interests paramount in its mind, goes back to the mechanisms inherent in the bills that were used to privatise the ports of Botany, Port Kembla and Newcastle. I do not wish to revisit that issue as it is dead and buried. On a number of occasions Premier Mike Baird consistently asserted in this place and in the public arena that price control mechanisms were inherent in those bills to limit price rises by the new port owners on tenants at the ports and on users going through the ports. He said it was monitored by the Independent Pricing and Regulatory Tribunal [IPART] and that the Government and IPART together could control the prices that new port owners or lessees could charge, which is untrue.

The Premier, who was Treasurer at the time, should acknowledge that he got it wrong and that the mechanisms in the bill do not quite say that. In fact, the mechanisms only require the new port owners to lodge a yearly report with the Minister to notify him of any charges that have been implemented, increased or introduced. No price control mechanism is in place. The Government and, in particular, the Premier are not willing to assert in this Chamber or outside it that something that is important to consumers is manifestly incorrect, so naturally the Opposition is concerned. The Opposition will seek in the other place to interpose a step between the passage of this bill into law and the power of the Minister to unilaterally initiate for deregulation of the gas industry.

If we get this wrong there will be massive consequences as gas is one of the most beloved sources of energy in our households; we have gas heaters, gas stoves and gas barbeques. Households love their gas appliances. If we get this legislation wrong households will be forced to compete in an open-priced world market and the price of their gas, which is currently sitting at \$3 to \$5 a gigajoule, will increase to \$12 with a netback price of \$8, \$9 or \$10. Grandmothers will be competing with steel mills in Seoul over gas prices, which is something we want to avoid. If that is not bad enough let us consider the vast majority of restaurants that use gas to cook meals and all the small and large manufacturers that use gas. If we get this legislation wrong and prices go through the roof—the beast escapes and there is no prospect of recapturing it—the consequences will be immense.

The Opposition will move an amendment in the other place to interpose a step between the passage of this bill through the Parliament and the power of the Minister to unilaterally initiate for deregulation of the gas industry. The Labor Party has had discussions, led by the Australian Workers Union, about domestic gas reservation policy. This is a prime example of how the union movement, the labour movement and individual unions lead national debate about significant policies such as energy as it relates to manufacturing and other important industries in this nation. They contribute to debates about the economic prosperity of this nation and make positive suggestions.

At the most recent Federal conference of the Australian Labor Party a national interest test for liquefied natural gas [LNG] export projects was introduced as a result of the domestic gas reservation argument and campaign led by the Australian Workers Union. The Opposition congratulates the union on

that campaign. The Labor Party has expressed in-principle support for the provisions in this bill but it will seek to amend it in the Legislative Council. We will not sit back and allow any cartel-like behaviour that will result in consumers being ripped off. Finally, I refer to some of the concerns expressed by Michael West in the *Sydney Morning Herald* on 13 April and 12 October. I do not need to endorse these comments but they should be noted. On 12 October he stated:

When competition tsar Rod Sims delivered the keynote address on the gas industry at an energy conference last month, he did everything but deploy the "C word" ... cartel that is ...

It was "opaque and complicated", "dominated by confidential, bi-lateral contractual arrangements which make price discovery almost impossible", trading markets were "immature and illiquid" and, "at nearly all points along the value chain, the market is dominated by large players, be they gas producers and processors, pipeline operators or gas aggregators and retailers".

I have already quoted that passage to the House. Michael West also says:

Things don't get much more "cartelish" than that.

He goes on to say:

On one count Sims is wrong. He kept calling it a market. It is not a market. There is no price, nor liquidity; price discovery is almost impossible, and the sector is controlled by a handful of large corporations, mostly owned offshore.

...

As is usual with markets, capacity ratchets up with rising demand and rising prices, leaving overcapacity and falling prices. Don't expect too much relief at the domestic consumer level though until Sims and his political overlords sort out the cartel.

His words, not mine. On 13 April, whilst referring to the State's manufacturing sector, Michael West said:

In Australia, the gas cartel is withholding supply to our manufactures and asking them to pay \$7.50-\$10/GJ to secure long-term contracts. Tired of suffering at the mercy of the gas cartel, and of its opaque and anecdotal market data, Manufacturing Australia has called for reforms for the east coast gas market.

So too has the Australian Workers Union. He continues:

This is a good thing, but it doesn't go nearly far enough. Reforms should indeed be struck to free up markets, as Manufacturing Australia suggests. This is not a market however, it is a cartel. Free markets exhibit visibility of supply and demand. This is the terrain of competition policy.

Those are strong words from Michael West. We have also heard strong words from Rod Sims and people who made submissions to the Australian Competition and Consumer Commission inquiry and this Parliament's inquiry. If this bill is intended to send a message to the market to lift its game the Government should add to the message the Opposition's words that will be outlined today. We will not support the passage into law of this bill until all concerns have been met.

Mr GLENN BROOKES (East Hills) [12.51 p.m.]: I support the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015. We know that effective competition is the best form of customer protection that a market can provide. We saw the benefits of that in New South Wales in the first year after retail electricity prices were deregulated. The 2015 competition review carried out by the Australian Energy Market Commission [AEMC] proves that competition in the electricity market has remained effective after deregulation. The AEMC review found that retailers consider that the removal of

retail electricity price regulation has lowered barriers to entry and expansion in the market. Four new brands have entered the retail electricity market since the review. The vast majority of customers who switched their electricity or gas plan or provider were happy with their decision and got what they expected. We know that customers are satisfied and are being looked after. We now need to provide additional certainty for industry to ensure that competition remains and increases.

The bill has two components, both of which will provide certainty to industry. The first component is cleaning up the Electricity Supply Act 1995 and the Electricity Supply (General) Regulation 2014. Most of the amendments remove redundant terminology from the Electricity Supply Act 1995 that could not be amended at the time deregulation came into effect. That includes references to "regulated offer" customers or retailers. At first glance, they are basic administrative changes but the importance for industry is much more significant. At present the legislation is drafted in such a way that it is possible to make a new regulation re-regulating retail electricity prices without consulting industry. That does not provide confidence to industry and can potentially deter new entrants into the market. Setting the level of electricity prices is more complicated than moving prices up or down by a percentage point. Re-regulating without warning—like turning on a switch—could send competition and the industry backwards.

The second component of the bill is the deregulation of retail gas prices. New South Wales is the only State that continues to regulate retail gas prices, although it should be noted that they are regulated in a much more light-handed way than electricity ever was. The purpose of the changes to the Gas Supply Act 1996 will be to signal to the gas industry that retail gas price deregulation is imminent. We are providing a level of certainty to the gas market that retail gas price deregulation can happen, and here is the legislation to prove it. By delaying commencement we are giving industry time to prepare—to ensure that effective competition is at an all-time high prior to deregulating retail gas prices. Once the New South Wales Government is satisfied that the market is ready, the amendments will be proclaimed and the process to deregulate retail gas prices will be complete. I commend the bill to the House.

Ms SONIA HORNERY (Wallsend) [12.56 p.m.]: When it comes to essential services such as energy, gas or water there is little room for consumer choice. The products in question are largely uniform. Everyone needs their lights to switch on, they need their cookers to work and they need the water to come out of their taps. The same pipes and wires are used to get the product—whether it be gas, water or electricity—from one place to another regardless of which service provider a household may be signed up with. Yesterday in his second reading speech on the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015 the Minister told the House that effective competition puts downward pressure on prices. This is true; however, it is debatable whether effective competition can exist in this area. Further, it is debatable that the price falls in the electricity market are related to deregulation. Let us keep in mind the collapse of commodity prices in recent years. The cost of coal, for instance, has come down precipitously as the mining boom has ended. Oil prices have also fallen.

An upper House inquiry found that the gas market—if it can be called that—is dysfunctional, not competitive and in serious need of reform. Giving in to this dysfunction rather than finding ways to more thoroughly bring about reform seems like a bad decision to me. I know it seems ill considered and inconceivable to many constituents. There is little to no room for a new competitor to enter the market. What are they going to do? Lay tens of thousands of kilometres of piping? I do not think so. Products such as electricity, gas and water are delivered via services that are natural monopolies. At best we can watch as oligopolies develop, with a few corporations having control of the lion's share of the market.

In this situation, natural market forces have limited impact. Changing service providers is not as simple as going to buy a phone or television; for the average consumer, the differences between service plans can be incomprehensible and the system itself may appear overwhelming. That has certainly what I have heard when I have talked to people in the Wallsend electorate about changing their electricity provider. They do not necessarily have access to a computer to do this, or the knowledge or ability to make such changes. Interestingly, a report from the St. Vincent de Paul society read in part:

The retail component of bills is too high in the deregulated, competitive energy market. This is either because the cost of competition is high or because competition is ineffective. We have an energy retail market that ensures customers are paying over the odds for an essential service unless they annually dedicate time to compare energy plans and switch retailer.

Many of my constituents have neither the ability nor the wherewithal to do that. Regulation should be designed to keep this system in check. Regulation should be designed to make sure that service providers give their customers value for money. Regulation is about ensuring that the bills which contribute to the cost of living for our constituents are not at the mercy of a dysfunctional market or a market controlled by relatively few businesses. It may not work alone, and it certainly cannot work without proper oversight. This is not what the Government wants to hear, but it is true—regulation, particularly when it comes to the delivery of essential services to the people of New South Wales, is not a vice. It may not be a virtue either; but the goal should be better regulation and stronger reform, not the wholesale removal of regulation and surrender to dysfunction. I disagree with the member for East Hills. This bill does not produce any kind of certainty and nor does it provide benefits to our community. This bill requires significant amendment.

Mr MICHAEL JOHNSEN (Upper Hunter) [1.01 p.m.]: I support the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015. The bill allows for changes to the Gas Supply Act 1996. The purpose of these changes is to provide a clear signal to the gas industry that retail gas price deregulation is imminent. Of course the New South Wales Government will not deregulate if it is deemed inappropriate to do so. This might be the case if there is no competition in the marketplace. The retail gas market has been slowly moving towards retail gas price deregulation for a number of years now. While New South Wales is the only jurisdiction that continues to regulate retail gas prices, this is done via a light-handed approach—in contrast to the more prescriptive approach that was taken for electricity.

Voluntary pricing agreements are entered into between the regulated offer retailer—either AGL, ActewAGL or Origin Energy—and the regulator, being the Independent Pricing and Regulatory Tribunal [IPART]. They take place after IPART and the regulated offer retailer have negotiated and resolved any points of contention. Voluntary pricing agreements are a stepping stone towards retail gas price deregulation. They are complemented by other actions taken by either industry or the Government to promote competition in the retail gas market. One of these actions relates to the multitude of technical rules and procedures that govern the retail gas market.

Government and industry have been and still are working to ensure these rules and procedures place a limited regulatory burden on businesses, reducing costs wherever possible and ensuring all customers have access to competition. For example, in its 2015 competition review the Australian Energy Market Commission [AEMC] identified the lack of harmonised business-to-business procedures as a barrier to competition in the New South Wales retail gas market. Business-to-business procedures are a set of rules that retailers and gas distribution businesses use for information exchange—essentially this covers how retailers and distributors talk to each other. This includes rules about how to switch a customer from one retailer to another, amongst other things.

The business-to-business procedures in New South Wales differ from those in other jurisdictions. Unfortunately, this adds to the cost of doing business in New South Wales as different information technology systems are needed. Industry bodies are currently in the process of harmonising the New South Wales business-to-business procedures. This is scheduled for completion by April 2016. The harmonisation will encourage more retailers to enter the market as the cost barrier will no longer exist. Currently there is no mechanism in the retail gas market procedures to let customers switch from one retailer to another. To ensure that all customers have access to competition and that all retailers can make offers to all customers, the retail gas market procedures will be amended to remove any barriers to customers accessing market offers. It is anticipated that this amendment will be included in the AEMC review of the retail gas market procedures later this year.

The implementation of these amendments is underpinned by the NSW Gas Plan. As members would know, the Gas Plan sets the strategic direction to ensure the security and supply of gas in our State. One of the key elements of the Gas Plan is to provide greater opportunities for competition, which this legislation will achieve. I heard the shadow Treasurer speaking earlier. He mentioned the recommendations from the Chief Scientist and Engineer regarding coal seam gas in New South Wales. He made some faint comment about the Government possibly supporting these. The Government has made it very clear that it will accept, take up and implement over time the recommendations of the chief scientist with regard to coal seam gas. The Government is, well and truly, working through those.

We know in New South Wales that it is all very well having an unregulated retail end supply but we also need to make sure that we actually have the supply. We need to do whatever we possibly can to take the pressure off pricing and to open up competition, and that with that comes appropriate levels of oversight and regulation. The New South Wales Chief Scientist and Engineer has made 16 recommendations. As I have said, the Government is well and truly on its way to making sure that all 16 recommendations are implemented. This goes to the very heart of an energy supply market—in this particular case for gas. We need to make sure that at all levels we have a secure supply so that we do not create a situation in New South Wales where we are beholden to suppliers from other jurisdictions. We need to make sure we get that right.

We also need to make sure that the end user—the consumer; the person actually paying for that gas—has, as much as possible, an unregulated market or a high level of competition. This creates the ability for new entrants to come into the market at the retail level, as has been done in the electricity market. We need to make sure that consumers are protected along the way. That will happen through a number of measures, and in particular making sure that we have a secure supply in the first place. I assure the House that the New South Wales Government is committed to putting downward pressure on energy prices for households and businesses in New South Wales. It continues to explore ways to provide—

Ms Tania Mihailuk: And that is why it appealed the Australian Energy Regulator [AER] decision?

Mr MICHAEL JOHNSEN: We were protecting jobs, and it would have been good to see the Opposition go out there and try to protect jobs as well. The New South Wales Government's network reform program is delivering \$5.8 billion in savings that are being passed on to consumers. The Government deregulated retail electricity prices on 1 July 2014. Since deregulation the average annual market prices have dropped by \$220 and \$380. Consumers can now choose a range of energy plans from 20 retail brands and four new retailers have entered the New South Wales electricity market since 2014. The New South Wales Government recently announced that it will deregulate the retail price of gas—hence we are discussing this now—from 1 July 2017 if certain conditions are met, including an increase in the level of competitive offers available to consumers, in particular in regional New South Wales. A working group will report back to the Government on options to improve competition in that time.

This bill will effectively achieve two objectives: it will implement the strategic direction for retail gas pricing, and complete the electricity price deregulation process by making amendments to remove redundant terms and monitoring requirements. As I said earlier, it is important to secure supply not only at a production and wholesale level but also at a consumer level. Having an end-to-end process that is efficient and competitive will help New South Wales maintain its ranking as the number one Australian State. This Government needs to continue its great work—for example, supporting jobs growth in regional New South Wales is a number one priority. What creates jobs? The answer is, securing supplies of energy in a cost-competitive process. This will ensure that people invest, and when people invest jobs are created. That is what is happening in regional New South Wales. I commend the bill to the House.

Mr GUY ZANGARI (Fairfield) [1.11 p.m.]: The key objective of the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015 is to remove the capacity to re-regulate

electricity prices from the Electricity Supply Act 1995 and the Electricity Supply (General) Regulation 2015. Further amendments will also revoke the ability to regulate gas prices from the Gas Supply Act 1996. This Government is hell-bent on getting rid of every consumer safeguard and selling off every asset we own. This legislation will remove any possibility of re-regulating the electricity industry and it will remove the ability to regulate gas prices in New South Wales. A recent select committee report titled "The supply and cost of gas and liquid fuels in New South Wales" found that the gas market was incredibly dysfunctional. The market is not competitive and significant reform is needed in order to create an open and functional market such as the National Electricity Market.

Removing the ability to regulate prices in an already dysfunctional and incredibly opaque market will only empower the providers, as it removes the safeguards for consumers. A press release by the Minister has projected the deregulation of the gas industry to begin from 1 July 2017. That does not allow much time to reshape the industry and reform it into a competitive, transparent and functional market. The benefits for consumers have been noted, citing enhanced services, cheaper prices and the ability to shop around for the best deal. However, this system will only work if the industry is already functional and the demand for deregulation is there. Driving a wedge between the suppliers will have no effect because of how the industry operates; deregulating the industry will only provide suppliers with further power to take complete control and render the consumers powerless.

Putting the power into the hands of the consumers is always the right thing to do. This is why Labor has championed energy reforms over the years. In 2002 Labor introduced full retail contestability in the New South Wales electricity market. That is why Labor supports those sections of the bill that tidy up the legislation. Labor will happily support any case that will deliver enhanced services or better prices for consumers in New South Wales. Unfortunately, in the gas industry this is currently not the case. The Australian Energy Market Commission [AEMC] is the independent body that provides advice to governments across Australia on the electricity and gas sectors. The AEMC has reported "in some regional areas there is just one gas retailer operating". If there is only one retailer operating then there is no competition.

The deregulation of the gas industry will entrench a monopoly in regional areas where there is only one supplier that can name its price—this will not bode well for regional consumers. The AEMC also noted that the number of complaints about gas issues to the Energy and Water Ombudsman rose by 37 per cent between 2012-13 and 2013-14. This highlights the serious issue of the level of competition and the state of the industry today. Before the industry can be deregulated we need to ensure it is in a state where consumers will not be held to ransom by the ever so powerful providers. Consumer welfare is vital to the success of this legislation. Indeed, the key to success is an overhaul of the industry. It needs to be more open, honest, transparent and functional.

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

Pursuant to sessional order community recognition statements proceeded with.

COMMUNITY RECOGNITION STATEMENTS

PENRITH 2015 DIOCESAN MEDAL OF HONOUR RECIPIENTS

Mr STUART AYRES (Penrith—Minister for Trade, Tourism and Major Events, and Minister for Sport) [1.16 p.m.]: Today I congratulate and recognise the Penrith recipients of the 2015 Diocesan Medal of Honour. The Catholic Diocese of Parramatta Medal of Honour is awarded for outstanding service to parish, diocese and community. It aims to recognise and encourage the contributions by individuals within the diocesan community. It is my pleasure to acknowledge the 2015 Diocesan Medal of Honour recipients from my electorate. From St Nicholas of Myra Parish, Penrith: Mrs Manel Viswasam, Mrs Robyn Sawtell,

Mrs Doreen Friend, Mrs Margaret Edmunds, Mr Christopher Jaja and Mrs Anne Maree Pletkan. From Our Lady of the Way Parish, Emu Plains: Mrs Constance Bennett, Mrs Maria Loretta Doohan and Mr Phillip Youngman. All of these recipients embody the spirit of giving that exists across the wonderful community of Penrith and the awards recognise the fantastic work that is done in all of these parishes.

VIETNAMESE AUSTRALIAN WELFARE ASSOCIATION

Ms TANIA MIHAILUK (Bankstown) [1.17 p.m.]: On 23 September 2015 I had the honour of attending the annual general meeting of the Vietnamese Australian Welfare Association at Liberty Palace, Bankstown. The occasion was also an opportunity to commemorate and celebrate the fortieth anniversary of Vietnamese refugee settlement in Australia. It is beyond doubt that the Vietnamese community has played an important part in shaping our nation. Through hard work and dedication they have become pioneers of multiculturalism and have set a benchmark for others to follow. I take this opportunity to acknowledge the vital work of the Vietnamese Australian Welfare Association in supporting families that are facing financial, employment and housing difficulties. The association also works tirelessly with a number of other organisations to assist Australians of Vietnamese heritage to settle in Australia. I thank Mr Ambrose Dinh, the president of the association, for his tireless efforts. I wish the association the very best in the future as it continues to assist in the welfare of the Vietnamese community.

TRIBUTE TO WENDY ORMAN

Mr STEPHEN BROMHEAD (Myall Lakes) [1.18 p.m.]: Today I acknowledge the achievements of Wendy Orman of the Great Lakes Pearl Dragons boat club. Fifteen months of intense training, courage and determination have seen Wendy Orman realise her dream to paddle for Australia. As part of the Auroras dragon boat team, Wendy paddled at the International Dragon Boat Federation World Nations Championships held in Welland, Canada, from 19 to 23 August. Wendy competed as part of the senior B women's team. She climbed onto the podium four times, gaining silver medals in the two kilometre turn, one kilometre, 500 metres and 200 metres events. Wendy is now training for selection trials for the New South Wales State team. If selected, she will train in Sydney before heading to Adelaide in January 2016 for the national championships. Wendy is a maths teacher at the Forster campus of the Great Lakes College.

NEWCASTLE FOOTBALL AWARDS

Ms SONIA HORNER (Wallsend) [1.19 p.m.]: One of the lovely perks of this job is that I can celebrate the achievements of dedicated sportspeople in the Wallsend electorate. I was delighted to attend the 2015 annual awards dinner of Newcastle Football, celebrating its twenty-fifth year. Congratulations to the Club of the Year, New Lambton Football Club, which put in a stellar season. Congratulations also go to everyone who won an award, including Coach of the Year, Aron Newton, and Volunteer of the Year, Ebony Rich. I salute Steve Cucumanovski, who was awarded a life membership of Newcastle Football.

WESTCARE COMMUNITY SERVICES FUNDRAISER

Mrs TANYA DAVIES (Mulgoa—Parliamentary Secretary) [1.19 p.m.]: At the annual WestCare Community Services fundraising evening on 10 September 2015 the strong community in Penrith raised \$62,789. More than 160 people attended the event at The Coffee Club Nepean River to put money on the table to support Penrith's best charity, WestCare, where local needs are met by local people. The Hon. Stuart Ayres, member for Penrith, also attended the event. With more than 60 businesses donating items for prizes and 60 staff from The Coffee Club volunteering their time, together with WestCare's volunteer army, it was a fantastic night of fine dining, laughter and action.

The funds raised on the night will help to launch the Penrith City Care Kit initiative. These vital care kits will be distributed in schools, hospitals and other local service organisations. I am grateful to

hosts Jeremy and Aaron from The Coffee Club Nepean River and Luke from Sydney Direct Fresh Produce, who excelled again this year. I make special mention of champion auctioneer Troy Kennedy. Thank you to the Penrith community, who excelled again this year. I am immensely proud of the genuine and big-hearted people who call the Penrith region their home. Congratulations to everyone.

TRIBUTE TO MARGHANITA DA CRUZ

Mr JAMIE PARKER (Balmain) [1.20 p.m.]: I bring to the attention of the House a member of my local community, Marghanita da Cruz. In 1998 Marghanita began an online anecdotal history of Annandale, bringing to life the rich history of Sydney's inner west for a global readership. In 2009 Marghanita established the annual Eco-Annandale exhibition, which she continues to curate and which brings together work by local photographers, artists and scientists on the theme of environmental sustainability. Marghanita is an active member of her local precinct committee and Leichhardt Municipal Council's Heritage Committee.

Recognising the community's interest in Annandale's history and heritage, Marghanita is championing the Annandale Heritage Festival to complement the Hunter Baillie Memorial Presbyterian Church's National Trust Fund annual open day. As part of the festival, Marghanita guides historical walks. Marghanita played a key part in the recent naming of Douglas Grant Memorial Park. I thank Marghanita for her online and offline activities that help to strengthen our community. Congratulations to a stalwart of the local community.

ALBURY BUSINESSES AWARDS SUCCESS

Mr GREG APLIN (Albury) [1.21 p.m.]: Congratulations to Albury Bakery, which won 17 awards—10 gold, four silver and one bronze—at the Official Great Aussie Pie Competition held at Fine Food Australia at the Sydney Showground last month. What a wonderful achievement. Well done to Dallas Shoesmith and all the staff at the bakery. Congratulations to Australian Target Systems, Albury, which won Employer of Choice and Regional Business of the Year at the Murray-Riverina New South Wales Regional Business Awards held in Albury on 2 October. Other successful local businesses at the awards night included Johnsons MME, which won the Excellence in Business Ethics award; Albury City, which won the Employer of Choice award; and Border Pathology, which won the Excellence in Business award. Best wishes to all these regional winners for the State awards in November.

RETIREMENT VILLAGE RESIDENTS ASSOCIATION

Mr DAVID MEHAN (The Entrance) [1.22 p.m.]: On Thursday 1 October I attended the annual general meeting of the Retirement Village Residents Association at the Central Coast Leagues Club. The association represents the interests of retirement village residents. It was established at the same time as the Retirement Villages Act 1999, enacted by the former Labor Government. I congratulate returning president, Tom Gait, and secretary, Dorothy Swanton, on their unopposed re-election. The association has developed a comprehensive log of claims that it wishes to pursue as part of the current review of the Act.

These include: the appointment of a retirement village ombudsman; improving the standard contract; and improving the enforcement of orders and undertakings from the New South Wales Civil and Administrative Tribunal. The Central Coast now has more people aged over 65 than aged under 15, so it was great to see the Retirement Village Residents Association hold its annual general meeting there. I thank the Retirement Village Residents Association for the invitation. I wish the organisation well in its advocacy on behalf of residents of retirement villages.

