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First Session**

Wednesday, 15 February 2017

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LEGISLATIVE ASSEMBLY

Wednesday, 15 February 2017

The SPEAKER (The Hon. Shelley Elizabeth Hancock) took the chair at 10:00.

The SPEAKER read the prayer and acknowledgement of country.

Notices

PRESENTATION

The SPEAKER: The time for the giving of General Business (Notices of Motion) has expired. Again, I am disappointed that members have missed out because of the length of some of the motions given this morning. If this continues I will make a decision on curtailing the length of motions and restrict them to word limits.

Bills

RETAIL LEASES AMENDMENT (REVIEW) BILL 2016

Second Reading

Debate resumed from 8 November 2016.

Ms JENNY AITCHISON (Maitland) (10:12): I lead for the Opposition in debate on the Retail Leases Amendment (Review) Bill 2016. At the outset I will highlight the Opposition's concern at the lack of consideration the Government has given to key stakeholders in this legislation. After three years of consultation, negotiation and debate on this bill stakeholders were ambushed on 8 November when the Minister came into this place and dumped this legislation before the House. Many of them were preparing for the busiest six weeks of the trading year and they suddenly had to prepare briefings on a bill that frankly many never thought would see the light of day. Then after Christmas came sales and back-to-school purchases and, finally, Valentine's Day yesterday.

The Deputy Premier has apologised for the late notice but I find it hard to accept his commitment that this will not happen again, as it appears that this newest incarnation of the Liberal-Nationals Government in New South Wales is still not showing retailers and shopping centres the love they deserve by again commencing debate on this legislation with just one day's notice. Indeed, as late as last night stakeholders contacted me concerned that they only now have time to fully consider the legislation, which makes more than 50 amendments to the Act. The Deputy Premier needs to learn that his actions must speak louder than his words and whilst he might speak of supporting small businesses, he has to walk the talk.

Like the Deputy Premier and Minister for Small Business, I too have acted, and I continue to act in various capacities, as lessor and lessee of various retail businesses. We both have a lived experience in this area, which is good for the business community of this State. Further, Labor and the Leader of The Nationals have made a commitment to act in a bipartisan manner in relation to this legislation, given the extraordinary length of time it has taken the Government to get it to this place. However, that does not mean I will not raise the issues of the many stakeholders with whom I have consulted about this bill. As a member of the Opposition I will continue to advocate for better legislation as it affects all members of our community and, particularly in my role as shadow Minister for Small Business, as it affects the business community.

With the length of time this legislation has taken to get here, we could have expected great legislation, with great protections for small businesses and retailers, and something that balanced the risk properly between all parties, because small business in this State deserves much better. In fact, contrary to the mythology promulgated around this place by members on the other side of the House, it is the Labor Party that has really understood the needs of small business in this State, and Labor has fought to have a level playing field for mum-and-dad small businesses to ensure they are not cannibalised by large multinational corporations.

Though the Minister applauded his predecessor the Hon. Ray Chappell, it was the late Hon. Bryan Vaughan as shadow Minister for Small Business, Industrial Development and Tourism and Deputy Leader of the Opposition in the Legislative Council who was instrumental in forcing the then Fahey Government into introducing the Retail Leases Act 1994 to protect small businesses from "unconscionable conduct" or "misleading and deceptive conduct" by landlords. Without Bryan Vaughan's tenacity to change the leasing culture and provide some protection for retailer tenants, the Act would not have come into being. The 1994 New South Wales legislation became model legislation for other States, and significantly changed practices in the leasing market, which had displayed cavalier attitudes to tenants with no respect for their contribution to the economic wealth of shopping centres, while they made claims about rent that were often never substantiated. The legislation changed

the culture significantly, addressing the imbalance of sales and rental knowledge between tenants and their landlords.

I remember many years ago, in one of my first jobs working for a small family jeweller, seeing the inequity with which they were treated. They were a unique and wonderful boutique jeweller, that had been operating for many years, which generations of families had gone to in order to purchase wedding and engagement rings from all over the city. However, they paid far more per square metre of floor space than large national department stores because they were not seen as an anchor tenant in the shopping centre—in other words, they apparently did not attract customers to the centre. The travesty of this kind of bean-counting thinking was proved so wrong when indeed just last year, during a redevelopment of the centre that this business was operating in, they were offered wholly unsuitable space and so decided to close down their store.

Over the next three months they had queues out the door of the shop of customers from all over Australia who wanted one last purchase of the beautiful jewellery they had for sale. It is often these small boutique retailers and small businesses that are the main attraction for shoppers, who are sometimes critical of the generic nature of shopping centres. Being just one small retail family business, even after having operated for three generations, this business just did not have the bargaining power to change the terms of its lease, or ensure it was given appropriate space during renovations—an issue raised with me by many stakeholders.

In 2017, some 23 years after the release of the initial legislation, what has changed in the relationship between retailers and shopping centre owners? Is it still a battle of David and Goliath? Do we still know which side is Goliath and which is David? The advent of the internet, and its capacity to change the way we live, work and shop, has been a fundamental disruptor to the retail industry. Retail small businesses, as the ultimate entrepreneurs in our economy, have dealt with it the way they always do—they work harder, diversify, improve their relationships with clients and make more with less. And shopping centres, the landlords, have similarly had to grapple with the disruption of technology, and also with the demands of a much more sophisticated consumer, with greater ability to travel further in order to shop. They have also suffered the challenges of retail giants who are multinational brands that wield far more power in the relationship than the landlord. Sometimes Goliath becomes David in this scenario!

Since I took over this portfolio just 11 months ago, I have travelled around the State visiting 15 regional communities—from Albury in the south to the Tweed in the north, from Broken Hill in the west to Orange and Port Macquarie. I have seen firsthand the issues for regional and even outer-metro communities in activating retail centres in the traditional high street shopping strips. The combination of absentee landlords, who do not care whether their shops are empty, and councils struggling to attract the right mix of retailers, cafes and professionals to activate commercial spaces in their communities has meant that many of our regional towns and cities have large central business districts that are only half-full.

In the Minister's electorate of Monaro I discovered this is an issue, which the Minister has acknowledged is a struggle for Queanbeyan retailers. Sometimes government policy changes, such as the truncation of the rail line in the Hunter, can have negative consequences for retail precincts, with little power for them to ensure the safety of their shopkeepers, their staff and their customers. This issue has been pushed home for me by some local retailers. Yet in many of these towns and communities, the retail shopping centres are buzzing. They offer a variety of value-adds that attract shoppers—the floor is level, easier for trolleys and prams, doors are wide, there are escalators and elevators, there is plenty of parking, there are few empty shops, entertainment and dining options are available onsite, and toilet facilities are accessible and generally clean. Shopping centres manage the activation of their spaces and they create retail communities and economies which are often almost quarantined from poor decisions by government.

As I said, they too are at the mercy of large national and multinational retailers who have more power than them. Retailers are also far more sophisticated than ever and are grappling with change. They generally have online shops as a standalone and sometimes integrated part of their retail offering. They work hard on their visual presentation, they have developed loyalty programs and excellent training for their staff, and the hard work of shop assistants provides a personal and responsive service that just cannot be matched online. Even big retailers do it tough in a disrupted industry. As large national retailers that were household names for many years such as Dick Smith, Payless Shoes and others go into administration and/or liquidation it is often the small retailers that are making the necessary changes to provide a unique selling proposition to their customers in order to survive. The amount of change in the sector is why it is a shame it has taken the Government so long to get the legislation here.

As I said, the Retail Leases Act 1994 was aimed at greatly improving leasing culture and expanding and ensuring the rights of tenants in New South Wales. In large part the Act has been successful but over the past 23 years the needs of lessees and lessors in retail tenancy agreements have developed and the legislation must be developed to address those needs. The statutory review of the Act commenced in 2013 with a series of meetings

with various stakeholders. The discussion paper identified eight key areas of concern and in October 2015 the Office of the Small Business Commissioner proceeded with the review that had lapsed due to the March 2015 election. I acknowledge in the gallery Robyn Hobbs, OAM. Some stakeholders had expressed to me the view that the appointment of the Office of Small Business Commissioner to head the review was not indicative of a true desire by government to have a totally impartial view because the office tended to do the mediation of many complaints.

They indicated they felt it would be like getting a prosecutor rather than a judge to oversee a court case. Of course I know the commissioner would have done everything she could to address those concerns. Most importantly, as I alluded to, it is of grave concern that it has taken three Ministers in this Government to get to this point. In fact, even the Deputy Premier has taken 14 months to get the legislation here notwithstanding the work of his predecessors. I acknowledge the former Minister and shadow Minister, the member for Cootamundra. I am sure, like me, stakeholders were unsure during the instability of the various government reshuffles in recent months whether or not we would have to start again with yet another Coalition Minister. I thank the many stakeholders who have engaged with me on this issue, often late into the night when we were not sure whether the legislation would be debated the next day.

I particularly thank the following stakeholders for their comprehensive responses to my questions: Michael Lonie from the National Retail Association; Russell Zimmerman and Heath Michael from the Australian Retailers Association; Angus Nardi and Kristin Pryce from the Shopping Centres Council of Australia; Mark Douglass from the Pharmacy Guild of Australia; Luke Aitken from the NSW Business Chamber; Damian Paull from the Franchise Council of Australia; Gabriel Lea and Liza Booth from the Law Society of Australia; Catherine Hallgath, partner in Mills Oakley Lawyers, on behalf of the Australian Institute of Conveyancers; and Meryn Willetts, former small business adviser to the Minister. I also thank current advisers Kailee and Rachel, who are in the Speaker's gallery. Again I thank them and all stakeholders for their tenacity in sticking to a process over such a long time.

The bill generally represents those matters on which consensus was reached. Of course, in my negotiations many stakeholders sought to raise issues with me about which consensus was not reached. I am very aware of the impact of that. However, having worked on this issue for more than three years they have been united in saying that they were losing faith in the Government's ability to bring the legislation to the table. They were also united in their concerns that if the Government did not get this bill passed it would never be passed. We have taken that very much into consideration in our thinking on this legislation. Stakeholders have also noted the changes to retail trading hours that the Government introduced in other legislation that have been ongoing while this bill was being negotiated and that have impacted on it. Indeed, a trial of Boxing Day trading was introduced at the same time this bill was under statutory review, indicating that perhaps even the Premier as Treasurer was unsure whether this legislation would ever come before us. At least now it has.

I turn to the legislation. It has been proposed that landlords be required to publish effective rents and turnover at a centre level against an agreed criterion. If the landlord fails to publish the data the clauses in leases relating to turnover would be voided. Information asymmetry and transparency have been important to all parties. When it comes to reporting and calculation of turnover revenue figures and determination of rents, there are always concerns. This is to be expected in any commercial relationship. Reporting of turnover figures by tenants to landlords is one of the major factors in determination of rent. Other factors include the status of the lessee as an anchor or ancillary lessee. Anchor tenants are those who are identified as tenants who bring customers into a centre. Traditionally these are mainly large retail chains—for example, stores like Apple, JB Hi-Fi, David Jones, Myer, et cetera. Small boutique, quality and niche shops tend to pay more per square metre of rent, even though they are often the ones who bring in high-revenue customers.

Generally it is the higher the turnover, the higher the rent. In the old days, tenants were able to report their own nominated turnover to the lessor. However, with the recent implementation of GST legislation and movement to more computerised systems, landlords are able to collect the data electronically and there is less potential for fudging the figures to try to obtain a lower rent. I have been to one small retailer who used to have books for the tax office and separate books for the shopping centre, and he probably had another set of books detailing his turnover. The legislation provides for greater sharing of data in regard to rents and turnover, which provides an opportunity for tenants to benchmark their business performance against and compare rents with like tenants. That is seen as a proactive reason for collecting this data, and it is a good option. The data is reported confidentially, although many alluded to issues when there are only one or two tenants in a particular category.

More contentious is the issue of online transactions. Section 20 is amended to prevent revenue from online transactions being included in turnover for the purposes of the determination of rent on the basis of turnover, except for transactions where goods or services are delivered or provided from or at the retail shopping centre or where the transaction takes place when the customer is in the retail shop. New section 47 prevents the lessee from

being required to provide the lessor with information about online transactions, except for transactions where goods and services are delivered or provided from or at the retail shop, retail shopping centre or where the transaction takes place while a customer is at the retail shop. It is quite complicated in this modern world. Around 20 per cent of tenants under this Act are located in shopping centres. With changes in technology and commercial transactions, many are becoming less focused on bricks and mortar shopfronts and more on their online shopfront. This has major implications for turnover reporting and management.

The legislation covers click-and-collect transactions where the lessee is essentially using his or her retail premises to facilitate the transaction. However, the legislation does not provide for landlords to collect rent based on turnover that is generated completely online—for example, home delivery or online services—and this is fair. There is risk to landlords that tenants could potentially be able to report less of their online figures, giving rise to fudging, as the money gets paid via an online portal which may or may not be covered by the instore registers that report directly to landlords. This could be by classifying all sales as online sales where there may be a higher proportion of click-and-collect transactions, for example. As a consumer, it is interesting to see that many stores are moving towards having a showroom format where only samples of goods are displayed instore and sales consultants actively encourage customers to order online and receive the goods by mail. It is unclear how these transactions would be reported if the retailer was not completely up-front about that.

I was advised by the Minister and his advisers that shopping centres wanted to include all online sales in the transactions. However, when I spoke to the Shopping Centre Council of Australia, it told me it merely wanted deception removed from the legislation because it believed it would not cover some of the opportunities for both retailers and shopping centres to increase sales turnover to their mutual benefit if it had the capacity to change the legislation only every three, five or 10 years as technology continued fundamentally to change commerce. In fact, it told me of some of the innovative work on online transactions. This includes setting up concierge services in some shopping centres so that customers can go to there to collect goods from shops that they could not access during business hours. For example, if I wanted to purchase a pair of jeans online through my local retailer, I may not be able to get there between 9.00 a.m. and 5.00 p.m. to pick them up, so I could go to the concierge desk to collect them. I could even try them on there and check to see whether they were a good fit.

If we want to buy from Australian retailers, we should be working with retailers and shopping centres to capture more business here. For example, nearly five years ago I travelled to the United States on a holiday and bought some jeans. I love those jeans, but they are starting to wear out and I cannot get the same style here in Australia. Apparently the buyers for the shopping centre and I disagree on what brands of jeans Australian women like. I can get the same brand in Australia but I cannot get the same specific style. Australia Post is dealing with this by providing online postboxes to Australian customers to purchase products from America directly. However, would it not be better if I could go to my local retailer of jeans who stocks that brand, order it online in store and then get it delivered to them so I could have an Australian transaction?

Ms Katrina Hodgkinson: You can do that in Birdsnest.

Ms JENNY AITCHISON: I would not have to put my credit card details online, I could try the jeans on to make sure the new pair fits correctly and, best of all, the local retailer who provides local jobs gets a sale. I acknowledge the interjection of the member for Cootamundra, who says that that service is available in some stores. It would be good if it were rolled out across the sector. There are so many ways that we could work with retailers and shopping centres to improve sales locally and provide local jobs. It seems a pity the Government wants to put all this in legislation rather than allow it to be in the code so that the retailers and centres that are obviously more on the ball as to what is happening have more control over how they operate as the technology changes. It could also be argued that if the code is to be used to determine turnover then more flexibility should be allowed and agreements about the inclusion of online data should be included in that code.

The Minister has been given some proposed amendments that make the carve-out intended by the Government considerably clearer while respecting the Government's intention to set parameters around the consideration of online transactions. However, when I spoke to the Minister and his advisers about this issue they appeared to be unaware that the online turnover was included in the legislation so they were unsure as to whether they could accept either the proposed amendments to the legislation or its removal from the bill. I must say I was very disappointed that such an important issue, which has been negotiated for so long, appears to have been given such scant regard. The issue of online turnover will definitely need to be reviewed as more technology-based retail starts to occur. The sector is in a state of huge disruption so this issue is anticipated by all stakeholders.

I turn now to the issue of inclusion or exclusion of GST from turnover and revenue figures. This issue is problematic and disadvantages retailers who sell products and services that are predominantly covered by GST. Prior to the introduction of this legislation, most centres assumed that GST was not included and added a flat 10 per cent to the turnover figures for all tenants as there was not a relationship of trust between all parties. The legislation proposes to include GST on all turnover figures, and this is problematic. For example, a greengrocer

who sells no products that are subject to GST might report \$110,000 in retail sales in any period but would report the same amount of that income as taxable income to the tax office, while a jewellery store that sells all products including GST would report \$110,000 in retail sales but its taxable income is only \$100,000.

The Minister claims that this was agreed by the working party, and I agree with that. But I have also spoken to some of the retail associations and other stakeholders. Most were unaware of the impacts and those who were had just accepted them because of the length of time they had been in negotiation with the Government. They considered that it was a one-off hit that was worth taking in order to secure changes. In my mind, if retailers are giving their sales data straight to the shopping centres electronically it appears to be a quite simple process to ensure that that data is correct and reflects the real value of those transactions to the centre. A retail travel agent, for example, may have a turnover figure of \$25,000 for a trip overseas and yet it is spending nothing like that in the impact and the turnover that it reports as income because its commissions are so small. I can give hundreds of similar examples. But let us move on.

A major advantage of the legislation with benchmarking of rents in turnover will be the ability to compare rental figures across tenants in centres. Specialist retail valuers work with the office of the Small Business Commissioner. However, they do not report to the commissioner. Small businesses can ask for a valuation of their retail business. This is not covered by the legislation or the Act. However, I suggested to the Minister that tenants should be informed of this service to enable them to work better on their businesses. They will seek to promote the rollout of those specialist retail valuers to engage with tenants as part of a campaign to inform the industry of their availability. The Minister has informed me they will do that, so I am hoping it happens. I turn now to the Draft Retail Industry Code of Practice—The Reporting of Sales and Occupancy Costs. The Minister indicated in his second reading speech that the matter of this code is still outstanding business for the working party. The Minister said:

I am also pleased to update the House on an industry first development. The major retail industry stakeholders have reached agreement without the heavy hand of Government on a voluntary code of conduct, which we will call "the code".

He then goes on to speak about those with whom he has consulted, what the code covers and how he is pleased that a number of specialist lessee groups are seeking to enter into the code. The code that the Minister refers to in his speech is the code dated April 2016, which is a compromised code and is in no way, according to some stakeholders, as comprehensive as the May 2014 code. The 2014 code was submitted to the Minister's office at his request and nothing was done to progress the matter until it was known what was going to happen with the legislation. The reason for the compromise was that some stakeholders could not reach agreement in respect of the 2014 code.

There is a view amongst some stakeholders that other stakeholders should not have been a party to the code as they do not provide sales figures to landlords, which is a key component of the code, because they are prevented from doing so by Federal legislation relating to their industry. Contrary to what the Minister has been saying, the code is not done and dusted—and I will relate my concerns about the disclosure of outgoings in a moment. When I asked the Minister for the most up-to-date version of the code, after he showed he was unclear whether online transactions were covered by the code or the legislation, he agreed that it was still a bit confusing. I asked him again why, after three years of debate and negotiations on this issue, the Minister and his office are unclear about what is covered in the code and what is not.

I also have a concern in relation to the disclosure of outgoings, which is obviously an extra cost in addition to rent. The bill requires full disclosure in the lessor's disclosure statement of any obligation of the lessee to contribute to the lessor's outgoings and to prevent the recovery from a lessee of outgoings that are not disclosed. That is very fair because lessees who enter into a rental agreement that has a set amount for rent, water, electricity and other outgoings should not have that amount increased because of the landlord's bad planning. The legislation is designed to stop outgoings increasing for the retailer due to poor business planning by the landlord—excluding reasonable increases of wages for security costs or an increase in the cost of utilities. However, in his second reading speech the Minister refers specifically to a doubling in land tax as being unreasonable. I will quote from the Minister's speech because it is confusing on this point—a fact that his office appeared to be aware of when I raised it with him. The Minister said:

Future increases in the outgoing will be limited by reference to the estimated amount—for example, the cost from the previous year. To illustrate what this means, imagine the landlord estimates that a tenant's contribution for land tax will be \$1,000 per quarter but the actual cost is \$2,000. This represents a variation of 100 per cent. Therefore, the tenant will be liable for only 50 per cent of the actual amount of the outgoing throughout the term of the lease.

Given that this is subject to statutory determinations beyond the control of the landlord and at the whim of the Government in some cases, this would appear to be one of the few examples of reasonable grounds to increase outgoings. It is very dangerous ground for the Minister to be using that as an example where landlords would not be able to recoup the outgoings. Another example is the Government's proposed new Emergency Services

Property Levy, which is scheduled to commence on 1 July 2017 but has not yet been legislated and applicable levy rates have not yet been released. This exposes both the retailer and the landlord to more avenues of conflict over what is reasonable, with some unhelpful comments from the Minister in his second reading speech.

It could be seen to be shifting a disproportionate amount of risk onto the landlord where they are "price takers"—for example, statutory charges such as rates, land tax, electricity and water. The Shopping Centre Council has requested that this section be removed in full or moved to a more relevant section of the Act—for example, under part 3, Rent and Outgoings—so that the new provisions could be read in the context of existing regulation regarding outgoings. That also has an impact on small retailers who may be in a rezoned area where there has been significant improvement to the shopping centre precinct. For example, in my electorate there has been a \$400 million investment in a retail shopping centre, and we all know that as soon as that centre is completed the Valuer-General will come to that area and he or she will slap on a new valuation that will have a significant impact on rates.

We hope that major retailers would have factored that into the cost of their renovations because they would have entered into a lease arrangement with their tenants, which may not be renewable for five years. The extra foot traffic generated by a successful renovation would increase turnover for the tenant, but not so much for the landlord. If we think beyond the main shopping centres to ancillary shopping centres alongside them, which may have five shops in a strip, their rates would also increase. Although those shops have done nothing to benefit from the renovations, they will receive a higher turnover and the landlord will have higher outgoings, so the Minister's comments are dangerous.

The concerns expressed to me by the Shopping Centre Council of Australia about the proposed amendments do not change the Government's intent. Rather, they provide clarity and reduce risk on issues where the weight of the regulation and risk will sit with landlords. Given that the Minister's second reading speech will be used by the courts to interpret the Government's intentions where disputes occur, it is important that he clarifies this important point in his reply. When I spoke to his staff earlier in this process, they were aware of this issue. The West Australian and Victorian governments are waiting on the actions we take in New South Wales before amending their legislation. I urge the Minister for Small Business and those in other States to look carefully at how this legislation operates.

I refer to the removal of the minimum five-year term. Section 16 is repealed and, therefore, will remove the requirement for a five-year minimum term for retail leases. Some stakeholders have expressed to me their disagreement about this. They believe the minimum five-year term should be maintained because it provides certainty and security to tenants. It was a key reform introduced into the Act in 1994 as a result of concerns that some landlords may have been taking advantage of retail tenants, letting premises for relatively short terms and, on expiration, re-letting them at a premium to a competitor tenant. Other stakeholders believe a shorter term can be established through other means such as using a certificate. However, this adds cost as a solicitor is required to draft it. The Law Society is concerned that lessees have access to proper advice should they take a longer lease. A model lease has been suggested. The Government must keep an eye on how that is operating and what rights are being maintained for both parties.

The classification of shopping centre spaces in office shops has also introduced another area of contention. It brings shops that are part of office spaces into the legislation, for example, the food court at the bottom of the MLC Tower, with which many members in this place would be familiar, or the shops at the bottom of Deutsche Bank across the road. The current wording to include retail space in office towers such as the MLC Centre could be interpreted as referring to non-retailers and non-retail floor space. While the Minister's second reading speech confirms that this is not the intention of the bill or the Government, it was the understanding of all the parties, and legal advice obtained by some stakeholders indicates there are concerns about how the drafted legislation could be interpreted.

I have raised this with the Minister and his office and it is up to him and the Government to decide whether they accept the proposed alternative amendment to include the retail components that does not have the unintended consequence of capturing non-retail space. Different stakeholders have raised a number of other concerns with me. Of course, when a bill contains more than 50 changes to legislation there will be a variety of views. I will not go into them at this time, but I assure all stakeholders that I will continue to monitor the operation of this legislation. The Opposition will hold the Government to account to ensure that detrimental unintended consequences are not imposed on those who are unable to address them.

One aspect of the legislation that raises great concerns with me is retrospectivity. If we do a word search of the bill, we do not see the words "this should act retrospectively". However, there are concerns about the way it is operating. The bill aims to provide additional protections to lessees and contains amendments to the current Act that reflect consensus amongst stakeholders, but there is a glaring fault in the draft that must be addressed. The bill proposes to insert a part 7 to schedule 3 to the Retail Leases Act 1994, which reads:

An amendment made by the 2016 amending Act extends to a lease entered into, and a disclosure statement given, before the commencement of the amendment except as otherwise provided by this Schedule. The Law Society has expressed concern with the formulation of this section, as the retrospectivity may become unworkable and lead to unfair outcomes, particularly as they are exemptions that can lead to further uncertainty. More broadly, the Law Society opposes retrospectivity on general principle, as does the Opposition, viewing the section as potentially compromising the rule of law and suggests that the provisions should be given a much more limited scope than a blanket retrospectivity with some exceptions. When I expressed these concerns to the Minister's office in November, it was indicated that this could be a drafting error and that it may be open to amendment. However as late as yesterday I was advised that they were not sure whether it was retrospective. Again, the lack of scrutiny and the lack of attention to detail concern me.

There are some parts of the Act that will clearly benefit retailers, including more clarity in relation to the sale of an existing business, through reform of the assignment criteria; and the provision of certainty with regard to the way in which bank guarantees are treated by landlords, not only providing clear notice periods before calling in such a security but, importantly, the timely return to the lessee at lease end or assignment. The introduction of the code of conduct sales reporting will provide more transparent market data around occupancy costs and improved research capabilities which is important, given the leading role that retail spaces play in our economy. The introduction of mandatory lease registration will provide lessees with an opportunity to perform effective investigations into commercial markets and support sound business decision-making, all of which create the opportunity to improve the transparency of the market for retail leases in New South Wales.

I have spoken to many stakeholders and they are keen to proceed with the bill on the basis that it generally addresses the points of consensus. They do, however, anticipate that more challenges will arise in the next four years and that therefore the legislation will have to be amended and developed further in the future. If the legislation goes through in the manner in which it is being pushed through by the Government, I agree wholeheartedly with them. All stakeholders have to discuss the long time frame for the introduction of the bill and the extensive consultation period of the Government, and it would be remiss of me to stand in the way of that on behalf of the Opposition.

All stakeholders have expressed the view that amendments should be made with the agreement of the Government, and I agree on that as well. They have waited long enough and the Opposition respects the view of the many people who have engaged with me on this issue. I thank them again for giving generously of their time in sharing their views. I hope that the Minister will address these issues in his speech in reply. I commend the Retail Leases Amendment (Review) Bill 2016 to the House.

Visitors

VISITORS

The DEPUTY SPEAKER: I recognise in the gallery the Small Business Commissioner, Robyn Hobbs, and Kylie from her office.

Bills

RETAIL LEASES AMENDMENT (REVIEW) BILL 2016

Second Reading

Ms KATRINA HODGKINSON (Cootamundra) (10:47): I speak in debate on the Retail Leases Amendment (Review) Bill 2016. The object of the bill is to give effect to 24 recommendations arising from the statutory review of the Retail Leases Act 1994, as outlined in the overview. As someone who has owned and operated retail outlets in country towns in partnership for the best part of two decades and as the former Minister for Small Business, I support the bill. I commend the hard work of Yasmin King and Robyn Hobbs, our two Small Business Commissioners in New South Wales. I had the privilege of appointing them to that position. They have brought us to the point that we are at today.

I congratulate the Deputy Premier and Minister for Small Business, the Hon. John Barilaro, and his wonderful staff on seeing this through. There are many third parties in the area of small business and it has been necessary to undertake much consultation in the development of this bill. The New South Wales Government has worked hard towards achieving great outcomes for the retail leasing industry. The bill is the result of an extensive review of the Act by the office of the New South Wales Small Business Commissioner. In 2013, as the Minister for Small Business, I released a discussion paper for the review which involved a multilayered consultation strategy, including an industry working group, industry and regional fora, an online survey, a call for written submissions and individual stakeholder meetings.

Key areas considered in the review included the potential misuse of market power; negotiation of leases and issues relating to full disclosure of the terms and conditions of a lease; information asymmetry with regard to leasing arrangements and comparable properties; and the introduction of a standard retail lease—something that has been missing. Through this process 59 written submissions were received and 123 survey responses were

provided, mostly from retail tenants. In total, the review team engaged with more than 300 stakeholders from more than 90 organisations—a massive effort in anybody's language.

The Retail Leases Act 1994 was introduced by Ray Chappell, a former Nationals small business Minister. It followed the failure of the voluntary retail leasing code to adequately address the needs of the market. Since its election in 2011 this Government has cut red tape, with government intervention being an option of last resort. This market has been encouraged to arrive at its own solutions. Following 16 years of inaction by Labor, The Nationals approach was to overhaul small business. During my time as small business Minister significant progress was made to support small business including: the creation of legislation for the position of a small business commissioner; creating BizConnect, a small business advisory service that provides small business with enhanced assistance; requiring government agencies to pay the bills of small business suppliers within 30 days or automatically accrue interest on the outstanding amount; implementing a one-on two-off policy to reduce red tape; and the trial of a red tape troubleshooters pilot program.

This Government delivered a funding boost of \$7.5 million in the first three years when the previous budget for small business programs was zero. As a result of the review and discussions between the Government and the Australian Retailers Association, the National Retail Association, and the Shopping Council of Australia an industry-led response has been developed to address the market information imbalance between shopping centre landlords and tenants—a common cause of complaint. The retail industry has introduced a code of practice and the reporting of sales and occupancy costs. As part of the code negotiations agreements were reached with regard to recommendations that emerged from the review process. Clear regulations now ensure that landlords know how to deal with tenants and, importantly, tenants will understand their rights and obligations under a lease.

The Government introduced a nation-leading initiative to deal with the handling of bank guarantees in order to restore the relationship balance between landlords and tenants. A tenant should feel confident when providing a bond or guarantee as security to the landlord and agent. Building on the successful NSW Retail Bond Scheme this bill introduces an amendment to address the prompt return of bank guarantees, which will assist many small business operators. Often small business operators leverage the family home to provide a financial guarantee for the lease or they have capital tied up in a commitment to the landlord. When the landlord holds on to a bank guarantee tenants can be prevented from using their funds long after they have met their obligations under the lease which is distinctly unfair.

In one instance, a shopping centre manager failed to return a tenant's bank guarantee for five months, despite the tenant's obligations having been met. Repeated requests for its return had been made by the tenant's solicitor. It was only after the matter was referred to the NSW Small Business Commissioner and after intervention by the small business commissioner that the landlord's lawyer returned the bank guarantee. Good work Robyn Hobbs, OAM! Ensuring a tenant's bank guarantee is handled appropriately underpins the financial stability of a small business. Abuses occur when dealing with bank guarantees. Industry negotiations have resulted in a measured approach. This Government put the industry on notice that it must deal justly with a tenant's security. The balanced first step requires the return of bank guarantees within three months of a tenant's completion of the obligations for that lease.

We have addressed a primary concern for retailers without changing the value of the financial protections available to landlords. This bill strives to achieve the best result by addressing harm to small business operators and causing minimal interference to legitimate market practice. This Government has been measured in its approach to regulating new areas and will be alert to reports of any future abuses by powerful parties. Whenever it is justified, the Government will strengthen regulatory support for small business. [*Extension of time*]

Another important issue for this Government is the need to protect and nurture small business innovation in the retail leasing industry. This bill weighs the interests of innovative small businesses with those of landlords who collect turnover information from tenants' online sales. The Government has listened to landlords, who have said that turnover is important information that they use to manage tenancy mix in a centre. Importantly, the Government has listened equally to tenants, who say that their turnover information is commercially sensitive.

