

LEGISLATIVE COUNCIL

Tuesday 16 March 2010

The President (The Hon. Amanda Ruth Fazio) took the chair at 2.30 p.m.

The President read the Prayers.

The PRESIDENT: I acknowledge the Gadigal clan of the Eora nation and its elders and thank them for their custodianship of this land.

CRIMES AMENDMENT (POLICE PURSUITS) BILL 2010

Message received from the Legislative Assembly agreeing to the Legislative Council's amendment.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Report

The President tabled, pursuant to the Independent Commission Against Corruption Act 1988, a report entitled "Report on Corrupt Conduct Affecting the Administration of Justice in the Wagga Wagga and Other Local Court Areas", dated March 2010, received out of session and authorised to be made public on 15 March 2010.

Ordered to be printed on motion by the Hon. Tony Kelly.

MINISTRY

The Hon. TONY KELLY: I inform the House that on 11 March 2010 Her Excellency the Governor appointed the Hon. Ian Michael Macdonald, MLC, as Minister for Major Events.

LEGISLATION REVIEW COMMITTEE

Report

Ms Sylvia Hale, on behalf of the Chair, tabled a report entitled "Legislation Review Digest No. 3 of 2010", dated 16 March 2010.

Ordered to be printed on motion by Ms Sylvia Hale.

PETITION

Coogee Bay Hotel Site

Petition opposing any redevelopment of the site bounded by Coogee Bay Road and Arden and Vicar Streets under part 3A of the Environmental Planning and Assessment Act 1979, received from the **Hon. Don Harwin**.

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Orders of the Day Nos 1 and 2 postponed on motion by the Hon. Tony Kelly.

HISTORIC HOUSES AMENDMENT (THROSBY PARK HISTORIC SITE) BILL 2009**Second Reading****Debate resumed from 11 November 2009.**

The Hon. DON HARWIN [2.45 p.m.]: The Historic Houses Amendment (Throsby Park Historic Site) Bill seeks to transfer responsibility for the Throsby Park Historic Site near Mittagong from the New South Wales National Parks and Wildlife Service—which operates under the auspices of the Department of Environment, Climate Change and Water—to the Historic Houses Trust. This transfer will apply to all the assets, rights and liabilities of the Crown relating to the site. Having great confidence in the ability of the Historic Houses Trust to preserve the Throsby Park property for the enjoyment and education of the public, the Opposition does not oppose the bill.

Throsby Park is one of the few nineteenth century homesteads within a day's drive of the Sydney metropolitan area. It is a site of considerable historic significance in terms of its buildings, natural heritage and cultural landscape. The site is associated with Dr Charles Throsby, an important figure from the colonial era who was a noted pastoralist, explorer and politician. A member of the first Legislative Council, Dr Throsby is remembered for his exploration of the Southern Tablelands and the crucial role his reports had in Governor Macquarie's decision to open the area to European settlement. Throsby Park was the earliest land grant outside the County of Cumberland.

Dr Throsby was a pioneer in pasture improvement practices and was noted for breeding quality beef cattle. He played an important role in establishing commercial farming in New South Wales and developing the colony's beef export industry. Subsequent generations of the Throsby family had a considerable influence on the development of the Wingecarribee district. The Throsby Park property remained in the hands of Dr Throsby's family for over 150 years. Even after the estate was purchased by the National Parks and Wildlife Service in 1975, members of the family continued to reside on the property. Consequently, the property exhibits a strong sense of continuity from its colonial origins and continuous association with a single family.

Throsby Park comprises 74 hectares with numerous buildings, gardens, orchards, open spaces and unfelled areas. The principal asset of the park is Throsby Park House, which was constructed in 1834. It is a fine colonial Georgian home of sandstone and brick, arranged around an inner courtyard of flagged sandstone. It is one of the few single-storey, verandahed farm houses from the 1830s that remains virtually intact in terms of both structure and setting. Alterations and extensions have partially compromised its original appearance and architectural design, but these changes and additions in themselves attest to the property's history as a working property and family home. The house retains substantial elements of materials and finishes from the nineteenth and early twentieth centuries, including internal red cedar joinery, hardwood floors, vertical sliding sash windows, cornices, fluted pilasters above the front door, a bay window, and cedar valance on the verandah. The home has been subject to considerable conservation work.

The other building of particular significance in its own right is Throsby Cottage, a dwelling constructed prior to the building of the main house. It is a rare surviving example of an early timber house and one of the oldest outside of the County of Cumberland. The cottage is in surprisingly good condition and retains fireplaces in several rooms. The property's shingle-roofed stables, which are a fine example of early Victorian colonial architecture, remain in the use for which they were designed and built. Other buildings on the estate include a weatherboard laundry from the 1820s, a dairyman's cottage, a timber frame meat house from the early twentieth century, a small 1950s-era brick dairy, a Depression-era piggery, a timber frame hayshed, and a summerhouse of timber and lattice construction.