TRIBUTE TO CHRIS DODD

Mr ADAM CROUCH (Terrigal) [1.23 p.m.]: Chris Dodd, a physical education teacher at Erina

High School, became a hero last week when the family car rolled down the driveway at his home at Springfield towards his four-year-old daughter, Ella. Mr Dodd's quick action to push his daughter out of the way of the oncoming car saved her life. Unfortunately, he sustained injuries and was trapped under his vehicle for 90 minutes until he was released by paramedics and flown to Sydney. Central Coast residents, family and friends of Chris Dodd came to his assistance financially, raising more than \$14,000 in just 24 hours after the terrible accident. Ranked fourth in Australia in high jump, Mr Dodd aspired to compete at the Olympic Games in Rio de Janeiro next year but is now facing 12 months of recovery. On behalf of the New South Wales Parliament, as the member for Terrigal I send best wishes to Chris Dodd, his wife, Kellie, and daughters Ella and Ava.

TRIBUTE TO BLAIR WATTERS

Mr GREG PIPER (Lake Macquarie) [1.24 p.m.]: I congratulate vehicle painter Blair Watters of Speers Point on his performance in the recent international finals of the WorldSkills Competition in Sao Paulo, Brazil. Blair competed in the Vehicle Refinish category and was awarded a Medallion of Excellence for his work. No doubt his family, friends, employer and teachers at Glendale TAFE are extremely proud of his achievements. Blair has also been recognised as a future leader in his industry. I wish him well in his career.

TRIBUTE TO TED ROWELL

Mr JAI ROWELL (Wollondilly) [1.25 p.m.]: I recognise my hero, my dad, and congratulate him on serving as Deputy Mayor of Campbelltown City Council for the last 12 months. Dad, Councillor Ted Rowell, followed me in being elected to Campbelltown City Council in 2012. I served on the council for 8½ years but did not attain the rank of mayor or deputy mayor. After only two years Dad's colleagues bestowed on him the great honour of deputy mayor. He has served in the role with distinction, helping the most vulnerable, supporting animal welfare and ensuring that services and infrastructure are delivered to all.

Dad also serves as chair of the Community Services Committee, chair of the Australia Day Awards Subcommittee and chair of the Heritage Protection Subcommittee. He is a delegate to the Macarthur Regional Organisation of Councils. He is also a member of the Planning and Environment Committee, the Campbelltown Arts Centre Subcommittee and the Innovation and Performance Subcommittee. Dad always makes himself available to the community. He has a clear vision for his city and advocated for it to become a regional city, which has now come to fruition. He is respected on both sides of politics. Now that his term as deputy mayor has concluded, I congratulate him and thank him for teaching me the importance of service to the community.

TRIBUTE TO GEORGE AND MAUREEN MARA

Mr EDMOND ATALLA (Mount Druitt) [1.26 p.m.]: I am delighted to congratulate Mr George and Mrs Maureen Mara from Shalvey on receiving the 2015 New South Wales Carers Award. George and Maureen have been caring for children for the past 36 years. They have three biological children, who are now adults, and have fostered more than 100 children with a disability. They have also adopted three children, two daughters who are now aged 28 and 18, and a son, who suffered a terminal illness and sadly died, aged 5½. I applaud George and Maureen for their tireless devotion to the children for whom they care and for the enormous contribution they have made over the past 36 years.

PORT HACKING LITTLE ATHLETICS CENTRE

Mr MARK SPEAKMAN (Cronulla—Minister for the Environment, Minister for Heritage, and Assistant Minister for Planning) [1.27 p.m.]: On 18 September, as patron of Port Hacking Little Athletics Centre, I attended the opening of its 2015-16 season at Sylvania Waters athletic track. This is the thirty-eighth year of athletics at the Port Hacking centre. It is a local Little Athletics centre for boys and

girls aged four to 16. Competition takes place on Saturday mornings from 8.00 a.m., from August to March. Port Hacking Little Athletics Centre promotes family, fun and fitness. There are track and field events in sprints, middle distance, high jump, triple jump, long jump, discus and shot-put. I thank president Kirsten Crocker, secretary Cameron Burne and all the committee members and volunteers for their hardworking commitment to family, fun and fitness.

CABRAMATTA SENIOR FIREFIGHTER MICHAEL NGUYEN

Mr NICK LALICH (Cabramatta) [1.27 p.m.]: I pay tribute to Cabramatta senior firefighter Michael Nguyen, who was nominated as a finalist in the New South Wales Rotary Emergency Services Community Awards. Michael, who joined Fire and Rescue NSW in 2007, was recognised for his outstanding work in the community, and the Vietnamese community in particular. He was acknowledged for his work as a translator during critical emergency situations. Michael is also renowned for being active in educating residents and school students about the risks and dangers associated with fires, and showing them how they can protect themselves. He does this by organising activities and explaining procedures that can be undertaken to ensure safety is achieved in dangerous situations. I commend Michael for his efforts and for being a true hero to the community. He strives to do his best, while on and off duty, to help others and save their lives.

UPPER HUNTER ELECTORATE WORLD WAR II VETERANS

Mr MICHAEL JOHNSEN (Upper Hunter) [1.28 p.m.]: It gives me great pleasure to advise the House that recently local World War II veterans from the electorate of Upper Hunter were captured on camera for the Australian War Memorial in Canberra. Six men and one woman from my electorate feature in the Reflections project being created by the Australian Institute of Professional Photography. The local veterans photographed for the project were Jack Flaherty, Reg Fletcher, June Healy, Bill King, Noel Neave, Dr John Paradise and Athol Rose. The project involves 360 photographers capturing images of more than 4,300 World War II veterans across the country to showcase them and keep them in the memories of Australians well into the future. I congratulate George Clementson, club secretary of the local Scone Returned and Services League sub-branch, who organised the involvement of these local heroes in the project.

CAMBRIDGE PARK 11C NETBALL TEAM

Ms PRUE CAR (Londonderry) [1.29 p.m.]: I congratulate the Cambridge Park 11C Charmers, who are the new premiers in the Penrith District Netball under-11 division. I was pleased to present the girls with their trophies at the grand final presentation at Jamison Park in September. Well done to Natasha Bowes, Morgan Bowes, Ripeka Wiringi, Niulisi Palahame, Olivia Jones, Chloe Snell, Hannah Allison, Bella Cossey, Kaili Hayward and their amazing coaches, Madison Ryan and Caitlin Eggers. I look forward to watching the girls defend their title in 2016. Well done to all the players, coaches, managers, staff and mums and dads who contribute to the ongoing success of netball in the Penrith district.

WOODBURN RIVERSIDE FESTIVAL

Mr CHRISTOPHER GULAPTIS (Clarence—Parliamentary Secretary) [1.30 p.m.]: I congratulate everyone involved in the Woodburn Riverside Festival held on the weekend, especially event organiser Pam Bellingham. The town was busy with activities for all ages, from preschoolers to the more senior in the community, with fancy dress costumes for the best dressed bumblebee, wakeboarders on the river, and raft and biathlon races. In the inter-council rivalry, once again Richmond Valley Council proved to be too good for Lismore City Council. It was great to see the events supported by Richmond Valley Council and Lismore City Council, with both mayors and general managers present.

HUNTER VOLUNTEER OF THE YEAR AWARD RECIPIENT TEGAN BUTTS

Mr TIM CRAKANTHROP (Newcastle) [1.31 p.m.]: Last week I was honoured to meet 17-year-old Tegan Butts when she was presented with the Hunter Volunteer of the Year Award. Ms Butts is an inspiration not only for all the work she performs as a volunteer but also for what she has gone through to get to this point. She has had a very hard start in life. She was forced to leave home at 14 years of age following traumatic abuse at the hands of her father and a mother who blamed her for his subsequent suicide in 2013. However, instead of this leaving her broken, Ms Butts has seen her escape from this domestic violence as a triumph and one that should be celebrated by living the best life she can. She tells her story to domestic violence forums, is an absolute hero to many women, and fundraises for White Ribbon Day. In her spare time she assists with St John Ambulance, and coaches a touch football team and two netball teams. It is no wonder this young lady is planning to give back in her future career as a paramedic. Our city is lucky to have her.

AUSTRALIAN SHEARING CHAMPION DANIEL MCINTYRE

Mr ADAM MARSHALL (Northern Tablelands) [1.32 p.m.]: I recognise Glen Innes district shearer Daniel McIntyre, who recently successfully defended his Australian Champion title at the National Shearing Championships, winning by a huge margin. In the open shearing final Daniel won with 102.27 points, shearing 12 sheep in 20 minutes and 47 seconds, beating his next rival by a full three minutes. Sport shearing is about speed and quality, and competitors are judged on having no wool left on the sheep and no skin cuts on the animal. Daniel attributes his double success to speed and accuracy as a result of his health and fitness regime. The champion prepared for the event with extra cardio fitness work, weights and yoga, as the Trans-Tasman test was also held at the event. Australia beat New Zealand in the machine shearing event by 26.5 points, with McIntyre making a solid contribution to the team victory. Daniel is now looking forward to the Golden Shears event in New Zealand next year, the first round of the Trans-Tasman test. Well done to Daniel; all the best for next year and making it a hat trick of Australian titles.

LUCY OSBURN-NIGHTINGALE FOUNDATION MUSEUM

Mr ALEX GREENWICH (Sydney) [1.33 p.m.]: After visiting the wonderful Lucy Osburn-Nightingale Foundation Museum, I record the inspiring work of Curator Elinor Wrobel and the other volunteers who work on this intriguing collection of nursing and medical history, and the unique Kanematsu morbid anatomy collection. The museum displays date from three years after Nightingale set up in Britain when she sent Lucy Osburn to establish nursing training here on the Nightingale principles of super cleanliness, good ventilation, good food and caring for the person. Elinor and her team have amazing stories about convict nurses, starched uniforms, tough matrons, and the history of our hospital system and treatments. I recommend visiting the interesting 1868 building and the impressive museum site next door to Parliament House. I look forward to the New South Wales Parliament helping to celebrate the 200th anniversary of the 1816 Rum Hospital, which has an indelible link with the New South Wales Parliament.

TRIBUTE TO DR ARTIS VISVALDIS MEDENIS, OAM

Mr GARETH WARD (Kiama—Parliamentary Secretary) [1.34 p.m.]: I pay tribute to the life of my departed friend, the late Dr Artis Visvaldis Medenis, OAM, of Gerringong, who passed away at the age of 94 years. He was a well-known and respected local identity for many years as a veterinarian. He founded Gerringong Veterinary Clinic, specialising in dairy cattle. Then in the mid-1970s he opened a small animal practice, which is now the Albion Park Veterinary Clinic. Dr Medenis was a foundation member of the Australian and New Zealand College of Scientists and the Cattle Veterinarians Association. He was also the official veterinary surgeon for the Sydney Royal Easter Show for seven years.

Dr Medenis also proved his dedication to the community through the Rotary Club of Berry, where he was a member for 50 years and was twice granted the prestigious Paul Harris Fellowship. Through Rotary he founded the Rural Scholarship Fund in 2005, and he donated more than \$70,000. Dr Medenis

was a true champion of our local community and will be remembered for his generosity, goodwill towards others and fighting spirit. He was a great Liberal and a great friend, and he will be sorely missed by our community.

NEW SOUTH WALES VOLUNTEER OF THE YEAR AWARDS

Mr GREG WARREN (Campbelltown) [1.35 p.m.]: Recently I had the privilege of attending the New South Wales Volunteer of the Year awards in Campbelltown. The ceremony celebrated the wonderful work of volunteers of all descriptions across our great State, as well as honouring those volunteers who went above and beyond to improve the lives of others. In Campbelltown we are blessed and fortunate to live in a community full of people who genuinely care about one another and who are willing to give up their time to assist those who need a helping hand. I draw the attention of members to Ms Jossleen Crane, a resident of Campbelltown, who was named south-west Sydney's Volunteer of the Year at the ceremony—the highest award available to volunteers in New South Wales. Jossleen was recognised for her work with Sector Connect, as well as several other local charities, which includes updating websites, managing social media profiles, taking meeting minutes and much more. I ask members to join me in congratulating Jossleen and all the other award recipients on their fantastic volunteer work and their contribution to our community and great city.

EARTH SCIENCE GOLD MEDALLIST ZOE THOMPSON

Mr JONATHAN O'DEA (Davidson—Parliamentary Secretary) [1.35 p.m.]: On 24 June this year I delivered a community recognition statement about a Davidson constituent, 17-year-old Zoe Thompson of Castle Cove. Zoe was one of four students selected to participate in the International Earth Science Olympiad in Brazil. This is the first year that Australia has participated in the event, where nearly 100 top high school students from 22 nations compete. Zoe recently arrived home from Pocos de Caldas in Brazil and I am pleased to report she received a gold medal, was placed fifth overall and was the only girl to be placed in the top 10. Zoe sees her success in Brazil as a step towards a career in science—a move she encourages other girls to share with her. I hope that next year more New South Wales students will compete in this inspirational event and enjoy similar success. It is vital to support and encourage young people to pursue an interest, and potentially a career, in science.

HUNTER REGION MARTIAL ARTS MEDALLISTS

Ms KATE WASHINGTON (Port Stephens) [1.36 p.m.]: Last Sunday a fledgling family-based Hunter Region Taekwondo Dojang, Imugi Taekwondo, attended the New South Wales National All Styles [NAS] Martial Arts Titles at Sydney Olympic Park. Remarkably, they returned with 14 New South Wales titles. Imugi Taekwondo started in January 2014 with eight students in Medowie and 12 students in Sandy Hollow. Today it has more than 60, about 40 of them from my hometown of Medowie. The commitment of the instructors, Tony Gillespie and Kelly O'Brien, has seen them and 19 of their students qualify for the New South Wales and National NAS Titles.

In 2014 two of the team held three State titles; now the team holds 14. Congratulations to Imugi's Keira, Will M and Will S, Chase, Taylor, Mia, Shonique, Codi, Hugh, Damien, Leanne, Emmett, Bryce, Simon and Samantha on having the courage to try, and on their amazing achievements. I pay tribute to Tony and Kelly for their success, achieving New South Wales titles for themselves, and for inspiring their students to achieve results beyond their dreams. Good luck, Imugi's, at the national titles in December.

ACTING-SPEAKER (Mr Lee Evans): Order! The time for community recognition statements has expired. On previous occasions speakers have not been given the opportunity to make their contributions, but given that there are only two speakers remaining I will allow them to do so.

TRIBUTE TO BOB ROSE

Mr DAVID ELLIOTT (Baulkham Hills—Minister for Corrections, Minister for Emergency Services, and Minister for Veterans Affairs) [1.38 p.m.]: It is with a heavy heart that I advise the House that my constituency of Baulkham Hills has lost a tireless servant of our community, Mr Bob Rose, who passed away on 3 September at the age of 76. Bob Rose was a life member of the Hills District Rugby League Club, serving as the treasurer for 12 years. He also served as secretary of the Parklea golf and sports club. Inestimable good was done during his time as president of the Crestwood Lions, treasurer of the Lions Nurses Scholarship Foundation, secretary and president of Baulkham Hills Lions, treasurer of the Castle Hill RSL Youth Club and secretary and treasurer of the Castle Hill RSL Small Bore Rifle Club. Bob was also an active member of Castle Hill Probud. The fact that more than 300 people attended his funeral shows that his mourning has been established across the Hills district and shows that his extensive involvement is testament to the fact that he was a great leader in the Hills community. He will be sorely missed.

MAITLAND JUNIOR PARLIAMENTARIANS

Ms JENNY AITCHISON (Maitland) [1.39 p.m.]: Today I congratulate the three Maitland members of the YMCA Junior Parliament that was held in this place in September. Premier John Leao, Health Minister James Peters, and Juvenile Justice Minister Grace Ahrens were all fantastic representatives for Maitland. I was pleased to see them all participate in a debate on a bill to reduce recidivism amongst young offenders—an issue that was discussed at a breakfast this morning in this place in relation to women prisoners. The junior parliamentarians were eloquent and passionate about rehabilitating young people in our community who have committed crimes. I have since met with these three young people, and continue to be impressed by their maturity and understanding of complex social issues. Their participation in this program gave me, as a new member of Parliament, a great opportunity to really understand the benefits of this important program run by the YMCA. Unfortunately in their short tenure they could not get the Maitland hospital built, but I am sure they will be there to build it some day in the future. Congratulations to all concerned.

Community recognition statements concluded.

[Temporary Speaker (Mr Lee Evans) left the chair at 1.40 p.m. The House resumed at 2.15 p.m.]

REPRESENTATION OF MINISTER ABSENT DURING QUESTIONS

Mr MIKE BAIRD: I advise members that the Minister for Industry, Resources and Energy will answer questions this week in the absence of the Minister for Regional Development, Minister for Skills, and Minister for Small Business, whom we congratulate on the birth of Sofia.

ADMINISTRATION OF THE GOVERNMENT OF THE STATE

The SPEAKER: I report the receipt of the following message from His Excellency the Lieutenant-Governor:

T F BATHURST
Government House
Lieutenant-Governor

dney, 10 October 2015

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The Honourable Thomas Frederick Bathurst, AC, Lieutenant-Governor of the State of New South Wales, has the honour to inform the Legislative Assembly that, consequent on the Governor of New South Wales, His Excellency General the Honourable David Hurley, AC, DSC (Ret'd), being absent from the State, he has assumed the administration of the Government of the State.

ADMINISTRATION OF THE GOVERNMENT OF THE STATE

The SPEAKER: I report the receipt of the following message from His Excellency the Governor:

DAVID

HURLEY
Go

vernment House
Governor

Sy

dney, 11 October 2015

General David Hurley, AC, DSC (Ret'd), Governor of New South Wales, has the honour to inform the Legislative Assembly that he has re-assumed the administration of the Government of the State.

BIRTH OF SOFIA GRACE BARILARO

Ministerial Statement

Mr ANTHONY ROBERTS (Lane Cove—Minister for Industry, Resources and Energy) [2.19 p.m.]: Further to the Premier's comments, it gives me great pleasure, representing the Minister for Regional Development, Minister for Skills, and Minister for Small Business, to inform the House that we received a signal this morning that read:

Tiny fingers, tiny toes,
Little itty bitty clothes,
Dresses, dolls hair in curls,
Guess what...It's a Girl!

Introducing
Sofia Grace Barilaro
Born October 14, 2015, 11.58 a.m.

Mum and bub doing well.

The SPEAKER: Congratulations to them all. I am sure the House conveys its congratulations.

BUSINESS OF THE HOUSE

Notices of Motions

Government Business Notices of Motion (for Bills) given.

General Business Notices of Motions (General Notices) given.

QUESTION TIME

[Question time commenced at 2.24 p.m.]

COUNTERTERRORISM LEGISLATION

Mr LUKE FOLEY: My question is directed to the Premier. Given that you made no mention of your proposed new counterterrorism laws at the meeting with Muslim leaders on Monday, only for details to be dropped to the media several hours later, why did you not act in good faith and reveal those plans

during the meeting with Muslim leaders?

Mr MIKE BAIRD: If the Leader of the Opposition wants to show that he is fit for the office, he needs to not play politics with this issue. We have a Leader of the Opposition who decides, on this issue, to turn the political game on. That might be what he wants to do but I can tell you what we are going to do—that is, we are going to look after this community. We are going to ensure that our kids are safe and that the community is safe. I offered bipartisanship—that is what I offered—and a couple of days later the Leader of the Opposition does this. That says a lot about the character of the Leader of the Opposition. I will answer the question.

The SPEAKER: Order! I call the member for Keira to order for the first time. The member will cease interjecting and shouting across the table.

Mr Michael Daley: Point of order: My point of order is under Standing Order 73. The Premier is making personal reflections on the Leader of the Opposition. The question was a straight question, seeking information. It is not a loaded question; it is a very simple question.

The SPEAKER: Order! There is no point of order. Government members will come to order.

Mr MIKE BAIRD: As the Leader of the Opposition knows, because he was at the meeting, we explained that policing was part of the strategy—not the whole strategy. And what we needed to discuss with the leaders was a whole range of measures that we are doing in community, in schools and beyond. There will be many days on this journey where it will be difficult. There will be measures that we may well have to introduce that we do not want to introduce and that we wish we did not have to introduce. But I say this: That I am here, as is this Government and as every member of this Parliament should be, to protect our kids and to protect our communities. That is what we are in this for. There is nothing more important than looking after our kids and our community—I can hear the political noise coming from those opposite and they can play whatever games they want on this—but I want to say, to all those leaders who were there and all those leaders I have built long-term friendships with in the Muslim community, this is our community and I value every one of them. I value them for the work they do, for the friendship we have—

Mr John Robertson: You just don't trust them.

The SPEAKER: Order! I call the member for Blacktown to order for the first time. That kind of interjection is inappropriate.

Mr MIKE BAIRD: I value those leaders because the only way—

Mr John Robertson: You just don't trust them.

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

Mr MIKE BAIRD: The only way we are going to protect our kids is if we do it together. That is an important part of this.

The SPEAKER: Order! I call the member for Canterbury to order for the first time. She will cease interjecting.

Mr MIKE BAIRD: I stand here determined to do everything in my power and in the Government's power—and it should be the aim of every member of this House—to do exactly that. We need to work together and ensure that we stand up against anyone who wants to bring hate and division into this debate. That is exactly what I will do. I will work with everyone across New South Wales and I value every single one of those Muslim leaders deeply, because we need them.

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

Mr MIKE BAIRD: Collectively we can introduce measures that will not solve this problem overnight but we can take every possible measure to protect our kids and to keep our community safe.

The SPEAKER: Order! The member for Canterbury will come to order. Opposition members will come to order. Their interjections are childish and ridiculous.

DOMESTIC VIOLENCE

Mrs TANYA DAVIES: My question is addressed to the Premier. What is the Government doing to reduce the rate of domestic violence reoffending and to better protect victims of domestic and family violence?

Mr MIKE BAIRD: I thank the member for Mulgoa for her long advocacy in this area. Today I was proud to stand alongside the Minister for Justice and Police, the Minister for Family and Community Services and many members in the sector. I say upfront that whilst this Government is incredibly proud to announce a \$60 million package today, first and foremost we want to thank all the workers in the sector who for year after year on many occasions have had to deal with tragic circumstances of domestic violence. When there was nowhere to turn they have been there to support victims. On behalf of all members I thank them for what they have done and for their advocacy, because on the back of that advocacy I strongly believe we are in a position to make very significant announcements.

All members will acknowledge that domestic violence is a cowardly, insidious act that occurs behind closed doors and in the dark. Because of where it is done perpetrators believe they can get away with it but that is no longer the case and it needs to stop. We need to open those doors, shine in the light and tell every single perpetrator across this State that they cannot get away with it. The Government has announced that it is after the perpetrators. Special police squads have been formed to ensure high-risk offender teams are created to target those who think it is okay to commit domestic violence. The Government's strong message is that it is not okay.

The Government congratulates Rosie Batty who as Australian of the Year has promoted a national discussion about domestic violence at long last. Rosie has raised the debate and shown great leadership that has impacted the nation. I congratulate also the Prime Minister on his recent announcement of \$100 million for a raft of measures that I think will make a significant difference. We will continue to work very closely with the Federal Government. Importantly, this Government's packages announced today go alongside those, and even further, and we will continue to be prepared to do that.

I want to focus on three elements. This Government has created the new Police Domestic Violence High-Risk Offender Teams and also targeted management plans with mandated change programs for perpetrators. The sector has asked for a capacity to change behaviours of those who think domestic violence is okay, which is critical to try to stop their reoffending. There have been strong calls for increased crisis accommodation support and the Government will provide that in the package. For the first time in Australia, we have formed the Domestic Violence Disclosures Scheme. The strong view of this Government is that if a person has suspicions, thoughts or concerns about their partner's potential violent past they have a right to know about it in order to avert domestic violence in the future.

Whilst we are proud to be standing here we know that this is a long journey and not something that can be solved overnight. Indeed many members in this House have had the bravery to stand up and tell their story. I say to all men in this Chamber and across New South Wales that although we are not perpetrators, if we see or hear something it is action time and we have a responsibility to stand up against it. It is no longer good enough to ignore it. We have to change the culture across New South Wales and certainly there is significant opportunity to change that in the actions this Government has put forward as

part of this package.

I thank those who have worked with us. Tracy Howe said that what excites her is putting the frame absolutely on the perpetrator, and it is about time we did that. She said she is over the moon about the announcement and she cannot say enough about it, which is fantastic. Ms Howe represents many people, as does Karen Willis, and we thank them for their support and work and for what the many services do on a daily basis. We are proud of the policies that we have brought forward but, importantly, we need to reflect on the lives that may well be saved and the culture that hopefully is changed alongside both of them. It is important to save lives and change the culture together. I congratulate all those in the public service who have been involved in this matter across all departments. It is a critical initiative and this Government is pleased to introduce it.

COUNTERTERRORISM LEGISLATION

Mr LUKE FOLEY: My question is directed to the Premier. What is the Premier's response to comments made by Australia's first National Security Legislation Monitor, Bret Walker, SC, that the proposal to detain people for up to 28 days without charge is arbitrary and reflects the phases of the moon?

Mr MIKE BAIRD: I am very happy for the Leader of the Opposition to be briefed by the police. He should listen to the police in relation to this matter. I want to listen to our police. While we sit here happily, our police put their lives on the line on a daily basis to protect the community. The Leader of the Opposition should talk to the police about their needs. I make no apologies whatsoever if the police say they need additional resources or powers to keep the community safe and I provide it. I do not understand the approach of the Leader of the Opposition but if he wants to turn this matter into politics he can. Members of the Government are happy to do everything they possibly can to protect our kids and our communities.