I was involved in retail for many years. It is a dynamic industry. As shopping moves online, the way that the industry operates is shifting. A tenant's turnover from online sales may have nothing to do with their bricks and mortar shop, but without government intervention they may be required under the lease to disclose that turnover. Many stores now operate very effectively online. They are wondering whether they really need the bricks and mortar, the shop, but they are tied to it. A couple of excellent examples of retailers operating beautifully online are Birdsnest in Cooma and Native Botanical, which has several stores in my electorate. When walking through Martin Place station one can see advertisements for well-known bricks and mortar retailers now being hosted by eBay. That shows that retailers are taking advantage of new systems and platforms to market their goods.

Where tenants are required to divulge commercially sensitive information about online sales, their profits can be undermined. It can also place a cost on innovation. This Government fully supports innovation and does not stand back and allow it to be hindered. New South Wales is leading the nation in legislating to protect innovation in retail, with a bill that strikes a balance between the legitimate commercial interests of landlords and tenants in their bids to innovate, compete and capture information about the online market. It does this by, on the one hand, prohibiting landlords from collecting and using online turnover information to set rents where the online sales do not touch the shop. On the other hand, information about online transactions where the goods or services are delivered or provided from or at the shop, or where the transaction takes place while the customer is at the retail shop, can be captured in turnover reports.

Incremental change to help level the playing field for retailers and their landlords will support a more vibrant and competitive retail market. It will promote growth in the retail industry and contribute to an increasing number of jobs in New South Wales. In working towards these goals the bill provides obvious benefits to all—tenants, landlords, investors, consumers and communities. This bill has been a long time in the making. There has been extensive consultation, but necessarily so because the 680,000 small businesses across New South Wales deserve the best support the Government can provide. I commend the bill to the House.

Ms TAMARA SMITH (Ballina) (10:58): On behalf of The Greens I contribute to debate on the Retail Leases Amendment (Review) Bill 2016. The Greens support the bill and commend the Minister for it. We commend the Small Business Commissioner for her review of this matter. We are pleased to see that the balance has been redressed for tenants. Their legal recourse has been greatly improved. I will make a short contribution to this debate. I acknowledge the thorough contribution of the Opposition spokesperson in this debate. The Minister also gave a thorough second reading speech.

This bill clarifies and updates definitions about what a retail landlord can make applicable as outgoings. This is very much needed in the twenty-first century retail world. It updates the processes for dealing with bank guarantees and bonds and removes the five-year minimum term for rental leases. It will improve access to justice and remedies by increasing the financial jurisdiction for the NSW Civil and Administrative Tribunal [NCAT] from \$400,000 to \$750,000, in order to deal with a greater number of matters. It will empower NCAT to award compensation to a party that suffers harm as a result of breaches of some new provisions in the Act. The bill simplifies the process for starting or transferring a retail lease, which is truly welcome. Landlords will be compelled to register leases for a term of more than three years and for the tenant to be provided with an executed copy of the lease.

The bill amends the Retail Leases Act 1994 for the purposes of updating the Act and responding to a review of the Act conducted by the Small Business Commissioner. A discussion paper was released in November 2013, and 282 people and organisations contributed to the review. The aim of the review was "to ensure that the provisions of the Act remain effective and appropriate in today's retail leasing market". We have heard about some of the nuances of that market. This legislation moves to address some of the concerns. The review aimed "to ensure a level playing field, while reducing red tape and cutting the costs of complying with the Act".

Currently there are around 680,000 small businesses in New South Wales. Small businesses employ 43 per cent of employed Australians—1.5 million people in New South Wales alone. The small business sector contributes 27 per cent of total wages and salaries for Australians; this corresponds to more than \$41 billion in annual wages and salaries in New South Wales. Making life easier for landlords, tenants and small businesses needs to be the core business of this House. Approximately 36 per cent of New South Wales small business operators live outside the Sydney Greater Metropolitan Region. Small businesses form the backbone of regional New South Wales. The Australian Retailers Association, National Retail Association, Pharmacy Guild of Australia, Franchise Council of Australia and the Shopping Centre Council of Australia have reached agreement on a voluntary Retail Industry Code of Practice—the Reporting of Sales and Occupancy Costs. This code is an agreement on the collection and sharing of industry information.

There is an implicit duty of good faith within the code, and those associations are now working together in a collaborative way. The Greens NSW support the updates and clarifications of terms and procedures, as well as the increased flexibility. It is a very good move to allow small businesses to seek justice and remedies from NCAT because going to court is expensive and incredibly stressful for anyone, let alone a small business operator who may be working seven days a week. It is great that landlords will be compelled to register leases for a term of more than three years and for tenants to be provided with an executed copy of the lease. This addresses the information and power imbalance when landlords fail to register a lease and tenants are placed in a vulnerable position. Indeed, I have seen that occur in Byron Bay where there is a very high turnover of small businesses. There are potentially hundreds of unregistered leases in major suburban and regional shopping centres.

Concerns have been raised about the exclusion of online transactions where rents are to be determined as proportions of turnover. This provision will potentially be difficult to administer or reconcile if a dispute arises

during or after the lease term. I note that the Opposition spokesperson addressed that; we look forward to the Minister's response. There is potential to set a precedent in including and excluding what can legally be counted as gross income before tax, and this has the potential of falling foul of current and future Federal Australian Taxation Office interpretations. Small business in particular has called for some levelling of the playing field when it comes to online transactions to better compete in the global market. The Greens commend the bill to the House.

Mr DAMIEN TUDEHOPE (Epping) (11:03): I make a contribution to debate on the Retail Leases Amendment (Review) Bill. In my practice as a lawyer I would have been involved in hundreds and hundreds of retail leases. I welcome this opportunity to speak about the review of the Retail Leases Act 1994. I commend the New South Wales Commissioner for Small Business both for her input into the Act and for her discussion paper, which has generated responses that effectively have been incorporated into the bill. The discussion paper raised extensive questions and in many respects has an inherent recognition of the difficulties surrounding the whole area of retail leasing. I turn now to discuss some issues that have not been addressed by previous speakers. I was somewhat surprised that the shadow Minister referred to the keeping of three separate books of account in some premises in which she had been involved—one for the tax office, one for the landlord and a third for someone else.

In many respects that level of illegality would probably have prompted others to disclose that practice to perhaps law enforcement agencies. At any rate it seems to be an anomaly which exists because tenants seek to avoid their obligations in respect of turnover rent. To me the notion of turnover rent is unconscionable. We should not pursue landlords to recover rent based on the success of a tenant. I accept that landlords need to collect turnover data for the purposes of running efficient shopping centres and that it might be important for a retail shop to have turnover data, but the notion that because a tenant is doing well he has to pay more rent is unconscionable in the relationship between a landlord and tenant.

The obligation on landlords to disclose expenses relating to the manner in which rent will be assessed is also an important component. In practice landlords do not give nearly enough attention to the lessor's disclosure statement prior to placing the property on the market for lease. Generally there is a broad-brush approach to estimating what it will be. Sometimes it is the fault of government because at a particular time when a lease becomes available land tax figures, for example, may not be readily available and someone will have a standard and say, "This is what I think it is going to be." Under this legislation that will be a very perilous position because if the estimate is wrong a revaluation of the property could be made and landlords could find themselves at a significant disadvantage. The Act requires the lessor to accurately disclose the information on which the lessee will make a decision to enter the lease, but this bill will take it further and the failure to provide the information may give rise to a circumstance where compensation will be payable. When people enter into leases they can spend an inordinate amount of money on fit-outs.

If in fact there is a misrepresentation in the lessor's disclosure statement, often the remedy is for lessees to walk away from the lease, but this would not necessarily give them compensation for the fit-out for which they have gone to some expense and trouble since signing the lease. This legislation clarifies that situation to require compensation to be paid in circumstances where a lessor does not make the appropriate disclosure. A further observation is that there is another document associated with retail leases called the lessee's disclosure statement. One thing we do not pay nearly enough attention to is what the lessee discloses in that statement. In fact, there are circumstances in which lessees will sign blank lessee disclosure statements. This document contains all the things that the lessor told the lessee that the lessee found important to take into consideration when the parties entered into the lease. If a lessee signs a blank lessee's disclosure statement, in those circumstances an estoppel may well arise to prevent the lessee from saying that there was something in the statement that the lessee relied upon for the purposes of entering into the lease. [*Extension of time*]

Another important consideration in relation to this legislation is the opportunity for the NSW Civil and Administrative Tribunal [NCAT] to rectify leases to give effect to the intention of parties where such intention was not included in either the disclosure statements or the lease, but where there is general consensus between the parties that that was the agreement reached. Again, I think that is a really important component, rather than the parties having to seek rectification in the Supreme Court for a document they have entered into. I also highlight the removal of the five-year minimum term. The five-year minimum term in many respects was an anomaly. It was primarily designed to ensure that people sought some advice in respect of the lease they were entering into.

This was predicated on the notion that if someone was going to spend a significant amount of money fitting out premises then before spending that money they ought to get advice in relation to the lease. Failure to provide a certificate, if the lease was for a shorter term than five years, would provide a deemed term of five years. Many start-up tenants are in circumstances where they do not want a five-year lease, and starting a business in leased premises is potentially an opportunity for testing whether or not the business will flourish. Generally leases

are determined by market forces, and the removal of the five-year term is to be applauded. All parties consulted in relation to this issue supported the removal of the five-year term.

Documentation, and the manner in which it is handled, is also a really important component of a lease. Currently, if the lease is not registered, the lessor must provide the lessee with an executed copy of the lease within one month. There are plenty of circumstances in which that does not happen and lessees and their solicitors do not chase up the documentation. Secondly, if the lease is to be registered, the requirement is that the documentation be delivered within one month after the period of registration. Under provisions in this bill, that period is extended to three months in circumstances where the lease is not registered, and three months after registration in circumstances where the lease is registered. Also, there is a penalty for not doing so. Lawyers and others involved in this industry ought to be cognisant of those responsibilities because of the consequences of failing to provide lease documentation.

A lease acts as a person's title. The person thinks, "This is the title I have. It sets out all of my obligations in relation to the lease." The obligation to return the lease documentation is an important component of the transaction. A provision of the Act was the creation of an option to lodge or cash security bonds with the NSW Small Business Commissioner. One issue relating to bank guarantees was that they were delivered with the lease documentation. Bank guarantees generally bring with them a cost component by virtue of the fact that the bank issuing the guarantee will charge fees to the person on whose behalf it has issued that guarantee. There is some significant cost component attached to the failure to return the bank guarantee because the cost of the guarantee continues to be incurred while it remains in the possession of the landlord. This bill places on landlords an obligation to deliver the bank guarantee back to the lessee at the conclusion of their obligations under the lease.

There is a significantly grey area about the conclusion of the obligations under the lease. Is the conclusion of the obligations under the lease the make-good provisions, or is it some other nebulous component? There is a large volume of case law relating to what amounts to the conclusion of obligations under a lease. I am probably guilty myself of not returning bank guarantees. I had noticed when reviewing a deeds packet in practice I would sometimes find a bank guarantee sitting there which had been held for two or three years after a lease had been terminated. Quite frankly, it should have been returned because the tenant was paying fees in relation to that guarantee.

This bill also provides some clarification around assignment of leases. A really difficult part of the sale of businesses is obtaining the landlord's consent for the assignment of the lease. Often landlords have a view about how they want their new assignee to look because they want someone who has the same financial strength and ability to pay the rent as the existing tenant. There is often a significant amount of conflict between landlords and tenants in the obtaining of that consent. An important provision in this bill is the acknowledgement that the obtaining of the consent is an important component of the sale of business transaction. In the event that the consent has not been given within 28 days after the relevant assignor has provided the disclosure statement there will be deemed consent. That is an important component in streamlining the sale of businesses.

Another interesting component relates to when the strength of a business is assessed. Is it assessed on the basis of when the tenant went in or when the tenant is going out? As a result of this consultation there is general consensus that the assessment of the lessee's strength to continue the business will be assessed at the time that the tenant leaves the premises. The bill contains many other important streamlining components. Lawyers need some education in respect of this significant event. I commend the bill to the House.

Visitors

VISITORS

The DEPUTY SPEAKER: I extend a very warm welcome to Mr Abdul Majid Yousfani, the Consul General of the Republic of Pakistan, who is accompanying a Pakistani business delegation led by Mr Abdul Basit, guests of the Hon. Shaoquett Moselmane from the Legislative Council.

Bills

RETAIL LEASES AMENDMENT (REVIEW) BILL 2016

Second Reading

Ms MELANIE GIBBONS (Holsworthy) (11:19): I speak in support of the Retail Leases Amendment (Review) Bill 2016, which aims to regulate the legal relationship between tenants and landlords in New South Wales. This legislation deals with the power imbalances present between the parties of a retail lease. Primarily there is an imbalance of bargaining power between shopping centre tenants and large shopping centre owners, and these amendments will assist to improve standards of conduct between these parties as well as increase the operational efficiency of the Act by simplifying its key processes.

The Retail Leases Act 1994 was introduced to help level the playing field between tenants and landlords of retail shop leases. This important reform helped to implement safeguards to the rights of parties to retail tenancy agreements. A major part of this Act was focused on dispute resolution, assisting interested parties to resolve a high percentage of their differences without having to go to court. The cost of litigation for small businesses can be quite high and have large consequences. Additionally, important relationships can be damaged by a dispute that leads to litigation or a court battle. The measures within this Act apply equally to both retailers and landlords, as landlords can also be small business owners.

The bill is the result of an extensive review of the Act conducted by the office of the NSW Small Business Commissioner. Following this review, which led to the release of a discussion paper in the latter part of 2013, a multilayered consultation strategy was implemented. This strategy included an industry working group, industry and regional forums, an online survey, a call for written submissions and individual stakeholder meetings. Through this process, 59 written submissions were received and 123 survey responses were provided, mostly from retail tenants. In total, the review team engaged with just over 300 stakeholders from more than 90 organisations.

The Retail Leases Amendment (Review) Bill 2016 will help reform the Retail Leases Act 1994 to assist in modernising this legislation and making sure that it remains consistent with the changing needs of the industry. The bill takes a practical approach to the inevitable tensions between the needs of landlords and the commercial rights of tenants. An increase in transparency and certainty for all parties in the negotiation period will be provided by this legislation. To assist this, disclosures of specific costs must now be made by landlords before any tenant is bound to a lease.

The bill makes amendments to clarify the landlord's disclosure obligations. A landlord who makes disclosures that are inaccurate or have missing information can be a large contributor to a substantial number of disputes. A reduced ability for retailers to obtain a certain level of stability for future planning and cash flow management is detrimental to succeeding in business, especially in small business. The bill clarifies the obligation for landlords to disclose certain terms of the lease at least seven days before a tenant is committed to a lease. Through landlords being required to know what needs to be disclosed and disclosing it, tenants will now have a better understanding of what they are committing to before having the burden of being locked in and legally bound to a lease.

The amendments in the bill give a guarantee that tenants will not be liable for outgoings that are undisclosed by the landlord. An exception provides that items imposed by an Act after a lessor's statement is given, such as a tax, rate or levy, will be allowed to be claimed from the tenant. Additionally, if an estimate for an amount of an outgoing is provided in the disclosure statement, and there is no reasonable basis for the estimate, the tenant's liability for the outgoing will be limited to the estimated amount. The bill gives the New South Wales Civil and Administrative Tribunal [NCAT] the ability to provide compensation to a person who has suffered as a result of breaches of some new provisions of the Act by their counterpart to a retail lease.

This also allows NCAT to deal with a larger number of matters, helped through improvements to access justice and remedies by increasing its financial jurisdiction. An important change within this legislation is the \$350,000 increase to the financial jurisdiction of the NCAT, up to the new amount of \$750,000. This increase in financial jurisdiction acknowledges that there is an increased cost when dealing with a lease. It will help to assist and improve access to justice, with NCAT being able to deal with a more substantial number of complaints. Although this change will be introduced, long-term increases in litigation are not likely through this amendment as a large proportion of issues and disputes are currently settled through mediation.

To provide clarity in the Act around when a proposed assignee's financial resources and retailing will be assessed against those of the tenant at the time that the lease is assigned, an amendment has been incorporated in the bill. This amendment will provide assistance to tenants who want to sell a business that is not performing to the owner's expectations. This will also assist tenants to assign their leases when retail businesses are sold on retail strips, especially where there are high vacancy rates. To accomplish this change, it will lower the standard to which the landlord can hold the new tenant when assessing whether to consent to an assignment.

On the other side, the amendments in the bill allow for landlords who are willing to take a risk on someone who is just starting out and who later becomes a success not to be compelled to consent to an assignment of a tenant with unproven skills, like those of the proposed assigner at the beginning of a lease. Whether it is more or less advantageous to a landlord for a tenant to be assessed at the beginning or the end of the relationship will depend on the landlord's circumstances and the skills and financial resources of the tenant who wishes to assign the lease.

Tenants can be severely disadvantaged if they are denied a copy of the lease, which can be required by franchisors or a lending facility to secure finance. Poor performance has been experienced from some landlords and agents as a result of the largely unregulated nature of bank guarantees. At the end of a lease, by delaying the

return of a bank guarantee document, landlords can limit a tenant's ability to raise capital to finance a new business or to move to a new location. The bill includes a provision for a copy of the executed lease to be provided to a tenant within three months of the tenant providing an executed copy to the landlord or landlord's agent.

Amending the Act to provide clearly defined provisions has been included in the bill to reduce the number of disputes over the differing interpretations. One such example of this is the clarification of when leases in office towers can come under the operation of the Act by removing an exemption from the Act for premises in an office tower that forms part of a retail shopping centre. This has been repealed based on the notion that the exemption is unnecessary because an office tower does not form part of a retail shopping centre merely because it is in the same building as, or is above, the retail shopping centre. A food court or shopping precinct of an office tower is clearly capable of being separately distinguished from the office tower for the purpose of the operation of the Act. Non-retail users in an office tower are not intended to be captured through this change of legislation.

This Government believes in the reduction of red tape and acts on that belief. The bill aims to assist with the Government's commitment to reduce red tape in the retail leasing industry through moving the administrative process for the appointment of specialist retail valuers to determine rent disputes from NCAT to the registrar, repealing the minimum five-year term for retail leases and repealing redundant references to stamp duty. The bill will regulate the legal relationship between tenants and landlords in New South Wales and help to settle the power imbalances that are currently present between the parties to a retail lease.

This legislation will help to improve standards of conduct between landlords and tenants, and will help to increase the operational efficiency of the Act by simplifying its key processes. In essence, the bill allows for significant reforms to be introduced that provide support for the future of small businesses in the retail sector. I thank the Deputy Premier and Minister for Small Business for the work that he, his staff and the department have done to bring this bill to Parliament. I commend the bill to the House.

Mr JAI ROWELL (Wollondilly) (11:28): I support the Retail Leases Amendment (Review) Bill 2016. The bill proposes important reforms to cut red tape and to simplify and streamline the Retail Leases Act 1994. The bill will improve the operation of the Act and contribute to the continuing growth of the retail leasing market in New South Wales. Small businesses have been aptly described as the engine room of the economy and retail trade is the second-highest contributor to employment in Australia, providing New South Wales with at least 390,000 jobs.

Small business is the big winner from the changes in this bill, and many amendments are included to make it easier for all tenants, landlords and the industry as a whole to do business. For example, the removal of the five-year minimum term for retail leases eliminates ineffective red tape. The original intention of the Act, to provide security of tenure by creating this right, was undermined by the ability of landlords to force tenants to provide a certificate that waived that right. The certificate was intended to require tenants to obtain legal advice about the right of a five-year term and, hopefully, about the entirety of the lease. However, many tenants spent money obtaining a certificate without any genuine understanding of the five-year minimum term or their obligations under the lease.

As part of the review of the Act, it was found that the average term for shopping centre leases in New South Wales is approximately five years. Evidence reveals that in Queensland, where the minimum five-year term was repealed more than a decade ago, the lengths of leases were not reduced. The industry associations support the change, and nothing suggests that the result would be different in New South Wales. Repealing the minimum term will remove the red tape and cost burden to tenants in obtaining a certificate before entering into a shorter lease.

The 2008 Productivity Commission report into the market for retail tenancy leases in Australia recommended that governments should remove restrictions in retail tenancy legislation that provide no improvement in operational efficiency when compared with the non-retail market. This Government, in its commitment to cutting red tape and removing unnecessary regulation, is acting on this recommendation and removing the minimum term. In addition, this bill contains a number of commendable reforms to the jurisdiction of the NSW Civil and Administrative Tribunal [NCAT]. These reforms will improve access to justice and efficiency in resolving disputes for operators in the retail leasing sector.

The bill increases the monetary jurisdiction of NCAT from \$400,000 to \$750,000, aligning it to the jurisdiction of the District Court. NCAT requires this increase to deal with the higher financial costs involved in retail leasing now and in the future. For example, retail tenants commonly spend hundreds of thousands and sometimes millions of dollars on fitting out a shop. The jurisdiction was last updated in 2006 and many of the disputes then heard in the NCAT will now have to be heard by a court. Increasing the financial jurisdiction of NCAT improves access to justice for small businesses and their landlords, as more retail leasing matters can be heard in the forum specifically designed for these issues.

The bill also improves the range of powers available to NCAT, enabling the rectification of leases and disclosure statements. Until now, the ability to rectify a lease, without the consent of both parties, had to be dealt with in the Equity Division of the Supreme Court. Landlords and tenants were forced into the expensive and lengthy court process rather than accessing NCAT to obtain this remedy. I will describe a case at NCAT that demonstrates the predicament of members trying to provide justice without the necessary tools. In this example, the member was unable to rectify a lease that clearly did not reflect the intention of the parties when entering the lease and which, if left unrectified, could have left one party unfairly disadvantaged because the landlord and tenant could not agree on the amendment. By empowering NCAT to rectify leases, access to justice will be made simpler, at less cost and in the right forum. Measures to improve and strengthen NCAT make disputes easier to deal with and help business operators focus on running and growing their businesses.

Another improvement is being introduced in response to a court decision about stallholders at Paddy's Market. These stallholder relationships were found to be retail leases under the Act. While market stalls such as those at Paddy's can involve complex agreements and provide a valuable interest to a tenant, they are a different arrangement to other retail leases. Where there are permanent markets, some of the Act's obligations are onerous in relation to the leasing relationship. The bill restores the balance between stallholders and landlords of markets by allowing for the development of a code of conduct for retail markets, which will be developed through industry consultation with market stakeholders. This approach is another demonstration of how responsive this Government is to business, and of its commitment to industry-supported initiatives.

We are doing away with bureaucratic, one-size-fits-all regulation. This code between stallholders and landlords of markets will be overseen by the office of the NSW Small Business Commissioner. I take this opportunity to thank the team of the Small Business Commissioner for the fantastic job it does. Late last year, when Wollondilly experienced the unfortunate storms that devastated the entire main street of Picton, which resulted in all the businesses suffering and having to close down, it was the Small Business Commissioner's team that provided valuable advice. Almost seven months on, we see many of those small businesses up and running, and that is thanks to the work of the Small Business Commissioner.

Changes related to the appointment of specialist retail valuers will cut red tape for businesses and Government by further improving industry standards and market efficiency. The bill transfers the responsibility for appointing specialist retail valuers from the NCAT to the office of the NSW Small Business Commissioner. Reforms in 2006 transferred responsibility for appointing valuers from the presidents of certain industry associations to the tribunal. This ensured that those appointed valuers were indemnified from liability, which is an important industry consideration that the amendments preserve. While the 2006 reforms went some way towards resolving the issues associated with earlier arrangements, they introduced a number of problems in their own right. The most significant is the process for selecting and appointing valuers.

Industry stakeholders approached the Government with a strong consensus that the current system was not working as intended and reforms were necessary. Weaknesses in the current arrangements resulted in disputes, challenges and quasi-legal hearings, greatly adding to the costs and delays. Those disputes also undermined stakeholder confidence in the system. At the heart of the changes to this process are measures to increase the competence and the timely appointment of specialist retail valuers. The Australian Property Institute, the Australian Valuers Institute, the Real Estate Institute of New South Wales and the Royal Institute of Chartered Surveyors have worked with the Government and agreed that change was necessary. Those stakeholders support the move of responsibility of appointment to the office of the NSW Small Business Commissioner to improve the process for the benefit of the entire industry.

The result will be improved valuation reports, less time taken to achieve a result and fewer disputes. This is a major win for landlords and tenants, with more certainty for all parties, including the specialist retail valuers who were, at times, blocked by uncooperative landlords or tenants. The Government is further cutting red tape by excluding premises used wholly for certain non-retail purposes that should not be subject to the Act. The list includes premises used wholly for certain non-retail purposes, such as automatic teller machines, parking, signage, children's rides and phone booths. Currently, leases within a shopping centre are captured by the Act if they are for six months or longer, and for shops of less than 1,000 square metres. As a result, there has been confusion about whether premises used wholly for non-retail purposes have to be dealt with as retail leases, with all the corresponding obligations such as notices and disclosure statements.

This change removes unnecessary complexity and cost, and makes it easier to do business in New South Wales. Ultimately, that is what we are here to do. This bill and its amendments are excellent examples of how Deputy Premier John Barilaro and his team, in conjunction with the Small Business Commissioner, have worked with industry, listened to the concerns of stakeholders and responded. I take this opportunity to thank the Deputy Premier and his staff, many of whom are in the Chamber today. They have done a fantastic job. This is an example

of a fine Government, but it will certainly take a lot of pressure off small businesses, which employs at least 390,000 people. I commend the bill to the House.

Mr MICHAEL JOHNSEN (Upper Hunter) (11:38): I support the Retail Leases Amendment (Review) Bill 2016, which introduces a number of amendments that will increase support available to small businesses in New South Wales, whether they are retail tenants, agents or the landlords who own and manage the bricks and mortar assets. As we well know, small business operators frequently do not have the ability to prevent or deal with commercial disputes and frequently they cannot fund legal battles. Setting up a retail business requires significant financial investment. The cost of fitting out a shop can run into hundreds of thousands of dollars or even more than \$1 million.

Many small business operators wear a number of hats in order to manage their businesses. They need legal competence when negotiating contracts; they need human resource skills in hiring, training and managing staff; they need expertise in ordering stock and in inventory management; and they must be financially savvy in the financial management of their business—and all this before addressing compliance with a vast array of Federal, State and local government regulations. I have been in small business for many years and I am aware of the regulations and the need to be multiskilled in many areas. I am also aware of the inability of small business operators to buy the best possible advice available. When a small business operator takes time off work it often means that a shop's doors will not open. Many of these challenges apply equally to landlords or retail tenants as they often both operate small businesses.

When problems arise, small business owners seldom have the resources to seek resolution through the courts. This bill increases the financial jurisdiction of the NSW Civil and Administrative Tribunal [NCAT] from \$400,000 to \$750,000—a welcome relief to retail leasing stakeholders. This change is an attack on the red tape that holds small business back from affordable justice. This means that landlords and tenants will get low-cost, quick and informal access to a remedy when things go wrong. The increase in NCAT's jurisdiction is in keeping with the increases in costs of leasing since the Act was established in 1994. The higher value of many disputes has meant that until now they have needed to be dealt with through the more complex and costly processes of a higher court.

Complex litigation and compliance with formal court processes is beyond the reach of most small businesses and takes disputes away from the NCAT Retail Leasing Division. This specialist division has developed expertise in hearing retail leasing disputes. The powers of NCAT to rectify a lease or disclosure statement with the consent of the parties are expanded so that NCAT will be able to order the rectification of a lease or disclosure statement or to order that a disclosure statement is deemed to have been given in additional circumstances. Landlords and tenants engaged in good leasing practices should not be concerned about the amendments to this bill. With a greater range of remedies there will be increased access to justice for those who suffer detriment when their counterpart to a lease disregards their obligations under a lease or the Act.

The dispute resolution mechanism established by the Act in 1994 will continue to operate as a successful and highly effective means of resolving most retail lease disputes. Mediation was originally provided by the Retail Tenancy Unit, which is now incorporated into the office of the NSW Small Business Commissioner [OSBC]. The range of disputes dealt with by the OSBC's Dispute Resolution Unit has expanded to cover all commercial matters where a small business is one party in a dispute. The Dispute Resolution Unit provides support and important information about retail and commercial leases as well as strategic and procedural advice about any small business dispute.

The scope of the service extends to issues relating to retail or commercial leasing and business-to-business or business-to-government issues. Entering into a lease is a huge personal and financial commitment and often involves the security of personal assets. A small business owner's home is often linked to this financial commitment. Some leases, subleases or licences between franchisors and franchisees for a premises are deemed to be retail leases by the Retail Leases Act 1994. Retail lease contracts are from six months and may vary or run up to 25 years. As with many business dealings, things do not always go according to plan. Small businesses need to understand their rights and responsibilities as tenants or landlords under the various Acts that govern their industry and the OSBC helps them to come to grips with this complex issue.

In order to help landlords and tenants understand what the Retail Leases Act means for them, the OSBC has developed a series of guides and fact sheets to explain many aspects of leasing, including the NSW Retail Tenant's Guide and information on what should be done and understood before signing a commercial or retail lease; avoiding and dealing with disputes; transferring of a retail lease when selling a business; what to do when a lease is coming to an end; and how to exercise an option. More than one third of small business operators in New South Wales were born overseas. The office of the NSW Small Business Commissioner [OSBC] provides multicultural advice in Arabic, Chinese, Korean and Vietnamese. Understanding the obligations before a lease is entered into can save time, money and a great deal of stress for any business owner.

On occasion the best service the OSBC can provide is to expose the complexity of the commitment to potential small business owners, causing them to shy away. When starting a business it is better to wait and be better prepared rather than to underestimate the challenge, fail and potentially lose all of one's investments. A key strategy for the quick resolution of small business disputes is early intervention in order to save on legal costs and to avoid stressful legal procedures. The OSBC has an excellent success rate in the early resolution of disputes, which is important. The majority of matters are resolved through free informal mediation, with approximately 2 per cent requiring the low-cost face-to-face mediation service. Of the matters that required face-to-face mediation, less than 10 per cent later required determination by a court or tribunal. Another core function of the OSBC is the advocacy unit, which assists small business by simplifying the operating environment.

The advocacy unit does this in a number of ways, such as: investigating market failures where government intervention would assist small business; advocating across government on issues impacting small business; developing solutions to reduce the burdens on business; and assisting government to quickly adapt to new approaches and ideas in a changing economy. This bill will improve the operating environment for small business in the retail leasing sector and provide certainty around the personal and financial costs for small business operators. I commend this bill to the House.

Mr BRUCE NOTLEY-SMITH (Coogee) (11:46): Today I speak in support of the Retail Leases Amendment (Review) Bill 2016 which makes the most important improvements to the Retail Leases Act 1994 since the introduction 10 years ago of the successful retail security bond scheme—the first such scheme in the nation. It provides assurance for landlords and tenants that their security bonds are protected and ensures a fair dispute resolution process to deal with any disputed funds. Since 2006 the retail security bonds scheme has funded the robust, successful and responsive service provided by the Retail Tenancy Unit, now the Dispute Resolution Unit within the Office of the NSW Small Business Commissioner.