Collectively these buildings and out-structures constitute an invaluable example of a working estate from the nineteenth century. That such a range of buildings has survived together makes Throsby Park an important historic site, with significant archaeological potential as to the use and operations of a rural property and the changing lives of its occupants. The site is of tremendous educational value because of its historical associations and the fact that it remains largely in tact.

The significance of the property, however, extends beyond simply the heritage buildings; the rural landscape is an important component of its cultural value. The open, cleared spaces reflect the intensive mixed farming that was central to the property's working life. In addition, the site retains remnants of its cultivated gardens and orchards. The grounds include groves of pine, elm, olive, cypress, oak, crepe myrtle, willow and

laurel trees as well as roses, perennials and briars. While many of the pine windbreaks have reached their normal lifespan and declined, and the gardens have deteriorated, numerous plantings remain and are significant archaeological evidence of the original patterns and styles of the gardens. The property is also important for areas of unfelled timber, with a variety of native species including Paddy's River Box—a rare species restricted to the Southern Central Tablelands. Given the proportion of the Southern Highlands that have been cleared, these patches of bushland are significant and merit conservation. The two main stands of native trees have been fenced to assist their preservation.

The plan of management for Throsby Park developed in 2003 comprised the following specific objectives: conservation of the cultural landscape, buildings, archaeological sites, moveable heritage and other features in a manner that retains their cultural significance; conservation of remnant strands of native vegetation; provision of opportunities for public viewing of the house, outbuildings and gardens; promotion of community understanding and appreciation of the history and cultural significance of the historic site and of educational opportunities; and use of the historic site in a manner that is compatible with its significance and, if possible, continues its rural and cultural traditions in a dynamic manner.

These objectives sit quite comfortably within the remit of the Historic Houses Trust. Established as a statutory authority in 1980 to run Vaucluse House and Elizabeth Bay House, the trust is one of the largest State museum organisations in Australia and is entrusted with the care of 14 diverse historic buildings and sites across New South Wales. The trust is currently responsible for heritage homes, public buildings, a farm, gardens, parklands, a beach and urban spaces. In addition to its conservation work, the trust does an excellent job in making our heritage accessible to the public in a manner that is challenging, exciting and engaging. Its commendable range of programs, activities and exhibitions attract over two million visitors each year.

The objectives of the current plan of management concerning the Throsby Park Historic Site and those of the Historic Houses Trust contain numerous essential commonalities. Both sets of objectives emphasise the need for preservation and conservation in the context of public access and appreciation. Both sets of objectives strongly encourage a respect for historic significance in the manner of a dynamic and active approach to heritage. Consequently, the Opposition believes that the Throsby Park Historic Site will enjoy a considerable continuity of management and care following its transfer from the National Parks and Wildlife Service to the Historic Houses Trust. We are of the opinion that the best interests of the property, which have been well served by the service and the department, will continue to be met by the trust. Over many years the trust has proven itself to be an invaluable organisation, committed to best practice in the fields of conservation and museum management. It is an entirely appropriate body to have responsibility for a property of the nature and significance of Throsby Park. The Opposition does not oppose the bill.

Reverend the Hon. Dr GORDON MOYES [2.54 p.m.]: On behalf of Family First I speak to the Historic Houses Amendment (Throsby Park Historic Site) Bill 2009, which will revoke the site from reservation as a historic site under the National Parks and Wildlife Act 1974 and transfer its ownership and management to the Historic Houses Trust. The bill will also amend the Historic Houses Act to safeguard the land from being sold or otherwise disposed of without an Act of Parliament.

In the beautiful Southern Highlands of New South Wales on the outskirts of Moss Vale and encompassing 75 hectares or approximately 150 acres, sits the property of Throsby Park. This Georgian-style house, a perfect example of colonial style, was built in 1834 by Charles Throsby and his wife, out of sandstone, marble and cedar, on land granted to his family from Governor Macquarie nearly 20 years earlier. One of the first properties to be settled in that region, it was long to be home to their 17 children and then for six generations until 2006 when the last Throsby living there died. It was run as a mixed farm over the generations and as a riding school for many decades.

The property and all of its valuable period furnishings were originally donated by the family to the New South Wales National Parks and Wildlife Service in 1975, with the proviso that Miss Delicia Throsby could continue living there. Its transfer to the Historic Houses Trust will be advantageous because that organisation has the specialised expertise required to care for and show historic houses at their best. The bill will also amend the Historic Houses Act in order to prevent the Throsby Park property from being sold without an Act of Parliament, thus guaranteeing that this wonderful heritage site will belong to the people of New South Wales in perpetuity.