I do not have to recite the events that have occurred. On the back of those events seen by the Leader of the Opposition, if he receives a request for resources, processes and protections to look after our community why on earth would he not want them? Undoubtedly processes and debate about the issues have to be gone through but if the Leader of the Opposition wants to introduce politics in this debate it is a sad day. I am very proud of this Government's action and of what our police do on a daily basis, of which everyone should be proud. Whilst this Government is in office it will do everything it can to support them.

DOMESTIC VIOLENCE

Mr ADAM MARSHALL: My question is addressed to the Minister for Women and the Minister for the Prevention of Domestic Violence and Sexual Assault. How is the Government targeting perpetrators while continuing to support women, men and children who are experiencing domestic and family violence?

Ms PRU GOWARD: I thank the member for Northern Tablelands for his interest in responding to the needs of victims of domestic and family violence. I recognise the commitment of the member for Northern Tablelands to prevent domestic violence in his own community and I am pleased that his constituents will benefit significantly from this package. The Government is indeed responding, as the Premier, the Deputy Premier and the Minister for Family and Community Services and I announced today. I take this opportunity to acknowledge the leadership, determination and passion of Premier Mike Baird and our Deputy Premier Troy Grant.

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

Ms PRU GOWARD: I have seen many governments. Without a commitment of their leadership

and drive we would not have been able to deliver the significant investment and change in focus that we have announced today. Domestic and family violence is a crime. More than one in five domestic violence offenders will end up in court convicted of another domestic violence offence within two years, and that is what has to change. We are serious about targeting perpetrators to change their behaviour. That is why the Government's package announced today puts the perpetrator in the centre of the frame while also continuing to support women, men and children who experience domestic and family violence. The message is clear: If you are a domestic violence offender the police will target you. There is no place to hide.

The New South Wales Government today delivers on its election commitment to pilot a Domestic Violence Disclosure Scheme—an Australian first. The disclosure scheme is a tool that will empower people to make informed decisions about their relationships. It will be a police-led scheme that will enable a person who has concerns about their relationship to find out if their partner has a history of domestic violence and other serious personal offences. The scheme will be piloted over two years in four NSW Police Force local area commands [LACs] from early next year. They are Oxley LAC, which includes the electorate of the member for Northern Tablelands, Shoalhaven LAC, Sutherland LAC and St George LAC.

The police will receive and review disclosure applications, and undertake safety assessments and criminal record checks to determine whether a relevant conviction exists that requires disclosure. People aged 16 years and over who live in one of the pilot local area commands will be eligible to make such an application. Disclosures will be made in person by the police to the primary person. The critical part of the scheme is that alongside a police officer, whether there is a violent history to be disclosed or not, there will be a specialist domestic violence support service.

The Government will invest \$2.3 million over two years in police-NGO partnerships for expert non-government organisations to provide specialist domestic and family violence wraparound supports and undertake safety planning to address concerns. The specialised support services will be offered to all primary persons who are involved in an application. Post disclosure support will also be offered. The development of the disclosure scheme follows extensive consultation with government and non-government experts, which the Attorney General and I have led, as well as specialist roundtables and a public discussion paper.

Like domestic violence, sexual assault continues to be a significant crime in New South Wales. I am advised that Bureau of Crime Statistics and Research data shows that there were more than 4,850 recorded sexual assault victims in New South Wales in the 12 months to June this year; 81 per cent of those victims were female. We must continue to support victims of this horrible crime as well as prevent it from occurring. I announce today that the New South Wales Government will commit \$1.3 million over four years to expand the number of qualified sexual assault nurse examiners in high-risk rural and regional communities. Sexual assault nurse examiners collect forensic evidence from adult victims of sexual assault and provide support. They also provide essential expert advice for criminal procedures as required. That means quality evidence can be collected and processed without delay. However, we must do more to prevent this crime and ensure coordinated, high-quality care and support for victims.

Pursuant to standing order additional information provided.

Ms PRU GOWARD: I also announce today that the Government will work in close partnership with non-government experts from the domestic violence and sexual assault sectors to develop a New South Wales sexual assault strategy—again a first. That is why the Government's expert Domestic and Family Violence Council will be expanded to include sexual assault. The council will also be instrumental in contributing to the Domestic and Family Violence Blueprint, which is a collaboration between the government and non-government sectors to analyse service gaps in domestic and family violence. The work is expected to be completed next year. Despite Labor's poor presentation in this place yesterday and its alleged attempts at bipartisanship, domestic violence should be above politics.

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

Ms PRU GOWARD: I was pleased that yesterday more than 20 New South Wales parliamentarians from both Houses and all sides of politics united to form the Parliamentary Friends for the Prevention of Domestic Violence and Sexual Assault group, including members opposite. Indeed, we have three deputy chairs reflecting the major parties. Group members will rally their communities to say no to domestic violence and sexual assault and work as a parliament to support bipartisan, whole-of-government efforts to prevent violence and abuse.

For decades effective action in domestic violence has focused on supporting victims and long may that continue, but the package announced today builds on that by targeting perpetrators in a way never seen in New South Wales. We are leading the nation in tackling domestic violence. I think that proves this Government is the champion of social policy reform in Australia. We are investing in designing policies that will support women and children to survive domestic violence. We will not tolerate domestic and family violence in our State. [*Time expired.*]

DOMESTIC VIOLENCE

Ms TRISH DOYLE: My question is directed to the Minister for Women, and Minister for the Prevention of Domestic Violence and Sexual Assault. Does today's announcement provide funding to restore women and children only special domestic violence refuges such as the service in my electorate that was closed as a result of the Going Home Staying Home program?

Ms PRU GOWARD: I thank the member for her question and her interest in responding to the needs of victims of domestic and family violence. As I have said, we are responding in an unprecedented way, as the Premier, Deputy Premier, and the Minister for Family and Community Services and I announced today. As I said, there is no place to hide. This puts the perpetrator in the centre of the frame, but it also continues to support women, men and children who have experienced domestic and family violence. Let me share what the sector has had to say about the Government's announcement. The NSW Council of Social Service welcomed the clear focus on perpetrators in this package. Chief executive officer Tracy Howe said:

While it is crucial to ensure women experiencing domestic and family violence and sexual assault are well supported, initiatives to change perpetrator behaviour and hold them to account has to be part of an effective strategy to address the issue.

Ms Jenny Aitchison: Point of order: The question was about services for women, not services to help rehabilitate perpetrators.

The SPEAKER: Order! I understand the question. It is fairly early in the answer. I am sure the Minister will respond more specifically.

Ms PRU GOWARD: This is all about helping women. Karen Willis from Rape and Domestic Violence Services Australia told the *Sydney Morning Herald*, "I am wildly excited ... It's an incredible chunk of money." She could not wipe the smile off her face. Domestic and family violence is a crime. It is about power and control. It is in every community in every one of our electorates. It can reach any household on any street in any suburb.

Ms Linda Burney: Point of order: My point of order is taken under Standing Order 129. The question was about restoring funding to the services that were dismantled under the Government's watch.

The SPEAKER: Order! The member for Canterbury will resume her seat. The Minister has the

call. She has been relevant to the question so far.

Ms PRU GOWARD: People are suffering at the hands of perpetrators and many keep suffering as a result of repeat offenders. That should be a focus for all of us. More than one in five—remember this figure—domestic violence offenders will end up in court convicted of another domestic violence offence within two years. That has to change. We will never change domestic violence if we do not reduce repeat offences. The Premier has made it a priority to reduce the proportion of domestic violence perpetrators reoffending within 12 months by 5 per cent. It is a very bold target.

Ms Jodi McKay: Point of order: My point of order is taken under Standing Order 129. The question was specifically about restoring the women's services that were cut.

The SPEAKER: Order! The Minister remains relevant to the question asked. There is no point of order. The member for Strathfield will resume her seat

Ms PRU GOWARD: I can hardly respond to a question when it is wrong.

The SPEAKER: Order! The Minister remains relevant. Members will come to order.

Ms PRU GOWARD: This is a very bold target. We are under no illusion. It will be a difficult task, but we can and must make the change happen. The New South Wales Government is serious about targeting perpetrators to change their behaviour. So the \$60 million package includes \$15 million to introduce domestic violence high-risk offender teams in all six police regions. These teams will be rolled out over the next three years.

Ms Anna Watson: Point of order: The Minister is not answering the question. Will the Minister restore the services to the Blue Mountains? The question is about the Blue Mountains.

The SPEAKER: Order! However, the Minister remains relevant to the question. The member for Shellharbour will resume her seat. Next time I will stop the clock so that the Minister has adequate time to answer the question.

Ms PRU GOWARD: These teams will be rolled out over the next three years. They will target serious recidivist offenders and investigate serious domestic violence matters, as the police do for other major crimes.

The SPEAKER: Order! Members will come to order. The member for Kiama will come to order. Government members will come to order.

Ms PRU GOWARD: The NSW Police Force will apply suspect target management plans to recidivist domestic violence offenders.

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

Ms Trish Doyle: Point of order—

The SPEAKER: Order! The Minister has remained relevant to the question asked by the member for Blue Mountains. That is all I can ask her to do.

Ms Trish Doyle: My point of order is relevance. Will funding be restored to the Blue Mountains?

The SPEAKER: Order! The Minister has remained relevant. The member's time has expired. I would appreciate it if Government members would come to order so that I can hear the next question from the member for Tamworth, who should be heard in silence. I am waiting for the member for Hornsby

to come to order. I will continue to wait so that the member for Tamworth can be heard in silence. I call the member to Hornsby to order for the first time. He is just rude. Members will come to order.

DOMESTIC VIOLENCE

Mr KEVIN ANDERSON: My question is addressed to the very highly regarded Deputy Premier, and Minister for Justice and Police. How is the New South Wales Government helping the NSW Police Force to stamp out domestic violence?

Mr TROY GRANT: I thank the member for Tamworth for his question and for his support for all the frontline services in the electorate of Tamworth that deal with domestic violence in that wonderful community. This crime is a scourge in our community. At the outset I take this opportunity to sincerely congratulate the Minister for the Prevention of Domestic Violence, the Hon. Pru Goward, for her outstanding work in the lead-up to the significant announcement made today. It has taken a dedicated Minister in this space to drive this issue across the entirety of Government.

Agencies and non-government organisations have been doing their best in this space. They have been doing great work in this space. But there has been something missing—and that is what the Minister has now addressed—someone with the courage to say, "Enough is enough; the buck stops here." Minister Goward has had the courage to say that, and now we have a suite of programs that will finally put us on the front foot with our frontline services in this State. That is what we have thanks to Minister Goward and all the work she has done. She is a courageous, passionate and dedicated Minister who is willing to grasp the nettle of this serious crime and tragic social issue. I am incredibly proud of her and I thank her for her outstanding work. As the Minister for Justice and Police I give a commitment that the NSW Police Force and I will do everything in our power to support Minister Goward in this endeavour.

General duties police are on the frontline and often are the first responders when domestic violence is reported. We are introducing as part of this suite of measures new domestic violence high-risk offender teams, which will offer specialist expertise to target repeat habitual offenders across our six police regions in New South Wales. These specialist squads will monitor offenders, and interrupt and target perpetrators. They will monitor outstanding offences, repeat victims and repeat offenders; and they will form partnerships for victim support. We are fast-tracking the placement of the 24 domestic violence liaison officer positions that we announced during the election and funded in the last budget. This is an important commitment we made in the lead-up to the last election. This means more police, in addition to frontline officers on the ground, in specialist roles specifically to address domestic violence.

We have already introduced measures to help address domestic violence, but there is more to do. We have introduced police-issued apprehended domestic violence orders and video evidence in chief, introduced by our wonderful Attorney General, to reduce the trauma victims face when giving evidence in court. This is an issue the Attorney General knows only too well. The Central Metropolitan Region kicked off the use of suspect targeted management plans in October, with a view to rolling these out across the State next year. Suspect targeted management plans have been used across other categories of crime for some time and have had significant results. Now, with crime categories in most areas of the State trending downwards, domestic violence will be front and centre in these targeted management plans to help achieve the Government's priority of reducing recidivism and tackling this issue head-on.

These measures support what the New South Wales Government is doing as part of its strategy to improve the criminal justice system's response to domestic violence. This package has been overwhelmingly well received by non-government organisations. I note that the NSW Council of Social Service [NCOSS] Chief Executive Officer Tracy Howe has recognised how significant this package is and how it will change perpetrator behaviour. The Minister looked at international best practice in this area and has delivered New South Wales the best model. We are absolutely committed to this as part of an effective strategy. Once again, I commend Minister Goward. I also make mention of Assistant

Commissioner Michael Fuller for his support of the Minister in this endeavour. He is an officer I am enormously proud of. He and the officers under his command are looking forward to making a significant contribution in this.

LEARNING MANAGEMENT AND BUSINESS REFORM PROGRAM

Mr CHRIS MINNS: My question is directed to the Minister for Education. Given that other Ministers have recently released estimated costings for major projects, including the OneGov information and communications technology [ICT] project and the Sydney light rail, what is the Minister's justification for hiding the full cost of the Learning Management and Business Reform [LMBR] program, given he recently signed a contract extension with the ICT provider?

Mr ADRIAN PICCOLI: I have answered this question on a number of occasions. I refer members back to the 2011 Auditor-General's report, which was a report on the first four or five years of the implementation of that program by the previous Labor Government. It labelled it as pretty much a disaster. Everything was behind schedule. The report was scathing about what the previous Government had done. Yes, an Auditor-General's report was handed down at the end of last year. It made a number of recommendations—all of which have been implemented except for one, which is in the process of being implemented.

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

Mr ADRIAN PICCOLI: We have done a substantial amount of work. With respect to the budget, when the previous Government started this project it budgeted for capital costs for part of the LMBR program. This is an ICT project across the entire Department of Education—covering schools, corporate services and TAFE. It is one of the largest organisations in Australia. It did not budget for the rollout of this program.

The SPEAKER: Order! The member for Hornsby will come to order. The member for Strathfield will come to order. The Minister for Education has the call. Members should not argue across the Chamber. I call the member for Blacktown to order for the third time. I call the member for Strathfield to order for the first time. I call the member for Hornsby to order for the second time. The Minister has the call.

Mr ADRIAN PICCOLI: They never budgeted for the rollout costs of this program. I can tell members one thing those opposite did budget for when they were in government, and that was the sacking of 400 administration staff.

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

Mr Chris Minns: Point or order: My point of order under Standing Order 129 is relevance.

Ms Noreen Hay: What is going on with the member for Hornsby today?

The SPEAKER: Order! I do not know, but something is wrong with him. The member for Kogarah will be heard in silence.

Mr Chris Minns: The Minister is entitled to some leniency, but his answer is not relevant to the question. We are not interested in what happened in 2010.

The SPEAKER: Order! There is no point of order. The Minister's answer is somewhat relevant to the subject raised in the question.

Mr ADRIAN PICCOLI: The difference is that the Liberal and National parties know how to

negotiate contracts and run businesses. We know how to effectively run government in the best interests of taxpayers. Contrast that with the waste, mismanagement and the rail lines with not a single centimetre of track laid when Labor was in government. When we came to office in 2011 the LMBR was one of dozens of problems we had to fix. I suggest those opposite should compare the 2011 and 2014 Auditor-General's reports to see just how far this project has been taken. This morning I was at Fort Street High School, one of the 229 schools with the LMBR program.

Last week I was at Griffith Public School, another of the 229 schools. They are doing a fantastic job in rolling out this very significant reform. As I have said, when those opposite were in government they signed off on the sacking of 400 administration staff. They sacked them to pay for the computer program upgrade. I was asked a question in the estimates hearing—for those who are wondering about the paper on the table in front of me—about the 1,400 administrative staff those opposite proposed to sack. We have said from the beginning that this has been a challenging project.

The SPEAKER: Order! The member for Kogarah will desist from using unparliamentary language.

Mr ADRIAN PICCOLI: It was one of the many disasters those opposite left us when we came to office in 2011. I am proud to say that with the help of the departments of Finance, Treasury, Premier and Cabinet and Education this project is on target. The Government will release those figures when it is ready.

DOMESTIC VIOLENCE

Ms MELANIE GIBBONS: I address my question to the Attorney General.

The SPEAKER: Order! Members will come to order. We will wait for silence from the rude people in the Chamber who cannot come to order at the best of times. They ask a question and then do not listen to the answer.

Ms MELANIE GIBBONS: How is the Government giving the justice system the tools to help end the cycle of domestic violence?

Ms GABRIELLE UPTON: I thank the member for Holsworthy for her question. She is strongly committed to ending domestic violence in her local community. Domestic violence is an insidious and indiscriminate crime. We on this side of the House are doing a lot to end violence in our communities, but there is more to be done. Things must change, and they will. Just as there is no single cause of domestic violence in our community, not surprisingly there is no single solution. Our justice system and other government portfolios continue to play an important role in addressing violence in our community.

Through our justice system the Government is continuing to deliver a series of measures to assist victims of domestic violence to end this despicable behaviour —namely, from when a person is first at risk; when a person reaches out to police for protection; when a person goes to court; and working with perpetrators. The community wants these perpetrators to be held accountable for their crimes. If we are going to end this violence once and for all then people's behaviour must change. Madam Speaker, I am wondering if those opposite are going to listen. I ask them to be quiet. This is an important matter. We are talking about perpetrators of domestic violence and some of the measures this Government is introducing to address this behaviour. If those opposite would listen they would understand the package announced earlier today.

The statistics are clear: Domestic violence has one of the highest re-offending rates. Corrective Services NSW already provides behaviour changing programs for some of our most serious, violent offenders. Those programs do important things—namely, they make it clear to perpetrators that their behaviour is totally unacceptable; and they work with perpetrators to address the underlying attitudes that

lead to violence in order to help them to change. Pleasingly, those opposite are now listening. Today the New South Wales Government announced a \$19.5 million boost to funding over the next two years to expand behavioural change programs to include more offenders and to reduce the re-offending rates.

The Department of Justice NSW will consult with the Judicial Commission of New South Wales, Corrective Services NSW and the heads of jurisdiction to consider how best to expand existing programs and develop new ones. I take this opportunity to acknowledge the work of my colleague Minister Elliott in this area. I look forward to working with him on these new programs. Madam Speaker, if I could have a little bit of quiet I would talk about what we are doing in our support system.

The SPEAKER: Order! I am surprised by the frivolity of Opposition members.

Ms GABRIELLE UPTON: Our magistrates on the frontline see the spectre of domestic violence in courts every day. They need the skills and expertise to handle these cases swiftly and compassionately. Judge Hatzistergos, a respected person across this Chamber, recently conducted a review of our bail laws. A key finding of that review was that our judiciary would benefit from more skills and additional training on domestic violence. That training should focus on the causes and effects of domestic violence; and help the judiciary to better identify dangerous behaviour and deal with it before it escalates. This will help our judiciary in making bail decisions in domestic violence cases. I commit to working with the heads of jurisdiction and the entire judiciary to ensure that they have the support they need to make those important decisions. In addition, the sentences must reflect the seriousness of the crime. I have asked the NSW Sentencing Council to undertake a comprehensive review of sentencing laws. We need a clear picture. We need the facts. This is an important first step towards considering whether we need to make changes.

Pursuant to standing order additional information provided.

Ms GABRIELLE UPTON: It is only when we have the facts to hand that we will know whether we need to make changes to the law. The package that has been announced today will include work that I will do in collaboration with my colleague Minister Elliott. It shows the Government's commitment to tackling domestic violence in our community. Today's measures are an important step to ending the violence in our homes and across all communities in New South Wales.

WESTCONNEX ASBESTOS EXPOSURE

Ms JENNY LEONG: I direct my question to the Premier. What action will the Premier take to protect residents, workers and business owners from exposure to asbestos as a result of WestConnex at the Alexandria landfill site, in Granville and along the route of the M4 East widening, given reports that contractors are not adhering to safety procedures?

Mr MIKE BAIRD: I thank the member for her question and advocacy for her community. From the way in which she has gone about her role in this place it is clear that she is motivated to represent her community in the best way she can. I congratulate her on that. However, I am disappointed that the member is against the WestConnex project.

Ms Jenny Leong: Probably not surprised.

Mr MIKE BAIRD: Both the Metro and the WestConnex need to be supported. The Government is very proud of the WestConnex. It will not only improve travel times across Western Sydney but also provide a \$20,000 boost to the economy and 10,000 jobs. It is an incredibly important project. I note the concerns raised in the member's question. The landfill site was an existing waste facility. I have been advised that material containing asbestos has been on that site for many years. Having acquired the site as part of the project, the Government now needs to deal with the material. I am advised that the site is being monitored and everything is being dealt with as it should be.

If there are specific concerns, I am happy for them to be investigated and addressed. The Government has an obligation to ensure that everything possible is done. While the Government supports WestConnex, the Opposition is against it. Opposition members do not want to improve travel times in Western Sydney. But not everyone in the Opposition shares that view. I have some favourites among the new members of Parliament. I have one particular favourite who I think is one of us. I really like the member for Rockdale. He has spoken about WestConnex, and I do not think a truer word has been spoken. He said:

Despite pressure from lobby groups like The Greens, I will not be taking up blanket opposition to this project.

That is an absolute cracker. It gets better. He then said:

Good infrastructure should not be a partisan issue, and I am not going to whinge and complain about the construction of new roads for our area just because they are being built by my political opponents.

That is what we have been waiting for. In the Opposition there are factions called "Neo-Terrigals" and "Sensibles". Now there is the member for Rockdale faction. I do not know which party he is in.

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

Mr MIKE BAIRD: We know about the member for Bankstown.

The SPEAKER: Order! Members will come to order.

Mr MIKE BAIRD: The member for Bankstown is Mrs Sensible. She is working the numbers with the member for Maroubra. The member for Maroubra writes the question time strategy and has been telling members every day not to ask questions. We know what the member for Maroubra is up to. We know what the Sensibles are doing.

Mr Guy Zangari: Point of order: My point of order is taken under Standing Order 129. The Premier is talking about members of the Opposition. He is not answering the question.

The SPEAKER: Order! I uphold the point of order. The Premier will return to the leave of the question.

Mr MIKE BAIRD: We know which group the member for Fairfield is not in. The Opposition is a rabble at the moment. Members do not know what they are doing, where they are going, what they are for or what they are against. It is great to see the sort of leadership displayed by the member for Rockdale, who takes a policy position in the interests of his community and the State. Whichever faction Opposition members decide to join, the Neo-Terrigals or the Sensibles—I suggest that they choose better names for a start—they should listen to the member for Rockdale because he has the right approach.

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

Mr MIKE BAIRD: I thank the member for Newtown for her question. The Government is happy to take up any specific requests or concerns. The Government is proud to be delivering WestConnex for this city.

DOMESTIC VIOLENCE

Mr MARK TAYLOR: My question is addressed to the Minister for Family and Community Services, and Minister for Social Housing. How will the expansion of the Government's specialist homelessness services and the Staying Home Leaving Violence program help to protect vulnerable women and children from domestic violence?

Mr BRAD HAZZARD: I was delighted recently to accompany the member for Seven Hills on a visit to Kelly's Cottages crisis accommodation in his electorate. Members would have seen the article in the paper about women who have benefited from the services provided by the excellent staff in that refuge. It is run by Uniting Recovery/Uniting Hope. The women made it clear in the article that the service was assisting them in very difficult times. One woman said that it was a safe nest for her that she was hoping would help her to fly free of her experiences. That is what we hope for everybody. A few weeks ago I visited the Killara Women's Refuge with the member for Coogee. I read somewhere that it had closed. That was a myth perpetuated by the Labor Party. It was very much open and doing an excellent job. I thank the staff there for providing a first-class service. That refuge does a good job for women who need its services after experiencing the horrors of domestic violence.

We use the term "perpetrator" when talking about domestic violence. I think we should call them criminals. They are part coward and part thug. There is no other description for a person who commits domestic violence. As a Parliament we are outraged by the criminal activities of these people. Today I was lucky enough to stand with the Premier, the Deputy Premier and the first dedicated Minister for the Prevention of Domestic Violence and Sexual Assault in the country at a press conference with a group of other people who indicate that this Government is doing more than any other government has done in history. The people on the platform with us were Moo Baulch, Chief Executive Officer of Domestic Violence NSW; Ann Hollonds; Karen Willis from the NSW Rape Crisis Centre; Assistant Commissioner Mick Fuller; and Tracy Howe, Chief Executive Officer of the NSW Council of Social Service.

To bring together one-fifth of the Cabinet and five people who have advocated for many years on this issue sends a clear message that this Government is focused on addressing the fundamental failings in society that contribute to domestic violence. As the Attorney General said earlier, there are many contributors. Our job is to work with those on the frontline. I thank those people who attended the press conference today and all the workers in crisis accommodation centres across New South Wales. There are 64 government-owned and funded crisis accommodation centres for women escaping domestic violence today—contrary to the information that is put out by some members of the Opposition. There are 12 other facilities run by not-for-profit organisations. Across the State that makes 76 crisis accommodation centres for women dealing with domestic violence.

Unfortunately, domestic violence is becoming more prevalent. That is why the Government is leading the way in addressing the issue. There is a variety of reasons that domestic violence is becoming more prevalent. The Government's job is to make sure that women and children who are escaping domestic violence feel safe. The announcement today was for \$20 million to ensure additional frontline services for women who need support. That is on top of the other initiatives the Government is undertaking. There will be expert and responsive 24-hour, seven-day, on-call services. That means around-the-clock responses. The refuges and other services that assist women and children escaping domestic violence will also boost their bed numbers.