The scheme also funds the specialist retail division in the NSW Civil and Administrative Tribunal [NCAT]. Established in 1995 the mediation mechanism and its collateral services are the greatest success story of the Retail Leases Act. The dispute resolution service under the Act is a nation-leading model for legislated alternative dispute resolution, drawing the attention of counterparts internationally and interstate. In 2011, following the Government's creation of the office of the NSW Small Business Commissioner, the existing mediation services were expanded beyond retail leasing to assist all small businesses in dispute. The dispute resolution unit has responded to 152,000 inquiries from landlords, agents, solicitors, small business operators and retail tenants. It has provided more than 20,000 informal mediations and more than 5,200 commercial face-to-face mediations. These services support the retail leasing sector immeasurably through the provision of strategic procedural advice and education outreach services.

Having frontline mediators to take calls from industry stakeholders will ensure that each party in dispute is assisted, through mediation, to better understand their issues and to reach their best commercial resolution. The best part is that this will make business easier by saving significantly on the cost, time and stress associated with going to a court or tribunal. Mediations facilitated by the office of the NSW Small Business Commissioner have a high success rate and free up the NSW Civil and Administrative Tribunal and the Local Courts.

With these amendments the New South Wales Government is again racing ahead of the other States, leading the nation with innovations that both cut red tape and improve how we manage bonds and assist New South Wales businesses to resolve disputes and strike deals. The Government is doing this by introducing a user-friendly contract management system in 2017. The bill empowers the office of the New South Wales Small Business Commissioner to develop the system. The system will include an escrow holding system and secure payment services. We are doing away with the current paper-based system, saving time and money and making it easier to do business in New South Wales.

The online service will significantly improve the quality and speed of dealing with retail bonds, as many procedures will be tailored and become more efficient. Parties will register their identities and the location of their shops will be verified. Registered users will be able to nominate their preferred method of communication. Links will be made to government agencies in order to identify company structures and ensure authorised parties are quickly notified of any claim on the bond held in the scheme. Integrated into this system will be an online dispute resolution function, to assist parties in sorting out their problems for themselves.

Parties may resolve their disputes entirely within the dispute resolution portal or, when necessary, escalate their matter to professional mediators in the office of the NSW Small Business Commissioner for personalised assistance. This innovation supports small business operators. I was one for close to 18 years; I had a contract cleaning business. My father was a small businessman, a self-employed printer. My grandfather was a small businessman, an electrician. My great-grandfather was a small businessman, a farmer, and my great-great-grandfather was a plumber. I come from a long line of small business people.

Dr Geoff Lee: Service people.

Mr BRUCE NOTLEY-SMITH: The salt of the earth. I understand the issues that confront small business people not only in this State but across the nation. This innovation supports small business operators, whose businesses make up 96 per cent of the retail businesses in New South Wales. The online service will make it easier for landlords, tenants, agents and all small business operators to do business. The new system will allow time-poor small businesses to access support systems at the time and through the service that is most convenient for them. I know about being time poor when running a small business. When a small business owner is looking after clients and staff and looking to develop the business, they want as few obstructions as possible.

They want to get on with the job of supporting themselves, their staff and their customers. They want to continue to contribute to making New South Wales the great State that it is. The Government is making it simple and quick to deal with funds. We are taking the scissors to red tape by cutting the amount of time that businesses have to spend on administration. New South Wales is also proving itself the nation's leader by setting the highest standards for access to advice and quality information, which will reduce disputes and increase efficiency for both businesses and the Government. For those reasons, I commend the bill to the House.

TEMPORARY SPEAKER (Mr Adam Crouch): I remind members on both sides of the House of Standing Order 52: Members will be heard in silence. It is common courtesy.

Dr GEOFF LEE (Parramatta) (11:54): I support the Retail Leases Amendment (Review) Bill 2016. At the outset I commend the member for Coogee both for his great service to the community before becoming a member of Parliament as a wonderful small business person and for his support for this bill. He clearly understands the importance of this bill and of cutting red tape and creating efficiencies so that small businesses, especially retailers, can go about their business. Retailers have a hard enough time in this very competitive environment. Retailers at Parramatta tell me, despite New South Wales being number one and our economy doing so well, that they are finding it increasingly difficult. There is much competition and in a growing city like Parramatta the competition for leases, leased space and customers is very intense. I commend the retailers in the Parramatta area because they work very hard, often with few rewards.

I turn now to the bill. The Retail Leases Amendment (Review) Bill 2016 includes the outcomes of the statutory review of the Retail Leases Act 1994. The Retail Leases Act 1994 sets out the legal requirements for the retail leasing relationship between landlords and tenants in New South Wales. Retail leases are distinguished from other commercial leases by the use of the premises to be leased. If the proposed use of the premises is for a retail purpose, the Act in most circumstances will apply to the lease and the broader landlord-tenant leasing relationship by imposing rights and obligations on each party to the lease. Very large shops and leases of less than six months are not covered by the Act. Retail shops covered by the Act are listed in schedule 1 to the Act. Premises located in a shopping centre are captured by the operation of the Act, whether or not they are listed in schedule 1.

Parramatta, being the new centre of Sydney, has many retailers in one of the larger shopping centres, Westfield. It has a new project in Parramatta, which includes office space in a mixed-use development within the centre. I support Westfield in its endeavours. Indeed, we welcome that opportunity to grow the City of Parramatta and to grow jobs. I acknowledge that the Minister for Health, Brad the Builder, is seated at the table. I know the Minister will support the billion-dollar Westmead Hospital redevelopment program. He understands and wants to work hard for the community, and he is always available for comment.

Mr Brad Hazzard: I am always happy to work with the member for Parramatta on these issues.

Dr GEOFF LEE: I acknowledge the Minister's interjection. This bill will amend the Act to increase transparency and certainty of deals during the negotiation stage. It will ensure that landlords disclose all costs in some detail before the tenant is bound to the lease. It will introduce or improve fair protections, including the return of bank guarantees, the registration of leases and the return of copies of the lease. It will increase operational efficiency by simplifying the process regarding the transfer of a retail lease and clarifying existing provisions. This is particularly important for retailers who want to take out a lease. Small businesses and retailers are often delayed by red tape and can spend many months trying to sort out leases. For instance, a small retailer around the corner from my office was locked out by a landlord. It was a very disappointing event.

The landlord terminated his lease without reason. The tenant was paid up and had done all the right things. The landlord simply locked the tenant out one day, and my office was able to assist the retailer. He went to Fair Trading which did a magnificent job in ensuring that he was let back into his shop. The retailer was a baker and the lock-out was problematic because his stock was in fridges and he lost a lot of money, but at least he was able to continue his business. This is an excellent example of the good work of Fair Trading in protecting the livelihood of small business. Many small businesses are family businesses and are run by people who have invested their life savings in them. For 12 years I was a retailer operating a gardening centre in Parramatta.

I appreciate the onerous responsibilities of working every day of the week, with a couple of weeks a year for a holiday. I remember a couple of happy days in my life, and I think the happiest one was when I sold my business. The Minister for Health is laughing but I still remember the day that I got the cheque; it certainly was a happy day.

Reducing red tape is important for retailers. The key amendments in the bill relate to the disclosures of outgoing. The bill streamlines and clarifies the landlord's disclosure obligations to increase certainty in the deal. Tenants will not be liable for financial obligations that have not been disclosed before the lease was entered into. New statutory charges that arise under the legislation after the landlord's disclosure statement has been provided, if a general obligation to pay statutory charges had been disclosed to the tenant, are the only exceptions. Registrations will be mandatory and the bill introduces a requirement for leases of more than three years to be registered. This amendment will increase certainty for tenants and protect their rights if ownership of the property is transferred.

Registration will also provide tenants with access to market information from the land titles register to improve decision-making. Landlords will be required to provide tenants with an executed copy of a lease so that they have evidence of the deal. Parramatta has a high component of multicultural retailers and small businesses and quite often a small minority of unscrupulous landlords may take advantage of the fact that English is their second language which lead to them not fully understanding the provisions of the law. I am sure the Coffs Harbour electorate of Mr Assistant Speaker has a multicultural and multifaith society with plenty of banana and blueberry farmers. The interjections from members of the Opposition are appalling. Members on this side of the Chamber support small business and getting on with delivering for the economy. We support taking unnecessary costs out of business, which this bill addresses. It is about the Coalition's approach to supporting small business. We want them to make money and not have to fill out paperwork and be duped. We care about retailers and their families and the creation of jobs, and driving the economy to keep New South Wales number one.

Mr JOHN BARILARO (Monaro—Deputy Premier, Minister for Regional New South Wales, Minister for Skills, and Minister for Small Business) (12:04): In reply: I thank members who spoke in debate on the Retail Leases Amendment (Review) Bill 2016, in particular the shadow Minister, the member for Maitland. All members of this House are passionate about the small business economy, which we know is the engine room of the economy of this State. This is an important bill, and it is important that we get this legislation right. To that end, I had discussions with the shadow Minister about the provisions in this bill. Of course there were issues on which we did not agree, but this Government, in the review processes, has made sure that we sought consensus on many aspects of the bill. In this bill we have put small businesses and retailers at the heart of our considerations, and the amendments put in place in this legislation are designed to create a landscape and an environment for small businesses not just to survive but to thrive in this State. That has been the focus of what we have tried to achieve.

Trying to find a position that meets the needs of all when we are dealing with a number of stakeholders is a complex process. During the process we made sure that stakeholders' business models were neither interrupted nor damaged and so they were able to continue to run their businesses. I know that many people in the community believe that at the moment the balance of power in the retail leasing sector is a little out of whack, in some cases in favour of the landlords. However, this retail leases bill makes sure that we support the interests of the retailers. I was disappointed to hear the shadow Minister at times sounding like the mouthpiece of big landlords, rather than representing the small business sector. However, I do take on board some of her comments, including some of the comments she made in discussions prior to her contribution to debate on this legislation. My message is that I have been clearly focused on making sure that this is a better piece of legislation that empowers small businesses, which is my focus as the Minister for Small Business.

As the member for Maitland said, small business is the backbone of the State, and this legislation shows that we are acting to protect small businesses. The member referred to the length of time that it has taken to bring this bill to Parliament and that it contains 50 amendments. She noted that the Opposition had an expectation that this legislation would go further. The shadow Minister and I have had conversations about these issues. I do not believe that the review was conducted in a timely manner, but our focus was on getting the legislation right. In relation to the number of amendments in the bill, our focus was on bringing together the stakeholders and reaching consensus by introducing a voluntary code, which is a significant aspect of the bill. This code reflects that the parties were brought together for discussions on amendments. In the past these parties have been at war with each other and have disagreed on how to address many legacy and other issues. We know that the world is changing because of the introduction of technology and we know that we need to address the retail landscape for both the landlords and the retailers.

Some stakeholders expected this legislation to go further, but in my mind we have found the right balance. As the shadow Minister would be aware, the interests of stakeholders are diverse, as are their expectations from

any of these issues. The review took a balanced approach, and on some issues consensus was not achieved—for example, on one of the most contentious issues of the review relating to the reporting of turnover data. This issue has been around for a long time, but we ended up with an industry-led solution rather than the heavy hand of government. We encouraged reaching consensus on this solution because we often hear from members of the business community that they want less red tape and small government. Discussions prior to drafting this legislation brought stakeholders together to make sure that we had an industry-led solution without government getting in the way. That brings me to the voluntary code. It is an industry-led and industry-developed code, which has not yet been finalised by industry. As we know the sector will continue to change in the years ahead, and the code gives flexibility to deal with the changes that industry will face.

The member for Maitland likened the office of the NSW Small Business Commissioner [OSBC] to a prosecutor and said that some stakeholders thought it inappropriate that the OSBC conduct the review, given that the office mediates disputes. That displays a lack of understanding about the mediation process and the role of mediators as neutral in disputes between landlords and tenants. For decades the Retail Tenancy Unit has understood better than anyone the issues facing the retail leasing sector. Thanks to that insight there is no better agency to have conducted the review. It was appropriate that a neutral mediator that is independent of government and has the opportunity to advocate for all parties was involved in the process.

The member for Maitland asked whether the exceptions to the prohibition in the Act on the collection of turnover data from online sales will be flexible enough for rapidly changing models of retailing. Retail is a dynamic industry. As shopping moves online the way the industry operates is shifting. The Government has listened to landlords and tenants. The turnover of a business is important information for landlords, who use it to manage the tenancy mix in a shopping centre. Turnover information is commercially sensitive for tenants and the revenue from online sales may not be connected with the bricks and mortar store or even with one particular retail business. Without government intervention the disclosure of online sales may be required under a lease regardless of whether it is connected to a particular store.

The bill strikes a balance between the legitimate commercial interests of landlords and tenants by prohibiting landlords from collecting and using online turnover information to set rents where the online sales do not touch the shop. We accept that if as part of the click-and-collect model that some retail businesses employ they use the bricks and mortar store to service customers the landlord should have the opportunity to use that data to set the turnover rent. However, in the case of businesses that technically run second businesses online and invest heavily in an online presence that has no connection to their physical store, the Government, the sector and I believe the online revenue should not be used for turnover rent. Where the goods or services are delivered or provided from or at the shop, or where the transaction takes place while the customer is in the retail premises, those online transactions are allowed to be captured in turnover reports. To provide maximum flexibility in relation to use of turnover data, provisions can be made in regulation. This means protection for tenants whose landlords are not signatories to the voluntary code.

The member for Maitland referred to the "more comprehensive" 2014 code, which was a Queensland negotiation. Stakeholders refused to share it with the New South Wales Government and therefore it was not possible to refer to those private negotiations. The member went on to raise disclosure of outgoings, saying that increases should not be borne by landlords. Estimates for disclosure of outgoings are for the first year of the lease and landlords must be able to generate accurate estimates. This amendment means that landlords are required to provide accurate disclosure of outgoings for the first year. Nevertheless, in relation to the member's concerns that large developers and shopping centres might not be able to pass the increase in land tax to tenants following a redevelopment, our advice is that should an increase in land tax occur due to a redevelopment developers are able to obtain their own estimates of the valuation and estimate accordingly to tenants. That would be a "reasonable basis". Those landlords will not be left in the dark or left to bear a huge cost. The purpose of this amendment is to prevent the burden of inaccurate disclosure by landlords being put onto the tenant.

The shadow Minister, and member for Maitland, made comments in relation to office towers that form part of a retail shopping centre. While that recommendation was considered, our clear advice from the parliamentary draftsman is that from looking at the definition of a retail shopping centre it is clear that an office tower is not a shopping centre. We are advised that changes are unnecessary because the interpretational issue raised by the Shopping Centre Council of Australia is resolved in the drafting. Regarding retrospectivity of the bill, our advice is that the amendments to the Act will not be retrospective. Schedule 3, clause 38, provides that an amendment applies to an existing lease or disclosure statement given before the commencement of the amendment except as otherwise provided by the schedule. It would be inaccurate to say that the amendments to streamline clarified provisions will apply retrospectively as they do not amend the rights and obligations of parties but merely restating the existing policy intention of the provisions. Clause 39 provides:

- (1) Section 12A does not apply to a lease entered into before the commencement of that section.

- (2) Section 11 (2A) extends to the termination of a lease that was entered into before the commencement of the subsection but does not apply to the termination of a lease that occurs before that commencement.
- (3) An amendment made to Schedule 2 or 2A by the 2016 amending Act does not apply to a disclosure statement given before the commencement of the amendment.

For example, tenants could not go back and collect their mortgagee consent fees for the past 11 years because clause 45 of schedule 3 provides that sections 14 and 45 do not apply to the seeking or accepting of payment of expenses incurred in connection with obtaining the consent of a mortgagee before the commencement of the amendment made by the 2016 amending Act to the definition of lease preparation expenses in section 3. The following amendments will apply only to new leases entered into after the commencement of the provision: disclosure statement amendments, execution and registration of leases, bank guarantees, the repeal of the minimum five-year term, expenses of obtaining consent of mortgagees, and the amendment relating to preventing revenue from online sales being included in turnover.

The key points in the bill will ensure that we create an environment for small businesses to thrive. I acknowledge the shadow Minister's comments and concerns. I accept we are both in this place to support small businesses in this State, and I have acknowledged that in our conversations. The member for Maitland has a long history in small business and she has received many accolades from the small business sector, on which I congratulate her. It is fantastic to see that there are members on both sides of the House who have come from small business and who understand the real day-to-day issues of small business. The intention of the bill has always been to empower and to protect small businesses in this State—at times against large landlords who have the power to inflict pain on businesses and retailers who do not have the ability, resources or capacity to respond, and who sometimes simply tire them out until they walk away from the fight.

The Retail Leases Amendment (Review) Bill 2016 has been my focus since I became Minister for Small Business. I congratulate the office of the NSW Small Business Commissioner on an extensive consultation process that has taken into account the differing views of stakeholders. This was always going to be a difficult balancing act but I am confident that the bill will make this State a better place for retailers. There will be opportunities to review the Act in future. The sector is changing at a rate we have never seen before and governments must be proactive in dealing with that rapidly changing landscape. I hope the code will give us that framework, allowing all stakeholders to participate in an industry-led solution to make sure we get the right outcome for a strong, viable small business sector, especially in retail. The retail sector is a large employer underpinned by small businesses—those individuals, those mums and dads, who show courage and take out mortgages to create jobs. They are part of the engine room of this great State, and the bill aims to empower those businesses to continue to be so.

The ASSISTANT SPEAKER: The question is that this bill be now read a second time.

Motion agreed to.

Third Reading

Mr JOHN BARILARO: I move:

That this bill be now read a third time.

Motion agreed to.

ABORIGINAL LAND RIGHTS AMENDMENT (LOCAL ABORIGINAL LAND COUNCILS) BILL 2016

Second Reading

Debate resumed from 8 November 2016.

Mr ADAM CROUCH (Terrigal) (12:19): I am pleased that my first speech in this House after the break is to support the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016. First and foremost, before I commence my speech I acknowledge the traditional custodians of the land on which we meet today, the Gadigal people of the Eora nation. I also pay my respect to the Darkinjung people of the Central Coast. I pay respect to all of their elders past and present and also the elders of other first nations people across New South Wales. To reiterate the benefits of this amending bill, the main intent of the amendments contained in this bill is to provide ways to build and strengthen Aboriginal community capacity. This is a very wise intent.

I acknowledge the great work of the former Minister for Aboriginal Affairs, the Hon. Leslie Williams, and to congratulate the Hon. Sarah Mitchell on being appointed as the new Minister for Aboriginal Affairs. These amendments will provide the New South Wales Aboriginal Land Council with greater authority to implement its current policies of assistance and regulation of land councils and incentivise local Aboriginal land councils to respond with and sustain good governance. This capacity building intention will be facilitated by the power of the

New South Wales Aboriginal Land Council to issue performance improvement orders to land councils, with or without an appointed adviser. This brings a more modern and flexible compliance framework into the Aboriginal Land Rights Act.

Before I outline the merits of the bill, I propose to define what is meant by the term "capacity building". It is a term used often these days and one that has a clear and obvious meaning, but for the purpose of this bill it warrants defining. Capacity building means strengthening the skills, competencies and abilities of people, organisations and communities so that they can best achieve their long-term goals. Sustained good governance in local Aboriginal land councils will strengthen their participation in Aboriginal economic partnerships, Aboriginal land agreements and community representation, and improve management of community housing with all levels of government and commercial partners. I digress to pay tribute to the Darkinjung Local Aboriginal Land Council on the Central Coast, which has been innovative through developing local property on the Central Coast to ensure future economic viability of the land council. It also provides housing for Aboriginal community members around the Central Coast. It is a shining example of how well-run Aboriginal land councils can benefit the entire community.

Changes to the land rights Act over the past three decades have imposed increasingly greater levels of regulatory obligation on Aboriginal land councils to strengthen external accountability and transparency in the exercise of their functions. The amendments to the Aboriginal Land Rights Act that this Government progressed in 2013 and 2014 went a long way towards alleviating the compliance burden that had been placed on Aboriginal land councils. However, land council and community members have expressed concerns that regulatory regime is increasingly complex for what is primarily a network of community organisations made up largely of volunteers.

Whilst there has been a need for the regulatory amendments over the past 10 years, including comprehensive land dealing provisions to protect land and other assets and community, land and business planning to ensure member control and understanding of the operation of their councils, the changes have meant a complex set of rules and regulations for community members to follow and uphold with limited resourcing and knowhow. Further improvement can be made and it is the intention of this bill to make those improvements. A local Aboriginal land council network that is well resourced and managed, such as the Darkinjung, will ensure the opportunities inherent in the principles of land rights can be realised.

The network can only play an increasing role in the economic, social and cultural prosperity of its communities if it has the opportunity to build upon and extend its existing or limited capacity. The amendments in the bill provide a way for the Aboriginal community to meet the regulatory demands, and to build their strength and importance as key community organisations. At present, the Aboriginal Land Rights Act has only limited means for early and flexible intervention in the affairs of land councils, namely, the appointment of interim administrators or administrators appointed with part functions working with the board of a local Aboriginal land council. However, these measures have not provided the means to support local Aboriginal land councils and, importantly, are invoked only when there is a failing in compliance or duty and there are serious concerns or problems involved. Additionally, these types of regulatory interventions, however necessary, elicit a power shift—perceived or otherwise—within the community rather than provide an avenue of support and growth. This, in turn, creates a dynamic of disempowerment.

I will now outline the details of the changes that will occur as a result of this amendment. Since 2007 the Aboriginal Land Rights Act has provided the Minister for Aboriginal Affairs with the power to appoint advisers to the board of local Aboriginal land councils on the recommendation of the Registrar or the New South Wales Aboriginal Land Council under section 234. However, this provision has never been used because it does not provide the adviser with a clear role or specified function. It also does not specify the repercussions for a local Aboriginal land council if it fails to follow an adviser's advice and it does not specify the responsibility to pay for the appointment of advisers. This bill clarifies these matters and gives the New South Wales Aboriginal Land Council the power to issue performance improvement orders to local Aboriginal land councils, directing that they improve their governance or operational performance.

In addition, the bill gives the New South Wales Aboriginal Land Council the power to appoint advisers to local Aboriginal land councils to assist them to implement performance improvement directions. These amendments create early intervention options that clarify the role of advisers to make these provisions clearer and provide the New South Wales Aboriginal Land Council with additional, but less punitive, tools to support the land council network. By doing so the bill will provide an alternative to the costly administrator appointments and will create ways to build the capacity and corporate governance of local Aboriginal land councils throughout New South Wales.

Furthermore, the mandate of elected boards will be respected and community decision-making will not be temporarily transferred to external administrators. This is an important distinction between the current intervention measures, such as the appointment of administrators, interim administrators or administrators with

limited functions. With these types of appointments there is a power transfer, which can have an adverse effect on member participation, sense of empowerment and, more importantly, local decision-making. The refined regulatory provisions to appoint advisers and issue improvement orders contained in this bill fill the apparent gap in ways the regulators can assist local Aboriginal land councils to improve and serve their communities. [*Extension of time*]

The issuing of performance improvement orders and the appointment of an adviser to local Aboriginal land councils are modelled on the improved intervention mechanisms that were introduced into the Local Government Act 1983, made by this Government in 2013 to introduce a more modern, flexible compliance framework for local government. It is acknowledged that Aboriginal land councils are different to local government, but that there are some similarities between the two governance systems, so lessons and betterment methods are worthy of emulation.

The improvement orders and complementary adviser appointments are examples of that. The basis of the amendments made to the Local Government Act, and those that are proposed in the bill, intend to provide strategies that assist councils to meet best practice, strategies to ensure councils comply with relevant legislation and standards, and strategies that use available sanctions that force councils to comply with relevant legislation and standards. These principles are underpinned by what is known as Braithwaite's regulatory pyramid, which links behaviour to responsive regulatory compliance. The Braithwaite model encourages regulatory compliance, on a voluntary and participatory basis, based on various levels of intervention.

The application of the Braithwaite pyramid acknowledges that most people are willing to act appropriately. A large proportion of the local Aboriginal land councils and individuals try but do not always succeed to fulfil those responsibilities. This can be amplified in Aboriginal communities where the talent pool available to fill key positions may be limited and in the case of the local Aboriginal land councils where legal and compliance requirements are many and complex. The Braithwaite pyramid outlines four degrees of compliance, the accompanying attitude that commonly occurs at each level, and the action and response that is appropriate at each of those levels.

The base of the pyramid is the ideal situation, where individuals and/or councils are willing to act appropriately and are in compliance. The next level is where councils or individuals are trying to act appropriately but are not always succeeding. In most cases, this is the level that the amendments will target through the issuing of performance improvement orders and, if required, the appointment of advisers. The improvement orders or the appointment of advisers will enable local Aboriginal land councils to actively participate in their own regulatory oversight and recovery rather than undergo punitive compliance measures, which in turn avoids the need for more direct intervention. The purpose of any intervention is to encourage councils and individuals to operate at the bottom two levels of the pyramid where councils are actively and voluntarily doing their best to comply with legislation and best practice.

More direct interventions apply at the top two layers of this pyramid. These layers outline situations where compliance assessment and enforcement are required based on councils or individuals conscious non-compliance with legislation or the New South Wales Aboriginal Land Council policy—that is, where councils or individuals resist compliance or fail to follow good practice. In those instances, the Aboriginal Land Rights Act currently allows for the more interventionist and disempowering interventions, such as the appointment of administrators to local Aboriginal land councils. The appointment of an administrator to perform all of a land council's function automatically triggers removal of its board members from office and disqualifies them for a period of five years.

The Braithwaite model recognises that different levels of compliance require different levels and types of intervention. The proposed amendments make for a midway and more cost-effective intervention mechanism to assist councils to comply with their responsibilities and service to their communities. In some cases, the appointment of administrators may still be appropriate and the Minister's power to appoint them remains in place. However, the power to issue a performance improvement order and the option to include an adviser's appointment offers a midway point that will not only give land councils the directions to improve their performance but also provides them with assistance, mentoring and guidance in their administrative, operational and governance arrangements.

Importantly, the provision to allow the New South Wales Aboriginal Land Council to issue performance improvement directions to local Aboriginal land councils will provide members of those land councils with greater insight and transparency with regard to the governance, performance and diligence of their elected board as directions will be made public and boards will be obliged to inform members of any performance directions issued. Advisers will also be appointed from the list of persons prepared by the New South Wales Aboriginal Land Council and approved by the Minister. Those persons will have diverse specialist and peer skills and will be able to address particular areas of improvement or assistance as applies in the operation of improvement orders. This

is an important distinction between the role of advisers and administrators. Advisers will work alongside land councils without taking over their powers as an interim early intervention measure to assist in building their capacity and skills for the ultimate benefit of the communities they represent. I conclude by quoting part 5 section 51 of the Aboriginal Land Rights Act:

The objects of each Local Aboriginal Land Council are to improve, protect and foster the best interests of all Aboriginal persons within the Council's area and other persons who are members of the Council.

The amendments I have outlined today will provide a critical framework to support and build the capacity of the land council network across New South Wales, which will help Aboriginal land councils realise their visions for communities that are prosperous and strong socially, economically and, more importantly, culturally. I commend the bill to the House.

Mr DAVID HARRIS (Wyang) (12:34): On behalf of the Labor Opposition I support the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016 and acknowledge that today we meet on the traditional lands of the Gadigal people of the Eora nation. I also acknowledge the Darkinjung people of the Central Coast where my electorate is located and pay respect to Aboriginal elders past, present and future, to all other first nations people and to all Aboriginal people who are with us today. I acknowledge the work done on this bill by Ms Leslie Williams, the former Minister for Aboriginal Affairs and member for Port Macquarie, and congratulate the new Minister for Aboriginal Affairs, the Hon. Sarah Mitchell, on her appointment. I look forward to having the same productive relationship with the Hon. Sarah Mitchell that I enjoyed with the former Minister. We both agreed that, wherever possible, issues to do with improving outcomes for Aboriginal people should be bipartisan.

I thank Ms Leslie Williams for keeping me up to date with issues as they happened and for giving me feedback if I had any questions. I acknowledge the great work she did as Minister for Aboriginal Affairs. This bill is an example of her great work. I wish her well in her new role. The New South Wales Aboriginal Land Rights Act enables Aboriginal communities to claim certain Crown land and, where granted, to hold those lands in freehold title. In New South Wales 120 local Aboriginal land councils represent the interests of their members and the Aboriginal populations in their regions. They aim to provide economic, social and cultural benefits to their communities, which is no small task. Despite the difficult nature of their work, the Aboriginal community and New South Wales Aboriginal Land Council members have endeavoured to fulfil the goals and objectives of the Act.

The New South Wales Land Rights Act, one of the most significant pieces of legislation in the world, marks one of the first significant attempts to rectify some of the displacement of the first peoples in this State. This significant landmark Act of the Wran Labor Government is an achievement of which NSW Labor is proud. However, it has not been free from misgivings and its effective management remains a source of debate today. Late last year the former Minister for Aboriginal Affairs, Ms Leslie Williams, introduced a bill amending this Act. After careful consultation and consideration, the New South Wales Opposition agreed to support the bill. I thank the New South Wales Aboriginal Land Council for its guidance and advice to me on this amending bill and congratulate the council on seeking to provide better governance provisions to strengthen the legislation.

In her second reading speech the Minister stated that since 2007 section 234 of the Aboriginal Land Rights Act has provided the Minister for Aboriginal Affairs with the power to appoint advisers to the boards of local Aboriginal land councils on the recommendation of the registrar or the New South Wales Aboriginal Land Council. However, that provision has never been used, its application is uncertain, and the role and powers of advisers is unclear. The section 234 provision to appoint an adviser does not specify the repercussions for a local Aboriginal land council if it fails to follow such advice. The amendments in this bill should make the adviser provisions clearer.

The Opposition believes that the bill is in line with the objectives of the Aboriginal Land Rights Act and applicable regulatory and governance legislation. The amendments aim to give the New South Wales Aboriginal Land Council more rights as a regulator of local land councils by empowering them to issue performance improvement orders and to appoint advisers to local Aboriginal land councils. The purpose of these measures is to enable a less interventionist approach by the Minister for Aboriginal Affairs and to further empower Aboriginal people to manage land councils. These measures, unlike the powers currently available to the Minister, will enable effective early intervention measures prior to any major breach of corporate governance when it occurs.

In 2013 improved intervention mechanisms were introduced into the Local Government Act. The basis for these amendments is modelled on those mechanisms, which are underpinned by what is known as the Braithwaite regulatory pyramid. The Braithwaite regulatory pyramid links behaviour to responsive regulatory compliance and encourages regulatory compliance on a voluntary and participatory basis. It promotes a more effective relationship between the regulator and the regulated. I acknowledge that the majority of Aboriginal land

councils and individuals will act appropriately but some councils and individuals try very hard yet fall short of the required standards. As I have travelled around the State to meet with individual land councils I have found varying levels of staff, support, experience and knowledge. In short, they are doing their best with what they have and even given their limited resources some do a very good job.

The effectiveness of improvement orders—the centrepiece of the amendments in this bill—coupled with the option of appointing advisers will provide local Aboriginal land councils with an opportunity to actively participate in their own regulatory oversight and recovery. Where there are councils or individuals who do not want to comply or follow good practice, an interventionist step, such as the appointment of an administrator, can still be considered. The proposed amendments will make for a balanced and more cost-effective intervention mechanism to assist councils with regulatory and operational compliance to the Aboriginal Land Rights Act. I note that the former Minister for Aboriginal Affairs is present in the Chamber. I spoke glowingly of her earlier in this speech.