Pursuant to standing order additional information provided.

Mr BRAD HAZZARD: The 76 refuges across the State will now have the financial capacity to lease further beds in nearby locations to ensure that they provide the additional services that are required. In addition, there is another \$5.6 million for the four new Staying Home Leaving Violence sites in Orange, Clarence Valley, Inverell and Coffs Harbour. They have been chosen off the back of some of the statistics around domestic violence and apprehended domestic violence order issues in those local areas. As Karen Willis, Tracey Howe and Moo Baulch said this morning, there is a lot more focus on domestic violence now than there ever was. I think it is fantastic, and they think it is fantastic, that we have had a

cultural shift over the past few years and we are seeing the community coming together to focus seriously on what is a criminal act. This morning Tracey Howe said:

I'm over the moon with this announcement. I cannot say enough about it. I am very happy. I absolutely have to applaud the Government. Cross-agency response, leadership, it's got everything, so I'm on board.

Moo Baulch said that the Government's commitment was an exciting start, but was just the beginning of what was needed. She said:

This marks a really important step moving in the right direction. It's a big boost to police in terms of their responsibility around targeting domestic violence offenders.

Karen Willis said:

I'm wildly excited. [The package] is outside budget processes, it's a clear follow-up from the federal announcement and it's an incredible chunk of money.

This Government is doing more than ever before and we intend to do a lot more to attack the scourge of domestic violence.

Question time concluded at 3.20 p.m.

UNPROCLAIMED LEGISLATION

The SPEAKER: Pursuant to Standing Order 117, I table a list detailing all legislation unproclaimed 90 calendar days after assent as at 14 October 2015.

PETITIONS

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

Oxford Street Traffic Arrangements

Petition requesting the removal of the clearway and introduction of a 40 kilometre per hour speed limit in Oxford Street, received from **Mr Alex Greenwich**.

John Hunter Hospital and Hunter Stadium Shuttle Bus

Petition requesting the continued operation of the free shuttle bus between John Hunter Hospital and Hunter Stadium, received from **Ms Sonia Hornery**.

School Student Transport Scheme

Petition requesting the inclusion of light rail in the School Student Transport Scheme to provide free travel for students in New South Wales, received from **Ms Jo Haylen**.

Inner-city Social Housing

Petition requesting the retention and proper maintenance of inner-city public housing stock, received from **Mr Alex Greenwich**.

Pet Shops

Petition opposing the sale of animals in pet shops, received from **Mr Alex Greenwich**.

Plastic Bags Ban

Petition calling on the Government to introduce legislation to ban single-use lightweight plastic bags at retail points of sale in New South Wales to reduce waste and environmental degradation, received from **Mr Alex Greenwich**.

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

The Hon. Rob Stokes—Rankin Street Car Park—lodged 8 September 2015 (Mrs Melinda Pavey)

The SPEAKER: Order! There is too much audible conversation in the Chamber. The member for Hornsby will leave the Chamber. It is the height of rudeness to get up and have a general conversation when the Clerk is addressing the House.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Order of Business

Motion by Mr ANTHONY ROBERTS agreed to:

That standing and sessional orders be suspended at this sitting to provide for the following routine of business after the conclusion of the motion accorded priority:

- (1) Government business.
- (2) Private members' statements.
- (3) Matter of public importance.
- (4) The House to adjourn without motion moved at the conclusion of the matter of public importance.

BUSINESS OF THE HOUSE

Reordering of General Business

Mr KEVIN ANDERSON (Tamworth) [3.23 p.m.]: I move:

That the General Business Notice of Motion (General Notice) given by me this day regarding the Tamworth hospital redevelopment have precedence on Thursday 15 October 2015.

I believe this motion should be given precedence purely because we need to remind the people of New South Wales how we are dedicated to and focused on delivering the very best health facilities across this State but particularly in the Tamworth electorate, where the \$211 million redevelopment of Tamworth hospital is very close to being finished. It was not that long ago—in fact, just prior to the 2011 election—that those opposite paraded a host of health Ministers before the community to build the community up, only to let them down. They promised the community a new hospital; they promised them the world in an attempt to secure votes for an Independent. Sadly, those Ministers did not have the backing and the hospital was not delivered time and time again. This Government made a commitment with the current health Minister, who I believe is the longest-serving health spokesperson and now

Minister in the history of the New South Wales Parliament.

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

Mr KEVIN ANDERSON: Planet Skinner. She was the only one who could broker the deal and get then Federal health Minister Nicola Roxon to the table to secure the funds—\$211 million. Tamworth hospital is a state-of-the-art facility and we thank the Minister for that great work. The hospital is now in operation. The acute services facility is complete, the inpatient services facility is complete and we are now moving to complete the outpatient services facility. This motion should be given precedence because the extremely professional health service staff, working under duress, continued to deliver the very best service. When the going was tough and all around them was being redeveloped, they kept focusing on patient outcomes.

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

Mr KEVIN ANDERSON: The staff of Tamworth hospital kept working while there was upheaval around them. They kept delivering and looking after people in our community, and I pay tribute to them. That is why this motion should be given precedence. The health executive, led by general manager Brad Hansen and Director of Nursing Ricki Bradbury, and all staff kept the facility operating. That is why this motion deserves precedence tomorrow.

Ms LINDA BURNEY (Canterbury) [3.26 p.m.]: The Opposition will not oppose this motion. However, I will make some relevant points.

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

Ms LINDA BURNEY: This is a self-congratulatory motion. The *Business Paper* contains motions about important issues such as the Hunter employment rate, which is 12 per cent.

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

Ms LINDA BURNEY: Seventeen thousand people are unemployed in the Hunter. There are motions on the *Business Paper* relating to sniffer dogs, crime statistics, child abuse and the statute of limitations. If it had not been for paragraph (3) of the motion the Opposition would oppose it; I am not prepared to criticise the executive team at the Tamworth Rural Referral Hospital. However, let us be clear on what is going on in Health. The member for Tamworth recognised Jillian Skinner as the longest-serving health spokesperson, which is probably true. But some \$3 billion has been taken out of the health system. Ambulances are clogging up emergency departments.

The SPEAKER: Order! Government members will come to order. The member for Canterbury will be heard in silence.

Ms LINDA BURNEY: Waiting times across the sector are the worst they have been for a very long time. There are also the tensions between the real health Minister and the woman who wants to be the health Minister—the Assistant Minister for Health.

Mr Brad Hazzard: Point of order: The only matter that is before the House is whether the motion of the member for Tamworth should be reordered. The shadow Minister is now well outside the leave of the motion. I ask you to bring her back to the issue and not allow a general debate.

The SPEAKER: Order! There is no point of order. The member for Canterbury is giving reasons why the Opposition is concerned about the motion. That is valid.

Mr Brad Hazzard: She has already said that she will support the motion.

The SPEAKER: Order! That is correct, but the member for Canterbury said she would raise some concerns. I think that is fair.

Ms LINDA BURNEY: I am articulating the Opposition's concerns about the reordering of this motion. As I said, because part of the motion congratulates the executive team we will not oppose it. But let us be clear: Despite all the self-congratulations, Labor in government rebuilt every major hospital in New South Wales.

Mr Kevin Anderson: Point of order—

The SPEAKER: Order! The member for Canterbury will resume her seat or she will be removed from the Chamber.

Mr KEVIN ANDERSON: The shadow Minister said that we have cut health services and funding. That is not true; we have \$10 billion worth of capital works. The shadow Minister is misleading the House.

The SPEAKER: Order! There is no point of order. The time for debate has expired.

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

Motion agreed to.

CONSIDERATION OF MOTIONS TO BE ACCORDED PRIORITY

Domestic Violence Reforms

Ms JODIE HARRISON (Charlestown) [3.30 p.m.]: My motion welcomes the announcement of a domestic and family violence package but also calls on the Government to ensure that the number of specialist women-only refuges and crisis accommodation beds is restored. The motion should be accorded priority for the following reasons. Contrary to what Government members intimated during question time and in discussions earlier today, Labor welcomes additional funding to deal with the problem of domestic and family violence. We welcome any measures that are effective in reducing domestic violence rates in this State. I agree with the Attorney General who said that this is an important first step. Domestic and family violence is one of the most important issues facing our society and is certainly a top priority for New South Wales Labor. The Government and the community have a collective responsibility to address what has become a national crisis. Labor did not cut the number of women's refuges.

The SPEAKER: Order! The Minister for Family and Community Services will come to order. There should be no interjections during the member's three minutes.

Mr Brad Hazzard: No points of order.

The SPEAKER: Order! There should be no points of order and no discussion.

Ms JODIE HARRISON: A whole-of-government approach is needed to address the ending of violence against women. There used to be more than 70 women-only refuges in New South Wales; there are now only 28 women-only refuges in this State and only 18 of those are operated by women's organisations. Many of those refuges have become generalist services where women who are dealing with substance abuse or substance dependence or who have mental health issues are being accommodated together with women and children who are escaping domestic violence. Under the Baird Government's Going Home Staying Home cutbacks, the Killara refuge in Randwick, Erin's Place in Marsfield, Blue Gum in the Blue Mountains and Katakudu Women's Housing in Wyong—

Mr Brad Hazzard: Killara? That's an absolute lie. I was there a couple of weeks ago. Get your facts right. That's a straight-out lie.

Ms JODIE HARRISON: If the Minister will listen, I will continue. Wait until I finish what I am saying.

The SPEAKER: Order! There should be no interjections during these three-minute speeches. There will be no debate or interjections. The member for Charlestown has the call.

Ms JODIE HARRISON: Some refugees have been forced to close or to change the nature of their service provision. We know that there are women and children who are fleeing domestic and family violence who are being given crisis beds—the Minister for Housing might want to hear this—in caravan parks and in hotel rooms. In fact, the package announced today refers to hotel rooms as being "an acceptable form of crisis accommodation". While welcoming the additional funding, the motion calls for a return to the original number of beds that were provided before the Going Home Staying Home reforms. The Government should not rely on substandard accommodation. [*Time expired.*]

Regional New South Wales

Mrs MELINDA PAVEY (Oxley) [3.33 p.m.]: My motion deserves to be accorded priority because the regional New South Wales economy is worth around \$138 billion and a strong economy, strong regions and a strong State are the best ways to enhance the social fabric of New South Wales to ensure that we have a strong future for our children and our families and that we combat the scourge of domestic violence. A strong regional economy is vital to ensure that regional New South Wales continues to grow and thrive. While some people have made it their priority to talk down regional New South Wales, Coalition members want to promote its strengths to potential business investors and to acknowledge the contribution of regional New South Wales to our State. We want jobs and we want a future.

Last month the Australian Bureau of Statistics reported that an additional 30,400 jobs were created in regional New South Wales over the 12 months to August 2015. We should be proud that regional New South Wales is the only regional area in the whole of Australia to record an increase in overall employment over the past year. All other regional areas in Australia had a fall in employment. For instance, 27,400 jobs were lost in Victoria and 25,000 jobs were lost in Queensland. The Government will not stop there. We know there is more to do, and we are making it happen. The Government is working to improve the social fabric and opportunities for the people of regional New South Wales. We are proud that over the next four years we will see more investment, more growth and more activity in our regions.

Work already underway to boost investment and jobs growth in regional New South Wales includes \$26 million in funding to fix mobile phone black spots. Through a partnership between the Federal Government and the State Government, mobile phone carriers will deliver 144 new or upgraded mobile base stations to cover more than 14,000 square kilometres of New South Wales that previously had no coverage. This will ensure jobs, activity and communication in those regional areas. Some \$110 million will be invested in the Regional Tourism Infrastructure Fund—after 16 years in the wilderness. Critical tourism infrastructure such as regional airports will have access to the funding they need to upgrade infrastructure, including runways, lighting, taxiways and terminals.

Some \$32 million will be delivered to the Murray-Darling Basin Regional Economic Diversification Programme because we know that strong communities are diverse communities. This motion must be accorded priority because on this side of the House we know that regional New South Wales deserves first-class mobile phone coverage. That will help to make regional New South Wales a great destination for tourists, rather than just land that one flies over on the way to somewhere else. Most importantly, this Government knows where regional New South Wales is because that is where we come from. [*Time expired.*]

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

The House divided.

Ayes, 38

Ms Aitchison	Mr Harris	Mr Minns
Mr Atalla	Ms Harrison	Mr Park
Mr Barr	Ms Hay	Mr Parker
Ms Burney	Ms Haylen	Mr Piper
Ms Car	Mr Hoenig	Mr Robertson
Ms Catley	Ms Hornery	Ms K. Smith
Mr Chanthivong	Mr Kamper	Ms T. F. Smith
Mr Crakanthorp	Ms Leong	Ms Washington
Mr Daley	Mr Lynch	Ms Watson
Mr Dib	Dr McDermott	Mr Zangari
Ms Doyle	Ms McKay	<i>Tellers,</i>
Ms Finn	Mr Mehan	Mr Lalich
Mr Greenwich	Ms Mihailuk	Mr Warren

Noes, 47

Mr Anderson	Ms Goward	Ms Petinos
Mr Aplin	Mr Grant	Mr Provest
Mr Ayres	Mr Gulaptis	Mr Rowell
Mr Baird	Mr Hazzard	Mr Sidoti
Ms Berejiklian	Mr Henskens	Mrs Skinner
Mr Brookes	Ms Hodgkinson	Mr Speakman
Mr Conolly	Mr Humphries	Mr Taylor
Mr Constance	Mr Johnsen	Mr Toole
Mr Crouch	Mr Kean	Mr Tudehope
Mrs Davies	Dr Lee	Ms Upton
Mr Dominello	Mr Maguire	Mr Ward
Mr Elliott	Mr Marshall	Mr Williams
Mr Evans	Mr Notley-Smith	Mrs Williams
Mr Fraser	Mr O'Dea	<i>Tellers,</i>
Mr Gee	Mrs Pavey	Mr Bromhead
Ms Gibbons	Mr Perrottet	Mr Patterson

Pair

Mr Baird

Mr Foley

Question resolved in the negative.

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

REGIONAL NEW SOUTH WALES

Motion Accorded Priority

Mrs MELINDA PAVEY (Oxley) [3.44 p.m.]: I move:

That this House:

- (1) Supports the Government's record investment in regional infrastructure to continue growing our \$138 billion regional New South Wales economy.
- (2) Notes that more than 30,000 jobs were created in regional New South Wales over the past 12 months.
- (3) Notes that the New South Wales regional economy is outperforming regional economies in all other States and Territories.
- (4) Condemns the Opposition's lack of interest in issues facing regional New South Wales.
- (5) Welcomes the Government's clear path to continue driving growth in regional New South Wales through Jobs for NSW.

The member for Epping, one of my colleagues from the class of 2015, quoted these words which were spoken by Saint John Paul II:

Work is a good thing for man—a good thing for his humanity—because through work man *not only transforms nature*, adapting it to his own needs, but he also *achieves fulfilment* as a human being and indeed, in a sense, becomes "more of a human being".

That is key to driving the economy and jobs in New South Wales, in particular in the regions, in my electorate of Oxley and on the mid North Coast. For many years I have been a proud member of the New South Wales Parliament. Over the past 4½ years the revitalisation and invigoration of regional New South Wales has been truly remarkable. The Oxley electorate has benefitted from that revitalisation and invigoration with a \$3.2 billion Pacific Highway dual carriageway. This week Kempsey hospital building work was completed and the hospital was handed over to the Mid North Coast Local Health District. There have been other investments in Macksville hospital—a sure sign of this Government's commitment to regional New South Wales in my electorate alone.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Wollongong will have an opportunity to participate in the debate.

Mrs MELINDA PAVEY: The member for Tweed who will follow me in this debate will refer to other major projects in regional New South Wales. It is remarkable what communities can achieve when the Government does the right thing and pays attention to all constituents, regardless of their location. We have seen what can be done when the Federal Government and the State Government work together to put regional New South Wales first. In the past 12 months 7,400 new jobs have been created in vital health care and social assistance industries on the mid North Coast. There is confidence in the healthcare sector on the mid North Coast as this Government and this Minister for Health are paying it serious attention.

This week construction work on stage one of the \$81.9 million Kempsey hospital redevelopment will be completed and handed over by builders to the Mid North Coast Local Health District. Those works have been completed on schedule and the hospital is expected to be opened in the last week of November. Importantly, we have listened to our community and delivered a facility that meets its needs.

These include Aboriginal health, health promotion and chronic and complex care management, as well as family and children's services, drug and alcohol services, enhanced discharge planning, care coordination and hospital avoidance programs.

Ms Noreen Hay: You have cut funding to each of those projects.

Mrs MELINDA PAVEY: We have not cut health funding. This Government's record and the budget papers show that health funding has not been cut. It is a shame that the member for Wollongong does not read the budget papers because I believe she cares about the truth. The truth is that we have not cut health funding; we have enhanced services and funding.

Ms Noreen Hay: You cut funding to each of those projects.

Mrs MELINDA PAVEY: After 16 years of neglect this Government is delivering new hospitals and new projects right across regional New South Wales. This Government is rebuilding the Pacific Highway.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The member for Oxley will direct her comments through the Chair. The member for Wollongong will cease interjecting.

Mrs MELINDA PAVEY: This Government is delivering not only big projects but also little projects such as those in Bellingen. This Government is investing in projects to improve the main street. The road from Dorrigo through to Bellingen and from Urunga to Armidale is one of the most beautiful drives in the whole of Australia. It is listed as one of the top five drives in Australia. However, I would say it is in the top two, depending on which way one goes—along Comboyne Road or along the Oxley Highway. This Government is investing in little projects which will make a difference to our constituents, to tourists and to those living and working in our communities. This Government is investing in projects to improve Bellingen's main street and it is investing in jobs for New South Wales. [*Time expired.*]

Mr CLAYTON BARR (Cessnock) [3.49 p.m.]: Today's motion provides members with another opportunity to talk in this Chamber about The Nationals deserting regional New South Wales and not understanding what is at stake. Indeed, the contribution by the member for Oxley was indicative of The Nationals members' lack of understanding about what is happening in regional New South Wales now and what will happen in the future. To put the situation as simply as I can for them, the Government is waving candy in their faces. They might get a new footpath here, a new fence there. They might even get a new bridge or stretch of road. But when those projects have gone what will The Nationals be left with? Where will the workforce be then?

The Nationals have allowed recurrent funding for permanent public sector jobs that used to support their communities to be ripped out of their electorates. Once the bridge is built or the footpath is completed The Nationals will look around their areas for permanent, solid jobs but they will be gone because they are gone from the budget. That is what they do not understand. Through you, Mr Deputy-Speaker, I ask The Nationals to answer me this: Who in The Nationals is looking at the budget? Who is watching the numbers? Who is doing their figures? Clearly, the Liberals are entirely in control of the budget and the decisions it contains.

The Government sometimes sprinkles out candy to The Nationals—who have obviously got the attention span of goldfish—but once they get past the sugar rush there is nothing for their communities. The member for Clarence, who is in the Chamber, lost his jail. How many jobs went with that? Was it 500? At the time, the member for Clarence stood in front of his community and said, "It's only bread and milk." He was mocked and ridiculed up hill and down dale by his community. Then with his tail between his legs, less than 48 hours later, he quickly changed his mind.

Let us talk about regional representation in Cabinet. After the election the member for Barwon described the lack of regional representation in Cabinet. Indeed, this week the local government and

shires associations have called for regional representation in Cabinet just like Western Sydney has been given. But this Government decided that all those jobs would disappear. The member for Barwon summed it up fairly succinctly not long after the election when he described it as a disgrace. Let us talk about the government jobs that have disappeared from the Department of Primary Industries and the agronomists and biosecurity officers that have been sacked who used to be located in regional New South Wales.

Let us talk about the closure of Crown Land offices and Trade and Investment offices in places such as Tweed Heads, Broken Hill, Coffs Harbour and Goulburn. Let us also talk about the abolition of things such as the Community Compliance and Monitoring Group that used to employ 50 people at Bathurst to watch over released prisoners to make sure they were doing the right thing. Those 50 jobs were wiped. That is what The Nationals are doing to regional New South Wales. Those permanent, long-term jobs that used to sit inside the budget no longer do. Once they have their fence built or their footpath put in and the workforce moves on, the contract disappears or the money dries up. The Nationals members will be left with massive holes in the fabric of their communities.

There is an economic fact about regional communities: approximately 30 per cent of the workforce must be employed in the government sector in permanent jobs. That is how regional communities are supported. Teachers, teacher aides, nurses, hospital clerks and school administrative staff positions are permanent, full-time government sector jobs that lay the foundation for regional communities. If we lose them we lose regional communities. Members opposite are losing those positions from TAFEs in their electorates. Kids are leaving their regional communities to find TAFEs in the city that will deliver the courses they want. The Nationals need to do themselves a massive favour and listen to my tip: read the budget, understand it and act on it. [*Time expired.*]

Mr GEOFF PROVEST (Tweed) [3.54 p.m.]: I will dismiss the comments by the member for Cessnock. He is obviously not living in the real world. As members on my side of the House know only too well, regional New South Wales is an economic powerhouse and a key contributor to our strong State economy. Just last week the Minister for Regional Development, and member for Monaro, announced that more than 30,000 jobs had been created in the past 12 months in regional New South Wales. My region of the Tweed recorded more than 7,000 new jobs. Those jobs ensure communities stay strong, businesses continue to invest and that the local economy continues to go from strength to strength.

Like the member for Oxley, my community is also benefiting from the care and attention that the Minister for Health is paying. Earlier this year we announced a \$48 million redevelopment of the Tweed Hospital—a huge boost for my community and the ongoing staffing levels in the Tweed. That investment has been called the "most significant thing to have happened at the hospital since 1973". It is a breath of fresh air after 16 years of neglect by members opposite. This Government's investment in critical infrastructure in regional New South Wales is driving the creation of jobs. Every time the Government announces more infrastructure projects it is creating more jobs in our communities. Since 2011 the Government has supported projects that have secured more than \$2.4 billion in investment in thousands of jobs. Businesses that have applied for payroll tax rebates through the NSW Jobs Action Plan have created thousands of jobs. Our \$190 million Jobs for NSW investment over four years will ensure that a minimum of 30 per cent of job creation incentives go to regional New South Wales.

Regional New South Wales contributes \$138 billion to the State each year—almost one third of total State product—and is responsible for 90 per cent of the State's agriculture production. The agriculture sector is a significant employer in rural areas. Manufacturing in regional areas contributes more than \$11 billion to the economy and is the highest contributor to gross regional product. More than 47 per cent of domestic and international visitor expenditure in the State is in regional New South Wales, contributing \$12.9 billion to the State's economy. Our core focus is to promote key regional sectors and regional competitiveness. We want to drive more opportunities for regional employment and business growth. We must continue our investment in economic infrastructure and connectivity across the State. Regional New South Wales is in a great position. There is a thriving small business community. We must

continue our investment to support initiatives that create jobs, drive economic growth and deliver services that will unleash the economic potential of regional New South Wales. We must stop the Labor Party negativity about the regions.

Ms NOREEN HAY (Wollongong) [3.57 p.m.]: It is clear that Government members need to be reminded about what is and is not a region. For instance, they seem to forget that the Illawarra is a region—one that has been extremely neglected by the current Government. They can put all the spin they like into their contributions, but TAFEs have closed, courses have closed and teachers have been lost. Funding for our domestic violence services has been reduced. BlueScope is waiting to hear the Government's position on the payroll tax subsidies, even though the workers and unions have taken brave decisions in trying to save that business.

I remind Government members that since 2011 unemployment has increased under them in the Illawarra region. Basically, ever since I have been calling on the Government to make a serious investment in job creation projects or to transfer a government department to the Illawarra it has done nothing. Government members keep getting up in this place and patting themselves on the back. I remind those opposite that there is a good reason why they were in opposition for 16 years—because no-one wanted them in government; and now we know why. The fact is that the Illawarra region has been neglected by those opposite. They need to get their acts together. For the Parliamentary Secretary for Major Events and Tourism to sit in this Chamber and interject as I make my contribution is really appalling. If he has nothing positive to contribute he should contribute nothing.

We have heard that parliamentary secretaries are now equal to Ministers in Cabinet. I wonder whether we should ask how many Cabinet Ministers would like to become parliamentary secretaries instead. I think we would find then a different attitude. The fact is that the new State priorities of this Government make no mention of agriculture, primary industries, rural affairs or regional development. The overall regional unemployment rate has gone up. The Illawarra unemployment rate has gone up since those opposite have been in government. So for Government members to come into this Chamber and start patting themselves on the back for the great things they have done is a joke. The number of unemployed people in regional areas has gone up. The higher unemployment rate in regional areas once again shows that this Government is Sydney-centric. Government members can come into the Chamber and congratulate themselves all they like, but the fact is that this Government is Sydney-centric; there is no question about it. [*Time expired.*]

Mrs MELINDA PAVEY (Oxley) [4.00 p.m.], in reply: I thank my colleague the member for Tweed, Mr Geoff Provest, for his positive contribution to this debate. I also acknowledge the contributions of the member for Cessnock and the member for Wollongong. I am still reeling from the fact that the member for Cessnock said that the duplication of the Pacific Highway and the construction of new hospitals was like giving out candy. I think that highlights the lack of understanding of those opposite about what drives the economy, what drives investment and what drives business confidence. It is investment in infrastructure.

We are in the middle of a transformation in regional New South Wales. For 16 years regional New South Wales was forgotten and neglected by the Labor administration. Now that we have The Nationals in government and a strong part of Cabinet, we are delivering time and again. One of our biggest achievements has been to contain spending. I challenge the member for Cessnock to read the budget papers and to take a long-term view of those budget papers. He should take a look at how his party mismanaged the funds that the taxpayers of New South Wales entrusted to government at that time. It was appalling. We have been able to contain expenditure to 2.5 per cent on recurrent spending on wages across the whole of the public sector workforce in New South Wales, including politicians, teachers, police and other workers. We have been able to invest those savings in infrastructure to drive the economy.

Mr Guy Zangari: I thought the member for Oxley was a nice person. This is unlike her.

Mrs MELINDA PAVEY: I am a nice person because I respect the taxpayer, and respecting the taxpayer is what delivers jobs and opportunities. That is why we have been able to take New South Wales from the bottom of the Eddie Obeid pile in 2011 right to the very top. We are now number one in Australia. Those opposite should celebrate that with me. They must be happy about that. I certainly am. I am happy for the candy. I am happy about the highways. I am happy about the hospitals. I am happy about all the jobs and investment in New South Wales.

I know that we are all happy about what is happening within the regions, and I know my electorate is happy. But we still have a lot to do. I will not resile from that. I am proud of the fact that we have moved people from the back offices of government departments to front-line services. So we have more teachers. We have 90 more police officers on the North Coast of New South Wales. It is all about front-line services—jobs on the front line and business on the front line. We are driving New South Wales to number one, and regional New South Wales is part of that wonderful journey.

Ms Kathy Smith: And we are going to end up with no assets left to service those services.

Mr Geoff Provest: Have a look outside. Have a look outside at the cranes and at all the construction that is happening. Have a look at the Pacific Highway.

The DEPUTY-SPEAKER (Mr Thomas George): Order! The debate has well and truly finished, yet the member for Tweed and the member for Gosford continue to debate the issue. I direct the member for Tweed and the member for Gosford to remove themselves from the Chamber for a period of 10 minutes.

[Pursuant to sessional order the member for Tweed and the member for Gosford left the Chamber at 4.05 p.m.]

The DEPUTY-SPEAKER (Mr Thomas George): Order! I remind the member for Hornsby that he is on three calls to order.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 44

Mr Anderson	Ms Goward	Mr Roberts
Mr Aplin	Mr Gulaptis	Mr Rowell
Mr Ayres	Mr Hazzard	Mr Sidoti
Ms Berejiklian	Mr Henskens	Mrs Skinner
Mr Brookes	Ms Hodgkinson	Mr Speakman
Mr Conolly	Mr Johnsen	Mr Taylor
Mr Constance	Mr Kean	Mr Toole
Mr Crouch	Dr Lee	Mr Tudehope
Mrs Davies	Mr Maguire	Ms Upton
Mr Dominello	Mr Marshall	Mr Ward
Mr Elliott	Mr Notley-Smith	Mr Williams
Mr Evans	Mr O'Dea	Mrs Williams
Mr Fraser	Mrs Pavey	<i>Tellers,</i>
Mr Gee	Ms Petinos	Mr Bromhead
Ms Gibbons	Mr Piper	Mr Patterson

Noes, 36

Ms Aitchison	Mr Harris	Mr Minns
Mr Atalla	Ms Harrison	Mr Park
Mr Barr	Ms Hay	Mr Parker
Ms Burney	Ms Haylen	Mr Robertson
Ms Car	Mr Hoenig	Ms T. F. Smith
Ms Catley	Ms Hornery	Ms Washington
Mr Chanthivong	Mr Kamper	Ms Watson
Mr Crakanthorp	Ms Leong	Mr Zangari
Mr Daley	Mr Lynch	
Mr Dib	Dr McDermott	
Ms Doyle	Ms McKay	<i>Tellers,</i>
Ms Finn	Mr Mehan	Mr Lulich
Mr Greenwich	Ms Mihailuk	Mr Warren

Pair

Mr Baird

Mr Foley

Question resolved in the affirmative.

Motion agreed to.

Pursuant to resolution Government business proceeded with.

ENERGY LEGISLATION AMENDMENT (RETAIL ELECTRICITY AND GAS PRICING) BILL 2015

Second Reading

Debate resumed from an earlier hour.

Mr GUY ZANGARI (Fairfield) [4.12 p.m.]: As I said earlier, the key to success is an overhaul of the industry. It needs to be more open, honest, transparent and functional. Consumers need to be the focal point of this debate. I am pleased that the Government has recognised this. The Minister said that the Government will be working on increasing competition in the retail gas market to drive efficiencies and reduce costs. That is a necessary step towards making the legislation workable. Full deregulation of the gas industry can only proceed with the consumers in mind, once there is effective competition across the State.

Prior to complete deregulation being enacted, the New South Wales Labor Opposition calls on the Minister to report to Parliament on the progress of the gas industry reform to ensure it is clear that it will benefit consumers in New South Wales. The deregulation of retail gas should only proceed once it can be shown that the changes we all want and agree upon have been made and that the industry has undergone significant reform to deliver greater transparency, competition and functionality. The New South Wales Labor Opposition does not oppose the bill.

Mr CLAYTON BARR (Cessnock) [4.14 p.m.]: I make a brief contribution to debate on the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015. I listened carefully to the earlier contribution of the member for Maroubra and shadow Treasurer. He noted at great length some concerns

that may arise if this legislation is not delivered correctly. One of the most important issues is the lack of competition in the supply of gas in regional New South Wales. The member for Maroubra and a number of experts have spoken about this. Real concern exists that the supply of gas in regional New South Wales might be handed over to a monopoly or a duopoly. I will use the comparison of Coles and Woolworths. Statistics show that having only two companies allegedly competing against each other for price and customers is not a good competitive market.

The same cannot be said of retail electricity. It is a good competitive market. Approximately 20 retail electricity buyers genuinely compete against each other. But if we have only one or two gas providers there is no reason to think it will be any different to what is happening in supermarket pricing or petrol pricing, where there seems to be an absence of genuine competition and possible price fixing, into which there have been some inquiries. We have gas at home. I noticed a significant rise in the price of gas on my most recent bill. In fact, my family is considering switching off its gas appliances and returning to electricity—a worrying sign when addressing climate change and bigger issues. We have a gas hot water system, gas heating, gas cooker and a gas barbecue. When we decided to build our house, gas was an important future supply at a very reasonable rate.

New South Wales currently exports liquid gas overseas and is therefore exposed to international markets. The pricing of international markets is also a real concern. We might pay \$3 to \$5 per gigajoule these days, but in the next three to five years there is every chance we might pay \$12 to \$15 per gigajoule. As the member for Maroubra said earlier, New South Wales households and businesses essentially are competing with our Asian liquid gas customers. They do not have any gas reserves so they need a country like Australia, which is incredibly gas rich. Another concern about the removal of gas pricing regulation is the potential for our State to be held to ransom over the production of coal seam gas.

The coal seam gas businesses have lost their social licence and have lost the debate in this State. While I am a consumer of gas and say that we must have a gas industry, there is work that must be done. The chief scientist of New South Wales is doing fantastic work. We must follow and adhere to the recommendations coming from the work of the chief scientist. If we allow deregulation of our gas pricing, we might find ourselves held to ransom by a gas supplier. Prices will go through the roof and those who can afford it will switch off their gas because they might have access to a second product. We might be forced to make decisions that are not based on science and therefore not good for our environment. The real concern is that decisions will be based on the popular will of the people that is driven by the almighty dollar and gas suppliers.

My comments have emphasised the concern about the absence of a competitive gas market in regional New South Wales. The Opposition will not oppose the bill in this House but it will seek to make amendments in the other place. I look forward to some of those amendments being adopted. The only intention of those amendments is to ensure that we do not deregulate the gas industry in 2017 without having a competitive market. The Minister's office issued a media release that indicated there does not seem to be any test, measure or description of what a satisfactory competitive market would be in 2017. It is important that the people of New South Wales know what a competitive market looks. Only then will we know whether it has been achieved in 2017 and whether the Minister at the time—presumably the same Minister—is adhering to the commitment given to the people of New South Wales in 2015. The Opposition does not oppose the bill.

Mr RON HOENIG (Heffron) [4.21 p.m.]: I make a contribution to debate on the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015. The Opposition does not oppose the bill but has indicated that substantial amendments are required, which will be moved in the other place. Accordingly, I adopt the views expressed by the member for Maroubra and nothing I say, either expressly or by implication, should be seen to be inconsistent with those views. Nobody can argue about economics 101—consumers benefit from genuine competition in the marketplace—but does anyone know where this genuine competition is and does anyone know where such free markets exist? If free markets existed, we would not need antitrust legislation such as the antitrust laws in the United States, the Trade Practices

Act or the Australian Competition and Consumer Commission [ACCC] legislation in Australia to ensure there are competitive markets.

There is no competition in the eastern gas market and there is not likely to be any competition in the foreseeable future. It is beyond me how the Minister for Industry, Resources and Energy can assert with any confidence that by 2017 there will be a competitive gas market to entitle deregulation. The Minister well knows that the ACCC is currently conducting an inquiry. I invite the attention of members to comments made on 17 September 2015 by Rod Sims, Chairman of the ACCC, at the Eastern Australia's Energy Markets Outlook 2015 conference. He drew attention to the previous inquiries, such as the Department of Industry and Science Market Study. He said that those studies were unable to assess meaningfully the conflicting claims made by gas suppliers and gas users about prevailing supply and demand conditions. Mr Sims said:

The confidential nature of gas supply negotiations and the terms available in the gas market also meant that it was difficult to determine policy recommendations for government out of these inquiries.

Mr Sims, who is chairman of the national organisation that is charged with ensuring there is no cartel behaviour and that there is genuine competition in the gas market, said:

Indeed many aspects of the east coast gas market are opaque and complicated.

- The market is dominated by confidential, bilateral contractual arrangements which make price discovery almost impossible.
- Trading markets as immature and illiquid, with conflicting views to their utility.
- At nearly all points along the value chain, the market is dominated by large players: be they gas producers and processors, pipeline operators or gas aggregators and retailers.

That was the position of the chairman of the ACCC a month ago. It is not only the chairman of the ACCC who has expressed those views. On 13 April Federal colleagues of the Minister for Industry, Resources and Energy, the Hon. Bruce Billson, MP, then Minister for Small Business, and the Hon. Ian Macfarlane, MP, Minister for Industry and Science, announced the ACCC would undertake an inquiry because the east coast gas market was opaque and complicated. That inquiry is underway as we speak. Bearing in mind the comments of the chairman of the ACCC, it is beyond me how the Minister can come into this House with confidence and introduce legislation because he thinks that by 2017 there will be competition in the eastern gas market. It is an absurdity. It is Tory zealotry to think that if a law is passed there will automatically be competition. We know that will not happen. We know the smaller gas suppliers who can supply the domestic market at a competitive rate cannot access the pipelines and they are screaming at the Government about the inability to supply the eastern gas market because the large players dominate the pipeline even when they have no use for it.

On 12 October 2015 the *Sydney Morning Herald* published an article written by Michael West, who described the behaviour of major players in the eastern gas market as cartel behaviour. He said the only thing that Mr Sims did not refer to was the cartel behaviour of major players in the eastern gas market. That cartel behaviour, as exposed by Mr West, showed the greatest and highest cost for the production of domestic gas supply. The myth continues. How many times have we heard the Minister for Industry, Resources and Energy, or his predecessors, say that New South Wales is running out of gas and that New South Wales provides only 5 per cent of gas? Not surprisingly, all of the material that the Minister for Industry, Resources and Energy relies upon comes from AGL. It is a major player in this market that, according to Mr West, is engaged in cartel behaviour. The myth continues to be espoused that New South Wales will run out of gas when no particular State supplies its own gas, but the gas is supplied out of an eastern gas market that is effectively controlled by a cartel.

Why do we need this legislation now? What is its purpose? Is the enacting of this legislation

designed to force a competitive environment? On what basis can the Minister confidently say, when the ACCC is currently undertaking an inquiry into the east coast gas market, that by 2017 there will be a competitive market? Members in the other place are talking about holding a parliamentary inquiry to determine whether there is genuine competition. Why do members in the other place need to hold an inquiry when the ACCC is conducting one? Four weeks ago the ACCC said that the east coast gas market is opaque and complicated. The organisation that is supposed to control and monitor cartel behaviour in this country and has the power to create competition cannot get the information it needs to compel genuine competition in the marketplace. Yet the Minister for Industry, Resources and Energy wants to pass a law to say that competition will happen by 2017.

Mr Anthony Roberts: Back me in.

Mr RON HOENIG: Why would I back the Minister in when the chairman of the ACCC will not back him in? On whose advice is the Minister basing the information that he presents to the House? It is not the advice of the peak organisation that is supposed to deliver a genuinely competitive market. A genuinely competitive eastern gas market that results in lower prices for consumers has my support. The Minister will be unable to deliver it. If the ACCC cannot deliver it and the Commonwealth Government cannot deliver it, there is no chance that one State Minister, out of the five States and Territories participating in the eastern gas market, will be able to deliver it.

The DEPUTY-SPEAKER (Mr Thomas George): Order! Members have already been asked to leave the Chamber. I remind members to direct their comments through the Chair.

Mr Anthony Roberts: We would have to find someone to do chair duty.

The DEPUTY-SPEAKER (Mr Thomas George): The Minister could sit there.

Ms TANIA MIHAILUK (Bankstown) [4.31 p.m.]: I too contribute to the debate on the Energy Legislation Amendment (Retail Energy and Gas Pricing) Bill 2015. The bill removes from the Electricity Supply Act 1995 and the Electricity Supply (General) Regulation 2014 the capacity to re-regulate electricity prices. It also removes from the Gas Supply Act 1996 the capacity to regulate gas prices. I share the concerns raised in this debate by other Opposition members. The passage of this legislation through the House has been a speedy exercise. I question the reason for that, given the concerns expressed about the gas retail market. A number of members have quoted Rod Sims, Chairman of the Australian Competition and Consumer Commission [ACCC]. There is clearly a plan to prevent a future government from re-regulating prices. The Opposition questions whether the east coast gas market is ready for deregulation in 2017. The Opposition does not oppose the bill but will move amendments in the other House to provide safeguards for consumers if the market is not appropriately prepared for deregulation in 2017.

I will comment on activities in the energy market in the past few months. Earlier in the year the Australian Energy Regulator [AER] made a determination on electricity prices. A number of energy providers decided to appeal the AER determination. It was disturbing that the Government supported the appeal process, despite its rhetoric before the election—from the Premier in particular—that it supported the lowering of electricity prices. That the providers appealed the AER determination with the support of the Government alarms the Opposition. The Government said for many months that it supported the lowering of electricity prices. It then decided to change its view, supposedly based on concerns raised by the rural fire services commissioner and the Minister for Energy. The Opposition does not want to see a repeat of that in the deregulation of the east coast gas market in 2017.

The member for Cessnock raised concerns expressed by communities in regional and rural New South Wales about the deregulation of the gas market. Regional and rural New South Wales have only one supplier. The member for Maroubra quoted from an article by Michael West, who said that the current market bears the hallmarks of a cartel. The ACCC is undertaking an inquiry into the energy market in

eastern Australia, and its comments are worth noting. The Australian Energy Market Commission, the independent body responsible for providing advice to governments on the electricity and gas sector, found in its 2015 Retail Competition Review that the retail gas market is "effective though less intense" than the electricity market.

The review observed that only one gas retailer operates in regional areas. For that reason Labor will move amendments to this bill in the upper House to put in place safeguards for consumers when deregulation occurs in 2017. I remind members that Labor does not oppose the bill. As the bill has been rushed through the House, Labor wants to ensure that safeguards are in place. I am sure the Minister can appreciate that. The Opposition will wait to see whether the Government accepts its amendments. There will be amendments from the crossbenchers as well. I hope that higher gas prices are not the goal.

Mr Anthony Roberts: I thought the goal was five minutes.

Ms TANIA MIHAILUK: I have 3½ minutes left to speak. If the Minister would like me to talk about him, I will. It is natural for the Opposition to be concerned about the intentions of the Government, given its support earlier in the year for the appeal by energy providers against the AER determination. Labor will propose a whole range of safeguards to make sure that this Government is not supporting a market that could result in price rises. That is the concern that Labor has. We want to make sure that prices remain low. We want to make sure that this bill will not result in the market spiralling out of control.

Mr JAMIE PARKER (Balmain) [4.39 p.m.]: On behalf of The Greens I address the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015. I will try to keep my contribution relatively short. This bill aims to complete the Government's process of deregulation of electricity and gas prices in New South Wales.

Mr Anthony Roberts: You can continue for as long as you like.

Mr JAMIE PARKER: It is very nice of you to say that, Minister. One of your best qualities is that you are not the former Minister.

The DEPUTY-SPEAKER (Mr Thomas George): Order! Members should direct their comments through the Chair.

Mr JAMIE PARKER: The approach of the former Minister was very different. I think his approach was counterproductive to getting good outcomes in these areas. This bill makes amendments to the New South Wales electricity supply Acts, taking into account the Government's deregulation of electricity prices in 2014. The bill also covers regulation of gas prices. The Greens members were very concerned about this deregulation process. We know that it was on the radar of the Coalition back in 2012. In July 2014 the Government moved to enact these changes to remove pricing controls. It did so by regulation—probably because it thought there would be a problem in the upper House. We sought to disallow the regulation but eventually it was agreed to.

The Greens were very concerned about the deregulated market because there are three players that dominate 95 per cent of the mass market. We were concerned that we would see an increase in electricity prices. We were also concerned that without the protection of a regulated price, consumers would face bills that would tip them over the edge. It is our view that energy affordability has become a critical social justice issue in New South Wales. I draw the Minister's attention—I know the Minister has had his attention drawn to this before—to the report commissioned by the St Vincent de Paul Society, which was released on 12 October 2015. That report showed that the retail competition margin of gas and electricity retailers has risen to \$600 per customer. That concerns a lot of people. It draws into question the competitive nature of the market and whether the players in the market are generating the competitive tension that the Government said they would deliver.

The St Vincent de Paul Society report shows that there are problems in this market in delivering competition if the margins have increased so significantly. I also note the report of the Energy and Water Ombudsman NSW, which shows that between 2012-13 and 2013-14 there was a 53 per cent increase in complaints relating to impacts on credit ratings. Complaints relating to disconnections for non-payment were up 32 per cent, complaints about debt collectors were up 32 per cent and complaints about refused payment arrangements were up 64 per cent. These are really alarming increases. These are matters that the Government needs to address. As we know, electricity and gas are essential services for all the citizens of this State, and it is very concerning to see such a large increase in these indicators.

The Greens have been concerned about deregulation because the power market is confusing. Less than 40 per cent of consumers who were subject to the old pricing regime have moved to the competitive market. The market is confusing and customers do not have the time or expertise to deal with it. The Minister's speech indicated that only 38 per cent of transitional tariff customers have taken advantage of choices. This is a real challenge. The major reason The Greens are concerned about this legislation is the issue of the real factors underpinning electricity price rises. What are they? We know that the cost of expanding the poles and wires—sometimes referred to as "gold plating"—accounted for almost 50 per cent of the rise in power bills over the previous five years. That is the culprit behind the increases in electricity prices. That presented a significant challenge.

Despite the fact that the Government in 2011, under former Minister Hartcher, required that power bills include a statement about the increasing costs, the Independent Pricing and Regulatory Tribunal [IPART] tells us that a driving factor behind the increase in New South Wales electricity bills is investment in the transmission and distribution networks, which accounts for 50 per cent of retail energy bills. The costs associated with the carbon price made up only 8 per cent of New South Wales electricity bills, while other schemes—the solar rebate and so on—contributed around 7 per cent. So the real driver of electricity price increases over the past five years—it accounts for 50 per cent of retail energy bills—has been the gold plating of poles and wires. I have seen that in my electorate and I know that there has been a pull-back with respect to that. It is important that that pull-back happens.

My final point is about what The Greens see as the future. We have expressed our concerns about the competitive market and also about the real issues underpinning the energy market. We are big believers in the smart grid, which allows households and businesses to buy and sell clean energy, including rooftop solar and regional and statewide wind power. We believe in peer-to-peer selling of electricity. If there is a building in the city that generates a lot of renewable energy that building should be able to provide energy to its neighbour at a retail price. We need to do that because we need to transition from the fossil fuel market, with its static distribution and generation model, to a peer-to-peer sharing model and a smart grid model. We believe that is the future of electricity in this State. We encourage this Minister, who I think has a sense of this issue—unlike the former Minister, who had no clue—to take that forward. I appreciate the opportunity to make a contribution to the debate on this bill. I trust the Minister will continue to take into account these concerns.

Dr HUGH McDERMOTT (Prospect) [4.45 p.m.]: I contribute to the debate on the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015. This bill aims to remove the capacity to re-regulate electricity prices from the Electricity Supply Act 1995 and the Electricity Supply (General) Regulation 2015, and to remove the ability to regulate gas prices from the Gas Supply Act 1996. When I spoke in a debate earlier today I congratulated the Government on some outstanding legislation. It was basically a rewrite of Labor Party policy from some years ago, which I was very supportive of. But this time I wonder what the Minister and the Government are doing. It is sad that we have gone from great policy earlier in the day to this piece of legislation.

The main problem with this bill is that it offers gas companies free rein. Unlike the electricity market, the gas market operates in this State as a cartel. I am not opposed to the free market—no sensible person is—but there need to be checks and balances in the system. That is why the Australian Competition and Consumer Commission [ACCC] exists. It is also why the ACCC has long criticised the

gas industry for confidential, bilateral agreements that make price discovery almost impossible. The ACCC and other industry observers have found that there are profound problems with the current gas industry in that it is not open, transparent or competitive as the electricity industry is.

Deregulation in this situation will only reduce consumer protection, particularly in rural and regional areas, where competition is even weaker. The Baird Government does not know how much money gas companies are making and it has no means of finding out. The Government does not even have the ability to find out how much gas consumers may be getting ripped off. Furthermore, there is little evidence about the utility of trading markets in the gas industry, which are immature and illiquid at best. The large players, such as the producers, pipeline operators, aggregators and retailers, have a potential to set the market up for the inappropriate exercise of power. This is why, at this stage, deregulating the gas market is an ill-informed idea. These issues will not disappear in the short term either. The Minister has set July 2017 as the target date for deregulation. I am sceptical that the cartel behaviour in the operations of the gas industry, as described by the ACCC, will cease to exist within two years as the Minister hopes. Who loses if this bill passes?

The answer is households, small business, large manufacturers and large industrial employers in the electorate of Prospect and throughout New South Wales. Protections from rising gas prices will be severely weakened by this bill, with the extra costs falling on the hardworking families and small business owners of New South Wales. Therefore, I call on the Baird Government to reconsider its decision to unleash the gas companies. I call on the Baird Government to reconsider its decision to support this bill. One of the roles of government is to intervene in situations of market manipulation and unfair practices. The Baird Government is proposing to step back from its duty to the people of New South Wales. Deregulation is not necessarily a bad thing, but care must be taken to ensure that it has the effect intended by the New South Wales Government. I do not have confidence in the Baird Government's effective execution of this deregulation. Therefore, I oppose the bill.

Mr ANTHONY ROBERTS (Lane Cove—Minister for Industry, Resources and Energy) [4.49 p.m.], in reply: As members have heard, the Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015 will complete the reform of the retail electricity and gas markets in our State and deliver greater benefits to households and businesses. This bill makes good on the Government's commitment to place downward pressure on the cost of living. It follows on from our successful deregulation of the retail electricity market from 1 July 2014, which has delivered lower prices for New South Wales customers. It increases competition and choice in the State's energy markets and puts customers in the driving seat when determining how much they want to pay for their electricity and gas.

As this House has heard, a competitive market provides the best form of customer protection and the lowest prices for customers. Competitive markets give customers the power to change retailers if they are unhappy with the prices or level of service offered by their existing retailer. This means that over time retailers will compete to retain their customers by offering more competitive prices, greater discounts, better products and better protection for customers.

The Energy Legislation Amendment (Retail Electricity and Gas Pricing) Bill 2015 achieves two objectives. First, it implements the strategic direction for retail gas pricing over and beyond the next two years. This will extend the benefits of a deregulated retail market to New South Wales gas customers and ensure increased competition in regional areas. Secondly, it will complete the electricity price deregulation process by making amendments that remove redundant terms and monitoring requirements. These changes retain important consumer safeguards and extend those to the gas market.

I turn now to the issues raised by members of this House. First, I note the comments of the member for Maroubra on the Opposition's in-principle support for this bill, and I welcome that. The member for Maroubra raised a number of issues in his speech—namely, his view that the evidence of the success, to date, of the deregulation of retail electricity pricing is questionable. I respectfully disagree with his view. Reporting from the Australian Energy Market Commission [AEMC], the Independent Pricing and

Regulatory Tribunal [IPART] and the St Vincent de Paul Society has been quite clear: The reports have demonstrated the available benefits to customers who take advantage of the competitive deals on offer.