Since March 2015 the Minister has appointed administrators to four different local land councils due to failures to comply with existing regulations. As land councils have become subject to increased regulation and accountability measures without the expansion of institutional knowledge this problem has increased markedly. It is in the spirit of self-determination that amendments such as this are necessary. It is fundamental that the Act facilitates an effective framework that will allow for Aboriginal land councils to effectively and legally manage their lands with minimal direct intervention from the Government. The New South Wales Aboriginal Land Council will always be better equipped to support local land councils in the early stages of significant compliance failures. It is armed with unique cultural understanding and institutional knowledge and is the most sensible body to which these early intervention regulatory powers can be delegated. When local land councils fail to comply with the regulations, or act in an illegal or perceivably immoral manner, they do the Aboriginal people of New South Wales and the Act itself a great injustice.

The Minister noted that the proposed performance improvement orders to be issued to local Aboriginal land councils are designed to give council members greater oversight of the performance and provide transparency to the governance, performance and diligence of their elected boards. The bill contains provisions for the payment of appointed advisers. They will be paid a salary determined by the New South Wales Aboriginal Land Council out of that council's funds. The cost of advisers may be recovered by the local Aboriginal land council concerned at the discretion of the New South Wales Aboriginal Land Council, which will look at its ability to pay the fees.

The bill makes it clear that the board and the members of the land council are to cooperate with the adviser during their term of appointment, including providing any information or assistance the adviser reasonably requires to exercise his or her functions. It also stipulates that the local Aboriginal land council is to give an adviser the opportunity to review a compliance report at least 14 days prior to the submission of the report to the New South Wales Aboriginal Land Council. The report will be submitted together with the adviser's comments, if any, on the compliance report. These provisions are sound and the Labor Opposition supports them.

It is essential that the Aboriginal community and the wider New South Wales community have faith in the administration of the Aboriginal Land Rights Act. Intervening before problems manifest will better serve the relationship between local land councils and the community. The former Minister for Aboriginal affairs indicated that the Government wanted improved but less frequent interventions in local land councils. The Opposition contends this amendment will serve that end.

As noted, this amendment still enables the Minister responsible to intervene in land councils if necessary. This necessary oversight function ensures that the Government continues to be accountable for effective management of the Aboriginal Land Rights Act 1983. While it is hoped that these interventions will be less frequent, it is no less important today than when the Act was first introduced in 1983 that the elected government be accountable for that important part of the reconciliation process. It is also important to note that the Government expects this amendment to be cost positive or cost neutral. This is the case because late-stage interventions ordered by the Minister are more expensive than early intervention is anticipated to be.

The bill outlines further amendments to other parts of the Act. The amendment to section 52 gives local Aboriginal land councils the discretion to establish, acquire, operate or manage related corporate entities under either the Commonwealth Corporations (Aboriginal and Torres Strait Islander) Act 2006 or the Corporations Act 2001, at their discretion. The Corporations (Aboriginal and Torres Strait Islander) Act 2006 and the Corporations Act 2001 have different statutory compliance requirements. This amendment will give local Aboriginal land councils the power to choose how they want to register any corporation associated with the land council, dependent upon their needs and the differing resources and capabilities of each land council.

Allowing local Aboriginal land councils to incorporate related entities under the Corporations Act 2001 as well as the Corporations (Aboriginal and Torres Strait Islander) Act 2006 will provide greater scope and

flexibility for local Aboriginal land councils and third parties to set up Aboriginal enterprises. Local land councils are currently prevented from incorporating related entities under the Corporations Act 2001 without approval from the New South Wales Aboriginal Land Council. This amendment will cut onerous regulatory red tape by removing the requirement for the New South Wales Aboriginal Land Council to develop and implement a policy for this purpose, as was outlined by the former Minister for Aboriginal Affairs. Labor certainly supports that.

Additional and minor amendments are also being made to sections 231 and 223B of the Aboriginal Land Rights Act 1983. The amendments to section 231 will clarify the powers of administrators in relation to boards when the terms of their appointment are extended. The amendments to section 223B will clarify the powers of interim administrators to make clear that appointees can exercise all or specific functions of local Aboriginal land councils or local Aboriginal land council boards or exercise only specific parts of those functions. The Labor Opposition supports those changes. The Opposition is pleased that the Government consulted the New South Wales Aboriginal Land Council through the process of drafting this amendment bill. The land council is very supportive of the proposed changes and emphasised the need to implement them.

We would, however, have liked to see more consultation with local land councils because of the effect this legislation will have on them. Several local land councils felt that there was good consultation with the State body but not necessarily the same level of consultation with the people who will be affected. However, they support the changes. We hope that, as the changes in the amending bill take effect, the Government will appropriately communicate those changes and their implications to all 120 local land councils. Despite that one small reservation, I commend the former Minister for Aboriginal Affairs, Leslie Williams, for her work to amend this bill to ensure that the Aboriginal Land Rights Act 1983 continues to be a vital tool in empowering Aboriginal people in New South Wales. The bill introduces necessary amendments that will strengthen the Aboriginal Land Rights Act 1983, and the Labor Opposition fully supports them.

Mr JAI ROWELL (Wollondilly) (12:48): I support the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016. I take this opportunity to acknowledge the traditional custodians of the land on which we meet today, the Gadigal people of the Eora nation. We pay our respects to elders past and present and to all elders of the first nations peoples of this State. I take this opportunity also to acknowledge the former Minister for Aboriginal Affairs, Leslie Williams, who is in the Chamber. I have a great deal of respect for her. When she was the Minister she took the time to come to the electorate of Wollondilly to discuss with me and local Aboriginal community groups important issues for our region. I thank her for doing that. This legislation is an example of her great work, as were the comments made by the member for Wyong, a member of the Opposition, in support of her work. The entire Parliament can be proud of this legislation.

The amendments contained in the bill will provide the NSW Aboriginal Land Council with greater authority to provide local Aboriginal land councils with assistance to develop and sustain good governance. The NSW Aboriginal Land Council has an overarching administrative and regulatory role that includes the oversight of local Aboriginal land council compliance. The proposed amendments in this bill will enable a shift of the significant costs incurred by the appointment of administrators—borne by the NSW Aboriginal Land Council—to investment of those funds into capacity building of the Aboriginal land council network. Broader and creative funding and assistance solutions will be available to a greater number of Aboriginal land councils than that currently spent on limited administrator appointments.

The bill has two interdependent aims—first, to refine and enhance the regulatory structures and mechanisms of the Aboriginal Land Rights Act 1983; and, secondly, to provide better means to build the capacity and strength of local Aboriginal land councils and the Aboriginal people who run them. I intend to explain in greater detail today how the proposed amendments, as a package for better regulation, will significantly reduce costs borne by the Aboriginal land rights network, which will mean the moneys of the network are better spent.

The amendment to the Aboriginal Land Rights Act [ALRA] aims to reduce costs to the ALRA network—or at the least to be cost neutral—by improving operational efficiencies in local Aboriginal land councils, and reducing the need for the New South Wales Aboriginal Land Council to underwrite their debts. That is, instead of the bulk of expenditure by the New South Wales Aboriginal Land Council and local Aboriginal land councils being spent on costly administrators, it will be directed to advisory and assistance services to build the capacity of Aboriginal people and reduce waste through improved efficiencies at a lower cost. This will result in a wider application of moneys to support the Aboriginal community of New South Wales, and represents a better long-term investment.

The bill aims to provide the New South Wales Aboriginal Land Council with greater authority to implement its current practices, and to incentivise local Aboriginal land councils to respond according to specified directions in the improvement orders. The provisions of the Aboriginal Land Rights Act differ from provisions in legislation which covers the appointment of administrators in other corporate settings, where the interests of creditors are given priority and the liquidation of assets and the winding-up of the entity may occur. When

administration and governance fails there is a focus on addressing compliance, and on corporate turnaround. This is mainly achieved through the appointment of an administrator.

However, administrator appointments to local Aboriginal land councils are expensive. Over the past 10 years approximately \$9.8 million has been spent on remunerations paid to administrators. All costs are paid by the New South Wales Aboriginal Land Council, which may recover the costs from local Aboriginal land councils, creating a debt by local Aboriginal land councils to be paid off over time. The passing and implementation of this amending legislation will provide a lower-cost and less interventionist option in the New South Wales Aboriginal Land Council regulation of local Aboriginal land councils.

In essence, the proposed amendments in this bill intend to transfer the current costs from administrator appointments to capacity building. This change in intervention will induce significant savings, which will have the compounding benefit of increased operational and financial efficiencies in the LALC network through the implementation of improvement orders, and/or assistance and guidance provided by advisers. The operation of the proposed amendments will redirect moneys to flexible, early intervention alternatives to implement capacity-building initiatives at a lower cost. The application of the improvement orders and the appointed advisers will improve the outcomes for the Aboriginal community of New South Wales. This is an important aspect of the bill.

It must be remembered that all local Aboriginal land councils, regardless of the size or the complexity of their business operations, are required to fulfil annual reporting requirements applicable to government departments and small corporations, and meet ongoing corporate governance standards. There is a real need for the capacity of local Aboriginal land councils to be lifted to ensure they fulfil their roles and responsibilities. These changes have the potential significantly to shift the annual expenditure for administrator appointments, to build the capacity of Aboriginal people and improve the function of the Aboriginal land council network, especially with the appointment of advisers who will assist land councils to improve specific areas that need improvement. I could talk today about so many benefits that will arise from the introduction of this bill but I know that others want to speak in this second reading debate because the bill is supported by those on all sides of this place. Once again, I commend the former Minister on her fantastic work and I commend the bill to the House.

Mr STEPHEN BROMHEAD (Myall Lakes) (12:54): I support the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016. I commend the former Minister, the member for Port Macquarie, on bringing this legislation forward. I acknowledge that we are on the lands of the Gadigal people. The northern part of the Myall Lakes electorate is the land of the Biripi people and the southern part is the land of the Worimi people. I have lived in the Myall Lakes electorate for 36 years during which time I have worked as a police officer, a detective and a lawyer and from time to time issues arose involving the two land councils in my electorate. I am pleased that this legislation will help local land councils understand their position, will allow the Minister to step in when assistance is needed, and will clarify when an administrator is appointed.

All communities in Myall Lakes want better outcomes for the Aboriginal people in the area. The more that both sides of the Parliament work together to ensure that Aboriginal people have better outcomes, the better off we will all be. I have no doubt that that is what we all want. The object of the bill is to amend the Aboriginal Land Rights Act 1983, first, to authorise the New South Wales Aboriginal Land Council to make a performance improvement order to a local Aboriginal land council if the New South Wales Aboriginal Land Council considers that action must be taken to improve the performance of that land council; secondly, to restore the authority of local Aboriginal land councils to own and operate corporations; and, thirdly, to clarify the role and functions of an administrator or interim administrator appointed to an Aboriginal land council. Lastly, it will provide for the payment of an interim administrator.

The Aboriginal Land Rights Act 1983 provides for Aboriginal communities to claim certain Crown land and, where land is granted to such communities, hold freehold title to the land. A series of local Aboriginal land councils represent the interests of their members and their Aboriginal populations to ensure economic, social and cultural benefits to these stakeholders. In her second reading speech the former Minister, the member for Port Macquarie, explained the two interdependent aims of the bill. The first is to refine and enhance the regulatory structures and mechanisms of the Aboriginal Land Rights Act 1983. The second is to provide better means to build the capacity and strength of Aboriginal land councils and the Aboriginal people who run them.

In particular, the bill aims to provide less interventionist means to the Minister for Aboriginal Affairs and other regulators to support local Aboriginal land councils where they are having difficulties complying with their obligations. At the same time, the bill continues to reinforce the support role of the New South Wales Aboriginal Land Council, while increasing local decision-making. We want to enhance their ability and improve the circumstances of those people. The changes in the legislation have the potential to significantly shift the annual expenditure for administrator appointments to build the capacity of Aboriginal people and improve the function

of the land council network, especially with the appointment of advisers that will assist land councils to improve in specific areas in need of improvement.

Advisers will be appointed to assist in any number of matters such as corporate governance and meeting procedures, record keeping or financial management, to name a few. It is envisaged that the funds usually spent on one or two administrator appointments will be spread more widely to enable capacity building and assist a larger number of land councils and Aboriginal people. The high cost of the New South Wales Aboriginal Land Council remunerating administrators will be reduced, and replaced by a higher number of lower cost, less interventionist measures—and as a result the capacity and financial efficiency of Aboriginal land councils will increase.

This, in turn, will increase the focus on capacity building and know-how in local Aboriginal land councils to develop their governance and administrative skills to improve performance. It is expected that this supportive and educative intervention mechanism will greatly reduce the need to appoint administrators, and therefore reduce long-term costs and debt recovery. I also note that not all costs to local Aboriginal land councils are monetary and financial in nature. It is important to clarify that the appointment of an administrator is often very demoralising for communities, and in some instances leads to long-term disengagement of the members. That is not to say the administrators appointed are not professional or that they do not fulfil their duties for the protection of community assets and to benefit the communities in which they are appointed to serve. They do, and they are appreciated and respected. However, on some occasions there are detrimental effects. I commend the bill to the House.

Mrs LESLIE WILLIAMS (Port Macquarie) (13:00): On behalf of Mr Rob Stokes: In reply: I acknowledge the traditional custodians of the land on which we are gathered, the Gadigal people of the Eora nation, and pay my respects, as have others, to elders past and present. I extend that respect to Aboriginal people who are with us today for the passage of this important bill, the Aboriginal Land Rights Amendment (Local Aboriginal Land Councils) Bill 2016, through the House. As members will know, I introduced the bill in November 2016, as the then Minister for Aboriginal Affairs. During my second reading speech on the bill, I summarised the provisions of this legislation. I stressed the importance of the bill as a tool to lift capacity in our local Aboriginal land councils and improve their effectiveness in pursuing land rights, as well as to deliver the important economic benefits that can flow from land assets that have been named under the Aboriginal Land Rights Act.

I thank those members who have contributed to this debate: the member for Terrigal, the member for Wollondilly and the member for Myall Lakes. Last, but certainly not least, I thank the member for Wyong, the shadow Minister for Aboriginal Affairs. Whilst I was not in the Chamber for his contribution, I heard his kind words and I thank him most sincerely for them. I also take this opportunity to thank the member for Wyong for his bipartisan approach to this legislation. As he knows, this is a very important portfolio, and we have worked together to develop policy. It was an absolute pleasure to work with the member for Wyong and to join him at many significant Aboriginal events over the past two years. I also join the member in wishing the new Minister for Aboriginal Affairs, the Hon. Sarah Mitchell, the very best in her role.

The bill reflects the Government's commitment to capacity building and to the refinement and enhancement of the regulatory structures and mechanisms of the Aboriginal Land Rights Act 1983 that it will provide. The New South Wales Aboriginal Land Council network, which is made up of 120 land councils, is uniquely positioned as the vehicle to create not only economic prosperity but also, importantly, social and cultural prosperity in the Aboriginal communities that it represents. Yet Aboriginal land councils can increasingly play this role only if they have had the opportunity to build upon their existing capacity. The purpose of the Aboriginal Land Rights Act is not just to provide a mechanism to claim and manage land as compensation for historic dispossession. Through land rights it promises to provide a basis for the economic, social and cultural revival of Aboriginal communities across New South Wales.

As I have explained previously to members, at the heart of this amending bill is the introduction of a framework for low-cost early interventions in the affairs of local Aboriginal land councils that are identified as requiring strengthened governance capacity. It provides an alternative to the highly interventionist and many times costly alternative of appointing administrators, and formalises the capacity building and resulting economic prosperity potential of the Act. The bill does this in the following ways. First, it gives the New South Wales Aboriginal Land Council the power to issue performance improvement orders to local Aboriginal land councils, directing that they improve their governance or operational performance where it is identified that a local Aboriginal land council is non-compliant with the Aboriginal Land Rights Act.

Secondly, it gives the New South Wales Aboriginal Land Council the power to appoint advisers to local Aboriginal land councils to assist them to implement the performance improvement directions. Importantly, land councils will be able to request assistance with governance and capacity building from the New South Wales Aboriginal Land Council and they will have the mechanisms in place to respond to those requests for assistance.

Financially, the New South Wales Aboriginal Land Council will be given the power to recover the cost of remuneration of advisers from a local Aboriginal land council. The New South Wales Aboriginal Land Council may choose to cover the cost of funding the local Aboriginal land councils that seek assistance in meeting Aboriginal Land Rights Act compliance requirements.

Furthermore, this amending bill requires no additional funding, as other members have highlighted during the debate. In fact, it is envisaged that the money that the New South Wales Aboriginal Land Council currently spends on costly administrators will be redirected into flexible, early intervention alternatives. This expenditure will implement capacity-building initiatives at a lower cost, with the potential for savings and a wider reach to more land councils in obtaining support and development. There is clearly an opportunity to improve the current situation and provide an early intervention option that can build the capacity of a land council long before the need may arise to consider the appointment of an administrator. This is the time to do it.

In addition, the amendment to section 52 of the Aboriginal Land Rights Act gives local Aboriginal land councils the discretion to establish, to acquire, to operate or to manage related corporate entities under either the Commonwealth Corporations (Aboriginal and Torres Strait Islander) Act 2006 or the Corporations Act 2001 at their discretion. This amendment will give Aboriginal land councils the power to choose how they want to register any corporation associated with the land council dependent upon their needs and the differing resources and capabilities of each land council. It will provide greater scope and flexibility for land councils and third parties to set up Aboriginal enterprises. The successful management of corporations by a land council represents a significant step towards the economic prosperity of the land councils, financial independence and benefit to the land council members, and better engagement with the mainstream economy.

I take this opportunity to thank all the key players who have invested their time and expertise in the development of this bill, including the previous Registrar of the Aboriginal Land Rights Act and the staff of Aboriginal Affairs. I will speak further about that. Most importantly, I express my deepest thanks to the New South Wales Aboriginal Land Council and specifically to chairperson Roy Ah-See and deputy chair Anne Dennis. Both have worked with me on many occasions to continue to develop initiatives to ensure continuing benefits for Aboriginal people across New South Wales. I also acknowledge the work of previous New South Wales Aboriginal Land Council chief executive officer Les Turner and Stephen Hynd of the council's policy and reform team, and thank them for their openness and spirit of collaboration in developing the proposed amendments in the bill.

During my time as Minister it was a privilege to have the opportunity to work with all members and staff at the land council. I believe in working together with a shared goal of improving the lives of Aboriginal people across the State we have achieved an enormous amount in the development of strong and productive relationships between the Government and the council. Without the expertise of the New South Wales Aboriginal Land Council, including sharing its findings from consultation reforms with the network of local Aboriginal land councils, the bill would lack the sound policy settings to make the amendments it contains work in practice.

The amendments in this bill will provide a strong platform that will help the network of 120 New South Wales local Aboriginal land councils lead the Aboriginal people and the broader community of New South Wales into a better future. Like other members, I acknowledge the work of my own local Aboriginal land council, the Birpai Local Aboriginal Land Council, and that of the many land councils across the State that I had the privilege of meeting with in my former role as Minister for Aboriginal Affairs. There are too many to acknowledge individually, but all of them were always generous with their time and provided me with valuable counsel to enable me to further my understanding of the needs of their members, their local issues and, importantly, their many and varied initiatives to improve the outcomes of Aboriginal people in the communities they represent.

I acknowledge the many members on both sides of this House who hosted my visits to their communities to meet with their local Aboriginal land councils. It was a privilege to have that opportunity to learn much more about local issues and the work they were doing on the ground to make sure that the local community was well represented and to further their position. On many occasions local initiatives of local land councils made sure that all the people they represented were well cared for. In Port Macquarie the Birpai Local Aboriginal Land Council runs after-school programs and a men's group. I take this opportunity to acknowledge a Birpai elder who was recently acknowledged as a Member of the Order of Australia, my dear friend Uncle Bill O'Brien. He is an absolute legend in our community and well respected. As an elder of our community, sharing of culture and history from the elders who went before him, he ensures that all of us, Aboriginal or non-Aboriginal, have the opportunity to learn. It is only through such sharing and generosity that we will all have the opportunity to move together to true reconciliation.

I pay enormous tribute to each and every one of the staff at Aboriginal Affairs—including Ross Pearson, who is in the Chamber today—for their tireless work under the leadership of Jason Ardler. We have achieved some significant milestones over the past two years. I am sure that the focus will continue as all sides of the House

work together to improve the lives of Aboriginal people across the State. I also take the opportunity to acknowledge the dedication of my former ministerial staff under the leadership of Kathy Rankin. I commend the bill to the House and once again thank all those members who contributed to the debate and to this bill.

TEMPORARY SPEAKER (Mr Bruce Notley-Smith): The question is that this bill be now read a second time.

Motion agreed to.

Third Reading

Mrs LESLIE WILLIAMS: On behalf of Mr Rob Stokes: I move:

That this bill be now read a third time.

Motion agreed to.

Community Recognition Statements

TRIBUTE TO RICHARD "AUSSIE" BIELE, OAM

Mr JAI ROWELL (Wollondilly) (13:14): I recognise my friend the late Richard "Aussie" Biele who was posthumously awarded the Medal of the Order of Australia on Australia Day this year. Aussie was not only a loyal servant to his community but also one of the many men and women to serve this country in the theatre of war. Aussie served in the Vietnam War and after returning home became a life member of the Picton-Thirlmere-Bargo RSL Sub-Branch and president of the Macarthur sub-branch of the Vietnam Veterans Association of Australia. This award rightly recognised his enduring efforts to support youth, veterans and their families. As reported in the local media, Aussie would often visit other veterans in hospital or help with services when veterans passed away. Through the invaluable work he did as the officer commanding the cadets of the 237 Army Cadet Unit in the Southern Highlands and the Chevalier College Cadet Unit, Aussie instilled vital life skills that those cadets will carry throughout their lives. I acknowledge his widow, Ms Allison Bailey, on receiving this award in his honour. Aussie passed away on 3 December 2016. May he rest in peace.

BIG SCRUB LANDCARE

Ms TAMARA SMITH (Ballina) (13:15): I congratulate Big Scrub Landcare on receiving first place in the highly regarded Society of Ecological Restoration Australasia awards for excellence in ecological restoration practice. The award acknowledges Big Scrub Landcare's significant and enduring contribution to the practice of ecological restoration including having planted more than 1.3 million trees and overseen 35 projects worth more than \$5 million on both private and public land. Big Scrub Landcare was started in 1992 by a small group of people who were passionate about the local rainforest. Today it has a membership of 400. Every year for years I have attended the Big Scrub Rainforest Day at Rocky Creek Dam, which celebrates more than three decades of rainforest restoration and is the largest annual environmental and community event in Australia. The Big Scrub, with its subtropical rainforest and Gondwana ecology, is truly one of the most beautiful treasures of our region.

MYALL LAKES ELECTORATE AUSTRALIA DAY HONOURS

Mr STEPHEN BROMHEAD (Myall Lakes) (13:15): The Myall Lakes electorate celebrated Australia Day in style with awards being handed out throughout the electorate. The Wingham Summertime Rodeo took out the Manning Community Event of the Year. Wingham's Reid Brown was the recipient of the Ken McDonald Memorial Sportstar of the Year Award. Carolyn Thompson won the Manning Citizen of the Year Award. Manning's Young Citizen of the Year was awarded to Ben Williams. Bulahdelah's Judith Newman was named the Great Lakes Citizen of the Year. The Great Lake's Young Citizen of the Year was awarded to Forster's Thomas Dormor. Fellow Forster resident Kristian Fiebig was named the 2017 Sports person of the Year. It was a pleasure to attend the ceremonies at Old Bar, Taree and Forster and rub shoulders with some of our area's most outstanding citizens.

HUNTER TRACK CLASSIC

Ms SONIA HORNER (Wallsend) (13:16): Seven Rio Olympians and 10 Paralympians including wheelchair racers Kurt Fearnley and Christie Dawes, hurdler Michelle Jenneke, and women's 4 x 400 metre finalists Morgan Mitchell and Anneliese Rubie joined with 300 athletes at the Hunter Sports Centre in Glendale on 28 January. These star athletes showed off their prowess and skill when spectators were welcomed onto the field to view athletic events including shot-put and javelin up close. I salute the athletes and organisers for putting on this engaging event. I further thank Colin Southwell, chief executive officer of Hunter Sports Centre, for the job he does.

CHRISTIAN GEORGALLIS FUNDRAISING

Ms MELANIE GIBBONS (Holsworthy) (13:17): Today I congratulate Christian Georgallis from Pleasure Point on his inspirational effort in fundraising to support people with cerebral palsy by climbing Australia's tallest mountain, Mount Kosciuszko. What makes Christian's work even more amazing is that he has cerebral palsy. At only 15 years old, Christian is determined to make the eight-kilometre trek with his family to the top of Mount Kosciuszko as a way to give back to the organisation that has always supported him. Christian has raised more than \$10,000 from the local community to support Cerebral Palsy Alliance, but his new goal is to raise \$20,000 before he reaches the top. His fundraising achievements and determination have become an inspiration to many in our community. I congratulate him on his outstanding fundraising efforts for this worthwhile cause and his dedication to achieve his dreams. I cannot wait to see more of Christian's adventures and accomplishments in the future.

TRIBUTE TO ROBERT "DUTCHIE" HOLLAND, OAM

Mr GREG PIPER (Lake Macquarie) (13:18): Many people would remember Robert "Dutchie" Holland taking wickets for Australia in the mid-1980s cricket tests and famously demolishing the batting line-up of the West Indies, but in Lake Macquarie we acknowledge him equally for his unswerving commitment to his local community. I have known Bob for many years and was pleased to see him recognised with a Medal of the Order of Australia on Australia Day. It was a fitting acknowledgement for a true gentleman of sport. Bob, from Toronto, played 11 test cricket matches for Australia between 1984 and 1986 and 95 first-class matches before his sporting retirement. Since then he has worked tirelessly off the pitch for his sport and the youngsters playing the game.

Bob usually shuns the headlines, but was unfortunately in them last year when he was assaulted by two people he caught damaging a cricket field at Awaba. He is a true gentleman who loves cricket and, with the support of his wife, Carolyn, actively supports local youth in their sporting endeavours. He was made a life member of Cricket NSW in 2009 and has performed in every role in local cricket circles throughout his distinguished career. I take this opportunity to congratulate Bob and Carolyn on his award and again thank him for the extraordinary contributions he has made to the Lake Macquarie community.

AUSTRALIAN NATIONAL SERVICEMEN'S ASSOCIATION CEREMONY

Ms TANYA DAVIES (Mulgoa—Minister for Mental Health, Minister for Women, and Minister for Ageing) (13:19): Today I acknowledge the Eleventh Anniversary Memorial and Tribute Laying Ceremony held on Sunday 5 February 2017 with the distinct purpose of remembering and honouring all national servicemen, including those who have paid the ultimate sacrifice for our nation. Our service men and women, who have made an enduring impact in defending our nation's values of freedom and liberty, respect for others, democracy and the rule of law, while also advancing the rights and freedoms of peoples from all backgrounds and maintaining our national security and the defence of our land and people, deserve respect and to be honoured.

The Penrith City Australian National Servicemen's Association [ANSA], which had charge of the ceremony, did a wonderful job. I take this opportunity to recognise all those who made this ceremony one that was solemn and respectful. I thank Mr John Taylor, JP, whose selfless sacrifice was well and truly on display in organising the event. I laid a wreath in honour of all Nashos who paid the supreme sacrifice to ensure Australia remains a land of the free. I thank all service men and women who have heeded the call of service to protect our nation.

TEMPORARY SPEAKER (Mr Bruce Notley-Smith): Order! I ask all members to lower their voices. Members who wish to have private conversations should take them outside the Chamber. It is very difficult for me, members and Hansard to hear members' contributions.

HUMAN APPEAL INTERNATIONAL TWENTY-FIFTH ANNIVERSARY DINNER

Mr JIHAD DIB (Lakemba) (13:20): On 27 November 2016 I had the pleasure of attending the Human Appeal International Australia twenty-fifth anniversary dinner. The event celebrated the many successes and achievements that Human Appeal International has made over the years in crisis relief, medical aid, orphan sponsorship, community leadership programs and many more. Currently in 23 countries, this organisation has established an internationally recognised standard for others to follow and it continues to excel in many aspects of global and local engagement.

Human Appeal International has raised more than \$26 million, which has contributed to the improvement of many lives, from children in war-torn countries to young leaders in Sydney. One of the most exceptional aspects that stands out is the organisation's consistent dedication to the community. It is always seen initiating or supporting initiatives that build community capacity and produce servant leaders. Charity is an ingrained part of

our culture and I am proud to see such a successful not-for-profit organisation that has excelled in this area. Once again I congratulate Human Appeal International on its achievement and wish the organisation many more fruitful and rewarding years to come.

DAFFODIL COTTAGE

Mr PAUL TOOLE (Bathurst—Minister for Lands and Forestry, and Minister for Racing) (13:21): I inform the House of the incredible work undertaken by the hardworking volunteers of the Bathurst Daffodil Cottage. The entire committee has worked hard for a number of years to raise funds and to raise awareness of cancer services at Bathurst Health Service. Recently an increase in cancer treatment was required and the committee raised more than \$650,000 from the community for an extension to the existing building. I congratulate Jane and Robert Rawlings on their incredible fundraising work. I also congratulate Peta Gurdon-O'Meara, chair of the committee, who is passionate about people staying locally during their treatment and not being turned away from this service. The community was in desperate need of this service. I thank everyone for their efforts.

HUNTER HEARTS FOUNDER KERRY TIPPETT

Mr TIM CRAKANTHORP (Newcastle) (13:22): Today I speak of an amazing woman in the Newcastle community: local mother and founder of Hunter Hearts, Kerry Tippet. On Valentine's Day this year, Ms Tippet skipped the flowers and chocolates in order to start a new tradition. Ms Tippet encouraged people to buy and affix a love-heart shaped padlock to a giant metal heart in Newcastle to raise money for the John Hunter Children's Hospital. Hunter Hearts was launched following the death of Ms Tippet's daughter, Maddie. Maddie died from heart complications on 18 February 2014. I commend Ms Tippet for selflessly giving her time to assist in raising funds for the John Hunter Children's Hospital. The efforts of people like Ms Tippet who, in the wake of tragedy embrace the opportunity to assist their community, make Newcastle so special. I thank Kerry for her efforts.

ALBURY ELECTORATE AUSTRALIA DAY HONOURS

Mr GREG APLIN (Albury) (13:23): The Australia Day honours list this year included several noteworthy recipients in the Albury electorate. In the Albury Local Area Command, Chief Inspector Kim Sorensen was awarded an Australian Police Medal, having served with distinction in the NSW Police Force since 1986. Medals of the Order of Australia were awarded to Dr Pat Giddings for his service to rural and remote medicine, and to Stephen O'Connell, Director of the Murray Conservatorium, for his service to the performing arts. Julianne Whyte of Lowesdale, who worked as a nurse and social worker before setting up the Amaranth Foundation, which provides support for people with advanced chronic and terminal illness, was also awarded an OAM. Congratulations to all the recipients. I thank them for their outstanding service to our community.

HEALTH IS WEALTH SEMINAR

Mr GUY ZANGARI (Fairfield) (13:23): On Sunday 15 January 2017, the Iraqi Australian Christian Association hosted the first of a series of health seminars, titled "Health is Wealth", at Club Marconi. The association secured club grants funding from Club Marconi in 2016 and is now delivering positive health education seminars for the Arabic speaking community. The first seminar looked at Medicare and its benefits to the community. The seminar was well attended and the message to the community was positive and incredibly helpful. Congratulations to Dr Ramzi Barnouti and his organising committee for hosting and facilitating this important program for the people of Fairfield.