The underlying principle of deregulating the marketplace is to empower customers to choose their own energy future. It drives retailers to work harder and to discount further to attract and retain customers. Our ongoing consumer information campaign and those of other market actors such as the AEMC and the Australian Energy Regulator assist customers to understand what options are available to them and how to access them. In short, the reports illustrate a marketplace that is functioning as planned—a marketplace where lower prices are available and where customers are better equipped than ever before to take advantage of them. The member for Maroubra also raised concerns about the availability of gas in the eastern Australian gas market and the potential future impact this could have on New South Wales customers. I acknowledge his concern, but I highlight that a number of State and national reforms are currently underway to address this matter.

First, the NSW Gas Plan, released by this Government late last year, outlines our strategic direction for securing our State's gas supplies. I am pleased to say that implementation of the Gas Plan is well underway and I am confident that our strategy will ensure security of supply and stability of price for New South Wales customers. Secondly, the Australian Energy Market Commission is currently undertaking the east coast gas review to address issues of transparency in market operations. I have been clear on the issue of the lack of transparency from day one. I fully support the review and eagerly await its findings and recommendations on how to further improve the national gas market. Thirdly, the House will be aware of the rapidly progressing plans for a new transmission pipeline to connect the vast gas reserves of the Northern Territory to the east coast market. The New South Wales Government has supported this measure since it was first proposed. This would act as another gas source for our State, further increasing the diversity and security of our supply.

The regulation of gas prices does not, and will not if retained, in any way address these concerns. Regulation simply addresses issues of price in an uncompetitive environment. However, in an environment in which competition is effective, regulation acts as a hindrance and can indeed have a negative effect on pricing. As such, the New South Wales Government is satisfied that issues of resource availability are unwarranted and will not become a factor in retail pricing. Moreover, I note the member's comments about residential gas customers competing with overseas industries for gas supply. The House should be aware that the current framework is a light-handed regulatory approach focused on retail prices and does not regulate the wholesale price. As such, if the member's concerns were merited, and I do not agree they are, then customers would already be exposed to that overseas competition, regardless of retail price regulation.

However, I thank the member for Maroubra for raising what are important issues for the broader national gas market beyond the question of retail price regulation. I welcome the opportunity to discuss this broader environment with him in future. It is positive to see a Labor member contributing to a discussion using rational economic arguments and not relying on socialist ideology like his colleagues. We very much welcome that incredibly sensible approach. I note the member's comment that the Opposition will put forward an amendment in the other place to install an additional oversight mechanism in the process for deregulating gas prices. Whilst I disagree with the need for such additional regulation, I am happy to sit down and talk with the member for Maroubra and have a look at the amendment and consider it in due course.

I turn now to the matter raised by the member for Wollsworthy. In response to her concerns about the necessity for regulation, I state again that such regulation is no protection from price rises. This is a key point that the House must understand. Under the former Labor Government electricity prices rose by more than 60 per cent over three years, including more than 22.4 per cent in 2009-10 alone. That was during a period of retail price regulation. In contrast, in the past year since deregulation customers have been in a position to take advantage of discounted prices that are up to \$1,050 less than the default price.

When one considers that the average annual residential electricity bill is around \$2,000, this represents a monumental saving. Turning to the matter raised by the member for Fairfield, who said that customers are at the mercy of retailers with no protections, I advise the member that retail price regulation, which this bill addresses, does not fulfil that purpose. The National Energy Customer Framework [NECF] and the National Retail Energy Law and its accompanying rules govern how retailers can act with their customers. These national instruments enshrine the protections that are in place for customers. This bill will not impact upon those.

I thank the member for Maroubra, the member for East Hills, the member for Wallsend, the member for Upper Hunter, the member for Fairfield, the member for Cessnock, the member for Heffron, the member for Prospect and the member for Bankstown for their contributions to this important debate. I also especially acknowledge the member for Balmain, who has shown in this place that whilst he may have some different ideas about the electricity market and what the percentage of renewables should be, we are all of one voice when it comes to protecting consumers and ensuring that we embrace technology and innovation to give consumers not just the best protection but the best ability for choice in securing their power supplies.

I take this opportunity to acknowledge and pay tribute to my dedicated staff at the Department of Industry's Division of Resources and Energy for their effort in developing this critical reform. I make special mention of the following individuals from the Division of Resources and Energy policy team: my Executive Director of Strategy, Policy and Co-ordination, Katharine Hole; the Manager of National Energy Policy, Jacqueline Crawshaw; senior policy officer Shelley Ashe; senior policy officer Ellen Kelly; and policy officer Bernadette Haggerty. I reiterate my thanks to members who contributed to the debate. I commend the bill to the House.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Third Reading

Motion by Mr Anthony Roberts agreed to:

That this bill be now read a third time.

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

STRATA SCHEMES DEVELOPMENT BILL 2015

STRATA SCHEMES MANAGEMENT BILL 2015

Bills introduced on motion by Mr Victor Dominello, read a first time and printed.

Second Reading

Mr VICTOR DOMINELLO (Ryde—Minister for Innovation and Better Regulation) [5.00 p.m.]: I move:

That these bills be now read a second time.

The Government is pleased to read for a second time the Strata Schemes Development Bill 2015 and the

Strata Schemes Management Bill 2015. The bills are the culmination of the Government's landmark reform of New South Wales strata title laws that began in 2011. The importance of those reforms to the people of New South Wales should not be underestimated. Twenty five per cent of the population of greater Sydney lives in strata title properties. It is estimated that by 2040 half of Sydney's residential accommodation will be strata titled. Currently there are approximately 75,000 strata title schemes registered in New South Wales, with over 100 more schemes being registered every month. The vast majority of those are residential schemes. However, there are 7,235 schemes zoned for business uses, such as retail and commercial, with 3,257 zoned for other purposes including industrial, non-urban environmental living and tourism. The Strata Schemes Development Bill 2015 will replace both the strata schemes freehold and leasehold development Acts. The Strata Schemes Management Bill 2015 will replace the Strata Schemes Management Act 1996.

NSW Fair Trading and Land and Property Information have worked in partnership with industry stakeholders to develop more than 90 reforms and received well over 3,000 submissions during the four-year consultation period. The consultation involved online surveys, publicly released discussion and position papers, round tables and focus meetings, as well as an opportunity to comment on the draft exposure bills. Key stakeholders have been engaged and consulted throughout this process including, but not limited to, the Owners Corporation Network, Strata Community Australia, the Real Estate Institute of New South Wales, the Housing Industry Association, Master Builders Australia, the Combined Pensioners and Superannuants Association, the Urban Taskforce, and many other key consumer and industry groups. Each phase of the consultation process led to important changes and refinements to the proposals as a direct result of the feedback from members of the public and stakeholder groups.

I thank previous fair trading Ministers the Hon. Anthony Roberts, the Hon. Stuart Ayres and the Hon. Matthew Mason-Cox for their commitment and dedication to the strata title law reform process—in particular Minister Roberts, who started the public discussion about the future of strata living in New South Wales back in 2012. Fifty-four years ago New South Wales was a forerunner in the development of the world's first strata laws, with many other strata title laws—in places like Singapore, the United Kingdom, and Dubai—having applied the New South Wales laws model. While the original 1961 Act was reviewed and replaced in 1973 by more comprehensive laws, there has not been a major review since 1996. The bills introduce new provisions that are intended to address regulatory gaps that have been identified during the reform process. In addition, the bills replace and modernise the provisions in the existing Acts that are working well and continue to meet the Acts' objectives. I now will deal with the objectives and provisions of each bill, turning first to the Strata Schemes Development Bill 2015.

The Strata Schemes Development Bill 2015 replaces the former strata schemes freehold and leasehold development Acts. The objects of the Strata Schemes Development Bill 2015 are to facilitate the subdivision of land into cubic spaces, the disposition of titles, and the registration and renewal of strata schemes. This single bill covers land subdivision under both freehold and leasehold titles. The most significant reform in this bill is a new process to facilitate the collective sale or renewal of strata schemes. This proposed reform deals proactively with the issue of ageing strata schemes and enables strata owners to make collaborative decisions about their strata building. The majority of community feedback received on the strata reforms acknowledged that the decision to end a strata scheme should not require 100 per cent support of owners, provided that the process is flexible, transparent and fair. The alternative method proposed by this bill meets all those requirements. The renewal provisions are designed to empower strata owners to make a collective decision about the most important issue that will confront all strata buildings at some point: what to do with the building as it ages.

The proposed new renewal process will require the support of 75 per cent of lot owners. As a result, small schemes with two or three lots will continue to require unanimous agreement before they can be terminated. Two- or three-lot strata schemes make up 37 per cent of all strata schemes in New South Wales. As the number of lots in a strata scheme increases, it becomes harder to achieve unanimous agreement on any issue and it is to those schemes that this reform is addressed. When the Strata Titles Act was introduced in 1975 all decisions affecting common property required a unanimous resolution.

This requirement was relaxed in 2001 because of the difficulty in obtaining a unanimous resolution. Reducing the level of support needed to sell, add or change common property was viewed with caution at the time. Now it is accepted as entirely appropriate that decisions about the shared property of a scheme should be made by special resolution when no more than 25 per cent of the value of votes is cast against a motion.

Around the world most other jurisdictions with strata or condominium legislation make provision for a strata scheme to be terminated with less than unanimous agreement. Examples of countries include the United States, Japan, the United Kingdom, Singapore and a majority of the Canadian provinces, including Alberta and Ontario. Closer to home, New Zealand recently introduced new strata legislation and relaxed the threshold, allowing the owners to approve termination with a special resolution, which is 75 per cent support. Of the Australian jurisdictions, the Northern Territory has been the first to provide an alternative procedure that no longer requires unanimous support for schemes with 10 lots or more. I acknowledge concerns regarding the impact that the new collective sale process may have on individual property rights. However, it must be remembered that while strata owners own their unit, they also own a share in the building and decisions about the building must be made collectively.

Ultimately it comes down to how we define collective decision-making. Numerically, we have set the threshold at 75 per cent. No matter what the threshold is, we must ensure that where the collective will of a significant majority of owners is to sell, there is an appropriate mechanism for that collective will to be exercised. As a building gets older, major structural components begin to fail and maintenance becomes more expensive. At some point further maintenance may become unviable and alternative solutions will need to be explored. The best option for the building may be to retrofit and renovate, or it may be simply to demolish and rebuild. The strata renewal process provided by part 10 of the bill is designed, through a collaborative and transparent decision-making process, to encourage owners to deal with those significant issues together. Ultimately the decision to sell or renew the scheme will be made only if a significant majority of the owners agree.

The interest of any dissenting owner or owners needs to be recognised and protected. With this in mind, the process has been designed with numerous safeguards to prevent intimidation, encourage collaboration and ensure that owners receive appropriate compensation. To assure the Parliament that the renewal process has been carefully thought through, with the interests of owners at the forefront, I will briefly list each of the steps and the protections and major safeguards for dissenting owners. The first safeguard is an opt-in model: The renewal process will not apply automatically to existing schemes. Part 10 of the development bill will apply only if the owners corporation opts in to the process by passing an ordinary resolution of 50 per cent. The second major safeguard is a thorough and transparent renewal process. A renewal proposal can be made by any person. It could be initiated by a purchaser interested in buying the whole building and its site, by a group of the current owners with a vision to revitalise the building or by a developer with a plan that could involve existing owners buying back in to the scheme after a major renovation.

All proposals must be given to the strata committee, which will make an initial assessment as to whether the proposal has merit and deserves consideration. If it does, or if owners with at least one-quarter of the unit entitlement want the proposal considered, a general meeting of the owners corporation will be held so that all owners have a chance to review the proposal and give their opinion. If the owners see merit in the proposal, the owners corporation can pass a resolution to establish a strata renewal committee. Before the strata renewal committee is elected, potential members must disclose any financial or other interests in the renewal proposal that could potentially cause a conflict of interest. Also, under section 160 of the Strata Schemes Development Bill 2015 any owner who owns or has an interest in more than 25 per cent of the lots must declare that fact.

The purpose of the renewal committee is to develop a comprehensive plan for the strata building, known as the renewal plan, that will be presented back to the owners for detailed consideration. The renewal committee can engage specialist advisers to assist it in the task but only under the strict

oversight of the owners corporation, which will set a budget and a framework within which the renewal committee will be allowed to operate. Minutes of the meetings of the strata renewal committee will be available for lot owners to review so that they can stay informed of progress. The renewal committee can be dissolved at any time by ordinary resolution of the owners corporation, which ensures that the renewal committee operates at all times with the support of a majority of owners. The committee can function for a maximum of one year, unless this term is extended by special resolution of the owners corporation. The legislation sets out the detail that must be included in the renewal plan and the regulations can prescribe additional matters. This will make sure that the renewal plan is comprehensive and fully describes all aspects of the proposed arrangement, covering the price, planning approvals, construction details, relocation arrangements and any other aspects, depending on the nature of the proposal.

The third major safeguard is the compensation value of the renewal proposal, which must satisfy the requirements under the Land Acquisition (Just Terms Compensation) Act 1991. I will discuss that in more detail later. Once the renewal plan has been completed, a meeting of the owners corporation must be convened to consider it. The owners corporation can then decide to return the renewal plan to the committee for further amendment, it could decide to take no further action with the plan and dissolve the renewal committee or, if a sufficient number of owners like the plan, a special resolution can be passed directing that the plan be given to lot owners for their consideration. It will then be up to the individual owners to review the plan and to make their own inquiries as to the potential benefits of the plan. Owners will be given at least 60 days to review the plan. The purpose of this is to prevent pressure being put on owners in a meeting environment and to allow sufficient time for owners to seek any independent financial and legal advice, as well as to conduct property valuations.

After the 60-day investigation period, owners in favour of the plan can sign a support notice and present it to the returning officer. The returning officer will have been appointed by the owners corporation and could be a mediator, independent managing agent or any other person the owners trust for this role. This will operate to prevent bullying by providing confidentiality and is yet another safeguard. If the required level of support is reached, the returning officer will notify the secretary of the owners corporation and a meeting will be called. The required level of support is a minimum of 75 per cent of lot owners, excluding any utility lots used for parking or storage. The fourth major safeguard of requiring 75 per cent of lot owners to agree acts as a balance against the 75 per cent of unit entitlements that was required to support the renewal plan being given to owners. This mechanism prevents the plan being pushed through solely by a small number of owners who have a large percentage of the unit entitlements. Approval of the plan by 75 per cent of the owners is not the final step. The owners corporation must by general resolution, that is 50 per cent, apply to the Land and Environment Court to give effect to the plan. The plan must then be reviewed and approved by the court.

Giving the court the ultimate power to approve or reject the renewal proposal if it is not just and equitable in all circumstances is the fifth and a very strong safeguard. To allow the court to make a proper review, the renewal plan will be lodged with full details of the steps taken to prepare the plan and obtain the required level of support. It must include a copy of all the supporting notices and the names of any dissenting owners; a declaration by the purchaser or developer, if known at the time, detailing their relationship with the lot owners; and an independent valuation. Before approving the plan, the court must be satisfied of a number of significant matters that protect the interests of all owners and act as further safeguards. First, the court must be satisfied that the plan was prepared in good faith without undue influence of the purchaser or developer and that the whole process was carried out in accordance with the Act. Secondly, the court must be satisfied with the distribution of any sale proceeds or the amount that will be paid to dissenting owners whose unit will be sold in a redevelopment. This is an important safeguard in the process and one that deserves some time to explain.

Where a whole strata scheme is to be sold to a purchaser, the sale proceeds must be divided between all the owners according to their unit entitlement. Unit entitlement is the method used to calculate how levies are paid, how votes are cast and how insurance money would be divided should the building be destroyed by fire or some other disaster. It is therefore appropriate that the collective sale

price is divided by this means. It will ensure that all owners are treated equally and prevent some owners negotiating separate private deals to the detriment of other owners. To make sure that the unit entitlements are fair, the Land and Environment Court will have the power to readjust them if they were not determined according to an appropriate valuation. The court will be required to consider the actual value of each lot to ensure that the distribution is fair for all lot owners. Each lot owner's share must not be less than the compensation value of the lot. Compensation value is worked out using the principles of just terms compensation, as required by the Land Acquisition (Just Terms Compensation) Act 1991.

Using these principles, lot owners would be expected to receive at least the market value of their unit plus an amount for disturbance, solatium and any special value. Market value will be assessed taking into account the actual condition of the unit, including any refurbishment or upgrades the owner may have made. The compensation amount is a safety net, ensuring that no owner can receive less than the market value of his or her unit. The collective sale will reap more than the sum of the market values of the individual lots because the value of the whole scheme as a package is much higher than the individual lots being on sold to individual buyers. An example of this occurred in 2014 when eight neighbours in Epping collectively sold their homes to a developer for approximately \$30 million. The residents received approximately \$3.75 million each. Advice from their real estate agent at that time was that the apartments would have sold for about \$1.2 million.

Disturbance covers the costs associated with being required to move. The court will also consider the costs of stamp duty up to the value of the owner's unit, removalist fees, as well as legal and valuation costs associated with the acquisition. Proposed section 188 provides that unless the court otherwise orders, the owners corporation is to pay the reasonable costs of any dissenting owner who opposes the order in the Land and Environment Court. In addition, the owners corporation cannot levy a dissenting owner for a contribution towards these costs. An owner's personal attachment to a property is not something that can be translated easily into monetary terms. Solatium, which is paid to owners who reside in the property, attempts to do this by allowing an amount in recognition of the loss of a property. The maximum amount payable as solatium is currently set at \$26,710.

Special value is a further category that can be used to cover any financial value, in addition to market value, that an owner may have had through his or her use of the property. For example, special value could be used to cover the cost of installation of a stair lift or other mobility device that an owner had installed that may not have increased the market value of the unit. If the strata lot is within a commercial scheme the compensation value would include different considerations depending on the nature of the business involved. Solatium would not be paid but relocation costs may be more or less, depending on the shop fit-out or specialist machinery that might need to be moved. If the business cannot be relocated the compensation value might have to include the goodwill of the business.

The compensation value assessed by the valuer will become the minimum benchmark. The Land and Environment Court will ensure that the amount each person receives is no less than this sum. The actual amount the lot owners will receive would be expected to be much higher than the compensation benchmark. If satisfied that the payment to the owners is fair, as a further safeguard the court will then have to be satisfied that the terms of settlement of the plan are just and equitable in all the circumstances—I repeat, in all the circumstances. This provision will be left to the discretion of the court. This discretion will allow the court to refuse an application even if all the required steps of the renewal process have been met. For example, the court may consider the individual circumstances of each owner, and if the amount an owner was to receive was not deemed to be fair the court could refuse the application.

An additional safeguard the New South Wales Government has proposed will make practical assistance available for all owners, but especially to vulnerable owners. Funds have been set aside to allow Fair Trading to establish a Strata Renewal Advice and Advocacy Program, which will include a dedicated hotline for any affected owners and specialist advice and advocacy for older and more vulnerable owners. Finally, I have spoken to the Hon. Dr Nick Smith, the Minister for Building and

Housing in New Zealand, about that country's experience with the collective sale-renewal provision at 75 per cent. He said:

This reform has worked well in New Zealand and is an example of sound public policy which has improved the quality of housing stock. It continues to enjoy broad support across the political spectrum including from the Labor Party and the Greens.

I turn now to the measures that will be introduced by the Strata Schemes Management Bill 2015. The objective of this bill is to provide for the management of strata schemes and for the resolution of disputes in such schemes. It will replace the existing Strata Schemes Management Act 1996. The Government recognises and understands the high level of governance undertaken by owners corporations, with democratic elections, powers to make by-laws, set levies and take enforcement action. As such, the legislation needs to find a balance between providing freedom for schemes to make decisions, while ensuring there are sufficient safeguards in place to protect minorities and guard against unfair practices. Voting methods, increased participation and dealing with proxy voting are therefore critical issues to strata communities.

Schedule 1 to the bill includes provisions to assist owners corporations and individual owners to exercise their voting rights and to ensure that decisions truly reflect the wishes of the majority. The scourge of proxy farming is addressed through two important provisions: a limitation on the number of proxies that can be held by one person to one if the scheme has fewer than 20 lots, or not more than 5 per cent of the lots if the scheme has more than 20 lots. In addition, the contract of sale cannot contain a requirement for the owner to provide a proxy to a particular person or be directed to vote in a particular way. Restrictions on proxy farming are supported by reforms in clause 28 of schedule 1 to the bill. That will allow those who cannot be present at meetings to be able to vote by other means, therefore not having to use a proxy.

Engagement and participation of owners is a significant issue faced by owners corporations and strata managers who attempt to facilitate the decisions and management of the scheme. As the Minister responsible for innovation, I am pleased that the bill inserts a number of provisions that will allow strata communities and strata managing agents to make use of new technologies—for example, using Skype, teleconferencing or electronic voting as alternative forms of participation in meetings and voting. In today's environment electronic communication is integral to how businesses and individuals share information. That was not the norm in 1996, when the laws were last reviewed. The bill attempts to look beyond the present day, providing for future technological developments. The bill does this by not prescribing voting methods; instead it allows owners corporations to determine their own best methods.

Schedule 1 to the bill allows for a vote to be carried out by secret ballot. This is to ensure that owners can vote in a way that accords with their wishes and not feel intimidated by others present at the meeting. This will apply to any vote held under the development or management bill for any purpose and a secret ballot can be called by the strata committee if 25 per cent of eligible voters agree. I will now outline the new measures that will apply to by-laws in part 7 of the bill. The bill introduces new overarching principles that by-laws must not be harsh, unconscionable or oppressive. There is a transitional provision that will require all existing owners corporations to review their by-laws within 12 months from the Act's commencement. A scheme's by-laws will not be affected by a failure to comply with these review requirements.

New model by-laws will be introduced when the regulations are made to deal with a number of issues that are of importance to strata residents. These include amending the existing by-laws relating to pets to make it easier for schemes to become more pet friendly. While a scheme can make its own by-laws, it cannot unreasonably refuse the keeping of the animal, nor can it prevent a resident from keeping an assistance animal. The tribunal still retains the power to make an order for the removal of an animal from a strata scheme if the animal is a nuisance or a hazard. The by-laws will also address the issue of smoke drift. To support this, the bill notes that smoke drift can be considered to be a nuisance or

hazard if it interferes with the rights of residents to use or enjoy their lot.

Part 7 also introduces a new streamlined and enhanced by-law enforcement process. The maximum penalty for a by-law breach will increase from five to 10 penalty units to reflect current standards. This will currently provide for a maximum penalty of \$1,100. A new enforcement process will allow owners corporations to bypass the need to issue a notice to comply when the tribunal has imposed a penalty for the same breach in the past 12 months. Any second and subsequent penalty in that 12-month period will attract a maximum penalty of 20 penalty units, currently \$2,200. One substantial reform in the bill is the introduction of a more flexible process for lot owners to undertake renovations. Current laws require lot owners to seek approval of the owners corporation for even minor changes to their lot. This results in broad noncompliance, as many owners simply proceed with renovations without seeking consent because they consider the formal approval process to be too onerous.

The bill introduces a more sensible framework that consists of a three-tiered approach. The main premise of this reform is that if the renovation or work will not affect other residents and does not interfere with the structural, waterproofing or external appearance of the building then a full special resolution—that is, 75 per cent—is not required to undertake the work. Approval will not be required for cosmetic work, which includes installing picture hooks, carpet, painting and filling minor holes and cracks. The next level is minor renovations, which will require only a general resolution at a meeting—a simple majority. This includes work such as kitchen renovations, as long as the waterproofing is not affected; replacing cupboards; installing cabling or wiring; and, importantly, installing timber or other hardwood floors.

Lot owners will need to provide adequate information on minor renovations, such as work plans, timing and contractors' details. The owners corporation will be able to place reasonable conditions on the work, such as ensuring the removal of waste or requiring the work be carried out by a licensed tradesperson. Once provided with information, the owners corporation will not be able to unreasonably refuse minor renovations. To enforce this, the tribunal is being given the power to make orders to that effect. Importantly, owners corporations will be able to make by-laws that deem certain types of work to be cosmetic or minor renovations for the purposes of their scheme, as long as the by-law is consistent with the Act. Major work, such as moving structural walls or enclosing a veranda, will require approval by special resolution of the owners corporation, as is currently required. This three-tiered approach allows owners corporations to tailor a process to suit their circumstances and needs.

Approximately 60 per cent of strata schemes in New South Wales are managed by licensed managing agents, rising to almost 100 per cent for larger and complex schemes. There are approximately 1,667 licensed strata managing agents in New South Wales. To provide added protection for owners corporations and ensure agents continue to act in the best interests of the scheme, the bill introduces a range of measures to increase transparency and accountability. A new restriction will prohibit an owner who wishes to become the strata managing agent for a scheme from voting on his or her own appointment, removing an opportunity for a party to affect the legitimacy of the appointment process. In addition the developer, or a person connected with the developer, cannot be appointed as the strata managing agent within 10 years of the registration of the strata scheme.

At the first AGM a strata managing agent can be appointed only for a maximum period of 12 months. After that initial contract, there will be a maximum limit of three years for all subsequent contracts. Rollovers will be limited to one month at a time and an agent must notify the owners corporation three months before the expiry of the contract, and seven days before every roll over. This will assist owners corporations and agents to renegotiate existing arrangements, ensuring that both strata managing agents and owners corporations have an agreement in place that meets their current and ongoing needs. Another measure in the bill that addresses potential conflicts of interest is a prohibition on strata managing agents requesting or accepting gifts or benefits, other than those with a nominal value, in the exercise of their functions. This prohibition will not apply to payments, commissions or training courses that have been approved by the owners corporation.

Fair Trading also receives many complaints about the lack of transparency on the commissions received by their strata managing agents. To deter strata managing agents from falsifying or failing to report commissions, the tribunal is being given additional powers so that it can order an agent to pay the owners corporation any amount of commission not reported in good faith. The tribunal can also consider these factors as grounds to terminate or vary a strata managing agent agreement. These measures will give owners corporations more choice and will provide a higher level of transparency. Greater understanding may also help reduce disputes about agents' fees and commission arrangements.

To give strata schemes more effective means to deal with underperforming managing agents, owners corporations will be able to apply to the tribunal to terminate these contracts, or vary their term. Owners corporations will also be able to apply for payment of compensation or seek tribunal orders requiring the agent to take certain action or to refrain from taking certain action. These same provisions already apply to caretakers' contracts and have been expanded to apply to strata managing agent contracts. Fair Trading has worked with industry representatives such as Strata Community Australia, the Association of Strata and Community Managers and the Real Estate Institute of New South Wales, the peak industry bodies for strata managers. These reforms have been amended and refined in consultation with stakeholders throughout the reform process.

The provisions contained in the bill continue to meet the objectives of transparency and accountability but take into consideration the practical operation of management contracts. These measures are strongly supported by the Owner's Corporation Network. A major concern for many strata schemes is unauthorised use of visitor parking, or parking on the common property where it is not allowed. The bill provides owners corporations with the ability to enter into a commercial agreement with local councils to police parking within a scheme. The type of parking infringements include overstaying in a visitors spot, parking in a disabled space, parking where there are no parking signs and blocking another vehicle. There is a maximum penalty of five penalty units or \$550 for non-compliance with the requirements; this is the same maximum penalty as other parking offences under the Local Government Act 1993.

The reforms were developed in consultation with the Office of Local Government. The Pedestrian Council of Australia also supports this proposal and has provided input into the practical application of this reform. Part 11 of the bill contains another significant reform—a defect bond and inspection regime which is carried out in the first two years and is designed to incentivise developers and builders to build well and to fix any problems early in the life of the building. The new process aims to reduce costs for all parties involved, minimise time delays, and reduce the incidence of drawn-out and expensive legal action. It is not, however, intended to displace an owners corporation's right to pursue legal action under any other law, including the Home Building Act. It is simply a structured process to promote issues being brought to the forefront early in a building's life, and get them resolved quickly and cost-effectively.

The defects model will apply to new residential and mixed use strata buildings and renovations that are not covered by the Home Building Compensation Fund and where there has been a registration of a new strata plan. It is not intended to incorporate minor upgrades to existing strata schemes or cosmetic renovations. Essentially the process involves the developer lodging a bond or financial security with Fair Trading equal to 2 per cent of the contract price of the building work, to cover any unresolved defects that have been identified by a qualified independent inspector. Having a single process for independent defects reports will help avoid each party in the dispute spending thousands of dollars commissioning competing reports, which is a common occurrence. A qualified independent inspector will inspect the work and provide a defect report not earlier than 15 months and not later than 18 months after completion of the work.

Strict conflict of interest provisions are provided to exclude anyone with personal or pecuniary interests in the building work from being appointed as the qualified building inspector for that work. These measures will guarantee the independence and credibility of the qualified building inspector, who has a

crucial role to play in this process. If the owners corporation and original owner cannot agree on an appointment, the original owner will have to notify the Commissioner for Fair Trading, who will arrange for the appointment of an inspector. The interim report must be provided to the original owner, the builder, the owners corporation and the Commissioner for Fair Trading.

The bill provides a right of entry to rectify any defects outlined in the interim report and the builder will have at least three months to carry out the rectification work before a final inspection can be undertaken. The builder must give at least 14 days notice of an intention to enter individual lots to rectify. Access cannot be unreasonably refused by an owner and is supported by financial penalties for a breach. The final report must not identify new defects. It must only assess those defects identified in the interim report, and any work undertaken to rectify those defects. The content of the report itself cannot be contested in any forum. The key to making the process work is to ensure that it is completely self-contained.

In order for the process to work, owners corporations must have faith in the process and commit to it. That is why the general two-year statutory warranty period under the Home Building Act has been extended by three months, so that owners corporations do not feel they need to exercise those rights before the end of the two-year period and the outcome of this new process. The bond is released on the basis of the findings in the final report and there are very limited grounds on which an application can be made to the tribunal, such as for orders to allow access to rectify defects and orders about the contract price on which the bond is calculated.

If no defects are identified in the final report then the bond is returned to the developer. If there are defects identified, the portion of the bond necessary to cover the estimated cost of any defects identified in the final report will be released to the owners corporation. Any amount of the bond released to the owners corporation must be used for rectifying the defective building work for which it was received. Any remaining portion of the bond will be returned to the developer. The Commissioner for Fair Trading will be able to extend the timeframes provided by the bill in certain unforeseen circumstances—for example, if, because of exceptional circumstances beyond the control of the inspector, the report cannot be completed in time. While the defect bond and inspection regime will impose an additional cost on developments, the case for reform is clear. To do nothing leaves strata owners having to pick up the pieces for a problem caused by someone else.

The regulations will contain much of the detail about the experience, qualifications and other requisites of a qualified building inspector. The regulations will also provide for the scope of the interim inspection report and any detail that may be required to be included in the final report. Work has already commenced on this, with the first of many expert working groups consisting of industry stakeholders and relevant professionals held last month. This Government is committed to ensuring that the detail of the process that is contained in the regulations is workable and will provide the best chance of ensuring that the objectives of the proposed legislation are met. As I said at the beginning, these bills contain more than 90 proposed reforms. The amendments that I have already dealt with in detail are among those which feature most prominently in the public discourse on strata reform. The remaining reforms, however, are equally important to the improvement of the governance and management of strata schemes. I will briefly outline the objectives of some of these other important reforms.

Overcrowding of strata units has become a serious problem. Overcrowding is where unscrupulous operators pack a two-bedroom unit with 16 or 20 people, usually students or backpackers, creating highly unsafe living conditions as well as affecting the amenity and enjoyment of the building for the other residents. The bill seeks to address this issue by empowering owners corporations to tackle this situation themselves. A new provision specifically allows for the adoption of by-laws imposing occupancy limits on a strata lot. Importantly, any limit must not be fewer than two adults per bedroom and only applies to persons "residing" at a lot and certainly not to overnight stays or visits from friends and family.

The first offence for a breach of an overcrowding by-law is 50 penalty units, currently \$5,500. If

there is a second or subsequent offence, like all by-law breaches, the owners corporation will not be required to first serve a notice to comply but will be able to go straight to the tribunal. Second and subsequent offences will attract a maximum penalty of 100 penalty units, currently \$11,000. In addition to this, Fair Trading has been leading an interagency working group to address this issue from a whole-of-government perspective and I expect to announce reform proposals by the end of the year.

Another key reform addresses the lack of participation afforded to tenants, or lessees, who represent more than half of all strata residents in New South Wales. That figure is set to increase, with a growing number of investor-owned apartments being purchased in strata schemes. The reforms address this phenomenon by allowing tenants to participate in owners corporations meetings and, where 50 per cent of the lots are tenanted, allowing a tenant representative on the strata committee. The reforms also include an overhaul of the dispute resolution processes, simplifying and improving the existing three-layer dispute resolution regime and providing owners corporations with the capacity to invoke an internal dispute resolution process.

An owner, the owners corporation or a resident can apply to have a dispute mediated. Currently, if this fails an application can be made to have the matter adjudicated; however, the outcome of adjudication can be appealed to the NSW Civil and Administrative Tribunal [NCAT]. The bill removes the layer of adjudication and this jurisdiction is conferred on the tribunal. This change avoids the extra time and cost implications for participants and also ensures strata disputes are dealt with consistently with other divisions of NCAT. NCAT will also be provided with a new power to make orders about strata managing agent agreements and disputes between adjoining schemes without the need for mutual consent. I note that in drafting these reforms the courts and tribunal were duly consulted and have been supportive of their introduction.

The transparency and accountability of office bearers has been strengthened with more rigorous requirements for disclosing conflicts of interest. Members of the strata committee will now have a statutory duty to act for the benefit of all owners and to exercise due care and diligence in their role. This approach provides clarity on the standard of behaviour expected of strata committee members but does so in a way that does not place an unrealistic burden on committee members who, at the end of the day, are generally volunteers. To further protect this special "volunteer" status, the bill limits the personal liability of strata committee members who act in good faith for the purpose of executing their functions as conferred by the Act. The liability will instead attach to the owners corporation.

Developers will no longer be able to control the future operation of the scheme or be involved in decisions about defects. They will also have to set realistic levies and the owners corporation can apply to the tribunal for an order that the original owner compensate the scheme if the original levies were inadequate. In relation to governance and administration, a building maintenance manual and all necessary information for the running of the scheme must be provided to the owners corporation at the first annual general meeting. Owners corporations will be able to more easily pursue outstanding levies through an application to the tribunal for recovery of a debt and the use of garnishees on real estate agents' trust accounts.

Finally, in addition to the capacity to prohibit proxy farming and allow electronic means of participation and voting, there is more flexibility regarding when annual general meetings can be held. The meeting provisions have been strengthened to provide owners with more information about the agenda and motions that will be moved. In closing, I thank the many organisations and individuals who have joined the Government on this journey, generously giving their time and experience to help develop this important legislation at various stages of the strata law reform process. I also thank the many Fair Trading and Land and Property Information officers who have developed these reforms over a long period: Leanne Hughes, Adam Heydon, Luke Walton, Matt Press, Warren McAllister, Tori Marshall, Gabbie Mangos and John Vernon.

I also thank the Commissioner for Fair Trading, Rod Stowe, and Assistant Commissioner Rhys

Bolien, and in my ministerial office Matt Dawson, Jane Standish, Tom Green, and Stephanie Matti for their support and continued enthusiasm. The bills that I commend to the House today are an excellent example of the Government, community and industry stakeholders working together to bring enduring benefits to the State. I am confident that the strata law reform package will deliver significant and positive changes for all strata sector participants and that the reforms in these bills will serve the sector effectively for decades to come. I commend the bills to the House.

Debate adjourned on motion by Ms Kate Washington and set down as an order of the day for a future day.

Pursuant to resolution private members' statements proceeded with.

PRIVATE MEMBERS' STATEMENTS

TRIBUTE TO ROBERT BRUCE "BOB" WHAN, AM

Mr CHRIS MINNS (Kogarah) [5.47 p.m.]: Today I talk about a great Australian who has recently passed, Bob Whan. Bob was a former member for Eden-Monaro, a former chief of staff to the Minister for Agriculture and the father of the former member for Monaro—a friend of many in this place—Steve Whan. Robert Bruce Whan was born on 5 January 1933 in Wodonga before his parents moved to Melbourne where he was educated at East Kew Central School and Richmond Technical College. After Bob's family left Melbourne they moved to a dairy farm on King Island in rural Victoria. He was the oldest of three brothers, all rambunctious kids who grew up together in the bucolic setting of regional Australia in the 1930s. Bob's brother Martin recounted at his funeral service yesterday that country life did not fulfil Bob and he eventually decided that he needed further education. That led to Bob putting himself through a bachelor's degree in wool technology followed by postgraduate study at the University of Leeds in England.

Ultimately, after extensive work in the agriculture sector, Bob felt the call of public service and decided to contest the then safe Liberal seat of Macarthur for the Labor Party. The electorate was 14 per cent Liberal; however, Bob achieved an 11 per cent swing to the Australian Labor Party with the help of his distinguished campaign director John Kerin. Far from being deflated at the result in Macarthur in 1970, Bob decided to contest the ultra-marginal bellwether seat of Eden-Monaro in 1972. He won and became a member of a most distinguished group of men and women: the Whitlam Government. Bob spent only three years in elected politics, but if Labor people had to choose a period to serve many would choose 1972 to 1975. Those three years changed Australia, and Bob Whan was part of it.

Bob's relatively brief period as an elected member belies his genuine contribution to public policy in this country. He was an award-winning wool researcher and was heavily involved in policy development for the dairy and wool industries. According to Bob, his most satisfying period in public life came late and was unexpected—he spent eight years as chief of staff to the Hon. Richard Amery when he was the Minister for Agriculture in New South Wales. Together the two of them formed a formidable team, balancing the competing interests of consumers and stakeholders in the agriculture industry, not to mention the endless drive for deregulation pushed by the Commonwealth Government and encouraged by the NSW Treasury.

It was a great privilege to get to know Bob later in life when he became active in Labor politics in St George. Bob once handed me a book entitled *The evils of economic rationalism*. Now, I must confess that I never read this book and did not particularly share all of the conclusions it drew. However, it does sum up Bob: he was a substantial figure who had a point of view. Bob was not interested in politics for the sake of it; he believed in the Labor Party's duty to do good. John Kerin, who is regarded as Australia's greatest agriculture Minister, said he was given in 1983 the job Bob was always destined to do and that "he would have been great at it".

No reflection on Bob can take place without mentioning the love of his life, Gill. Politics is often a two-for-one deal, with one's partner acting as policy think tank, friend, confidante, consigliere and, most importantly, a reality check. Gill was all these things to Bob and together they were a wonderful team. His former boss, and probably more accurately his great mate and partner, the Hon. Richard Amery said at his service yesterday that Bob was the best agriculture Minister this country never had. But the lack of office did not stop this humble man making a great contribution to our country. Vale, Bob Whan.

ACTING-SPEAKER (Ms Anna Watson): Order! I congratulate the member for Kogarah on bringing this matter to the attention of the House. Well said.

Mr JOHN SIDOTI (Drummoyne—Parliamentary Secretary) [5.51 p.m.]: I further support what has been said and send my condolences to Gill and the entire Whan family. We do a very difficult job here, and many are forgotten after leaving politics—but not Bob Whan and his distinguished career and service to New South Wales. On behalf of the New South Wales Government, I join the member for Kogarah in sending my condolences to the Whan family.

HEATHCOTE ELECTORATE EVENTS

Mr LEE EVANS (Heathcote) [5.52 p.m.]: On Tuesday 29 September I had the great pleasure of attending the Menai District Business awards at Club Central Menai. The quality and exuberance of small business shown at this gala night was heartening. One thing I noted was how many of these small businesses employ many people from the local area. The winners were: for animal services, the Menai Animal Hospital; for beauty services, Whispa Salon Spa; for cafe and takeaway, Much More than Coffee; for education, Little Kids Academy; for environment, Much More than Coffee; and for fashion, Total Women Total Home.

In the category of fitness, training and recreational services there were two winners: Pilates Insync and Planet Dance. In the fresh produce category the winner was Colin's Butchery, a neighbour of mine. In the general retail category the winner was Novak's News Post, in the health services category the winner was Menai District Physiotherapy, in the home and trade category the winner was One Agency Menai, and in the professional and business category the winner was Spada Kitchen and Bar.

I congratulate all the winners and finalists, and I would like also to mention the sponsors of this event as without them it would not have been possible. The platinum sponsor was the Commonwealth Bank, the category sponsor was the Australian Nuclear Science and Technology Organisation [ANSTO], and the gold sponsors were Club Central Menai and Sutherland Shire Council. Support sponsors were Galloping Press, Carlton United Breweries, Paynter Dixon, Menai Marketplace and Warren Saunders. I again congratulate everyone involved and I look forward to attending this gala event again in 2016.

Another event I attended recently was the unveiling of a monument dedicated to the war dead of World War I at the Woronora cemetery. This event was attended by the Governor of New South Wales His Excellency General the Hon. David Hurley AC, DSC (Ret'd), and many dignitaries from the Returned and Services League and local community groups. The monument consists of three brass statues which depict a soldier in full battle dress, the son of the soldier, arms outstretched, and an infant, showing the impact of war on those who are left behind. Dedicated to the fallen of the Sutherland district, this monument is a stark reminder of the sacrifice members of our community made during those terrible war years.

Also within the grounds of the Woronora cemetery is the police memorial. This is a place set aside to remember the police officers and troopers who have lost their lives in the line of duty serving the local area. Great care has been taken to ensure this place of reflection is a comfortable and uplifting place; it is set amongst the white gums with manicured lawns and gardens. The officers honoured on the New South Wales police memorial at Woronora cemetery go back to the colonial period with Corporal

Stephen Kirk, killed on duty at Heathcote on 12 November 1845 aged 32, and Trooper Luke Dunn, killed on duty at Heathcote on 21 November 1845 aged 33.

The other officers honoured on the memorial are: Constable Garnet Mortley, killed on duty at Waterfall on 1 June 1953 aged 25; Constable Colin Roy, killed on duty at Kirrawee on 12 May 1967 aged 28; Probationary Constable Warren Burns, killed on duty at Sutherland on 30 October 1968 aged 25; Detective Senior Constable Denis Ware, killed on duty at Sutherland on 2 October 1970 aged 32; Constable Joseph Gibb, killed on duty at Miranda on 23 January 1972 aged 28; Senior Constable Neville Parker, killed on duty at Sans Souci on 12 November 1972 aged 34; Sergeant 2nd Class John Gill, killed on duty at Hurstville on 12 May 1973, aged 47; Sergeant 1st Class John Colbert, killed on duty at Kingsgrove on 11 March 1979 aged 58; and Constable Kenneth Short, killed on duty at Yarrowarra on 11 July 1990 aged 27. Congratulations to the Woronora cemetery trust and staff, who strive to make Woronora a place of reflection, not a place of sorrow.

Mr JOHN SIDOTI (Drummoyne—Parliamentary Secretary) [5.56 p.m.]: I congratulate the member for Heathcote on his private member's statement, and in particular his contribution on the Menai District Business Awards. Like other awards held across Sydney, these recognise the contribution of small businesses. Small businesses go out on a limb, take a risk and back themselves. They work incredibly long hours and they are the biggest employers in our economy. In my area we have the Inner West Small Business Awards, which I always support. Small businesses do a remarkable job and awards go some way towards recognising the contribution that they make.

ZERO NET ENERGY TOWN BLUEPRINT

Mr ADAM MARSHALL (Northern Tablelands) [5.57 p.m.]: Tonight I talk about the community of Uralla in the Northern Tablelands. It is a community that is small in size but big of heart. This community is at the forefront of the Australian renewable energy sector. Last week it was terrific to welcome the Minister for Environment, the Hon. Mark Speakman, at Uralla to launch the Zero Net Energy Town [ZNET] blueprint, the first of its kind in Australia. It provides a wonderful road map for the community of Uralla to be the first community in Australia to meet all its energy needs with energy generated from renewable sources. I was amazed at the breadth and scope of the blueprint, which has the potential to create at Uralla something that is quite common overseas but that has not been developed before in Australia.

Many people have put in an enormous amount of work to get the project to this point. I take my hat off to the Mayor of Uralla shire, Councillor Michael Pearce, and Uralla Shire Council General Manager Damien Connor and Environmental Manager Stephanie McCaffery. They immediately saw the merit in being involved in this project and how it could serve the interests of their community. Ultimately this could save their community up to \$2.2 million per year in energy costs. At present Uralla has about 2,500 energy customers spending approximately \$12 million per year to meet their energy needs. Coupled with the council's support came the wonderful enthusiasm of the Zero Net Energy Town [ZNET] Uralla Reference Group, including locals Andrew Parker, David Ryan, Councillor Isabel Strutt, Maxine Ross, Rachael Sowden, Ray Pickford, Stephanie McCaffrey, Teresa French, Alan McKenzie, Terry Delacy, Peter Low and Gordon Garradd, and ably coordinated by the indefatigable Sandra Eady.

This blueprint suggests that applying cost-effective energy efficiency actions such as the replacement of hot water units and combining these with the installation of residential solar panels could save the community up to 15.7 per cent of its total energy consumption. The most financially attractive options are residential solar, lighting and hot water unit upgrades, which could reduce energy demand by 20 per cent and result in savings of up to \$1,000 per household and \$3,000 per business each year. The blueprint also suggests that Uralla could generate 40 to 70 per cent of its energy goals within five years by using available programs and commercially proven products through energy savings and small-scale renewable energy generation.

Last year the then Parliamentary Secretary for Renewable Energy, Mrs Leslie Williams, came to

Uralla to announce \$105,000 in funding so a consortium could be put together to deliver this groundbreaking blueprint. Starfish Enterprises, headed by Adam Blakester, established a consortium to oversee the project, which comprised representatives from the Department of Trade and Investment, University of New England and Regional Development Australia. I acknowledge and congratulate Starfish Initiatives, the overall project coordination team, and the associated ZNET consortium and technical panel on their dedication, hard work and energy. Many hours—mostly volunteer hours—were contributed by Adam Blakester, Liz Gardiner, and consortium members David Thompson, Judith O'Neil, Darren Keagan and John Wearne. I also congratulate the team at Moreland Energy Foundation Limited on being awarded the tender to undertake the bulk of the scientific work. The result is impressive. I understand the team contributed many in-kind hours of technical and advisory support and have also offered continued support for the project.

I thank Regional Clean Energy Coordinator Lauren Zell from the Office of Environment and Heritage and from the Department of Industry Business Development Manager Northern Inland Peter Sniekers for their invaluable assistance with this project. Since the project's launch Starfish Initiative has received expressions of interest from 20 other towns in the region which want to be involved in ZNET communities. This confirms the support renewable energy projects have throughout the Northern Tablelands—they certainly have the support of their local member of Parliament. The launch of the ZNET pilot once again gives me the opportunity to restate on the public record my strong support for the renewable energy sector in the Northern Tablelands and throughout the State. There are huge economic opportunities, notwithstanding the enormous environmental gains, to be made. The Moree Solar Farm, which will come online next year, the Glen Innes White Rock Wind Farm, which is about to begin construction, and the ZNET project are proof of the tangible gains we have been making, but much more needs to be done. Well done to the Uralla community and my congratulations to the ZNET team.

HENTY MACHINERY FIELD DAYS

Mr GREG APLIN (Albury) [6.02 p.m.]: Henty has a plan. For more than 50 years this town has been home to the nation's premier mixed farming event: the Henty Machinery Field Days, which is held over three days in September. It is a massive event. But the question now is: What next? Or, more appropriately: What more? Australia has a number of great events that are one-offs or take place only once a year. We are all familiar with the ups and downs of hosting events like the Formula One car race, a country race carnival or an annual music festival. Communities and private operators put enormous hours of work and funds into developing the sites and venues for these events. But having created these facilities, how do we gain more use and greater financial and employment rewards out of each one?

So often in regional New South Wales an event storms through town and is gone in a flash. The site might then lie idle—apart from maintenance—until the same time the next year. The board of the Henty Machinery Field Days is well aware of this issue of under-utilisation of resources and is organising to do something about it. If a community can create one event of national importance, surely it can develop other events. So what are the Henty Machinery Field Days? Over three days the crowd exceeds 60,000 people, while the number of exhibitors sits at more than 800. More than \$100 million worth of machinery is on display across a dedicated 89 hectare site. A recent economic impact study showed that the event is worth \$92 million. It generates \$30 million of economic value in the local region and a further \$62 million nationally. The research also found that the field days event sustains 321 equivalent full-time jobs in the region. But there is even more to this event. Crowe Horwath of Albury carried out the economic modelling for the project. The report stated:

Utilising tourist spend data, the Exhibitors Survey and ABS data we have mapped through an economic value add (EVA) of direct expenditure and flow on expenditure. The data shows that over a twelve month period the HMFD Event has contributed \$87.8 million in EVA through the sale of goods and services across Australia. This EVA has sustained employment for 944 people across Australia.

The organising committee determined to benchmark its event against best practice, to learn more about why people came to the event and to examine future opportunities for the site. Research identified a number of barriers. These will be of interest to all regional organisations across this State, which I am sure experience similar problems. Key issues are lower population growth in the regions and skills shortages, limited transport options, road quality, and poor telecommunications infrastructure.

The Regional Development Australia, Murray, New South Wales, Regional Development Plan 5 sounds a warning that "if transport infrastructure is not maintained or upgraded by successive State and Commonwealth governments, the emergence of new businesses and the retention of existing ones reliant on transportation will dissipate along with existing employment levels." We hear that message loud and clear. A survey of exhibitors gave positive feedback on their satisfaction with the field days. In brief, most exhibitors were satisfied with the amenities at the event. There was also a high level of satisfaction with the administration and exhibitors were satisfied with their sales outcomes. Clearly, the board is delivering a great product and we should encourage such good organisers to embrace additional events for the benefit of the local and State economies. They have the runs on the board and have earned our support to do even more good things.

On 29 September I was able to introduce some of the Henty organisers to the Minister for Regional Development while he was in the electorate for a range of other meetings. We were able to look at a number of infrastructure needs for Henty, including roads and telecommunications improvements for fast broadband and improved mobile phone coverage. I thank the Minister for his enthusiasm and encouragement for the project. Work continues on this front to ensure that the site has the necessary infrastructure to attract and establish other events. However, the Henty event is about much more than selling machinery and creating jobs. Right from the start community groups have been encouraged to participate, with opportunities for volunteering and fundraising. Five community groups, including St Patricks Catholic School, Holbrook, St Pauls Lutheran School, Henty, Henty Football Club, Culcairn Swimming Pool Committee, and Walbundrie Building Committee provide catering.