CASINO MEN'S SHED

Mr CHRISTOPHER GULAPTIS (Clarence) (13:24): I congratulate the Casino Men's Shed on its magnificent new building, which I officially opened recently. Funding for this wonderful facility came from the New South Wales Government, which contributed \$172,000; volunteers raised \$25,000; the Richmond Valley Council contributed \$3,000; and the Federal Government also made a contribution. The group organised its construction and the worldly professional experience of its wily members boosted value for money, which resulted in this first-class men's shed facility. I assure members that those old guys are as sharp as ever when it comes to spending a dollar. Congratulations to President Dean Box, Charlie Cox and their wonderful committee on this achievement, which provides a fantastic venue for men to come together, to be valued and to experience mateship.

KEIRA LEADERSHIP AWARD RECIPIENT PATRICK MALONEY

Mr RYAN PARK (Keira) (13:25): Many extraordinary students are doing wonderful things in the Keira electorate, which is why some years ago I developed the Keira Leadership award. Patrick Maloney from Mount Ousley Primary School won the award this year. Patrick lives by the mantra "It is not all about me." He has dealt with cancer in his immediate family in a mature, responsible and caring way. He also raised \$1,000 as part of the World's Greatest Shave. He has a strong social conscience, befriending those who may be struggling.

This was exemplified by him trying to learn Arabic to support a Syrian refugee who arrived at his school. He cares about those who are vulnerable and in need of support, such as a local homeless man to whom he brought water and food. Patrick is a true role model for all those around him. He received a special mention in the Fred Hollows humanitarian awards earlier this year. I congratulate him on his outstanding achievements.

TRIBUTE TO YVONNE HOLT, OAM

Mr DAVID ELLIOTT (Baulkham Hills—Minister for Counter Terrorism, Minister for Corrections, and Minister for Veterans Affairs) (13:26): I congratulate Baulkham Hills resident Yvonne Holt, who recently received an Order of Australia medal for her remarkable service to veterans and their families. Yvonne served as a member of the 30 Squadron Royal Australian Air Force Beaufighters Association for nearly 20 years and has served as secretary since 2005. Yvonne joined the association after learning that her father, Donald Kirkwood, was a member of the squadron before he was executed in a Japanese prisoner of war camp in Rabaul, Papua New Guinea, on 5 March 1944. Mrs Holt is also a member of the Royal Australian Air Force Association and the Battle for Australia Association. On behalf of the people of Baulkham Hills, I thank Yvonne for her inspiration and her contribution to the wellbeing of veterans and their families in my electorate.

TRIBUTE TO JULIAN CASS

Mr RON HOENIG (Heffron) (13:27): I ask the House to recognise Mr Julian Cass in his retirement from the role of administrator at the Maroubra Synagogue. Julian is a giant in the Sydney Jewish community, and someone I am proud to call my friend. Julian is retiring after almost 11 years as administrator. He tells me that he took the job because he wanted to be there to help the community and to give advice to those who sought it. In that respect he has done a magnificent job. Julian has always been there for the community. He was instrumental in the preparation and delivery of all manner of Jewish functions conducted at the synagogue. For many years, as a board director of the Central Synagogue at Bondi, he ran the Hineni youth and welfare group. Even then, he would attend every holiday camp and quietly help out, serving meals in the kitchen.

The Jewish community owes a debt of gratitude to Julian because he was instrumental in lobbying Coles and Woolworths to expand their kosher offerings in their Bondi Junction stores. At one time kosher offerings on supermarket shelves might have been limited to herrings and matzo. Thanks to Julian, supermarkets that service large Jewish communities now stock a wide range of kosher foods. I thank my friend for his sacrifices over the years. It has been a pleasure to serve with him as a board member of the Maroubra synagogue. This House thanks Julian Cass for his service and I wish him a long life, good health, and a peaceful and well-earned retirement. Chazak u'varuch.

GLOBAL ORGANIZATION OF PEOPLE OF INDIAN ORIGIN YOUNG ACHIEVERS EVENT

Mr MARK TAYLOR (Seven Hills) (13:28): I had the honour of speaking at the Global Organization of People of Indian Origin [GOPIO] Sydney annual young achievers night. I joined the Minister for Multiculturalism, Mr Ray Williams, to celebrate the achievements of young people of Indian background over the past year. Notably, I recognised local students who achieved an Australian Tertiary Admission Rank of 97 and above in their New South Wales Higher School Certificate examinations. This remarkable score places them in the top 5 per cent of all students across the country. We also recognised the great feats of people in sport, performing arts, visual arts, journalism, literature and community service. The GOPIO Sydney is the local chapter of the Global Organization of People of Indian Origin. They are dedicated to promoting the wellbeing, cooperation and communication between those of Indian origin in Australia. This evening is a significant event in Sydney and it simply would not go ahead were it not for the tireless efforts of President Balvinder Ruby. She is a highly engaged leader of the Indian Australian community in my electorate of Seven Hills and I look forward to attending future events.

TRIBUTE TO COUNCILLOR FRED BORG, OAM

Mr GREG WARREN (Campbelltown) (13:29): It is with a heavy heart that I inform the House of the passing of councillor Fred Borg, OAM, in late December last year. Fred was a long-time independent Campbelltown City councillor. He was a passionate advocate for Campbelltown and the Macarthur region. Fred served on the council for more than 17 years. He held the position of Deputy Mayor and served on countless committees. But Fred will be most fondly remembered for his selfless charity work for 24 Hour Fight Against Cancer Macarthur. Over the past 10 years, as chairperson of the charity, Fred was instrumental in helping to raise more than \$2.5 million for the Macarthur Cancer Therapy Centre, oncology ward and paediatric ambulatory care unit at Campbelltown Hospital. Fred had a love for his family and for Campbelltown. He will be sorely missed. I ask the House to join me in sending our thoughts, prayers and best wishes to Fred's family and friends during this time.

KU-RING-GAI HISTORICAL SOCIETY

Mr ALISTER HENSKENS (Ku-ring-gai) (13:30): The citizens of Ku-ring-gai are understandably very proud of the history of their area. Indeed, Ku-ring-gai has had an active and well-supported historical society since 1963. The Ku-ring-gai Historical Society has justifiably drawn praise for its publications, "Focus on Ku-ring-gai" and "Women of Ku-ring-gai", as well as its annual research publication, "The Historian", which combines local history, built heritage and family history. The autumn 2017 release of the third volume of its commemoration of World War I, "Rallying the Troops" is now eagerly awaited.

Volume II received the prestigious Mander Jones 2015 Award from the Australian Society of Archivists for the best publication written by or on behalf of a corporate body that uses, features or interprets Australian archives. I am happy to have copies of volumes I and II in my electorate office. On Australia Day the society's World War I Writer's Group also received Ku-ring-gai Council's Outstanding Service to the Ku-ring-gai Community Award. This is a fitting recognition of the society's hardworking volunteers, who are committed to keeping Ku-ring-gai's treasured history alive.

CHINESE AUSTRALIAN SERVICES SOCIETY

Ms TANIA MIHAILUK (Bankstown) (13:31): On 25 January I was honoured to attend the Bankstown Chinese Australian Services Society [CASS] volunteers thanksgiving party where I had the opportunity to thank all the CASS members and volunteers who have dedicated so much of their time to help to deliver invaluable services. The Federal member for Blaxland, the Hon. Jason Clare, and the member for Canterbury, Ms Sophie Cotsis, were also there. I take this opportunity to recognise the contribution of emeritus chairperson, Dr Leng Tan; foundation chairperson and director, Mr Henry Pan; chairperson, Dr Bo Zhou; deputy chairperson, Mr Anthony Pang; vice chairperson, Mr Sean Zhang; and the council of elders and CASS directors, for helping to enrich our community through their wonderful work. Last Wednesday I also visited the Bankstown Hua Xing Group for their Chinese New Year celebrations, where I was able to congratulate Mr Colin Chen who was recently recognised as the 2017 Bankstown Citizen of the Year for his services to the local community. It was a wonderful opportunity to congratulate all the CASS group volunteers.

EMPIRE BAY FOOD EXCHANGE

Mr ADAM CROUCH (Terrigal) (13:32): The Empire Bay Food Exchange is an exciting initiative that was recently started by one of my constituents as a network set up to minimise food wastage. I congratulate Mr Gregory Olsen who established the Empire Bay Bensville Home Grown Produce Swap to connect the area's home gardeners with like-minded people. The exchange gives people the chance to swap with a neighbour something they have in excess for something they need. The beauty of the exchange program lies in its simplicity and its ability to connect neighbours. It can be as simple as exchanging a couple of pieces of fruit for a dozen eggs.

Mr Olsen posted the idea on the internet and within eight days he had attracted 73 members who are not only swapping their produce but also posting online photos of the results of their hard work, as well as their culinary creations. The exchange was an initiative spurred on by Greg and the passion of his wife, Leanne, for sustainable living. Together they have hosted many sustainability workshops, including worm farming and composting. The Olsen's believe growing one's own food is great fun, therapeutic and relaxing. Well done to Greg Olsen and his wife, Leanne.

JOSIE COFFEE ROASTERS

Ms JODIE HARRISON (Charlestown) (13:33): Josie Coffee Roasters at Gateshead are not ordinary coffee roasters. This family owned and operated coffee roasting business was established to honour Josie Edden, the owner, Christopher's, cousin who passed away at the age of 23 after a tragic accident in Melbourne. Josie's spirit now lives on in coffee shops that brew Josie Coffee, particularly as it expands into cafes throughout Newcastle, Lake Macquarie and interstate. My local cafe, Pegs at Whitebridge, proudly advertises that it uses Josie's beans, and I can attest that it is a delicious and energising brew. Coffee had always been a big part of Josie's life. She started working at a cafe chain in Newcastle at the age of 14 and her passion for coffee led her to move to Melbourne to learn about the speciality coffee industry. Josie immersed herself in the Melbourne coffee industry and became an integral member of a large coffee business. I commend Christopher for setting up Josie Coffee Roasters, a great local business and a beautiful tribute that ensures Josie's memory and passion for coffee lives on.

PENRITH ELECTORATE AUSTRALIA DAY HONOURS

Mr STUART AYRES (Penrith—Minister for Western Sydney, Minister for WestConnex, and Minister for Sport) (13:34): Today I recognise recent recipients of Australia Day honours in my electorate,

including Mr Jim Tiber who was awarded the Medal of the Order of Australia for his service to the community of the Blue Mountains and also for his exceptional work in support of the U3A organisation. Mr Paul Crofts was awarded the Medal of the Order of Australia for his service to veterans and their families. Paul is a wonderful human being and often deals with veterans in their hour of most need.

Mrs Valerie George was awarded the Medal of the Order of Australia for her service to women's health and to the community of the Nepean Valley. Dr Carol Liston was awarded the Officer of the Order of Australia. She has worked tirelessly across the Penrith community and also on the history of Penrith. I also congratulate those recipients who were recognised across other local community organisations. Finally, I recognise Dr Patrick Cretan, who was posthumously awarded the Member of the Order of Australia for his service to medicine and healthcare delivery across New South Wales. He will be truly missed.

TRIBUTE TO JACKIE MALAKI

Mr EDMOND ATALLA (Mount Druitt) (13:35): I congratulate Rooty Hill Public School principal, Ms Jackie Malecki, on being awarded the 2016 John Laing Award for professional development. The award acknowledges school leaders who demonstrate outstanding leadership and support in the professional learning and development of teachers and school leaders. This is a well-deserved award for Ms Malecki who has taught in Western Sydney for 40 years. She has been the principal at Rooty Hill Public School for 18 years. She was nominated for the award by the New South Wales Primary Principals' Association, of which she is the secretary. Ms Malecki has played a leading role in the support and professional development of principals, teachers beginning their careers, school executives and other school staff. The school community could not ask for a better contributor. Well done and thank you, Jackie.

ENGINEERING AID AUSTRALIA

Mr JONATHAN O'DEA (Davidson) (13:36): Engineering Aid Australia [EAA], which is based at St Ives in my electorate, does remarkable work encouraging Indigenous youth towards engineering careers. Last night it was my honour to host the twentieth anniversary dinner of the Indigenous Australian Engineering Summer School program in the Stranger's Dining Room. EAA patron, the Hon. Bob Hawke, AC, and the 2017 New South Wales Australian of the Year, Deng Adut, were among the distinguished guests in attendance, along with 120 young Indigenous engineers, university academics and sponsor representatives. The dinner followed a Government House reception hosted by Governor David Hurley, AC, DSC (Ret'd).

The summer school has been held annually in Sydney for 20 years and seven years in Perth. It features interactive demonstrations and social activities that introduce upper secondary students to the engineering industry. The program's success is evident in the careers of Ben Lange, a past program participant, who capably acted as the master of ceremonies for the evening and now sits on the EAA board of directors chaired by Greg Steele. EAA provides career and networking opportunities, financial assistance and scholarships to Indigenous young people pursuing this profession. I admire the organisation's ongoing work. I commend its late founder, Jeff Dobell, and his widow, Anne Vans-Colina. I congratulate all those involved.

TAREE NORTH ROTARY CLUB GOLDEN ANNIVERSARY

Mr STEPHEN BROMHEAD (Myall Lakes) (13:37): I congratulate Taree North Rotary Club on its golden anniversary to be celebrated in conjunction with the club's annual changeover dinner at Taree on Saturday 20 May 2017. I congratulate president Michael Byrne and president elect Adam Scarff. Plans are well underway for the rotary club's anniversary of service to the community. The club was formed on 3 June 1967. I wish the club and its members all the very best. I hope hundreds of people attend the dinner.

ASG POETRY AWARD RECIPIENT JORDAN VARGHESE

Ms MELANIE GIBBONS (Holsworthy) (13:38): Today I congratulate Jordan Varghese, an 11-year-old student from St Catherine of Siena Catholic Primary School, Prestons, on receiving the ASG Literacy Achievement Award in poetry. The award ceremony was held in Melbourne as part of the Young Australian Art and Writers' Awards. This event, which was created by the Children's Charity Network, is designed to help build confidence and self-esteem in children. Jordan was deemed to be one of the best young poets in Australia. More than 33,000 applications were submitted for the award. His poem outlines the significance of being grateful. Jordan has inspired other young poets to express their feelings to create something they never believed they could. I congratulate Jordan on his outstanding achievement and his literacy skills. I wish Jordan all the best for the future.

TEMPORARY SPEAKER (Mr Bruce Notley-Smith): I will now leave the chair until 2.15 p.m.

*Visitors***VISITORS**

The SPEAKER: I welcome our guests to the gallery this afternoon for question time. In particular, I extend a very warm welcome to the Hawkesbury West Probus Club, guests of the Treasurer, and Minister for Industrial Relations, the member for Hawkesbury. I also welcome Lieutenant Commander Royal Navy, Retired, Arthur Robbins, who is visiting from France and was previously seconded to the Royal Australian Navy, stationed for two years at the wonderful HMAS *Albatross*. He is a guest of the member for Coogee.

*Members***ELECTORAL DISTRICT OF GOSFORD****Vacant Seat**

The SPEAKER: I advise the House that on 14 February 2017 I received a letter from Kathleen Smith resigning her seat as member for the electoral district of Gosford.

Mr ANTHONY ROBERTS: There are times when we undertake procedures in this House that are quite easy and non-problematic, but nothing gives me a greater sense of distress than having to accept the resignation of a member of this place because of ill health. On behalf of all of us, I pass on to Kathleen our best wishes. Certainly, she will be in our prayers and thoughts. That brings to mind the importance to all of us of what we do here and how we interact with each other. With that in mind, I move:

That, in accordance with section 70 of the Parliamentary Electorates and Elections Act 1912, the seat of the member for Gosford be declared vacant by reason of the resignation of Kathleen Smith.

Motion agreed to.

The SPEAKER: Order! Members will cease arguing across the Chamber. The Leader of the Opposition has the call.

*Question Time***CBD AND SOUTH EAST LIGHT RAIL PROJECT**

Mr LUKE FOLEY (Auburn) (14:25): My question is directed to the Premier. The Auditor General's report into the CBD light rail states on page 17 that information released about the project was "inaccurate or delayed" and "has not been correct or timely". With that record, why should the community believe a word the Premier says about this project?

Ms GLADYS BEREJIKLIAN (Willoughby—Premier) (14:26): I am happy to talk about light rail—and this specific project—all day and all night. I refer the Leader of the Opposition to his press release issued on Monday 13 February. It was very dramatic and states:

Today Labor Leader Luke Foley—joined by Shadow Treasurer Ryan Park, Shadow Planning and Infrastructure Minister Michael Daley, and Shadow Transport Minister Jodi McKay—demanded the Premier:

- Explain why her Government has failed to comply with the Auditor-General's request for an update in the design and costings;
- Release the updated costings immediately;

That press release was issued on 13 February. But the Leader of the Opposition failed to look at the website of Transport for NSW, because in December 2016—

The SPEAKER: Order! There will be no interjections while the Premier is speaking.

Ms GLADYS BEREJIKLIAN: Two months before his press release demanding we do this, it had already happened. Here we have four members of the Labor front bench: the shadow Treasurer, the shadow planning Minister, the shadow transport Minister and the Leader of the Opposition. How can we believe anything they say when they are two months late in knowing what is going on?

The SPEAKER: Order! The Leader of the Opposition will come to order. Government members will come to order. I am having difficulty hearing the Premier.

Ms GLADYS BEREJIKLIAN: I refer to page 4 of the Auditor-General's report, where one of the recommendations states "update and consolidate information about project costs and benefits and ensure that it is readily accessible to the public". This had to happen by December 2016 and, sure enough, in December 2016 it happened. I am pleased to say that the \$2.1 billion CBD and South East Light Rail project has a cost-benefit ratio of 1.4, meaning for every \$1 that is spent \$1.40 of benefit will be created for the State. And guess what? That is what I said; that is what I put in writing more than two years ago.

Those opposite have no credibility. They are trying to dig themselves out of a hole but they do not even bother looking up the website that shows we complied with the report. Not only that, the information provided confirms what I stated publicly on the record more than two years ago. So I say to the Leader of the Opposition that either he has very incompetent shadow Ministers or they are setting him up. He is the leader. I say to the Leader of the Opposition that the next time he asks me the first question in question time, he should do his research. He should do his homework. How does he think he can run the State when he cannot even look up a website?

Mr Michael Daley: Point of order: Those opposite are pretending to be all excited because they were so flat yesterday. They have pumped themselves up today. Did they have a big pep talk—"We have to back up the Premier; let's rev ourselves up?" What a hopeless joke they are.

The SPEAKER: Order! The member for Maroubra will resume his seat. There is no point of order. Government members will come to order. I will not call on the member for Maroubra again if he continues to commence his points of order in that manner. I accept that there is a difference between interjection and acclamation, but there is too much audible conversation coming from Government members.

Ms GLADYS BEREJIKLIAN: I do not mind Opposition members being touchy, because we can understand why. Back in 2014 the member for Maroubra criticised me for not extending the light rail project to Maroubra. In this article, "Budget fails on rail, MP", it says, "Maroubra State MP Michael Daley has hit out at last week's State budget for not releasing funds to extend the light rail project to Maroubra."

The SPEAKER: Order! Members will come to order or they will make an early exit from question time.

Ms GLADYS BEREJIKLIAN: Today we see an enormous blunder by those opposite. Why do they not ask for extra time? Ask me another question.

The SPEAKER: Order! The member for Maroubra will come to order. The member for Kiama will come to order. The Minister for Transport and Infrastructure will come to order. Members will come to order.

HOUSING AFFORDABILITY

Mr JONATHAN O'DEA (Davidson) (14:31): My question is addressed to the Premier. What is the Government doing to tackle the issue of housing affordability in New South Wales?

Ms GLADYS BEREJIKLIAN (Willoughby—Premier) (14:31): I thank the member for Davidson for asking that very important question. When I had the honour of becoming the Premier of New South Wales I identified that housing affordability would be, and remain, a key priority for the New South Wales Government. I note that the member for Davidson, along with many other members in this Chamber, cares about this very important issue. We care about it not because this issue gets a lot of public attention but because it affects every single household and everybody talks about their concerns regarding housing affordability. We all accept that it is a complex issue that requires a multi-pronged approach. To that end, I confirm today that the New South Wales Government has already started to develop a comprehensive housing affordability strategy aimed at assisting first home owners to enter the property market.

Ms Kate Washington: Six years.

Ms GLADYS BEREJIKLIAN: In response to interjections from those opposite, I note that there are already record approvals rates in New South Wales in terms of housing. We already have record construction rates and we also have a record infrastructure spend. But I am the first one to admit there is more to do, and that is why I am delighted to make a very important announcement today. I am delighted to announce—

Mr Luke Foley: Giving Stokes his job back.

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

Ms GLADYS BEREJIKLIAN: Those opposite do not want to hear good news and they do not care about housing affordability. I am delighted to announce that former Reserve Bank of Australia Governor Glenn Stevens has accepted my personal invitation to provide advice to the Government team working on this very important challenge. I am also very pleased to say that—

Ms Tanya Mihailuk: How many more reviews, Premier?

The SPEAKER: Order! Opposition members will cease interjecting.

Ms Tanya Mihailuk: More consultants to be paid.

Ms GLADYS BEREJIKLIAN: I am very disappointed that those opposite do not care about housing affordability.

The SPEAKER: Order! I call the member for Bankstown to order for the first time.

Ms GLADYS BEREJIKLIAN: This will be Glenn's first role since retiring as Reserve Bank governor, and I could not be more pleased that he will assist the Government to make it easier for people in New South Wales to achieve their goal of owning their own home. I have asked him to provide advice on all of the options that we are already considering as a government to tackle this very important public issue. I believe there is no-one better qualified to undertake this important task. Glenn's record and résumé speak for themselves. Glenn's advice will be critical in evaluating measures that can have a real, positive impact while avoiding any unforeseen circumstances. When addressing housing affordability it is always important that governments do not unintentionally do anything that could have an adverse impact.

Mr Brad Hazzard: Like a vendor sales tax.

Ms GLADYS BEREJIKLIAN: I am getting to that. Of course, our aim is to ensure that every person working in New South Wales can aspire to own their own home. That is what motivates us. As a government we have always said that our main focus is on delivering supply and of course we will continue to do that. Under our leadership so much has happened in this space. We know that unfortunately Labor failed to address housing affordability when it was in government. Nothing better illustrates that than when former Premier Bob Carr said in 2001 that Sydney was full. They did not release any new land or build any infrastructure. For about the next decade we had the slowest rate of growth in the nation because of that. We had the slowest rate of growth because a previous Labor Premier said, "We're too full. Don't release more land. Don't build more houses. Don't build infrastructure. Just shut the whole place down." We know that is no way to run New South Wales.

I do have to make a confession: It is not all Labor's fault. Because we have done great work in creating jobs, growing the economy and putting our budget back in the black many more people are staying in New South Wales and many more are coming here from other States. That—in a good way—puts more demand on housing. We are, in part, the victims of our own success. But we inherited a huge undersupply problem because of Labor's incompetence and we have to accept that as well. Interestingly, the member for Maroubra has said, "Isn't it terrible they only produced 30,000 new dwellings last year?"

Mr Michael Daley: I didn't say that.

Ms GLADYS BEREJIKLIAN: You did. The member for Maroubra said last month on radio that last year in New South Wales there were more than 70,000 homes approved but only 30,000 were actually built.

The SPEAKER: I remind the member for Maroubra that this is not a debate.

Mr Michael Daley: I did not say it was terrible.

Ms GLADYS BEREJIKLIAN: No, but you said only 30,000 were actually built. In fact, it was 53,000.
[Extension of time]

I accept that he did not say it was terrible, but he said only 30,000 had been built.

Mr Michael Daley: You need 40,000 to catch up.

The SPEAKER: The member for Maroubra will stop being argumentative.

Ms GLADYS BEREJIKLIAN: I am merely highlighting the fact that he underestimated what the Government had done.

Mr Brad Hazzard: How does it compare?

Ms GLADYS BEREJIKLIAN: That is my next point. We built 53,000 homes. Unfortunately, in its last year in office, Labor built only 28,000.

The SPEAKER: The member for Maroubra and others who are interjecting are on their last warning.

Ms GLADYS BEREJIKLIAN: After nearly six years in office we are doubling the rate of new homes coming onto the market. We know that the only housing policy Labor released during the election was given birth to at sunrise and put to bed at sunset. It was Foley's stamp duty folly. Do members remember that? He got up in the morning and said that we should defer stamp duty and by the end of the day he had ripped that policy up. Ever since that day we have heard nothing from the Opposition about housing, except from the shadow Treasurer.

After the Leader of the Opposition ripped up his policy and conceded he had made a mistake, the shadow Treasurer released the same policy some months later. There you have it. Labor's response to housing affordability is to shut Sydney down, not build infrastructure or houses, release a policy that has proved to be a failure and put a vendor tax on people selling their homes. That is Labor's response. On the other hand, I am very proud of what

we have done to date, but there is more to do. I am extremely proud that someone of the calibre of Glenn Stevens has agreed to support the Government in its bid.

The SPEAKER: Order! No comments or interjections are needed from Government members. The member will be heard in silence.

HOUSING AFFORDABILITY

Mr LUKE FOLEY (Auburn) (14:39): My question is directed to the Premier. In light of her earlier answer to the question from the member for Davidson, if Glenn Stevens recommends reform of negative gearing—as urged by the former Minister for Planning—will the Premier support that reform or conveniently exclude that matter from Mr Stevens' terms of reference?

The SPEAKER: The Premier may answer, but I remind the Leader of the Opposition that standing orders state that members should not ask hypothetical questions. That was a hypothetical question, and I warn Opposition members against asking hypothetical questions.

Ms GLADYS BEREJIKLIAN (Willoughby—Premier) (14:40): That question demonstrates one thing: Those opposite have dropped their question time strategy. Labor has pumped this up in the press for months: "We're going to get her on light rail! We're going to get her!" Today Labor comes in, asks me a question and gets it wrong. "What do we do now? We'll respond to something she's just said in Parliament. She talks about housing affordability—"

The SPEAKER: There is no need for the member for Kiama to make those sorts of comments when a member takes a point of order.

Ms Kate Washington: Point of order: My point of order relates to Standing Order 129. The question was specifically about negative gearing, but we have strayed into the realm of other things.

The SPEAKER: Order! The Premier remains relevant to the question she was asked. There is no point of order.

Ms GLADYS BEREJIKLIAN: The question was specifically, "How can we distract from our stuff-up in the first question?" I am very pleased to say that, unlike those opposite, we are getting on with the job of being a good government. Yesterday we dealt with a very important issue; today I made a very important announcement in relation to housing affordability.

The SPEAKER: Order! I remind the member for Bankstown and Opposition members that this is not a debate.

Ms GLADYS BEREJIKLIAN: I must have missed it then, but it was reported today that yesterday the Leader of the Opposition had something to say about factions.

Ms Kate Washington: Point of order—

The SPEAKER: I remind the member for Port Stephens that I have ruled that the Premier's answer was relevant. Does the member have a different point of order?

Ms Kate Washington: No, my point of order relates to Standing Order 129, because what the Premier is saying is not relevant.

The SPEAKER: My ruling remains the same: There is no point of order.

Ms GLADYS BEREJIKLIAN: As a supplementary response to the Leader of the Opposition's response yesterday, I thought I should outline the life and times of the Leader of the Opposition.

Ms Jodi McKay: Point of order—

The SPEAKER: I remind the member for Strathfield that I have already ruled on the point of order.

Ms Jodi McKay: The life and times of the Leader of the Opposition is not negative gearing. This is a really important question about negative gearing. I know it has been ruled on, but where the Premier is heading is not relevant to the question.

The SPEAKER: I need to hear further from the Premier as to what she will say about the life and times of the Leader of the Opposition to determine whether it remains relevant.

Ms GLADYS BEREJIKLIAN: It is relevant because the Leader of the Opposition raised the issue yesterday and I did not have an opportunity to respond. It is only appropriate that I respond. The Leader of the Opposition started his career in the trade union movement.

The SPEAKER: I still cannot determine whether it is relevant, and I will not know until I hear further. Government members will come to order.

Ms GLADYS BEREJIKLIAN: Not a problem with the trade unions—

Ms Jodi McKay: I've got a problem with you.

Ms GLADYS BEREJIKLIAN: Yes, I know that.

The SPEAKER: Order! The member for Strathfield will come to order. I remind members there is no need to screech.

Ms GLADYS BEREJIKLIAN: After gaining a lot of experience in the trade union movement, he heads to Sussex Street. And then after he—

Mr Jihad Dib: Point of order—

The SPEAKER: I will need to hear further. What is the member's point of order?

Mr Jihad Dib: It is Standing Order 73—personal reflection.

The SPEAKER: I have not heard any personal reflections. There is no point of order.

Mr Jihad Dib: When it happens is it okay for me to get up?

The SPEAKER: The member will resume his seat.

Ms GLADYS BEREJIKLIAN: Don't worry: There will be a part two and a part three. Don't worry.

Mr Michael Daley: Point of order: The Premier has now spoken for almost five minutes without mentioning the words "negative gearing". You cannot hide from it all your life, Gladys!

The SPEAKER: I could have ruled the question out of order for being hypothetical, but I did not.

REGIONAL INFRASTRUCTURE

Mr CHRISTOPHER GULAPTIS (Clarence) (14:45): My question is addressed to the Deputy Premier. How is the New South Wales Government making regional New South Wales a great place to live, raise a family and start a business?

Mr JOHN BARILARO (Monaro—Deputy Premier, Minister for Regional New South Wales, Minister for Skills, and Minister for Small Business) (14:45): I thank the member for Clarence for his question—again, another outstanding local member that comes from a great part of this State. Places like Evans Head and the thriving regional centre of Casino are parts of the great cities that make up the fabric of regional New South Wales. Richmond Valley has seen a significant population growth of 35 per cent in the past 25 years but, more importantly, jobs growth in the Richmond Valley is leading this State. It is great to see jobs being created in regional New South Wales.

This question goes to the heart of this Government's focus on regional New South Wales. This Government clearly understands the importance of regional New South Wales to our economy and to our State. We know that 40 per cent of the population lives in regional New South Wales. For those opposite who do not know, more than three million constituents live outside Sydney, which is why Government members value regional New South Wales. We are focused, we are delivering and we are making sure our regional cities are places where people can raise a family, get a job or start a business.

We support the decision of many to live in regional New South Wales because we know how fantastic it is. If we are to make regional New South Wales a thriving centre in this great State it is important to focus on jobs, communities and essential public services. In the latest population projections of the Department of Planning and Environment, which take us to 2036, areas in this State will see significant growth. Places like Maitland, Shoalhaven and Tweed will have populations of more than 100,000. Places like Bathurst, Port Stephens or my town of Queanbeyan have seen growth over and above the State average.

The Government understands that part of the strength of regional New South Wales is decentralising not only public sector jobs and government agencies—and our track record is clear for all to see—but also private sector investment. In 1992 the Liberals and Nationals relocated the Department of Primary Industries to Orange. I take this opportunity to welcome the new member for Orange. Last year the Minister for Primary Industries, the Hon. Niall Blair from the other place, confirmed that the department and its 730 employees will continue to call the Central West home for another 25 years with an extension of the lease.

With our track record of decentralisation, 2,000 new public sector jobs have been created or planned for in regional New South Wales since 2011. As I said earlier, that comes off the back of public sector jobs. As we build the infrastructure—roads, schools and hospitals—we are creating jobs. Many of the jobs that are being created are attracting people from outside regional New South Wales who are then able to call regional New South Wales home. For example, investment in the new Grafton prison will result in 300 new jobs during its construction. But, more importantly, there will be 250 ongoing jobs when the prison opens in 2019. Right across the State there are examples of decentralisation. Late last year, along with the member for Northern Tablelands, I made the announcement that TAFE digital headquarters would move from Sydney to the great city of Armidale, creating more than 40 jobs in that regional area.

But it is not only about the programs and the bricks and mortar; it is also about the people. One example is William Bardon, 33 years of age, who moved from Surry Hills to Gundagai, where he is the chief executive officer of a meat processing facility. He moved there with his fiancée, bought a house and plans to stay permanently. He said the skilled incentive made his decision to move easy and he found the application very straightforward. While William was originally from Gundagai, his fiancée is from Sydney and he says she loves the pace of life in the country. William said:

There is less stress and things are less hectic such as shopping or finding parking. You definitely have more time to do things, yet nowadays with the internet, you are still connected to the rest of the world. It's a great lifestyle.

We know how great it is in regional New South Wales; we know how great our cities are. [*Extension of time*]

For many people it is a city change. I support the comments of the Deputy Prime Minister, who said that people should consider regional New South Wales as an option when looking for a place to raise their families. It is fair to give credit where credit is due. Those opposite are also focused on decentralising from the city of Sydney. There are some great examples of members opposite making a commitment to move to regional New South Wales. The best example is Milton Orkopoulos. He moved to Cooma and I think he will be there for a while. As we have seen in the press recently, another member from the Opposition, Eddie Obeid, is joining a regional community. He is on his way to Cooma.

Mr Ryan Park: Point of order—

Mr JOHN BARILARO: The way we are going we might have to consider opening a special wing at Cooma jail, a sort of supermax wing for Labor has-beens.

Mr Ryan Park: Sit down, grub.

The SPEAKER: Order! That sort of language is unparliamentary if it is what I thought I heard. I may be mistaken, so I will hear the point of order.

Mr Ryan Park: My point of order is taken under Standing Order 129. This side of the House finds what the Minister just said offensive—I am sure the member for Kiama finds it offensive—and I ask him to withdraw the comments about a convicted paedophile.

The SPEAKER: Order! There is no point of order. The member for Keira will resume his seat.

Mr JOHN BARILARO: Of course, the greatest poster boy for regional New South Wales of those opposite is the one and only Ian Macdonald. He really had an interest in regional New South Wales with those commercial interests in the Hunter region. We have a plan for regional New South Wales; we are focused. Over the next two years this side of the House will continue to invest in regional communities and regional people.

CBD AND SOUTH EAST LIGHT RAIL PROJECT

Mr MICHAEL DALEY (Maroubra) (14:52): My question is directed to the Premier. An article by Jacob Saulwick, published in the *Sydney Morning Herald* on 8 December 2016, states that the Auditor-General's report into the CBD and South East Light Rail means that the Premier's claim about the cost blowout "can be dismissed for what it always was: probably a lie, perhaps wilful ignorance, possibly mere incompetence".

Mr Chris Patterson: Point of order—

Ms Gladys Berejiklian: I am happy to answer the question.

The SPEAKER: Order! I will listen to the question and I will rule on the question without anyone's assistance.

Mr MICHAEL DALEY: Is the Premier able to produce in this House a single document that shows when she knew about the real reason for this blowout that would prove those assertions incorrect?

The SPEAKER: Order! That question should be ruled out of order on the grounds that it contains too much factual information. The Premier can answer the question, but if it is asked again I will rule it out of order.

Ms GLADYS BEREJIKLIAN (Willoughby—Premier) (14:53): Those opposite are putting their question time strategy back onto the first question. I am happy to answer the question.

The SPEAKER: Order! I could hardly discern what the question was.

Ms GLADYS BEREJIKLIAN: I kind of get the gist of it. The member for Maroubra and all the Opposition frontbench cannot even look up a website. They cannot get anything right. I do not blame them for not understanding how major infrastructure in this State is built because they have never done it. I will refer to the question directly asked and then, as is appropriate, I will provide some context on their record. I am very proud of the CBD light rail project because it will change Sydney forever. Labor promised for years that it would build the inner west light rail and never did it. Within a couple of years of us coming to office not only had it already been built; it was also operational. After it was running there was a complaint: people said, "We like it so much we want more services."

As transport Minister I built it and created more services and the Inner West community is very happy. When we embarked on the CBD light rail project, which the community had asked us to do for many years—in fact, the member for Maroubra asked us to extend it to his electorate—we knew it was a complex project. The estimated total cost of the project was \$1.6 billion. As I said, I was the transport Minister at the time. As all good governments do with good projects, they go to the market. The Government goes to the experts and asks, "This is what we would like to do. How much do you think it will cost? What are your proposals?" During that competitive process, the private sector came back to us and said, "If this is what you want to do, it will cost you—"

Mr Michael Daley: That is not what the Auditor-General said.

Ms GLADYS BEREJIKLIAN: The member for Maroubra has not read the report. Going through that commercial process the proponent we chose said it would cost \$2.1 billion. Guess what? I went to the public in 2014 and said that. The Auditor-General's report stated that the project budget was still \$2.1 billion and, according to that report, the project is also running on time and on budget. That is how governments run good projects. The Opposition had promised the South West Rail Link for how many years. We delivered that project months ahead of schedule and \$300 million under budget. When the Opposition were in office they did build one piece of public transport infrastructure—

Mr Michael Daley: Point of order: My point of order relates to Standing Order 129. I invited the Premier to provide a single document about when she knew. Table a document.

The SPEAKER: Order! The Premier's answer remains relevant to the question she was asked.

Mr Michael Daley: Table one sheet of paper.

The SPEAKER: Order! The member for Maroubra will resume his seat. The Premier has the call.

Ms GLADYS BEREJIKLIAN: A project close to my electorate is the Parramatta rail link, which the Labor Government promised to build. It was supposed to go from Chatswood to Parramatta but it only went from Chatswood to Epping, at double the cost. The one piece of public transport infrastructure that Labor built was only half a project at double the price. When Labor was in office, how many transport Ministers came and went promising electronic ticketing? I am so pleased every time I see a Labor member hold up their phone with an Opal card at the back. When it comes to infrastructure in New South Wales, the Opposition does not get it. They do not understand how to build or what it means. I suggest they read stuff and learn—we know the member for Keira reads serious reports, but he is not reading the right ones. I say to those opposite that we will compare our record on public transport or infrastructure with theirs any time.

HOUSING AFFORDABILITY

Mr GARETH WARD (Kiama) (14:58): My question is addressed to—

Ms Tanya Mihailuk: Why are you not on the front bench?

Mr GARETH WARD: The only way you are going to the Ministry is through the seminary, but you will never get in.

The SPEAKER: Order! The member for Kiama is inviting interjections. The member will not make preliminary comments. The House will come to order. Members will cease interjecting. The member for Kiama is sometimes his own worst enemy.

Mr Michael Daley: You can go to confession.

Mr GARETH WARD: You were there before me for about an hour so I could not get in. My question is addressed to the Treasurer, and Minister for Industrial Relations. Will the Minister outline to the House how the Government is proactively taking steps to address housing in New South Wales and will the Minister advise the House of any alternative policies?

Mr Clayton Barr: Point of order: Earlier today Madam Speaker ruled that questions should not ask for hypotheticals; the second part of that question was clearly hypothetical.

The SPEAKER: Order! There is no point of order. The member should understand the meaning of the word and not use it in a point of order until he has read the standing orders. There was nothing hypothetical in that question.

Mr DOMINIC PERROTTET (Hawkesbury—Treasurer, and Minister for Industrial Relations) (15:00): What a great year this is going to be for the Berejiklian-Barilaro Government. I will not attempt to spell it but the alliteration sounds good. Most importantly, it is going to be a great year for the people of New South Wales, from our big cities to our small towns. This Government has delivered to the miners in the north west to the farmers in the Riverina, to the tradies in the suburbs and to the business people in the Sydney central business district. We are delivering for everyone despite being opposed at every single turn by the great pretenders who sit opposite.

Labor members are the backward defenders of the status quo. They pretend to care about the people of New South Wales and they rail against the Government, as we have seen in relation to housing affordability. But we all remember Labor's great vision for our State. We all remember when Bob Carr declared Sydney was full. The plan was to say it was all too hard and to do nothing. When it came to housing affordability, Labor took a stop work meeting for 16 years. When the going gets tough, Labor does nothing. Once again, it is the Coalition Government that has to make the tough decisions. We understand the aspirations of working families. They are the life and soul of our State, and we want to do all that we can to help them own their first home.

That is why our Government is boosting housing supply at levels never before seen in this State. We are building houses at double the average number built by Labor. We are constructing at rates 90 per cent higher than at any time in our State's recorded history—75,000 new homes are under construction as we speak. We are injecting a billion dollars into the Housing Acceleration Fund to turbocharge supply across the State. Since its creation the fund has supported more than 200,000 homes, and 184,000 new homes are forecast to be completed across Sydney over the next five years. Once again, a new record for our State. The Government is also building the infrastructure to go with those homes, which is something those opposite never understood. There is no point in owning a home if there is no transport to take you anywhere. That is why our \$73 billion infrastructure projects are crucial in connecting people with their communities and places of work. Recently I was looking at the shadow Treasurer's housing affordability plan, which I have noticed he talks a lot about on Twitter. A few weeks ago he tweeted:

When you can buy an investment property on a whim it's pretty clear you don't comprehend the housing affordability crisis Australian's face. He is spot-on; he is 100 per cent correct. But then I found out that the shadow Treasurer owns not one, not two, but three properties. The shadow Treasurer, who is a property tycoon, is running Labor's housing affordability agenda. I have also learnt that the member owns a property in Potts Point.

Mr Jihad Dib: Point of order: My point of order is under Standing Order 129, relevance. The Minister is making a personal reflection.

The SPEAKER: Is it a personal reflection because he has a property at Potts Point? There is no point of order. The member will resume his seat.

Mr DOMINIC PERROTTET: He summers in his southern estates and winters in his Potts Point mansion as he sits in his parlour with Cristal in one hand and his iPhone 9 in the other tweeting to the masses, "Let them have houses". The member for Keira is nothing more than a landlord in union clothing. [*Extension of time*]

With "Potts Point Park" this Chamber has its own Mr Harbourside Mansion. When it comes to housing, just as with everything Labor, they are the great pretenders. Labor pretends housing affordability is someone else's fault but it was the Labor Party's inaction that caused it. Those opposite pretend they can deliver the infrastructure that this State needs, but all that was constructed in 16 years was a bunch of glossy brochures. The Opposition pretends to sympathise with people but it is grandstanding. The social media posturing is nothing more than a giant act. As members will witness over the course of the year, Labor will throw stones from the sidelines while the Government is on the field making tough decisions that will make this State great. Whilst Labor continues to pretend, the Berejiklian-Barilaro Government will continue to deliver for the people of New South Wales.

CBD AND SOUTH EAST LIGHT RAIL PROJECT

Ms JODI McKAY (Strathfield) (15:06): I direct a question to the Premier. Will the Premier inform the House when she became aware of the mispricing and omissions in the business case that caused the cost of the CBD and South East Light Rail project to increase?

Ms GLADYS BEREJIKLIAN (Willoughby—Premier) (15:07): I have adequately answered that question. I wish to raise a point in relation to the shadow Minister for Transport.

Ms Jenny Aitchison: Point of order: My point of order is Standing Order 130. It is obvious that the Premier is debating the question.

The SPEAKER: The Premier is not debating the question. I have no power to compel a member to answer a question. The Premier has remained relevant. The member should read the standing orders. The member will resume her seat when asked to do so.

Ms GLADYS BEREJIKLIAN: In relation to the stuff-up earlier in question time, why did the shadow Minister for Transport not look up the Transport for NSW website two months ago in order to provide sufficient advice to her leader so as not to embarrass the Opposition during question time?

Ms Jodi McKay: Point of order: The Premier does need to answer the question. It is important. It is about when the Premier became aware of the omissions in the business case.

The SPEAKER: Order! There is no point of order. The member will resume her seat. The Premier has the call.

Ms GLADYS BEREJIKLIAN: The member for Strathfield shows that those opposite are more interested in a headline and a sound grab than doing the work and getting the facts correct. The Opposition has demonstrated it has no principles and no policies.

Ms Jenny Aitchison: Point of order—

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

Ms GLADYS BEREJIKLIAN: As the Treasurer so eloquently put it, "They are out to lunch." I have finished my answer.

INFRASTRUCTURE AND HOUSING

Dr GEOFF LEE (Parramatta) (15:09): My question is addressed to the Minister for Transport and Infrastructure. How is the New South Wales Government delivering infrastructure that enables the creation of housing growth centres?

Mr ANDREW CONSTANCE (Bega—Minister for Transport and Infrastructure) (15:09): That is a good question. I thank the member for Parramatta for his question. He represents a part of Sydney where we are building the infrastructure to support the housing boom. That is how it is done. Whether it is Parramatta Light Rail or WestConnex—you name it—we are getting on with building the infrastructure to support the State's housing boom. Contrast that with the Opposition, who looked after their developer mates when they were in office but failed to build the necessary transport to service large housing developments around the State.

The Government knows that transport and planning go hand in glove in delivering outcomes for communities across the State. From the member for Strathfield, the shadow anti-transport Minister, we hear constant opposition to projects. I was intrigued to note that she opposes WestConnex but failed to declare that her home is a couple of hundred metres away from the project. The people of Western Sydney cannot have a quicker trip to work because the member for Strathfield is a nimby.

Ms Jodi McKay: Point of order: My point of order is taken under Standing Order 129. As the Minister knows, I made every declaration that was required.

The SPEAKER: Order! There is no point of order. The member will resume her seat.

Ms Jodi McKay: If the Minister is going to accuse me of misleading people then he should ensure that he gets his facts right.

The SPEAKER: If the member does not resume her seat she will be directed to leave the Chamber.

Mr ANDREW CONSTANCE: The member for Strathfield should spend more time on her portfolio responsibilities instead of trying to undermine the member for Maroubra. That is the feedback. The member for Strathfield should leave him alone. Now the member for Bankstown is getting fired up. Housing is being built everywhere, and we are building infrastructure to support it. In the Glenfield to Macarthur corridor 33,100 new

homes are being built and we have delivered the South West Rail Link. Sydney Metro Northwest will service the 90,000 new homes being built in that growth centre. That is very exciting. As we all know, with the advent of the metro in the south-west there is a real opportunity to provide more housing to the communities there. I know this House loves a good quote, and I have a very good quote about the south-west metro:

... Metro transport brings an opportunity to renew, reinvigorate and re-energise our communities—this is something we should welcome ...

It is essential that we focus on building housing along the Sydenham to Bankstown line because, simply put, we have a housing affordability issue gripping our city in part because demand outstrips supply.

It was not a Liberal Premier, Premier Berejiklian, who said that; it was none other than Morris Iemma. We all remember Morris, who was cut down in his prime. He wanted to sell the State's poles and wires to raise the capital to build the metro. He was mowed down by Ned Kelly from Blacktown and the deputy general secretary of the Labor Party at the time, Luke Foley.

The SPEAKER: Order! Opposition members are making far too much noise.

Mr ANDREW CONSTANCE: They were part of the cabal that tried to work out how to destroy the career of Morris Iemma. Morris Iemma, a Labor Premier, wanted to do what was right for this State 10 years ago. He was cut down in his prime by the cabal that included the member for Auburn and the member for Blacktown. Is it any wonder that the member for Auburn still opposes the South West Rail Link? The metro will change those communities by providing a faster train with more capacity and, at the same time, providing accessible stations in places like Punchbowl and Wiley Park, in the electorate of the member for Lakemba.

Why does he oppose that? Why does the Opposition oppose the infrastructure improvements in Canterbury and Hurlstone Park? In Summer Hill and Dulwich Hill we will be able to provide accessible stations with the advent of the metro. While I am quoting articles by Labor luminaries about the building work that this great State Government is delivering, I must say that I was particularly taken by an article about what is happening in Newcastle when it comes to building infrastructure to support the State's housing boom. I was very pleased to read that Lord Mayor Nuatali Nelmes has said:

Our city is experiencing unprecedented growth and investment ... We are seeing cranes in the sky with whole city blocks currently being transformed ... The value of approved development soared 70 per cent in Newcastle last year. Over the past five years, the total value of projects given the green light in the city has surpassed \$3 billion.

[Extension of time]

That was the Labor Lord Mayor of Newcastle supporting what a Liberal-Nationals Government is delivering for this State. Who opposed it every step of the way? It was none other than Crackers. On council, he opposed every development proposal designed to deliver a housing boom to Newcastle. I now know why—because Nuatali is on the way to take him out in preselection. In the Labor Party there is a fundamental misunderstanding about investing in infrastructure and supporting the housing boom. All Labor members want to do is cancel projects. The more sensible members of the Labor Party, such as former Premier Morris Iemma and the current Lord Mayor of Newcastle, know that the strategy being deployed by the Berejiklian Government is the best strategy for supporting communities across New South Wales.

RENEWABLE ENERGY

Ms JENNY LEONG (Newtown) (15:16): My question is directed to the Premier. Given that the people of New South Wales have been experiencing record-breaking heatwaves and flash flooding, and given that what gets measured gets done, will she consider legislating to ensure that New South Wales meets the aspirational target set by her Government of zero net emissions by 2050?

Ms GLADYS BEREJIKLIAN (Willoughby—Premier) (15:16): I thank the member for Newtown for her question and acknowledge her commitment to all matters relating to the environment. I am pleased to say that the New South Wales Government of course supports the Commonwealth's renewable energy target. Our Renewable Energy Action Plan is helping to guide our renewable energy development in this State. Last week there was a record demand for electricity in New South Wales, during very trying heatwave conditions, and we met that demand by using every source of electricity. The critical thing was that we used every source, whether it was coal, gas, hydro-electricity, wind or solar. It is key to use every source of energy available. I stress that our future electricity needs will be met by a smart combination of all these elements.

Those opposite have no credibility on this issue because last week, during extremely trying times, the Leader of the Opposition suggested that we should reopen a mothballed coal-fired power station, while the member for Blacktown wanted to close down the coal industry. We know that there are huge levels of disagreement among those opposite. I stress that New South Wales has adopted long-term objectives to make us more resilient to a changing climate and to achieve those net zero emissions by 2050, which is the issue raised by

the member. These objectives are completely consistent with the Commonwealth's commitment to the Paris agreement, as the member would know. Our total Climate Change Policy Framework was released in November 2016, and that included a half a billion dollar environment funding package for the Climate Change Fund, up to \$200 million to be invested in accelerating advanced energy, using renewables, storage and smart meters, and a range of other things. I hope that addresses the member's question in relation to our commitment.

I say also that last week our State came under stress because of the extreme heatwave and the pressure it put on our energy sources. I am really pleased with the way in which we managed to come through that challenge. I was very disappointed by the comments made by the Leader of the Opposition. When people were feeling stressed and we were putting out public announcements about what to do to make sure we maintained our energy levels, the Leader of the Opposition said, "All of these problems are because the Liberals have privatised electricity." Surely he was not talking about poles and wires; that is distribution. If he was talking about the gen-traders, we all know who started that privatisation—the New South Wales Labor Party. Those on the opposite side of the Chamber have no credibility on any issues regarding energy or the environment. I thank the member for Newtown for her question. We are committed to making sure we take a balanced approach to this State's energy needs, and will continue to do that.

HOUSING AFFORDABILITY

Mr ALISTER HENSKENS (Ku-ring-gai) (15:19): My question is addressed to the Minister for Planning, Minister for Housing, and Special Minister of State. What is the Government doing to make housing affordable in New South Wales, and are there any other related matters?

The SPEAKER: Order! Members will not interject before the Minister has begun his answer.

Mr ANTHONY ROBERTS (Lane Cove—Minister for Planning, Minister for Housing, and Special Minister of State) (15:19): As the Premier has made very clear, a key priority of this Government—unlike those opposite—is housing affordability. This Government is committed to making housing affordable. This Government is committed to addressing the challenge of housing affordability. We are doing this by increasing housing supply, and using a range of tools and levers available to government and to industry. In that regard, it gives me great pleasure to inform the House that we have some very good news. Opposition members will not be happy about it but the people of New South Wales certainly will be. More than 33,000 homes were built in Greater Sydney in the 12 months to November 2016. That is a 44-year record and the highest number since 1972 on the back of record approval levels.

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

Mr ANTHONY ROBERTS: Let me compare that with the dark days under Labor. While the New South Wales population boomed, those opposite allowed home completions to hit rock bottom. It gives me no pleasure to inform the House that in the last five years of that failed Labor Government new home completions in Sydney averaged a pathetic 14,000 while Sydney's population was growing by 70,000 every year.

The SPEAKER: Order! There is too much audible conversation in the Chamber. Members will cease interjecting.

Mr ANTHONY ROBERTS: I repeat: There were 70,000 new residents and Labor delivered 14,000 homes. That is why those opposite have no claim to a seat at the table when discussing housing affordability. The only record Labor has in this State is a record of failure. In fairness, Labor can claim one record. In 2009 under Labor we saw the fewest homes constructed in New South Wales since 1956. They are losers; another shameful effort by the Australian Labor Party. All those opposite ever delivered for New South Wales were housing shortages and decaying infrastructure. Although in fairness—and I am fair—they delivered for Eddie, Joe, Ian, Eric and everyone else sharing the chicken chow mein around the lazy Susan in Sussex Street.

The SPEAKER: Order! Opposition members are interjecting far too often.

Mr ANTHONY ROBERTS: Our Government is cleaning up yet another Labor mess. Our State is experiencing a boom in housing construction of the like we have never seen before. A record 78,400 new homes are under construction. I pay tribute to former planning Ministers—well done. That is 90 per cent higher than any figure achieved under Labor.

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

Mr ANTHONY ROBERTS: Those opposite may interrupt and jeer, but there are 78,400 new homes for first home buyers. They are the young families, key workers, nurses, teachers, childcare workers, cleaners, police and ambulance officers of this State, and those opposite wonder why they vote for us. We are the party for the workers and we will find them homes, because those opposite never did. Those opposite should compare this

Government's response to the *Sun-Herald* headline under a Labor Government "Shut the gate". We will not talk about the 1,500 VIP tickets to see Barbra Streisand, but the article in question had Labor Premier Carr saying, "Sydney is full", as a warning to migrants. What do those opposite have against migrants? Labor was saying, "Shut Sydney down". That was the policy of those opposite.

Mr Guy Zangari: Point of order: Madam Speaker, I refer to your previous ruling regarding the use of props in the House.

The SPEAKER: And I refer to previous questions asked today that referred to newspaper articles. The Minister did cite the reference.

Mr Guy Zangari: My point of order is also taken under Standing Order 129, relevance.

The SPEAKER: Do not interrupt when I am speaking. There is no point of order.

[Extension of time]

Mr ANTHONY ROBERTS: I have put a lot of Opposition members on a list. In planning, the list is quite long. We are looking very closely at those Opposition members on my list. While we are building houses, the solution of those opposite was to shut the gate. A decade ago, up to 30,000 people were leaving New South Wales for other States. Why? Because there was a lack of housing and a lack of jobs under Labor. The population of this State is expected to grow to 9.9 million by 2036. The previous Labor Government had no idea about the breakdown of these figures, but we know that 60 per cent of this growth in population will come from natural increases—funnily enough, people have children and we have to provide housing for those children. People are having babies and they are living longer. Fewer people are now leaving New South Wales, and—

Ms Tanya Mihailuk: And fewer can afford to buy a house.

Mr ANTHONY ROBERTS: Because those opposite never built any houses. Also, 40 per cent of that population growth is due to migration, mostly migrants from other States coming to New South Wales for jobs. Labor's ill-informed policy decisions have created another problem that we are spending time on fixing. I say to those opposite: Do not try to lecture this Government on housing affordability, because we are not just building houses; we are building the infrastructure. We will make homes more affordable, and I, on behalf of this Government, can assure the people of this State that this Government will not take the failed do-nothing Labor approach. This is a whole-of-government approach, and we are deeply committed to housing affordability and infrastructure delivery.

Ms Tanya Mihailuk: We want Rob Stokes back.

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

Mr ANTHONY ROBERTS: I can tell the member for Bankstown that she is on my list too. It is quite a lengthy list. In this graph from my department it can be seen that housing approvals under Labor went down while the population of the State went up, in contrast to what we are doing. *[Time expired.]*

Petitions

PETITIONS RECEIVED

The CLERK: I announce that the following petitions signed by fewer than 500 persons have been lodged for presentation:

Powerhouse Museum Ultimo

Petition requesting the retention of the Powerhouse Museum in Ultimo and the expansion of museum services to other parts of New South Wales, received from **Mr Alex Greenwich**.

Ferry Services

Petition requesting new inner city ferries, received from **Mr Alex Greenwich**.

Elizabeth Bay Marina Ferry Service

Petition requesting the inclusion of a new ferry service as part of the Elizabeth Bay marina upgrade, received from **Mr Alex Greenwich**.

Social Housing

Petition requesting that the Sirius building be retained and its social housing function be continued, received from **Mr Alex Greenwich**.

Inner-city Social Housing

Petition opposing the sale of public housing in Millers Point, Dawes Point and The Rocks, received from **Mr Alex Greenwich**.

*Business of the House***WESTERN SYDNEY INFRASTRUCTURE****Reordering**

Mr MARK TAYLOR (Seven Hills) (15:29): I move:

That the General Business Notice of Motion given by me this day [Western Sydney Infrastructure] have precedence on Thursday 16 February 2017.

I am proud to be part of a Government that continues to deliver for the people of Western Sydney. A large part of the success of the New South Wales economy is due to Western Sydney. We all know that Labor hung Western Sydney out to dry for 16 long years, but not this Government. Under this Government Western Sydney is now the third-largest economy in Australia, ranking among the 60 biggest economies in the world. Our record of infrastructure spending will facilitate further growth.

The SPEAKER: Order! Members who wish to have private conversations will do so outside the Chamber.

Mr MARK TAYLOR: Economic growth in Western Sydney is due to a lot more than just investing in infrastructure. It is due to things such as rezoning land for more than 95,000 new homes in Western Sydney, making it possible for more people to live near those important employment and innovation hubs. We heard today that annual housing completions in Greater Sydney hit 33,000, which are some of the highest levels since the golden 1970s when the member for Prospect was polite and the member for Keira discovered the crayons. Those housing completions include more than 2,500 in Blacktown and Parramatta and 2,000 in Camden.

The construction of those new homes will alleviate housing affordability issues for many new home buyers and importantly add to strong jobs growth in Western Sydney. That is great news for our tradies and small businesses. Under this Government there has been significant jobs growth in Western Sydney. In fact, unemployment rates in Penrith, the Hills, Hawkesbury, the south-west and Parramatta are now below national unemployment rates. In fact, last year employment in Western Sydney grew by 1.5 per cent. These are tangible benefits being delivered by this Government. What about the transport projects? The Sydney Metro Northwest, the Sydney Metro West and the Parramatta Light Rail are coming together to provide transport solutions critical to jobs and growth.

It is not just about transport infrastructure. We are delivering new schools and upgrading hospitals, which are all crucial for the growing area of Western Sydney. We have invested more than \$420 million in Western Sydney to provide new schools, relocate schools and undertake major school upgrades. We are proudly upgrading Westmead, Campbelltown, Blacktown Mount Druitt and Nepean hospitals and delivering world-class health facilities for the people of Western Sydney. We are also committed to getting Western Sydney people moving through infrastructure such as WestConnex and the M4-M5 Link to transport them in and out of the central business district. This motion must have precedence tomorrow.

Mr MICHAEL DALEY (Maroubra) (15:32): My motion relating to the Sydney CBD and South East Light Rail [CSELR] should have precedence tomorrow because a blowout of a billion dollars on a project originally scoped at \$1.6 billion is an embarrassment and an injustice, and it is something that this Premier has tried to duck, weave and hide from since November. In November the Auditor-General released a detailed report on this project, which is the baby of the Premier, who was Minister for Transport at the time. The detailed report contained some very embarrassing recommendations and conclusions.

The first recommendation is that for the CSELR project Transport for NSW should by December 2016 finalise the outstanding design and scope. Hundreds of trees have gone, roads have been ripped up and the Government has still not finalised the design and scope. Recommendation (1) (c) says that Transport for NSW should update and consolidate information about the project costs and benefits, and ensure that it is readily accessible to the public. Today in answer to a question about whether that had in fact happened the Premier waved around a sheet of paper. In answer to a detailed report from the Auditor-General—unless I am mistaken—the response of the Government is contained in one fact sheet. The Premier read out a paragraph on the bottom left of the page, which says:

The \$2.1 billion CBD & South East Light Rail project has a benefit-cost ratio of 1.4, meaning for every \$1 spent, \$1.40 of benefit will be created for the state.

We already know that. If the Premier is saying that is the response to the Auditor-General, shame on her. It means that wasting \$1 billion is a mere triviality for this disgrace of a Premier. In fact, the Auditor-General says the project benefit-cost ratio decreased from 2.4 to 1.4 by the time the New South Wales Government awarded the contract. This Premier as Minister for Transport took a dodgy business case and misled her Cabinet. Cabinet approved expenditure of \$1.6 billion, and it blew out by \$1 billion. She has been asked in press conference after press conference—and we invited her again today to answer—this very simple question: When did she know the real reason for the blowout—the reason that was outlined by the Auditor-General? Unlike the Auditor-General, this Premier does not tell the truth. Barry O'Farrell quit as Premier because of a bottle of Grange. We could buy an awful lot of Grange for \$1 billion; we could pay an awful lot of nurses' salaries for \$1 billion. A \$1 billion cost blowout and a lie by a Premier is not a triviality.

Mr Chris Patterson: Point of order: My point of order is to request a retraction of the statement that the Premier is not telling the truth. It is unparliamentary and unacceptable.

Mr MICHAEL DALEY: The Auditor-General said she lied and, until she tables a piece of paper in this House that says she did not lie, the Premier is a liar.

The SPEAKER: That language is unparliamentary. I ask the member to withdraw that comment.

Mr MICHAEL DALEY: I withdraw the word "lie", and I say she is refusing to tell the truth.

The SPEAKER: The question is that the motion of the member for Seven Hills have precedence on Thursday 16 February.

The House divided.

Ayes48
Noes36
Majority..... 12

AYES

Anderson, Mr K
Barilaro, Mr J
Brookes, Mr G
Coure, Mr M
Dominello, Mr V
Fraser, Mr A
Grant, Mr T
Henskens, Mr A
Kean, Mr M
Marshall, Mr A
Patterson, Mr C (teller)
Petinos, Ms E
Roberts, Mr A
Speakman, Mr M
Toole, Mr P
Ward, Mr G

Aplin, Mr G
Berejiklian, Ms G
Conolly, Mr K
Crouch, Mr A
Elliott, Mr D
Gibbons, Ms M
Gulaptis, Mr C
Hodgkinson, Ms K
Lee, Dr G
Notley-Smith, Mr B
Pavey, Mrs M
Piccoli, Mr A
Rowell, Mr J
Stokes, Mr R
Tudehope, Mr D
Williams, Mr R

Ayres, Mr S
Bromhead, Mr S (teller)
Constance, Mr A
Davies, Ms T
Evans, Mr L
Goward, Ms P
Hazzard, Mr B
Johnsen, Mr M
Maguire, Mr D
O'Dea, Mr J
Perrottet, Mr D
Provest, Mr G
Sidoti, Mr J
Taylor, Mr M
Upton, Ms G
Williams, Mrs L

NOES

Aitchison, Ms J
Car, Ms P
Cotsis, Ms S
Dib, Mr J
Foley, Mr L
Hoenig, Mr R
Lalich, Mr N (teller)
McDermott, Dr H
Mihailuk, Ms T
Parker, Mr J
Scully, Mr P
Washington, Ms K

Atalla, Mr E
Catley, Ms Y
Crakanthorp, Mr T
Donato, Mr P
Harris, Mr D
Hornery, Ms S
Leong, Ms J
McKay, Ms J
Minns, Mr C
Piper, Mr G
Smith, Ms T F
Watson, Ms A (teller)

Barr, Mr C
Chanthivong, Mr A
Daley, Mr M
Doyle, Ms T
Harrison, Ms J
Kamper, Mr S
Lynch, Mr P
Mehan, Mr D
Park, Mr R
Robertson, Mr J
Warren, Mr G
Zangari, Mr G

PAIRS

Hancock, Mrs S

Finn, Ms J

Motion agreed to.*Motions Accorded Priority***HOUSING AFFORDABILITY****Consideration****Mr MARK COURE (Oatley) (15:41):** My motion to be accorded priority is in the following terms:

That this House:

- (1) Notes that under the current Opposition, New South Wales had the lowest number of new dwelling starts per capita in the country.
- (2) Condemns the Opposition's lack of investment in housing supply.
- (3) Acknowledges New South Wales hit a record high of 70,000 approvals last year.
- (4) Supports the Government's plan to address housing affordability.