The gates are managed by the local Rotary Club, which in return is paid a fee of \$10,000 for its valuable work. A kindergarten is paid to run a children's drop-in centre and a school raises much-needed funds by handing out pamphlets. And, of course, tens of thousands of people meet at Henty to exchange news, catch up and have fun. In conclusion, I congratulate the Henty Machinery Field Days Board on developing its bold, fresh plan. My particular appreciation goes to chairman Ross Edwards, who began his involvement as a car park attendant in the paddocks back in 1966, business manager Graeme Hicks and chief executive officer Belinda Anderson. I have read their economic impact study and wish them every success as they expand their range and reach for the benefit of not only Henty but also New South Wales.

TAFE NSW

Ms TRISH DOYLE (Blue Mountains) [6.07 p.m.]: Tonight I acknowledge TAFE NSW as the major provider of quality, comprehensive, public vocational education and training. Our TAFE system has built the economic, cultural and social capacity of communities across New South Wales. It has provided equity in education. It has offered opportunities and pathways for students and teachers from a wide variety of backgrounds. It is a public education system that provides quality education regardless of a student's capacity to pay. There are important and positive stories to tell, for example, the inspiring story of Melissa and her TAFE Outreach experience in the Blue Mountains.

Melissa worked as a hairdresser but when a serious car accident left her with a disability she was unable to stay in that profession. She was recovering both physically and psychologically when her husband lost his job. They lost their home. Melissa saw a notice in a shop window advertising a TAFE Outreach course in sustainable gardening being run in partnership with the Blackheath Area Neighbourhood Centre in my electorate. She enrolled. Melissa enjoyed this course; it restored her self-confidence. She then enrolled in a computer course and learnt how to use Microsoft Office. Following

this success, she enrolled in a business skills course. Melissa then successfully applied for a paid position managing the local school canteen. She said that the gardening course gave her familiarity with the food industry, food handling and healthy eating, while the computer studies and business skills courses gave her the necessary background to promote and manage the business.

Today, under the changes to TAFE implemented by Mike Baird's Government, Melissa would not be able to afford to study. The problems facing TAFE are numerous and its future is dire. There have been funding cuts, course cuts, fee increases, a botched administration system, a drop in enrolments of at least 30 per cent and eligibility changes that will exclude people from further education. The negative impact of the Liberals ridiculously named Smart and Skilled policy has been far-reaching and devastating. The privatisation of public education and a commitment to disproven, reckless, conservative economic ideology is not smart, and the Minister is not skilled in pursuing it.

This policy has seen the focus shift from quality public education to a business model concerned with employers, industry and private profit. Private training providers run education as a for-profit business. Our reputable and quality TAFE system, as the public provider, should not be forced to compete on that basis. With a youth unemployment rate of 13 per cent across the State and 20 per cent in the Blue Mountains, we need a government that cares about young people and the unemployed, and provides them with opportunities, rather than these conservatives who want to look after their mates in private industry.

TEMPORARY SPEAKER (Ms Anna Watson): Order! The member will be heard in silence.

Ms TRISH DOYLE: In recent times we have heard the Baird Government talk of being open to a process of asset recycling and rationalisation. What this nonsensical, neoliberal doublespeak means is that the Baird Government will sell our TAFE campuses. Premier Mike Baird thinks that TAFE can be demolished and its parts sold for scrap to the highest bidder. The message I send to the Premier is that his war on TAFE has to stop. Not content with stripping down and selling off TAFE campuses and gouging students with fee hikes, Premier Mike Baird has ramped up his war on TAFE by downgrading TAFE teachers' skills and introducing the new category of "trainer".

This attack on teachers is yet another devious strategy to dismantle our TAFE system. The offer of either a reduced salary or redundancy does little more than destabilise and demoralise TAFE teachers. It is a kick in the teeth. It is a blatant and damaging display of disrespect to the teaching profession. Downgrading TAFE teachers' skills will have a devastating impact on education outcomes. Already many experienced teachers have left. I pay tribute to the dedicated teachers who are still swimming against the tide, who are frustrated, saddened, angry and depressed. I speak for them today.

TAFE institutes are going through constant restructures and reforms to reduce staff numbers and lower costs. At the Western Sydney Institute, which operates in the Nepean-Blue Mountains region, seven head teacher positions will be cut and more than 30 full-time teaching positions will be abolished. This represents a cut of almost 50 per cent of the Blue Mountains teaching staff. At Blue Mountains College the head teacher, three full-time teachers, and some part-time teachers will be replaced by casual teachers. There is no spinning these statistics. They paint a dire picture for public education in New South Wales and represent a betrayal of our community by the Baird Government. The Premier should shelve the privatisation agenda and start reinvesting in TAFE.

Mr JOHN SIDOTI (Drummoyne—Parliamentary Secretary) [6.12 p.m.]: I congratulate the Government on the wonderful work it is doing for TAFE. I am a proud product of the TAFE system. TAFE will always play a vital role in educating and training. It is going through transition at the moment and will be better at the end of it. This Government will continue to value TAFE, as it always has, as a primary provider of education to many in our community.

TEMPORARY SPEAKER (Ms Anna Watson): I congratulate the member for Blue Mountains on

making that important private members' statement this evening. It is a matter that affects each of us.

BLOWES CLOTHING CUP

Mr ANDREW GEE (Orange—Parliamentary Secretary) [6.13 p.m.]: Orange is the cradle of the game they play in heaven. It is a rugby powerhouse. This was proved yet again in the 2015 Blowes Clothing Cup first grade grand final held on Saturday 17 September in Orange. The Orange Emus took on the Orange City Lions. It was a titanic struggle between two mighty teams. The Emus prevailed over minor premiers Orange City 31 to 15 in front of a passionate crowd. I was proud to be a part of that crowd. The Emus were ahead 19 to 15, with only eight minutes left on the clock, before tries to winger Tom Green and Carter Hirini handed the hosts the win. The tries for the Orange Emus went to Simon Badgery, Tom Green and Graydon Staniforth. Nigel Staniforth had two conversions and four penalty goals. For Orange City the tries went to Sam Dwyer and Joe Lasagavibau. Jake Davis had one conversion and one penalty goal. The game showcased the best of rugby prowess in Orange.

The Orange Emus side consisted of Steven Fergus, Tom Goolagong, Nas Haleaveta, Sam Maclean, Nick Hughes-Clapp, Simon Badgery, Andrew Cosgrove, Scott Maclean, T. J. Cunynghame, Adam Perri, Tom Green, Isaac White, Nigel Staniforth, Josh Ellis-Flint, Matt Findlay, Al Hattersley, Keith Howarth, Scott Udy, Rob Thornburn, Steve Levett, Carter Hirini and James Simmons. Graydon Staniforth is the player-coach. I acknowledge the hardworking Emus committee: president Donna Roberts, junior vice-president Gary Quick, secretary Amanda Ferguson, treasurer Richard Madigan, and directors Nigel Staniforth, Doug Pickett, Andrew Logan, Keith Howarth, Peter Roberts and Jan Randall. Congratulations to the Orange Emus.

I also mention the mighty Orange City side members, who played their hearts out: Darcy Garlick, Chris Senior, Logan Brockman, Scott Smith, Chris Barrett, Josh Maley, Duncan Young, Tatafu Na'animoto, Tom Nell, Cameron Cole, Tom Fisher, Sam Dwyer, Jake Davis, Sam Coote, Joe Lasagavibau, Cal Townsend, Ben Wilson, Matt Adam, Alifeliti Wolfgramm, Anthony Kent, Sione Amone, Taylor Smith and Matt Dillon. The coach is Steve Hamson. Congratulations to the Orange City players. I acknowledge the Orange City committee: president Steven Stone, treasurer Patrick Williams, club captain Nathan Short, club manager Rod McTaggart and committee members Willie Tremain and Col Kjoller. The game was an epic struggle and both teams did their families, friends and supporters proud. I know that the member for Ku-ring-gai, who is a second-rower of some repute, is a great supporter of Orange rugby. He has taken an interest in the Orange rugby season.

In the second grade, Orange City defeated the Orange Emus 18 to 16. The tries for Orange City went to Chris Scoins and Alifeliti Wolfgramm. Joe Alexander had one conversion and two penalty goals. The try for the Orange Emus went to Andrew Selwood. Seb Backhouse had one conversion and three penalty goals. In the women's competition the Orange Emus Chicks defeated the Dubbo Rhinos 42 to zero. Six tries went to Olivia Patterson and six conversions to Jess Edwards. Olivia Patterson was player of the match. It has been a wonderful grand final season in the Orange district. I congratulate the Emus and Orange City on a fine grand final performance. I offer my commiserations to Orange City and my congratulations to the Orange Emus. Both sides did our wonderful city proud.

STATE INFRASTRUCTURE

Mr ALISTER HENSKENS (Ku-ring-gai) [6.18 p.m.]: Sydney is moving, finally. One has only to look around to see that. But not everyone likes change. New South Wales has gone so long without it that any level of change is resisted. People have accepted stagnation. We have seen that from several quarters in recent weeks, with reaction to the changes to George Street, here in the city, in preparation for light rail. A short walk from my electorate office in Ku-ring-gai is Wahroonga Station. The history of this almost 100-year-old landmark is celebrated in some humble photos on the platform. The station retains much of the old-world charm that complements the village of Wahroonga, just a few metres away.

Ku-ring-gai is one of the rail gateways to Sydney, the thoroughfare for thousands of rail and road commuters each day—many thousands from the Central Coast. But an increase in capacity was desperately needed and under a Liberal-Nationals Government it is happening. It took a brave Mike Baird to weave his way through a minefield of Labor and union threats and lies pre-election this year to sell the benefits of the long-term leasing of the poles and wires network across the State. That transaction will allow investment in public transport, the likes of which we have not seen for a century.

The Baird Government is getting on with the job of progressing the Sydney Metro City and Southwest projects. People flock to Sydney from mature, sophisticated cities all over the world, charmed by what they see on television screens or in magazines. But when they arrive they see a transport system that is behind the times and lacking the metro networks other international cities have had for years. Our dedicated transport workers were left embarrassed by what 16 years of Labor Government had left us, and now we are being forced to play catch-up. Thankfully, that was then and this is now.

There are two core components to this transport revolution. First, there is the Sydney Metro Northwest, which is a 36-kilometre metro line extending into the north-west reaches of Sydney to match the residential growth centres. It is due for completion in 2019 and passengers will be serviced by a train every four minutes in the peak periods. Most passengers in the north-west have to drive unreasonable distances to a train line in the west or, if they cannot get there, make their way to a bus service that begins at Rouse Hill and joins the rest of the traffic into the city. The second timesaving initiative in Sydney's public transport revolution is the Sydney Metro City and Southwest link—a planned 30-kilometre line from Chatswood, passing beneath the harbour, through the central business district and on to Bankstown. This will cross the "t" and dot the "i" on a modern city—a city that finally takes itself seriously.

Anyone who travels by car into the city from whichever direction in the morning knows the nightmare it can be, and it is no better at the other end of the day when people are trying to get home to their families. Well, help is on the way. As we speak, four tunnel-boring machines are in operation beneath our city, digging our rail transport corridors of tomorrow. The Sydney Metro City and Southwest metro ventures could provide up to six new underground stations at Barangaroo, Central, Pitt Street, Martin Place, Victoria Cross at North Sydney and either St Leonards or Crows Nest. Additional metro stations are also being investigated for the Artarmon industrial area and either the University of Sydney or Waterloo—areas of high-volume commuter traffic.

Pleasingly, all these changes will see a 60 per cent increase in capacity across the rail network during the peak—the largest increase in capacity on Sydney's rail network in 80 years. That will equate to more than 100,000 customers an hour—more people than would fill the Sydney Olympic Stadium. The reliance on a timetable would virtually disappear because why would one stress over missing a train when the next train is going to arrive in two minutes? I am pleased to be able to say that the introduction of a metro-style transport system via Chatswood will mean even more double-decker trains moving along the North Shore line and passing through Ku-ring-gai.

An Infrastructure Australia audit report this year found that Ku-ring-gai commuters travelling to and from the central business district chalk up more rail journeys per passenger per kilometre than anywhere else in Australia, making it the most heavily utilised commuter rail line in the nation. There is a reason for that. Commuters are increasingly abandoning their cars because a Coalition Government is fixing the public transport mess that was left to us by 16 years of Labor slumber, chaos and mismanagement. But other big things are happening on Sydney's north side when it comes to transport solutions: the NorthConnex tunnels. Dual tunnels will link the M2 to the M1 motorway, removing the need to pass through 31 sets of traffic lights if travelling from Sydney along the Pacific Highway, or 21 sets of traffic lights on Pennant Hills Road, which are frequently voted by motorists as the first and second worst roads. [*Time expired.*]

Mr JOHN SIDOTI (Drummoyne—Parliamentary Secretary) [6.23 p.m.]: I commend the diligent member for Ku-ring-gai for his advocacy on these many infrastructure projects. This Government has

done a sensational job. One has only to look across Sydney.

Ms Noreen Hay: How would you know?

Mr JOHN SIDOTI: Those opposite have very short memories and the member for Wollongong will always make comments. Labor did nothing for 16 years and she has the hide to comment.

Ms Noreen Hay: How would you know that either?

Mr JOHN SIDOTI: One has only to walk out into Macquarie Street and see the 95 projects that are sprawled across the central business district and the 168 cranes that are across Sydney. It is absolutely amazing, whether it is WestConnex, NorthConnex, the light rail or the ferry projects across Sydney. I am proud to be a part of this Government—a government that reforms, a government that is delivering jobs and a government that is progressing. Those opposite had better get used to those benches because they are going to be there for a long, long time.

BLUESCOPE STEEL

Ms NOREEN HAY (Wollongong) [6.24 p.m.]: Workers at BlueScope Steel in the electorate of Wollongong last week signed off on an agreement that will deliver around \$60 million in annual cost savings. This is a very difficult exercise for workers and their union representatives because, obviously, it is not normally a role undertaken by a union or the workers to save a company, to save jobs, to take action, to be proactive and to lead the way, but that is what the workers of BlueScope have done because of the impact that BlueScope has on the whole economy of the Illawarra. The agreement signed off on by BlueScope employees will mean the loss of around 300 manufacturing jobs, the loss of 200 support and service positions, no change in pay levels for three years, the suspension of this financial year's wages bonus scheme and the overhauling of overtime payments.

It is a very sad day and it is a very sad statement to make that workers have had to enter into these agreements to ensure the longevity of BlueScope in the Illawarra because of the ongoing impact it has across the economy as a whole. I acknowledge and congratulate those workers on what some people might call a tough decision—I call it a sad decision. They have recognised the greater need and are prepared to make sacrifices, and I congratulate them on that. The workforce and our community have bent over backwards to support BlueScope from day one. The workers have done everything they can to ensure the company's long-term survival, and hopefully these seriously hard decisions will help to ensure that those jobs are retained.

I arrived in Wollongong in 1982, just as BHP was laying off thousands of workers—thousands of apprentices and thousands of people who had been brought from Europe on contracts. People were in dire straits; they could not get work. The massive load on the unemployment sector caused by those lay-offs meant that tradesmen were taking any job they could get and that was forcing other blue-collar workers into unemployment. It is distressing to see the disastrous impact of such actions by an employer such as BHP, now BlueScope, and the depression and lack of hope for the future it can cause in workers.

In recognising the very difficult and sad decisions that these workers have had to make, I call on the Government to urgently deliver payroll tax concessions and, in moving forward, I call on the Government to urgently make some provision within the procurement policy for the use of Australian steel. I have just returned from Europe and the United Kingdom where a steel plant in Teesside announced its closure—or what it calls "mothballing"—making thousands of workers unemployed, with no negotiation, no discussion and no government intervention. The union and the workers in Teesside are saying clearly that the dumping of cheap steel has caused the closure. The Teesside factory produced the steel that built the Sydney Harbour Bridge.

The dumping of cheap steel with no provision by governments to provide some certainty through

procurement policy is, in my opinion, reckless, to say the least. I call on the Government to make some provision within the procurement policy to ensure that these decisions and these sacrifices that are being made now are not lost in the very near future by the failure to require the use of Australian steel. Again I congratulate everyone involved on taking these very tough decisions. It is sad for me to have to raise this issue today, but I call on the Government to deliver what BlueScope has said it needs in terms of payroll tax concessions.

[Interruption]

The member for Drummoyne should not wind me up. This is a very serious issue that is affecting thousands of workers.

Private members' statements concluded.

Pursuant to resolution matter of public importance proceeded with.

ANTI-POVERTY WEEK

Matter of Public Importance

Dr HUGH McDERMOTT (Prospect) [6.30 p.m.]: This evening I speak on the matter of public importance, Anti-Poverty Week. Poverty has a crippling effect on our fellow Australians. Eliminating poverty is one of the greatest challenges the Government faces. It imposes a cruel punishment on innocent people. Many people in New South Wales receive high incomes but there are thousands of people who are not so lucky and who are living on or well below the poverty line. Sadly, more than 600,000 Australian children live in poverty. People sleep rough next to everything they own, either on the streets or in tents. Families live in cars and in improvised dwellings. Many of them are the victims of economic downturn, redundancy, domestic violence, abuse, mental illness, physical incapacity and other factors.

Some people may have a home and a job, but due to debt or other reasons they are unable to put food on the table or to plan beyond living day to day. Thousands of people live a life they do not deserve—a fact acknowledged by this House. The economic cost of poverty has wide-ranging consequences for our community. It is a fact that childhood poverty leads to increased rates of crime and is detrimental to long-term health. A report from the University of Canberra published last month reveals that while living standards are increasing in Australia, the gap between rich and poor is also increasing. The challenge for this House lies in how best to address poverty as it manifests itself today and as it will manifest itself in the future.

Members of this House are extraordinarily privileged to have the capacity to make a difference in people's lives. We must work tirelessly to make the most of this opportunity. When we enter this House, we must be mindful of those less fortunate, who are struggling to survive in a State with so much wealth and opportunity. We must consider the way in which our actions will influence the disadvantaged members of our community who are living in poverty. We in New South Wales are fortunate to benefit from the untiring work of individuals and organisations that dedicate themselves to working tirelessly and with dedication to prevent poverty and to assist those who live in poverty.

I acknowledge just a few of the thousands of Australians who dedicate their lives to helping the disadvantaged in our community: the national Chair of Anti-Poverty week, Julian Disney; the Deputy Chair, Lynn Arnold; and the New South Wales co-chairs, Janis Redford and Tony Gatt. I also acknowledge the principal sponsors of Anti-Poverty Week: the Brotherhood of St Laurence; the Australian Red Cross; the St Vincent De Paul Society; Anglicare Australia; and the University of New South Wales. These organisations have stepped up, not only in the provision of funding but in their daily work and in the policies of their organisations in an attempt to relieve poverty and to assist their fellow Australians.

This year more than 400 activities have been organised for Anti-Poverty Week. They include speeches, training sessions, film nights, school projects, a bicycle ride and, importantly, meal services and toy drives for children living in poverty. This House is united in fighting poverty. Working together, we can make a difference for the people of New South Wales. I call on members to raise awareness in their community about the one million Australians who live in poverty. Change will come, but this House must support organisations that are working towards realising their vision for the elimination of poverty in New South Wales.

Mrs MELINDA PAVEY (Oxley) [6.35 p.m.]: I join with the member for Prospect in recognising Anti-Poverty Week. The purpose of Anti-Poverty Week is to increase public understanding of the consequences of poverty and hardship, not just in Australia but around the world. It aims to encourage research into the causes of poverty and to encourage the individuals, communities and organisations that work towards its eradication. I agree with the member for Prospect when he says that we are privileged to be members of this House. We are fortunate to have had the opportunities afforded to us in life that have given us the courage of our convictions to stand in this Chamber—the mother of parliaments in this country—and be proud of the work we can do to make the lives of others better. That is our job.

I share the concerns of the member for Prospect for those in our community who find the going tough. A great burden upon my heart and something always in my mind is the 695 children in my electorate who are living in out-of-home care. Life is luck and some do not win in the ovary lottery. It is our responsibility to care for those children. A vital age is nought to five and if we can improve the outcome for children of that age, we can break the cycle of intergenerational welfare and dependency. I join with the member for Prospect in thanking those who are organising Anti-Poverty Week across Australia: Lynn Arnold and Julian Disney for their work, together with great organisations such as the Brotherhood of St Laurence and the Australian Red Cross. In the Oxley electorate, the Australian Red Cross performs great work. In Nambucca Heads alone it has raised almost \$100,000 towards helping other communities, not just in New South Wales but across the world. I also praise the work of Anglicare and the University of New South Wales.

As elected representatives we must work at breaking the poverty cycle. I have just returned from a 10-day trip to Vietnam with my husband and children. I have always wanted to visit Vietnam and it was my ninth visit to an Asian country. I believe it is important that I take my children so that they can see how other people in the world live. Almost one billion people across the world live in poverty. We saw that while we were in Vietnam. We are fortunate to have the opportunities that this country affords. When we return home we realise that we are returning to the luckiest country on the planet. However, we must work together, honestly and with direction. The creation of jobs was discussed today. Seven thousand jobs have been created in regional New South Wales. The opportunity to have employment will assist in breaking the poverty cycle and to build stronger communities.

We should work towards a bipartisan approach on this issue, making the tough decisions along the way that will provide the vulnerable in our community with the encouragement and support they need to find work. I am proud of the Government's domestic violence package announced today with an extra \$20 million taking the total package to \$60 million towards eliminating domestic violence. It is an issue that goes to the heart of poverty and the difficulties that families face. My mother experienced domestic violence as a young girl. It can tear a community and a family apart. But if one has a strong support network, it can make the difference. And if we can all have the opportunity to grasp the many opportunities that this country offers and if we all work together in a proper spirit of bipartisanship and cooperation, we can do more good together than apart. I join with the member for Prospect in acknowledging Anti-Poverty Week and I congratulate the organisers as we work towards getting rid of poverty, not only in this country but across the world.

Ms TANIA MIHAILUK (Bankstown) [6.40 p.m.]: I thank the member for Prospect for bringing on this debate during Anti-Poverty Week. This week a range of events were hosted by the NSW Council of

Social Service [NCOSS]—for example, today there was the Festival for Civil Society. On Monday, together with the Treasurer, Ms Gladys Berejiklian, I attended the office of NCROSS to take part in a panel discussion about its pre-budget submission for 2016-17. In the past few months NCROSS has worked tirelessly to prepare its submission. Since 1979 it has prepared pre-budget submissions to the Government to consider key areas of interest to help our State curb poverty.

Approximately 900,000 people live in poverty in New South Wales, which is quite a startling figure and a reminder to each and every one of us how important it is to consider, as the annual budget is prepared, the key areas that require further investment. In six weeks NCROSS conducted approximately 21 consultations and spoke to about 280 people and just under 200 organisations across the State to seek input from people in the industry and the social services sector about where money should be better invested. Housing and housing affordability is a key issue, and at least \$700 million must be invested in affordable and social housing.

In relation to domestic violence, NCROSS suggested providing approximately \$106 million to support community legal centres during the next three years. It suggested funding of more than \$500 million to better support children, youth and families, which would match the commitment made in South Australia. At present New South Wales is certainly lagging behind in investment to provide assistance to families. I hope the Government gives full consideration to the seven key areas that NCROSS has highlighted. Only by listening to organisations like NCROSS can poverty be curbed. I remind members that the government of the day can always choose to address poverty.

Dr HUGH McDERMOTT (Prospect) [6.42 p.m.], in reply: I thank the member for Oxley and the member for Bankstown for their contributions to this discussion. Poverty is a major issue in New South Wales, Australia, throughout South-East Asia and the rest of the world. This issue is highlighted during Anti-Poverty Week and must be kept at the forefront of our minds, in government policy and also in our actions with organisations in our electorates. We should support charities and other organisations to ensure that we can eliminate poverty. I am startled by the number of children in this country who live under the poverty line. A decade or two ago Bob Hawke said that no more children would be living in poverty, but that did not happen. It was a great sentiment but it needed to be followed by action and with good Labor, Liberal, Coalition or Greens policies. That issue must be addressed now.

In the late 1980s we had a goal to eliminate poverty—certainly to stop children living in poverty—and now, two decades later, it is horrifying that we are still having this discussion. We see and hear about families living in cars who are below the poverty line. We must find ways to break the cycle of intergenerational poverty. Various mental health policies were introduced in the 1980s and 1990s but today more and more people are living on the streets—for example, around Town Hall station and in other places. We must address homelessness. I omitted to mention that there has been an increase in the number of rural poor in small country towns like those that I grew up in, where there are no jobs. We need to create employment in order to break the cycles of poverty and dependence. Those circumstances are replicated in Western Sydney, on the Central Coast and on the South Coast. We must have an overall strategy. I thank the member for Oxley and the member for Bankstown for speaking on this matter. It is good to know that we share the same vision; it is now a matter of working together to formulate policies that make that vision a reality.

Discussion concluded.

**The House adjourned, pursuant to resolution, at 6.45 p.m. until
Thursday 15 October 2015 at 10.00 a.m.**