My motion should be accorded priority because this Government is committed to investing in, approving and increasing housing stock in order to address housing affordability. Under this Government the New South Wales economy is the fastest growing economy of all the States. In fact, New South Wales became the best performing economy under this Government. It continues to be the best performing economy because of the policies and initiatives of this Government including record high housing approvals—70,000 last year alone. The policies and initiatives of those opposite have done nothing to assist with housing affordability.

In fact, last year the advice of the Deputy Leader of the Labor Party and Opposition planning spokesperson to homebuyers was to move to Lithgow or Bathurst if they wanted to buy a home. Lithgow and Bathurst are terrific places but that advice shows that Labor has no policies regarding housing affordability and it demonstrates his party's inability to lead or govern New South Wales. This motion must be accorded priority because this Government is addressing issues of housing affordability by approving new homes and building infrastructure such as roads, public transport, hospitals and schools in areas of current and future population growth.

Across New South Wales more than 54,000 new homes were completed last year, almost double the number approved between 2008 and 2011 when those opposite were in government and did nothing to aid housing affordability and increase stock. Let us take a look at Labor's track record in housing affordability: a 2.2 per cent vendor tax, which locked up property and limited the supply of housing in the market; no infrastructure development; and no upgrades to transport across New South Wales. This motion must be accorded priority because housing affordability is one of the most important issues in New South Wales. Those opposite have no plan, no solution, no motivation, no backbone and no idea.

LOCAL GOVERNMENT AMALGAMATIONS**Consideration**

Mr LUKE FOLEY (Auburn) (15:44): My motion deserves to be accorded priority because the Deputy Premier promised the voters in his own electorate that there would be no forced amalgamations in his area. He then sat in a Cabinet that forcibly merged five councils in his own electorate. He then used the backlash from that decision in Cabonne and the loss of Orange to roll his own leader and take his job. Then on 21 January the Deputy Premier wrote a post about his own government in which he said:

If you are sick of regional NSW being taken for granted, share this on Facebook.

What an admission of failure. The National Party has been in government for six years and the Deputy Premier says if people are sick of regional New South Wales being taken for granted they should do something about it. That statement says it all about the hatred inside his party and inside his government. What an attack on his predecessor, the member for Dubbo. What an attack on Andrew Stoner. What an attack on the member for Murray and on the Hon. Duncan Gay, who actually did a bit of heavy lifting to take The Nationals into government. This bloke surfs in and thinks he can do it all himself. Six months ago he sent his then leader, the member for Dubbo, a text message urging him to not give an inch to the opponents of the greyhound ban. The message read:

Mate, it's time to show your leadership and strength. You have the majority.

The member for Dubbo did have the majority until the member for Monaro stabbed his best mate in the back. He then promised all the opponents of the greyhound ban that if they lined up and supported him for leader he would look after them. He even told the Father of the House, the member for Coffs Harbour, that he would be in the Cabinet and to book a flight for the swearing in, but he was not included in the Cabinet. The Deputy Premier put the chief supporter of the greyhound ban, the member for Northern Tablelands, in his Cabinet instead of any of the people who provided him the numbers: the opponents of the greyhound ban.

The Deputy Premier was walking around complaining that Mr Baird did not tell him he was going because he would leak it. This bloke even leaks on himself—his colleagues know he is a leaker. The first thing the new Premier knows in her first week, like the old Premier in his last week, is that you cannot trust the Deputy Premier because he will leak on you. The Deputy Premier told journalists he would get forced mergers overturned through plebiscites. We saw the decision that was made yesterday, and there was nothing about a plebiscite. He should have been born in Texas and be wearing a 10-gallon hat. The Nationals will live to rue the day they put this shyster, this shameless huckster, this two-bit con artist in the leadership. We will take him out of his electorate and he will take many of his party colleagues with him to electoral oblivion.

Mr Andrew Constance: Point of order: I seek the reference to "shyster" to be withdrawn. It is a bit rich coming from someone who was Ian Macdonald's best mate.

The DEPUTY SPEAKER: Order! The Leader of the Opposition has been asked to withdraw the comment. Will the Leader of the Opposition withdraw the comment?

Mr Luke Foley: No.

The DEPUTY SPEAKER: The Leader of the Opposition refuses to withdraw the comment. The question is that the motion as moved by the member for Oatley be accorded priority.

The House divided.

Ayes48
Noes36
Majority..... 12

AYES

Anderson, Mr K
Barilaro, Mr J
Brookes, Mr G
Coure, Mr M
Dominello, Mr V
Fraser, Mr A
Grant, Mr T
Henskens, Mr A
Kean, Mr M
Marshall, Mr A
Patterson, Mr C (teller)
Petinos, Ms E
Roberts, Mr A
Speakman, Mr M
Toole, Mr P
Ward, Mr G

Aplin, Mr G
Berejiklian, Ms G
Conolly, Mr K
Crouch, Mr A
Elliott, Mr D
Gibbons, Ms M
Gulaptis, Mr C
Hodgkinson, Ms K
Lee, Dr G
Notley-Smith, Mr B
Pavey, Mrs M
Piccoli, Mr A
Rowell, Mr J
Stokes, Mr R
Tudehope, Mr D
Williams, Mr R

Ayres, Mr S
Bromhead, Mr S (teller)
Constance, Mr A
Davies, Ms T
Evans, Mr L
Goward, Ms P
Hazzard, Mr B
Johnsen, Mr M
Maguire, Mr D
O'Dea, Mr J
Perrottet, Mr D
Provest, Mr G
Sidoti, Mr J
Taylor, Mr M
Upton, Ms G
Williams, Mrs L

NOES

Aitchison, Ms J
Car, Ms P
Cotsis, Ms S
Dib, Mr J
Foley, Mr L
Hoenig, Mr R
Lalich, Mr N (teller)
McDermott, Dr H
Mihailuk, Ms T

Atalla, Mr E
Catley, Ms Y
Crakanthorp, Mr T
Donato, Mr P
Harris, Mr D
Hornery, Ms S
Leong, Ms J
McKay, Ms J
Minns, Mr C

Barr, Mr C
Chanthivong, Mr A
Daley, Mr M
Doyle, Ms T
Harrison, Ms J
Kamper, Mr S
Lynch, Mr P
Mehan, Mr D
Park, Mr R

NOES

Parker, Mr J
Scully, Mr P
Washington, Ms K

Piper, Mr G
Smith, Ms T F
Watson, Ms A (teller)

Robertson, Mr J
Warren, Mr G
Zangari, Mr G

PAIRS

Hancock, Mrs S

Finn, Ms J

Motion agreed to.**HOUSING AFFORDABILITY****Priority**

Mr MARK COURE (Oatley) (15:54): I move:

That this House:

- (1) Notes that under the current Opposition, New South Wales had the lowest number of new dwelling starts per capita in the country.
- (2) Condemns the Opposition's lack of investment in housing supply.
- (3) Acknowledges New South Wales hit a record high of 70,000 approvals last year.
- (4) Supports the Government's plan to address housing affordability.

The Liberal-Nationals Government is getting on with the job of increasing housing supply and helping families across New South Wales to get into their own homes. It does not stop there. This Government continues to deliver record investment in funding to schools, hospitals, roads and public transport, so that people can live in a vibrant and connected community. Since being elected, this Government has worked tirelessly to repair the damage done by those opposite. It is this Government that has made the New South Wales economy number one again with its triple-A credit rating and record investment. This investment in schools, hospitals, public transport, roads and infrastructure will meet the needs of the population and accommodate growth across Sydney and New South Wales.

The NSW Intergenerational Report released in 2016 states that the population of New South Wales will increase to 11.2 million people by 2056, resulting in the need for 1.8 million new homes. The track record of the Labor Party demonstrates that it cannot be trusted to meet that challenge. For 16 years Labor ignored the advice and warnings to increase housing supply and to build much-needed infrastructure. But let us look at what Labor did in that period. Here are some of Labor's greatest hits: For 16 years they promised 12 new rail lines but only delivered half of one; Labor promised a North West Rail Link in 2008 which was axed in 2008 and promised again in 2010 but never delivered; the Rozelle metro was announced in 2008 but axed in 2010—\$500 million wasted; and the M4 East, announced in 2002, 2004 and 2006, but never delivered. In comparison, this Government is fast-tracking major upgrades to the Pacific, Princes, Central Coast, Great Western, Newell and New England highways. We are upgrading the M4 and the M5 and upgrading roads to support Sydney's second airport at Badgerys Creek, a hub of growth in jobs and opportunities.

That is our record in the past six years. In the 2016-17 budget, \$20.2 billion was allocated to build transport and roads because, as the motion states, Labor has failed time and time again to improve housing affordability and to deliver the services and infrastructure needed for New South Wales. In fact, it is fair to say that Labor is to blame for Sydney's housing affordability crisis because Premier Bob Carr cut the supply, thus creating so many of the problems we are trying to fix today. Carr's "Sydney is full" strategy has not worked. It locked up large amounts of land that could have been used to increase the supply of new housing, the lack of which is responsible for the escalation of housing prices. The Labor Government can be blamed for a series of planning and policy failures over 16 years that stopped new housing supply and failed to address housing affordability. Those opposite did not build the infrastructure needed to accommodate growth in Sydney or across New South Wales.

When it comes to housing affordability, what is Labor's track record? Let us begin with the 2.2 per cent vendor's tax which locked up property and limited the supply of housing in the market together with no infrastructure development and no upgrades to transport across Sydney. That is Labor's track record. This Government's track record is that it has approved more than 300,000 new homes since coming into office in 2011.

That is a track record that is directly targeting and addressing the supply issues, not just across Sydney but across New South Wales. I ask the House to support the motion.

Mr RYAN PARK (Keira) (15:58): Let us have a look at the motion which talks about the policies and plans of the Liberal-Nationals Government. I have to work out which one it is though, because policy one was from the gentleman over there, whom we respect. He had a PhD in planning—a reasonable academic record for the giving of advice in relation to housing affordability. The member's policy was to support the negative gearing reforms that my Federal Labor colleague Chris Bowen implemented. That was policy one. That was a good idea. That changed. Policy two was to replace stamp duty with land tax. That idea came from the Treasurer. Day one of the new Premier's first term she ruled that one out. That policy has been changed. Policy three is my favourite. The leader of the National Party and Deputy Prime Minister says the solution is simple; do not live in Sydney, go out to the bush. That will impact on housing affordability.

What about policy four—supply more houses? That will solve the problem. Since 2011 house prices have increased by 70 per cent despite increased supply. The median price in downtown Oatley is a little dearer than downtown Keira and probably the same as downtown Kiama—it is \$1.55 million in downtown Oatley. Would that be the reason why my good friend the member for Oatley did not want to have boarding houses or affordable housing in Oatley? The mortgage broker has entered the Chamber and said how great affordable housing is and that the Government is addressing affordable housing, yet the member is living in an area with a median house price of \$1.55 million. Wait for it—he does not want affordable housing in downtown Oatley.

The issue is simple. This Government could announce today, as the former planning Minister did—a man with an impeccable academic record in this area: "We need to address housing affordability through negative gearing reforms." On 25 November the former Minister for Planning stated, "Why should you get a tax deduction on the ownership of a multimillion dollar holiday home that does nothing to improve supply where it is needed?" Labor supports reforms to negative gearing. Labor, through the member for Maroubra and the Leader of the Opposition, has announced that it wants to see Landcom become a stronger force to deliver housing affordability.

Labor is happy to sit down with the Government and work through the issues around stamp duty and the handbrake that puts on affordable housing in this city and State. I know the member is a mortgage broker with a wealth of experience, but the debate requires the input of the former Minister for Planning. The member for Pittwater had the courage of his convictions and said what each person in the sector is saying, that the playing field between those who are trying to purchase their first home and those who are purchasing their fifth or sixth property must be even. Labor supports the hardworking mums and dads in south-western Sydney. The members for the electorates of Macquarie Fields, Campbelltown, Illawarra and Wollongong, and Wyong on the Central Coast support those people buying their first home as opposed to those buying their fourth, fifth and sixth. Until the Government has plans to implement that process it should not waste the time of members in this House.

Mr MARK TAYLOR (Seven Hills) (16:04): This is an opportunity to focus on the facts rather than the dramatics. I support the motion moved by my good colleague the member for Oatley. The New South Wales Government knows that people want to be able to live in their own homes, near their families, near good schools, good services and good amenities, and close to work. We understand that housing our essential workforces such as police, teachers, nurses, cleaners and childcare workers matters. It is important that those who service our community can live near where they work. As a former police officer who is married to a schoolteacher, no-one knows that better than I do.

Sydney has a strong economy and a booming jobs market, but that puts pressure on house prices. Fewer people are leaving Sydney. People are living longer, and more people are moving here from interstate. The population of New South Wales is projected to grow by more than 100,000 every year until 2036. In that period we will need to provide homes for another 2.1 million residents. Sydney alone will need to provide 725,000 new homes over the next 20 years just to keep pace with demand. In Sydney much of the demand for housing comes from young families, but home ownership for people in the 20 to 35 age group keeps falling because it is hard to get a toehold in the market.

Under Labor, New South Wales had not only the lowest economic growth in the country but also the lowest number of new dwellings per capita nationwide. Those opposite could not get it right. This Government has got the economy right, but prices are going through the roof because of a supply shortage. Who would not want to live in the fastest-growing economy in the country, with the lowest unemployment rate? That is why this Government is working with industry, councils and local communities on ways to make home ownership a reality again. We are increasing the supply of houses, while Labor just increases the supply of talk and antics such as those that we have seen in this debate.

We are helping to make homes more affordable through faster approvals, more land releases and more infrastructure to support the population growth. Under this Government, Sydney now has the highest amount of

released and rezoned land since land release programs started, back in the 1980s. In the growth centres in north-western and south-western Sydney we have rezoned or released 23 precincts for 119,475 dwellings, and 64,600 jobs have been created. That is how to provide affordable housing. [*Time expired.*]

Mr CHRIS MINNS (Kogarah) (16:07): I support the member for Keira in opposing this motion accorded priority. The reasons are pretty simple. It is a complicated issue but there are simple solutions to it. The main solution to this complicated problem is for the Federal Government to act on negative gearing. It is very easy for the Government to talk about new housing supply without addressing the underlying issues affecting housing affordability. I refer to an ABC Online article with the headline "House prices rise, affordability expected to worsen despite property slowdown later this year: CBA". In the article, Michael Workman from the Commonwealth Bank said:

So it does highlight that investors are really buying into those markets speculatively, hoping for future capital gains.

The article went on to say:

While state governments and local councils are largely responsible for housing supply, the CBA economist said the Federal Government had to shoulder most of the blame for policies that boost and lift home prices.

In particular, Mr Workman fingered negative gearing and the capital gains tax discount as key factors stoking investor demands.

In relation to housing affordability, members in this House are left with the choice to support either the well thought out plans of the member for Oatley or the chief economist at the Commonwealth Bank. It is a difficult choice.

Mr Mark Coure: I know who I would pick.

Mr CHRIS MINNS: I know who the member for Oatley would pick. The member for Oatley has form in relation to this. In his motion he says that "under Labor, New South Wales had the lowest number of new dwelling starts per capita in the country". It is interesting to note that precisely at that time the member for Oatley decided to become a mortgage broker. If it was so bad why would he decide to pursue that line of employment? Why would he choose that profession—why not be a teacher, a doctor or something else? He says, "The housing supply is so bad, honey, I think I will become a mortgage broker; that seems to be the right thing to do." He has no credibility on this issue. A motion like this would never have been moved by former Premier Mike Baird, who recently left this Parliament. In the *Daily Telegraph* today, Andrew Clennell quoted an unnamed member of the Government:

One minister remarked to me the other day that it would be "Mike who" once Parliament resumed.

What a way for Government members to treat their former leader! There is a new Michael in town—Michael Photios. The vertical Corgi is back, and he is vertically integrated into this Government.

Mr Gareth Ward: Point of order—

Mr CHRIS MINNS: I have completed my contribution.

Mr MARK COURE (Oatley) (16:11): In reply: This Government is committed to investing in, approving and increasing housing stock in order to address housing affordability, not just in Sydney but across New South Wales. The New South Wales economy is the fastest growing among the States, and under this Government New South Wales became the best-performing economy in Australia. We on this side of the House have a long, proud track record compared with those opposite. It continues here in New South Wales, where we have the best-performing economy because of the policies and initiatives of this Government, including record high housing approvals—70,000 last year alone.

Compare that with Labor's track record. Under the Carr Government, Labor implemented a 2.2 per cent vendor tax, which locked up property, limiting the supply of housing in the market. Along with that, the Carr Government built no infrastructure and made no upgrades to transport across Sydney and New South Wales. That is Labor's track record. This Government's track record, since coming to office in 2011, is approving more than 300,000 new homes. That is a track record that directly targets and addresses the housing supply in Sydney and in the rest of New South Wales. I note that the shadow planning Minister is not in the Chamber. What have you guys done with him? The shadow Minister for Planning is not in the Chamber and, interestingly, those opposite do not know who he is. The former Labor Government can be blamed for a series of planning and policy failures that stopped new housing supply and failed to address housing affordability.

The DEPUTY SPEAKER: Order! The member for Oatley will direct his remarks through the Chair. The member will be heard in silence.

Mr MARK COURE: Those opposite did not build the infrastructure needed to accommodate growth in Sydney or in the rest of New South Wales. We all know Labor's track record when it comes to housing

affordability. This Government is getting on with the job of delivering on our promises and commitments to the people of New South Wales. In fact, the Premier announced during question time that Glenn Stevens will provide advice to the Government on housing affordability. That demonstrates that we are committed to addressing this important issue. I invite those opposite to support this motion.

The DEPUTY SPEAKER: The question is that the motion as moved by the member for Oatley be agreed to.

The House divided.

Ayes47
Noes36
Majority..... 11

AYES

Anderson, Mr K
Barilaro, Mr J
Brookes, Mr G
Coure, Mr M
Dominello, Mr V
Fraser, Mr A
Grant, Mr T
Henskens, Mr A
Kean, Mr M
Marshall, Mr A
Patterson, Mr C (teller)
Petinos, Ms E
Rowell, Mr J
Stokes, Mr R
Tudehope, Mr D
Williams, Mr R

Aplin, Mr G
Berejiklian, Ms G
Conolly, Mr K
Crouch, Mr A
Elliott, Mr D
Gibbons, Ms M
Gulaptis, Mr C
Hodgkinson, Ms K
Lee, Dr G
Notley-Smith, Mr B
Pavey, Mrs M
Piccoli, Mr A
Sidoti, Mr J
Taylor, Mr M
Upton, Ms G
Williams, Mrs L

Ayres, Mr S
Bromhead, Mr S (teller)
Constance, Mr A
Davies, Ms T
Evans, Mr L
Goward, Ms P
Hazzard, Mr B
Johnsen, Mr M
Maguire, Mr D
O'Dea, Mr J
Perrottet, Mr D
Provest, Mr G
Speakman, Mr M
Toole, Mr P
Ward, Mr G

NOES

Aitchison, Ms J
Car, Ms P
Cotsis, Ms S
Dib, Mr J
Finn, Ms J
Harrison, Ms J
Kamper, Mr S
Lynch, Mr P
Mehan, Mr D
Parker, Mr J
Scully, Mr P
Washington, Ms K

Atalla, Mr E
Catley, Ms Y
Crakanthorp, Mr T
Donato, Mr P
Greenwich, Mr A
Hoenig, Mr R
Lalich, Mr N (teller)
McDermott, Dr H
Minns, Mr C
Piper, Mr G
Smith, Ms T F
Watson, Ms A (teller)

Barr, Mr C
Chanthivong, Mr A
Daley, Mr M
Doyle, Ms T
Harris, Mr D
Hornery, Ms S
Leong, Ms J
McKay, Ms J
Park, Mr R
Robertson, Mr J
Warren, Mr G
Zangari, Mr G

PAIRS

Hancock, Mrs S
Roberts, Mr A

Mihailuk, Ms T
Foley, Mr L

Motion agreed to.

Private Members' Statements

WILLMOT PUBLIC SCHOOL

Ms PRUE CAR (Londonderry) (16:21): I bring to the attention of the House an issue of which I am perhaps most proud as a member of this Parliament representing the great communities of my electorate. As a community we have worked very hard on tackling this issue, and I recognise the contributions of community

members who have helped me to make this happen. I spoke about this issue in my inaugural speech in this place when I acknowledged it as a personal priority, because so many members of my community have raised it with me. The campaign that resulted in my being fortunate enough to represent the community of Londonderry in this place taught me many things about the people of Western Sydney. One thing it taught me was the disparity between conditions for school students in Western Sydney and those in other parts of the State. Many school students in Western Sydney have had to endure extremely high temperatures in their classrooms during the hottest summers on record because their schools do not have air conditioning. This suffering has been brought home to me time and time again in one of the suburbs I represent, Willmot.

Willmot Public School is more than just a place of learning for its students; it is a hub for the community, the central point of the community, and it is literally changing lives every day. Unfortunately, since the day the school was established, every school student attending the school has had to swelter through boiling hot Western Sydney summers. In the recent past we have all seen just how hot a Mount Druitt summer can get, with days on end of temperatures in excess of 40 degrees, up to 44 or 45 degrees. No member of this place would believe it is acceptable for our children to be learning in classrooms where temperatures are in excess of 44 degrees. Willmot Public School was unable to raise the funds to install air conditioning in its classrooms, mainly because it required an expensive—and I am talking about hundreds of thousands of dollars—electrical upgrade.

I am sure there are schools with similar stories in all of our electorates. After many years of campaigning in my community I could rattle off many unfortunate tales that mums and dads have told me. They have spoken of children of five, six and 10 years old suffering migraines, ambulances being called to the school and children being told to lie on the floor because it is the only way they will get through a class. No-one thinks that is acceptable. As I mentioned in my inaugural speech, I was determined to do something about this problem. What are local members for if they are not able to fight for something as basic as this? I made a promise to my community and I am so proud that I have been able to allocate \$160,000 from the Londonderry Community Building Partnership grant to finally fund air conditioning at Willmot Public School.

Making the surprise announcement at the school's presentation day is something I will never forget because I know it will definitely change the lives of the children in that community. People frequently come up to me in Willmot and tell me how much they will benefit from this project. I thank the people of the community who lobbied me to make this happen, particularly Willmot Parents and Citizens Association members Cindy Drake, Danielle O'Brian, Taryn Allan and Kylie Kelleher. I thank Willmot Public School Principal Anne Denham, who is a force of nature. Anne was previously the Londonderry Woman of the Year and for very good reason. I also thank Acting Principal Carley Bugeja, Peta Kennedy from the Willmot Community Group and the entire Willmot community who would not let me rest until this happened. I am looking forward to working with the school to ensure that the air-conditioning is installed as speedily as possible so we can get the kids at Willmot into a comfortable learning environment to achieve the best education possible for their future.

Mr GARETH WARD (Kiama) (16:26): I congratulate the member for Londonderry on securing an important investment for one of her local public schools. There is no doubt that investment in public education is important. Creating the right learning environment is equally as important. Yesterday in this place former Minister Piccoli said that when it comes to education there is no left-wing or right-wing approach; there is the correct approach. I am sure that the achievement of the member for Londonderry on behalf of Willmot Public School will have her remembered as the coolest local member they have had for some time. I congratulate the member for Londonderry.

FALL OF SINGAPORE SEVENTY-FIFTH ANNIVERSARY

Mr DAVID ELLIOTT (Baulkham Hills—Minister for Counter Terrorism, Minister for Corrections, and Minister for Veterans Affairs) (16:27): As not only the member for Baulkham Hills but also the Minister for Veterans Affairs and a former member of the defence force I commemorate the seventy-fifth anniversary of the Fall of Singapore and the service and sacrifice of Australian prisoners of war. This morning I attended a solemn ceremony at the Cenotaph with the Governor to commemorate this anniversary of the Fall of Singapore and the inhumanity of its aftermath. The fall struck fear into the heart of every Australian, as the carnage in the Pacific theatre shattered the perception that Australia's isolation would guarantee her security.

Throughout 1940 and 1941 the world was preoccupied with the war against fascism in Europe and North Africa. Only a single division, the 8th Division, was retained and sent into the Pacific. Originally intended for deployment in the Middle East, by early 1941, with the looming possibility of war with Japan, the division was sent to Malaya on 2 February 1941. On 8 December 1941, at dawn, Japanese forces invaded Malaya, with landings on the north-eastern coast of the Malay Peninsula at Kota Bharu. An hour later, on the other side of the world, Japanese naval air forces attacked the United States naval base at Pearl Harbour. On 3 February 1942, after a courageous fighting effort, the 8th Australian Division was forced to retreat to the island of Singapore. Just eight days later, using heavy artillery barrage, the Japanese began their assault on the island.

Staring into the eye of inevitable defeat, and faced with the suffering of over a million civilians and refugees, General Percival, the senior British commander, ordered his troops to cease hostilities at 8.30 p.m. on 15 February 1942. The defeat signalled a shift away from the way Australia approached its defence. When Prime Minister John Curtin addressed the nation a day later, he remarked, "The protection of this country is no longer that of a contribution to a world war but the resistance to an enemy threatening to invade our shore." While we would continue to fight alongside our Allies in battles to come, Australia was also faced with the need to put up a bulwark against those who sought to denigrate our way of life from the north. I commend the bravery of approximately 1,800 Australian soldiers who were killed or listed as missing in action as a result of the defeat, but I also want to shine a light on the unimaginable cruelty endured by the men and women of the 8th Division who were interned as prisoners of war and pushed to breaking point by torture, forced labour, malnutrition and disease.

end of the campaign in Malaya and Singapore was overshadowed by the imprisonment of 130,000 British and Commonwealth troops, 15,000 of which were Australian. We also remember the 32 Australian nurses who withstood horrific conditions in civilian internment camps in Sumatra after the sinking of the SS *Vyner Brooke* which carried 65 Australian nurses, as well as the deaths of the remaining 33 who perished during the sinking or were shot and killed at Radji Beach. We must not and cannot think of these inconceivable sacrifices as horrors confined to the pages of history but rather as an enduring effort to protect the freedoms we so often take for granted. The defeat and its consequences have had a defining impact on the way Australia saw its strategic interests and its role in the region for the past three-quarters of a century. On behalf of all members, I am proud to acknowledge and thank those who sacrificed their lives and their liberty for Australia, to whom we are forever indebted.

It would be remiss of me not to congratulate the 8th Division Association for the way in which it held the last of its solemn ceremonies today. It is sad to think that on the seventy-fifth anniversary of the Fall of Singapore the Governor had to give an epilogue noting that this would be the 8th Division Association's last commemoration of the Fall of Singapore. It would also be remiss of me not to add that, when the Returned and Services League [RSL] is going through deep and divided investigations into the way it has been operated, this morning I was delighted to commemorate privately with Glenn Kolomeitz, the general manager of the RSL, who is aware of the sacrifices made by the men and women who are members of his organisation. On behalf of all members of this House, I wish Glenn every success as he reforms the RSL and returns it to being the organisation it is meant to be, defending veterans' honour, welfare and sacrifice. That is the reason the RSL has been around for 100 years.

Mr GARETH WARD (Kiama) (16:31): Along with my friend the Minister for Veterans Affairs, I mark the seventy-fifth anniversary of the Fall of Singapore. A commemorative ceremony took place in Martin Place at 11.00 a.m. today. The Fall of Singapore was the most significant military loss in modern history and holds special significance for Australians. With Singapore captured, the war had come much closer to Australia. This anniversary recognises that some 21,000 Australian military personnel became prisoners of war and would face 3½ years of captivity in places whose names are now infamously etched into our history: Changi, the Burma Railway and Sandakan. The majority of personnel came from the 8th Division, as the Minister mentioned. The seventy-fifth anniversary in Sydney will mark the final gathering of the division's association. At the conclusion of the service, its organisational banner will be folded for the last time and the association will cease to exist. Today the guest speaker at this ceremony was Lieutenant Colonel Neil James (Ret.), Executive Director of the Australia Defence Association. I thank the Minister for his statement.

GUYRA LAMB AND POTATO FESTIVAL

Mr ADAM MARSHALL (Northern Tablelands—Minister for Tourism and Major Events, and Assistant Minister for Skills) (16:33): This afternoon I will tell a story of triumph through adversity. It begins with two of the most humble items in Australian gastronomy, namely the lamb and the potato. They are staples for country people and this proud nation. In the Northern Tablelands, these two staples are part of our daily diet. Some would say our region is built on the back of the lamb and the boiled potato. They may be classics but the small, proud community of Guyra has been able to work absolute magic with them. The annual Guyra Lamb and Potato Festival draws thousands of people from across the district every year, from those who live in our beautiful region to those travelling down the New England Highway to bootscoot at the Tamworth Country Music Festival.

I am sorry to report that one unwelcome visitor came along to the thirty-first Guyra Lamb and Potato Festival. On the Friday the clouds filled the sky and a gale force wind began to roar. At the start of the biggest weekend for the festival this year, disaster struck—and until one has seen a storm in the north-west of New South Wales one has never seen a storm. This storm tore through the festival with great force. It tore apart some of the marquees, blew over tents and left hungry visitors with scrapes and bruises, a couple of fractured skulls and some

broken bones. One of the festival gazebos ended up being perched precariously atop the town's sheep statue—the big sheep in Guyra. Those close to the site said it was like a tornado.

I pay tribute to the men and women of the emergency services for rushing to the scene so quickly, while the rain was still lashing and the wind was still howling, and doing their part to get the festival back on track. The Rural Fire Service, the State Emergency Service and even local electrical contractors helped to reconstruct the tents and secure the scene as quickly as possible. I thank Steve Mephram, Liz Ferris, Angus McDowall and their teams from the Rural Fire Service [RFS] as well as the Guyra and Black Mountain brigades. With their work, alongside committed volunteers like David Godlonton and his team from the State Emergency Service, the festival was back on track in no time. Members of the committee worked through the night getting in new tents, chipping fallen trees and cleaning up the carnage. Preparations were complete by 11 a.m. Saturday for everyone to turn up for lunch—that iconic lamb and gravy roll. I am proud to say that takings from lunch on that day were the biggest the festival has ever had in 31 years.

As well as crewing the RFS response, Steve Mephram also headed the Guyra Lamb and Potato Festival's dedicated team of workers, of which there are far too many to name individually but I will mention a few of the friendly faces you will see if you are lucky enough to stop in next year at the thirty-second festival. Julie Gittoes has wrangled hundreds of volunteers to work in the kitchen, turning out food everyone enjoys. I thank Mark Werts, the treasurer, and Ian Russell who organises the music. Ian fractured his skull in the storm and I wish him a speedy recovery. Bertha Reeves is an icon of Guyra. For decades she has been hand-cutting thousands and thousands of potatoes, only stopping this year due to injury. She makes a mean potato bake that people travel miles to sample each year. Such is the community spirit in Guyra that, as soon as she put down the peeler, half a dozen hands leapt in to grab it and to pick up the baton that she left behind.

The community of Guyra will continue to thrive and when it is running, what a festival it is. You can have your fill of locally sourced lamb and potatoes in the form of rolls, pies, chips, bakes and more roasts than you can poke a chop at. There are local musicians, arts and crafts and displays of vintage vehicles and military machinery. If members value good, hearty food cooked with soul, I urge them to come up to Guyra next year in the latter part of January—weather permitting, of course—and enjoy the thirty-second iteration of the best festival in rural and regional New South Wales: the Guyra Lamb and Potato Festival.

Mr GARETH WARD (Kiama) (16:38): No-one would ever dispute that the member for Northern Tablelands is very much a meat and potatoes kind of guy. Today he has demonstrated his support for one of the great towns in his electorate, Guyra, and for a great festival. I take this opportunity to sincerely congratulate the member for Northern Tablelands on his elevation to the Ministry. I first met Adam Marshall at a local government conference in 2004. Like all young people under the age of 100 at a local government conference, we came together and became very good friends. He is somebody I deeply respect and I know he will make a great contribution as Minister around the Cabinet table. His electorate can be deeply proud of him as he is very passionate about his community. He is incredibly intelligent and most capable. Today he has given another demonstration of his advocacy to celebrate something that is great about Guyra and the Northern Tablelands, the Guyra Lamb and Potato Festival, and it was done so well in this House today.

WOMEN'S REPRODUCTIVE RIGHTS

Ms TRISH DOYLE (Blue Mountains) (16:39): I take this opportunity to address recent comments made by the new Minister for Women, Tanya Davies, upon her elevation to the Berejiklian Government's Ministry. For many years I have been fighting for women's reproductive rights and autonomy. I do not raise this issue today in the interests of any short-term political pointscoring but as a person whose political life has been steeped in the feminist movement and as a member of this Parliament who has been fighting for women's equality and autonomy, including reproductive rights, her whole life.

I have reflected in this place in the past on my early political activism at university. One of the first issues I was active in was organised by the Women's Abortion Action Campaign [WAAC]. Established in 1972, the objectives of the WAAC were to establish abortion as a woman's right to choose; the repeal of all abortion laws; free, safe abortions; free, safe contraception; and no forced sterilisations. I believe the woman herself is best placed to decide what is best for her: she knows the circumstances of the pregnancy and understands what she needs; she is the one who best knows her own capacity to parent at a particular time and her personal circumstances. Of course, that does not make it an easy decision, and many women in that situation will need a lot of support to make the best decision for themselves. So I am pro-choice, I am a feminist and I am here in this Parliament to advance the cause of women.

Having posted on social media about this issue in recent weeks, and having highlighted the comments of the new Minister for Women that she is personally pro-life, I have been contacted by a couple of women who have said that they are simultaneously pro-life and pro-choice and that they believe my criticism of the new

Minister's comments was unfair. I take this opportunity to clarify and explain that criticism for the benefit of my constituents and members of this Parliament. It is commonly understood in women's politics that the pro-life label is shorthand for "anti-choice". Long ago, fundamentalist Christian organisations coopted the pro-life label and they are very well known for being steadfastly anti-abortion and anti-choice in all circumstances. I strongly believe that people should be very careful about using the term "pro-life" because its meaning is immediately interpreted to be a description of someone who believes they have the right to make other people's choices for them. Hence, my concern with the Minister for Women's statement.

Mr Stephen Bromhead: Point of order: My point of order relates to the content of private members' statements. There have been previous rulings by Speakers that private members' statements are not to be used to attack other members of Parliament and that the substance of the private member's statement must relate to the member's own electorate. To attack the Minister for Women in relation to being pro-life or not should not be the subject of a private member's statement. The member for Blue Mountains should be asked to address issues within her electorate, as required under the standing orders.

The DEPUTY SPEAKER: Order! I may seek advice from the Clerk. However, I listened to the member for Blue Mountains, who referred to comments made by women in response to a social media post and I felt that there was an explanation on her behalf in relation to those comments. That is my ruling.

Ms TRISH DOYLE: I reiterate that I am here to clarify, for the benefit of my Blue Mountains constituents and members of this Parliament, my concern with the Minister's statement. If someone holds a ministerial portfolio with responsibility for women's issues and says in their first statement as a Minister that they are personally pro-life, it indicates to me, and to many, many others, that their personal view will impact their decision-making in a way that goes against the views of the majority of women. Right now, somewhere near a clinic where women are seeking medical advice or a termination, which is never an easy decision, a loud and invasive group of people will be waving placards and hurling abuse, all the while describing themselves as being pro-life. However, they are being anti-choice and judgemental. Likewise, the workers who provide those support services and medical advice are constantly attacked, harassed, stalked and interfered with by anti-choice activists. This is unacceptable and their actions should be made unlawful.

I note and applaud the efforts of my former parliamentary colleague in the other place, Helen Westwood MLC. Her work is continued by the Hon. Penny Sharpe, MLC. They both deserve accolades and support. I thank the women who work in women's health and those activating for women's reproductive rights. In the feedback to me after my criticism of Minister Davies, it was pointed out that the Minister would hopefully govern in the interests of all women. Politicians are not public servants. We are supposed to be people of conviction who advance our beliefs through legislation in Parliament with the support of those who vote for them at each election. I do not expect Minister Davies to do anything else than govern in line with her own beliefs. That is her job and she sought political power in order to achieve that. I believe the women of New South Wales are poorly served by those beliefs. Again, I invite Premier Berejiklian, who is a progressive Left-leaning feminist within her own party, to work with Labor in advancing abortion law reform in this place.

HOLSWORTHY ELECTORATE AUSTRALIA DAY HONOURS

Ms MELANIE GIBBONS (Holsworthy) (16:45): I had the pleasure to welcome Premier Gladys Berejiklian to the Holsworthy electorate for one of her first major events on Australia Day this year. This event took place at the Casula Powerhouse Arts Centre, which is, in my opinion, not only one of the best arts and cultural facilities in south-west Sydney but also of New South Wales. Unfortunately, this site is directly across the river from the proposed Moorebank intermodal site, so it may be significantly impacted. On a positive note, during the event I had the opportunity to welcome other members of the House to the area, including the Minister for Western Sydney, Stuart Ayers; the newly appointed Minister for Women, Tanya Davies; and the member for Parramatta, Geoff Lee. Some special guests attended, including South Sydney's former child soldier turned Blacktown lawyer and New South Wales Australian of the Year—

Dr Geoff Lee: Human rights advocate.

Ms MELANIE GIBBONS: —and human rights advocate, Deng Adut; and Olympic pentathlon champion Chloe Esposito, who is a proud Holsworthy electorate resident. Additionally, many prominent local residents who have passionately given the area a lot of time over the years were present, including Mr Harry Hunt, OAM, the former long-time president of the Liverpool Chamber of Commerce, and Mrs June Young, OAM, who is the current executive member and volunteer for the City of Fairfield RSL Sub-Branch, Rotary Club of Liverpool Greenway, and Liverpool-Fairfield Legacy Widows Club. There is no gathering in the Liverpool area at which June Young is not present—she is amazing.

Also present was Mr George Germanos, who is the current President of the Liverpool Chamber of Commerce; Mrs Kate Murray, Holsworthy Woman of the Year for 2016; and her husband, Grahame; Ms Buffy McDonald and Mr John Eastwood, who are from the Young Adult Disabled Association—they do amazing work in the disability sector in south-west Sydney; Mr John Jewell, who is the current President of the Moorebank Men's Shed; Mrs Fiona Heath, a former Holsworthy Woman of the Year, who currently serves as the President of the Moorebank Baseball-Softball Club; Mr Phillip Griffiths, the President of the Sandy Point Progress Association; Mr Tarkan Fari, President of the Australian North Cyprus Friendship Association; Mr Deniz Erdogan, Executive Principal of Amity College, Prestons Campus; Mr Sean Budge, President of the 1st Wattle Grove Scouts; and Mr Anthony Carroll, the local controller of the Liverpool State Emergency Service, who has given a great deal of his time to ensure the safety of residents in the Holsworthy electorate.

We were well represented by many of our community groups on the day. Australia Day is important for all Australians in our community because it celebrates what unites us. I was glad to hear the Premier tell the story of her parents' move to Australia in the 1960s, their citizenship ceremony and her love for Australian citizenship, which came directly after our citizenship ceremony in Liverpool so it was particularly poignant. One thing resonated with me during the Premier's speech when she said:

What I love about New South Wales is that it does not matter where you come from or your background, if you sign up to be an Australian citizen and support our community, you can achieve anything. A lot of awards were presented to residents living and working in the Liverpool area on Australia Day and these include: Ms Alma Hunt, who received the Liverpool Citizen of the Year award for her devotion to the Heckenberg Parents and Citizens Association over the past 50 years; Ms Maleeka Gazula, who received the Liverpool Young Citizen of the Year award for her work on the Youth Council, the Youth Parliament, the Casula Powerhouse Arts Centre Youth Committee and the New South Wales Youth Week Advisory Committee; and Mr Bob Storey, who received the Fraser Environment Award for his dedication to helping to maintain the natural environment through the Liverpool Action Group. The work that group does is amazing. Mr Declan Grohala received the Sports Award for representing Liverpool in many national swimming championships and for being the New South Wales 2016 Champion; and Mr Harry Hunt, OAM, received the Macquarie Award for his significant contribution to the local community through the Liverpool Chamber of Commerce.

In the Holsworthy electorate we also have two exceptional residents who received Australia Day honours: Chloe Esposito was awarded the Medal of the Order of Australia for her service to sport. She won Australia's first-ever medal in the women's modern pentathlon and added gold to our medal tally at the 2016 Rio Olympics. We all remember how excited we were when we saw that in the wee hours of the morning. Margaret McMahon was awarded a Medal of the Order of Australia for her service to community health, having dedicated more than half a century of her life volunteering to teach physical culture. It is important to note that both those recipients have worked hard and passionately over the years to achieve these honours and have had the support of their families and friends in so doing. I again thank the Premier for visiting our electorate on Australia Day and congratulate all the award recipients—people who make our local community one of which we can all be proud.

TUNCURRY SLIPWAY

Mr STEPHEN BROMHEAD (Myall Lakes) (16:50): I inform the House of a matter of importance to the people of New South Wales, in particular to the maritime services and the fishing industry. I refer to the state of the slipway at Tuncurry. Two or three weeks ago a boat left Newcastle harbour to go to the slipway at Tuncurry because there is no public slipway in Newcastle harbour big enough to be able to attend to that particular boat. As it came into the harbour at Forster, it started to take on water and sink. It got to the first jetty where NSW Fire and Rescue, the Rural Fire Service [RFS] and the marine service were able to pump the water out of it and ultimately get it to the slipway. The boat could not go to a slipway in Newcastle or in Port Stephens because there was not one big enough; at Port Macquarie there is no public slipway, only a private one; and the slipway at Coffs Harbour has been closed for three years. So the only slipway big enough is in Tuncurry.

The issue I wish to highlight is that the slipway at Tuncurry is about to have work done to remediate environmental issues due to past practices spanning many decades. As part of that, the winch mechanism, the mechanical works and the pulley system that brings the ships up out of the water and onto the slipway needs a bigger engine to be able to do that. The slipway is at the wrong angle to do that and so a lot of work needs to be done to maintain that slipway. The simple solution would be to just let it close but that would devastate the marine and fishing fleet industries that use the slipway. It is located adjacent to the fish co-op at Tuncurry and plays an extremely important role. Last Friday I had the pleasure of taking around the Myall Lakes electorate the new Minister for Roads, Freight and Maritime Services, and member for Oxley, the Hon. Melinda Pavey. She is a great member and a great local champion for her area who, over time, will show that she is also a great Minister.

We met with Susie McNally from the fish co-op and the chairman of the board to show the Minister the slipway and to discuss with her what is needed. I call upon the Minister and the New South Wales Liberal-Nationals Government to fund the required works. A commitment already has been made for the environmental works to be carried out, but there is other infrastructure work that needs to be done. I call on the Minister and the Government to look into those issues. To put it in context, there are a huge number of boats during the holiday season and there is a large local fishing fleet. Wallis Lake supplies 30 per cent of the Sydney

rock oyster market and 80 per cent of blue swimmer crabs for the Sydney Fish Market. The big local fishing industry plays an important role along the east coast of Australia.

The DEPUTY SPEAKER: That is in your electorate?

Mr STEPHEN BROMHEAD: In my electorate of Myall Lakes. I am not speaking about issues that should not be raised in a private member's statement, as the former Speaker John Murray ruled in a landmark decision. This is important for my electorate and for all of New South Wales. Part of my electorate is covered by Port Stephens marine rescue. Last year in January, during an east coast low, Port Stephens marine rescue saved a number of yachts that had foundered in horrific sea conditions of the like not seen for 40 years. We are tucked up at home and do not see the large number of boats that travel up and down the coast and need slipways. The Tuncurry slipway is the only local facility that is big enough and open to the public.

DRAFT GEORGES RIVER MASTER PLAN

Mr PAUL LYNCH (Liverpool) (16:56): I report to the House a proposal that is of considerable significance and a great threat to the electorate I represent. This particular proposal represents gross overdevelopment of residential units, including buildings of up to 40 storeys that replace employment sites. The proponents of such schemes include developers and property owners, whose objective is to maximise commercial profits and in whose calculus the good of the people who reside in the electorate that I represent and in neighbouring areas is completely irrelevant. Other proponents of the proposal seem to be at least some senior planners at the Liverpool City Council, installed by the previous conservative council, who seem to think any development is good and developers should get everything they want. That attitude is profoundly unbalanced. Good development should be supported but it must be appropriate and proportionate and subject to proper controls and regulations. Social good is more important than profit.

The particular proposal that concerns me is the Georges River Master Plan. The plan has been exhibited by the Liverpool council. The draft master plan claims, using the usual rhetoric, that it "provides a vision for the renewal of the Georges River precinct". It "aims to create a true river city with a vibrant mix of uses and activities focused around the Georges River". I have been in public office for long enough to have such rhetoric raise a whole range of danger signals. Comparisons of Liverpool and Moorebank with Hamburg fall into the same category. The plan at one stage also uses the word "incentivise". It sounds like a spiv's manual. It threatens to do damage not only to Liverpool but also to the English language.

The plan describes "low rise" development as up to five storeys in height. That description will come as something of a shock to the residents of Liverpool and Warwick Farm, to say nothing of those in Moorebank and Chipping Norton. The western boundary of the master plan study area is the Liverpool railway line and Bigge Street, within the electorate of Liverpool. The study area extends to Anzac Creek in the east. The council retained no less than four consultants to prepare the draft plan. In passing, that probably explains why the last council could not find money to repair roads in Green Valley.

Stage one of the draft plan proposes the first stage of development to be the Georges River quarter, which is broadly north of Newbridge Road on the Georges River opposite the Liverpool railway station to the east. This is described as "primary riverfront development area", mostly within 800 metres of the railway station. This is where the bulk of new buildings will go. Hilariously, the plan says of this area "north-facing water views, conducive of a premium residential offer". I say hilariously because the view includes a portion of the Georges River and the Liverpool Sewage Treatment Plant. It also states in the executive summary that this precinct is most likely to accommodate an extension of the south-west metro from Bankstown. The significance of the metro runs through the draft report. There is no certainty that the extension will occur, which underlines the other-world nature of the draft plan. Page 50 of the draft report states:

Land to the north of Newbridge Road, contained by the bend in the Georges River, will have the greatest densities due to the combination of riverfront frontage with proximity to the station and CBD. It continues:

The tallest buildings in the precinct will be located in this area. Heights approaching the height limits imposed by Bankstown Airport (potentially 40 or so storeys, depending on local ground level) may be countenanced.

This headlong rush to construct 40-storey buildings admits one of the plethora of problems with the proposal: the existence nearby of Bankstown Airport and the height limits that will necessarily have to be accounted for. The report does not acknowledge another analogous constraint: the existence of the helipad at Liverpool Hospital, which is used for critically ill patients. That has already been considered in relation to other overdeveloped sites in the Liverpool central business district but is absent from the considerations of this report. There are other problems. There are significant constraints involving ground contamination, given the industrial history of the site. There is also a higher water table, which is hardly surprising in the circumstances.

That means basement parking probably will not be provided—and that is without taking flooding into consideration—so we are now expected to contemplate with equanimity 40-storey buildings without basement parking. That is a recipe for a parking catastrophe that makes the current parking chaos in the Liverpool central business district pale to insignificance. There are references in the report to making the area pedestrian friendly, as it is close to Liverpool transport sites. The implication is that people will not need cars. That other-world perspective does not mean residents will not own cars. They will, and it will be catastrophic. The only other option, I suppose, is to build massive, multistorey car parking stations next to the 40-storey buildings. The likelihood of developers joyfully doing that—and reducing profits—is remote. People will not stop buying cars just because consultants and planners who do not live in Liverpool think it is a good idea.

The necessity to increase floor space ratios is another theme of the report. The constant mantra is to increase the density. The floor space ratio uplift is essential for profitability and thus for the viability of the draft plan. That leaves little room, given the constraints on open space. One part of the report suggests that the Liverpool Girls' High School sporting fields be used for open space. A developer's obligation to provide open space can be sacrificed to the aim of making more profit through the use of a school's playing fields. Much of the Georges River precinct plan covers an area that is currently called the Prysmian site, previously known as Pirelli Ericsson Cables Australia. It has had a long industrial history and is a well-known site in Liverpool. I have attended picket lines there. To replace an industrial site providing significant employment with overdeveloped residential towers is obscene. This madness should end.

Visitors

VISITORS

The DEPUTY SPEAKER: I welcome to the gallery this afternoon the Legal Profession Admission Board's Diploma in Law first-year students from the University of Sydney, guests of the Parliamentary Education Office.

Matter of Public Importance

CLOSING THE GAP REPORT

Mr GARETH WARD (Kiama) (17:02): I also welcome our guests to the gallery. If you can survive the Priestley 11 and all the electives you will certainly survive a session of the New South Wales Parliament. It is my great privilege and honour to present to the House this matter of public importance in relation to Aboriginal people. I start by acknowledging the traditional owners of the land on which we meet. Under this concrete, this land is, was and always will be Aboriginal land. I come from an electorate with beautiful Aboriginal people whom I have known in my role as a member of Parliament, as friends I went to school with, as members of the family and as close loved ones.

Before I came into this place, as a member of the Shoalhaven City Council I chaired the Aboriginal Advisory Committee of that council. It is a community with so much opportunity, so much potential and so many wonderful people, but we must recognise that there is also disadvantage. Both sides of politics need to have an honest conversation about the challenges that Aboriginal people confront—a conversation with them, not at them. I am pleased to be joined in the Chamber by my very dear friend the member for Port Macquarie, the former Minister for Aboriginal Affairs, who did an outstanding job. She was very well regarded by Aboriginal communities as a Minister who truly cared. I know that many of her predecessors in that role also had a great heart for the job.

Yesterday our Prime Minister delivered to the Federal Parliament the ninth progress report on the Closing the Gap targets. The New South Wales Minister for Aboriginal Affairs, Sarah Mitchell, was there as the representative of our Premier and the people of our State. In his address our Prime Minister acknowledged that, while progress has been made in areas such as year 12 attainment, most targets are not on track and in some instances have become, tragically, worse. The Prime Minister acknowledged that there is a lot of work to do and that the Government has the will to continue to be at the forefront of that work as we represent the largest number of Aboriginal people of any State.

The New South Wales Government agrees with the Prime Minister on the importance of putting Aboriginal people at the heart of decision-making. We strongly believe that Aboriginal communities need to be at the front and centre of decision-making processes, whether that be in policy development, the delivery of services or the evaluation of the success or failure of the Closing the Gap initiative. We began this journey in August 2011 when the Government established the Ministerial Taskforce on Aboriginal Affairs to provide advice on possible areas of reform in education, employment and service delivery as well as accountability. This task force embodies the Government's commitment to genuine and meaningful partnership with Aboriginal

communities by bringing together Cabinet ministers, key Aboriginal representatives and specialists, and senior officials from the public service.

The Closing the Gap targets are focused on seven key building blocks—early childhood, schooling, health, healthy homes, safe communities, economic participation, and governance and leadership. These are the same core elements that underpin the New South Wales Government's community focused plan for Aboriginal affairs known as OCHRE—Opportunity, Choice, Healing Responsibility, Empowerment—which focuses on education, language and culture, employment and, most importantly, accountability because those are the key levers for driving economic, and social improvement and empowerment, each of which is essential to close the gap. Most importantly, the evaluation of OCHRE is embedded in its implementation so that we have the evidence on hand about what works and what needs improvement.

The New South Wales Government also is working hard to build strong relationships with Aboriginal communities through programs like Local Decision Making, which sets out a pathway for communities to have more control in the design and delivery of Government services. This approach was developed through extensive consultation with Aboriginal communities—as it should be. Six Aboriginal regional alliances are being supported under this initiative. The accord signed with the Murdi Paaki Regional Assembly sets out how decision-making will be shared cooperatively with Government, and it has been a highlight of this initiative.

Growing New South Wales's First Economy, the New South Wales Government's framework for Aboriginal economic prosperity, was launched in December last year. I am pleased the former Minister is here because I know that she was instrumental in this. The framework focuses on leveraging existing effort through improved coordination of policy and program delivery. It is focused on three economic pillars: education and skills, employment, and economic agency. Our efforts focus on empowering the Aboriginal community and on assisting community members in building capacity in local and regional governance and decision-making—recognising and revitalising the shared connection to progress languages and culture as well as assisting their economic efforts. I know that this—caring for the Aboriginal community and listening to its members, and working with them to ensure that we deliver results that provide meaningful change—should be beyond politics. That is what this Parliament should be dedicated to.

Mr DAVID HARRIS (Wyong) (17:07): On behalf of the Labor Opposition I speak on the Closing the Gap report that was handed down yesterday. I also acknowledge the former Minister, who is in the House, and of whom I spoke earlier today. I pay my respects to elders past and present. As a former school principal I acknowledge the important duty we have to the elders of tomorrow—the next generation of Aboriginal people. After all, that is what this report is about. We have to start making things better for future generations of Aboriginal people. Sadly, as the member for Kiama mentioned, it was reported yesterday that only one of the seven targets is currently being met. Last year, 30 prominent organisations put out a document called the Redfern Statement. In putting that statement out they commented:

In the past 25 years—a generation in fact—we have had the Royal Commission into Aboriginal Deaths in Custody, the Bringing them home Report and Reconciliation: Australia's Challenge: the final report of the Council for Aboriginal Reconciliation. These reports, and numerous other Coroner and Social Justice Reports, have made over 400 recommendations, most of which have either been partially implemented for short term periods or ignored altogether.

The statement goes on:

All of these reports call for better resourcing of Aboriginal and Torres Strait Islander organisations and services for Aboriginal and Torres Strait Islander communities.

All of these reports call for real reconciliation based on facing the truths of the past and creating a just and mature relationship between the non-Indigenous Australian community and the First Peoples.

The statement urges the reversal of Federal cuts, the establishment of a stand-alone department and the implementation of incarceration and justice targets. I am pleased to say that in New South Wales we are making progress on some of those important issues. Whilst there were some things in the report that were not positive—things that indicated that we have to do better—in New South Wales, through the leadership of successive governments, including some initiatives in the past couple of years, we have started to address some important issues.

When Bill Shorten made his speech for the ninth anniversary of the national Apology to the Stolen Generations he told Parliament that decency demanded the Commonwealth take the lead on reparation for the many Indigenous children removed from their families under government policy. Last year in New South Wales an upper House inquiry was held into the Stolen Generations. I am pleased to say that the Government in a bipartisan way has accepted the recommendations of that report. New South Wales will provide reparation to those who were forcibly taken from their homes. I thank the former Minister for her support of that report and the acceptance of those important recommendations. I think New South Wales is the first State that will pay reparations to the Stolen Generations.

I will address the idea of justice targets and look at incarceration rates. In New South Wales Indigenous people are 18 times more likely to be in detention when compared to their non-Indigenous peers. Indigenous young people make up approximately 5.5 per cent of the population of 10- to 17-year-olds in New South Wales and just over half the youth detention population. That is why we should consider whether having justice targets may remind us each year when reviewing those targets to do a better job. We also must address the increase in percentage of the population of Aboriginal people in prison. I will speak very briefly about the fact that far too many children are in out-of-home care in New South Wales. We have to look at that number very carefully and address it with future policy changes.

The DEPUTY SPEAKER: I certainly endorse the comments that have been made about the former Minister.

Mrs LESLIE WILLIAMS (Port Macquarie) (17:12): Thank you very much. I join with my colleagues to acknowledge the traditional custodians on the lands on which we gather, the Gadigal people of the Eora Nation, and pay my respects to elders past and present. As the member for Kiama said, this always was Aboriginal land and always will be Aboriginal land. Yesterday the Prime Minister tabled the tenth Closing the Gap report in Federal Parliament, which coincided with the fiftieth year since the 1967 referendum. The Prime Minister said:

The Closing the Gap targets address the areas of health, education and employment, and provides an important snapshot of where progress is being made and where further efforts are needed. We know we will not make the necessary gains across any of these areas if we do not work in partnership with Aboriginal and Torres Strait Islander people. It is only once we establish effective mechanisms for working together, for supporting decision-making at the community level, that we are likely to see the gains needed to meet the targets. It is interesting that the report is titled "Working with Aboriginal and Torres Strait Islander people for a Better Australia". This title reflects the significant change in the way in which governments engage with Aboriginal people—that is, not doing things for Aboriginal people but rather doing things with them. Working together to reach achievable outcomes is the only way that we will ever make any differences in terms of Closing the Gap targets. As highlighted by the Prime Minister, we are not on track to meet a majority of the Closing the Gap targets. As the member for Kiama has signified, in some areas the gap is actually widening. There is so much work to be done, as has been acknowledged by all members of this House and also by the Prime Minister. As he said, we must do things differently.

I am pleased that the shadow Minister for Aboriginal Affairs, the member for Wyong, has acknowledged the work that is being done in New South Wales to make the necessary changes. I thank the member for Wyong once again for his bipartisanship and the work that he did in partnership with me, as reflected in the New South Wales policy. As the member for Wyong said, in New South Wales we have made changes, and that is because we have changed the relationship between Aboriginal people and government, which is reflected at the core of our Aboriginal affairs policy.

The New South Wales plan is less about government and more about Aboriginal people. It focuses on revitalising and promoting language and culture, creating opportunities, increasing people's capacity, providing choice and empowering people to exercise that choice as well as giving them the tools to take responsibility for their own culture. The New South Wales policy is about culture, language and healing. The healing component relates to the reparation scheme that we introduced for the stolen generation. All those points have been acknowledged by the member for Wyong. I am pleased to say that we indicated last year that we would introduce legislation into this House to protect Aboriginal language. New South Wales will be the first State in Australia to introduce such legislation. I am proud of this legislation and I look forward to all parties supporting its passage through this Chamber.

Ms TAMARA SMITH (Ballina) (17:16): By leave: On behalf of the New South Wales Greens I make a contribution to debate on this matter of public importance on Closing the Gap. I also join my colleagues in paying respect to Aboriginal elders past and present and the spirit of the sea and land. As the former Minister for Aboriginal Affairs said, this land always was and always will be Aboriginal land. It is important at the outset to tease out the phrase "close the gap". Often in my career as a solicitor working in the Aboriginal Legal Service and in the Northern Territory and as a teacher in rural and remote regions, this term could imply that somehow Aboriginal and Torres Strait Islander people need to catch up—and I do not wish to criticise anyone by saying this. It is important to remember that the phrase connotes disadvantage. Talking about a gap is a deficit model because, even though we talk about equal opportunity and equal activity in human rights, the phrase "close the gap" connotes that those who are in the gap are somehow deficient.

Obviously, those of us in the Chamber today utterly dispute that notion, but I think it is important that the connotation is brought to light, and any suggestion that Aboriginal and Torres Strait Islander people need to do something to catch up or fit in is utterly disputed. In our view the gap is the disadvantage that is the long-term and intergenerational result of invasion of this country. Our first peoples never ceded this land, and the disadvantage across key life outcomes is an ongoing source of national shame. I know that there have been and are great Ministers and members across the Chamber—as well as programs and policies in this State, other States and at the Federal level—that work with the Aboriginal and Torres Strait Islander community to support the

changes that are required. But for The Greens, at the heart of the real change that is necessary are self-determination, recognition in the Australian Constitution and land rights.

I will not focus on the statistics, but I will highlight something I saw as a teacher: a gap that opens often for year 2 students, and that seldom closes, and that is the result of hearing impairment. I also saw this in Berrima prison, one of the largest prisons in Australia, where more than 90 per cent of the men in the prison had a hearing impairment as a result of an infection when they were in school. Early intervention programs, as suggested by the former Minister, are so important because a well-funded program to tackle otitis media could change the lives of many disadvantaged people. In closing, I reiterate that The Greens believe self-determination is at the heart of Closing the Gap.

Mr GARETH WARD (Kiama) (17:19): In reply: I thank the member for Port Macquarie, the member for Wyong and the member for Ballina for their contributions to discussion on this matter of public importance. I hope it has given students in the gallery an example of some of the decent work that happens in this Chamber. Too often the media portrays members of Parliament as working against each other. On this issue we realise that the biggest gap in the world today is the difference between the largest of our problems and the smallest of our politics. This issue unites members of this Chamber because we know the value of Aboriginal people and the importance of finding the right solutions.

I thank the member for Wyong in particular for his contribution relating to incarceration and recidivism rates, about which he is absolutely correct. Government needs to do more to ensure that young Aboriginal men and other people who find themselves in prison do not return. I echo the comments of my friend the member for Ballina and also place on the public record my support for the recognition of Aboriginal people in the Australian Constitution. I have long felt that should have been corrected. I am pleased a discussion is now being had about how best to recognise Australia's first peoples in our Constitution, which represents our foundation stone and the nation's birth certificate.

I spoke earlier about things the Government is doing to encourage Aboriginal people to play a greater part in our economy. The New South Wales Government has established four Opportunity Hubs to further support economic participation. More than 1,100 school students are participating in hub programs to guide them on their pathway to further education and employment. Hub programs promote self-esteem and cultural identity as well as providing advice as to education, goal setting, and employment and career building. The Government is also working to remove red tape and planning barriers on former Aboriginal reserves—a move that addresses current and future infrastructure needs and opens up economic opportunities for those communities.

Since 2013 four industry-based agreements have been signed with the NSW Minerals Council, the Master Builders Association, the Civil Contractors Federation and the New South Wales Indigenous Chamber of Commerce. These agreements aim to improve employment and job retention outcomes for Aboriginal people in these sectors. A new regional model for industry-based agreements is being developed. The Government looks forward to continuing to work closely with community leaders and groups across New South Wales to ensure Aboriginal people are at the heart of decision-making.

As already noted, the Government recognises that there is more work to be done in closing the gap and assisting Aboriginal communities. That is why, despite all the negative reporting about only one target being met, it is nevertheless pleasing to report that our Government is at the forefront of implementing the future vision that the Prime Minister articulated yesterday. I sincerely thank all members for their considered contributions to this discussion. May we not only talk about what needs to be done but also demonstrate that it can be done.

**The House adjourned, pursuant to standing and sessional orders, at 17:23 until
16 February 2017 at 10:00.**