The Historic Houses Trust was established in 1980 in order to manage, conserve and interpret historic buildings and places. It currently manages many houses, public buildings, gardens and parklands, and holds

extensive heritage collections. The trust has world-class expertise in areas such as building conservation, architecture, historical research, and the management of historic gardens, furnishings and interiors. The trust will manage the site under its Endangered Houses Fund, which is used to acquire historic buildings that are at risk of demolition or insensitive development. They then conserve and protect them before putting them on the market either for sale or on a long-term lease—which will be the case for the Throsby Park property. The long-term residential lease is believed to provide the best option for conserving the site's heritage value. There will be specific conditions in the lease to ensure public access is provided, so that the people of New South Wales will continue to have the opportunity to see and appreciate their cultural heritage. I support the bill on behalf of Family First.

Ms SYLVIA HALE [2.57 p.m.]: The Historic Houses Amendment (Throsby Park Historic Site) Bill 2009 will transfer Throsby Park Historic Site in Moss Vale to the Historic Houses Trust. The bill amends the Historic Houses Act to prevent the site from being sold without an Act of Parliament, thus ensuring that this significant heritage site will remain in public ownership in perpetuity—or so one hopes. If only the Government would apply this mechanism to other public assets, such as the power grid. The Greens firmly believe that the Parliament should be the arbiter for the disposal of any State assets above a certain threshold.

Throsby Park House is a fine Georgian building. Juniper Hall on Oxford Street in Paddington, Elizabeth Bay House, Experiment Farm Cottage in Parramatta, and the Mint Building in Macquarie Street are other examples of Georgian colonial architecture in New South Wales. We see the work of Francis Greenway, who was transported to Australia in 1814 for forgery and appointed Civil Architect by the energetic and visionary Governor Lachlan Macquarie, in so many of our Georgian buildings. Governor Macquarie may well have been one of the best Ministers for Planning this State has never had. The Georgian form is renaissance in origin and is of classical simplicity—as seen in the simple rectangular windows, with no baroque, Victoriana or decorative frills to be seen. Throsby House is an excellent example of that simplicity of design. Like many homes of that era, Throsby House has a veranda to ward off the hot Australian sun—a desirable attribute lacking in many contemporary houses today.

Throsby House was home to five generations of the Throsby family. Its associated farm buildings include the former barn, flour mill and the original stables. Gundagai Cottage, originally called Acacia Cottage, and the old Anglican Christ Church are also located on the site. As was the case with many of the State's larger estates, its owners—the Throsby family—could no longer maintain such a large home and gardens. Throsby Park was given to the State Government, but members of the Throsby family continued to live on the property until the death of Del Throsby in 2006. One can only commend the public spiritedness of those who entrust large estates to the care of the State. One can only wish that such care and faithfulness to trust was applicable in all circumstances. But we only have to look at the example of the Graythwaite Estate in North Sydney to see what happens when a State government decides to unload a property that was left to the State for the rest and recuperation of soldiers returning from World War I.

The bill will transfer the property from the Department of Environment, Climate Change and Water to the Historic Houses Trust, which comes under the Arts portfolio. The Greens agree that the Historic Houses Trust is the right agency to manage houses such as Throsby Park. Previously the site was under the care and control of the Department of Environment, Climate Change and Water and was reserved under the National Parks and Wildlife Act in 1975. The house will be leased via a residential lease. Within the lease will be conditions to provide for some form of regular public access to the house and gardens, as is the case with Bronte House. The Greens support bill.

Reverend the Hon. FRED NILE [3.01 p.m.]: On behalf of the Christian Democratic Party I am pleased to support the Historic Houses Amendment (Throsby Park Historic Site) Bill 2009. The bill will revoke Throsby Park from reservation as an historic site under the National Parks and Wildlife Act 1974, transfer the ownership and management of Throsby Park to the Historic Houses Trust and amend the Historic Houses Act to ensure that the trust cannot dispose of the land without an Act of Parliament. The site is located on the outskirts of Moss Vale in the Southern Highlands about 140 kilometres from Sydney. The 75-hectare site comprises a furnished Georgian house, built around 1834. I am pleased that the legislation will guarantee the protection of this historic building into the future. The Historic Houses Trust, which was created in 1980, has the authority to manage, conserve and interpret historic buildings and places and has specialist expertise in the conservation of historic heritage. The trust already manages 12 properties as museums, including Hyde Park Barracks, Elizabeth Farm, Government House, Rouse Hill House and Farm, and Vacluse House.

The Historic Houses Trust has the expertise to carry out the management of Throsby Park. The best use of this site will be as a long-term residential lease that provides for heritage conservation and an appropriate

level of public access. The trust has the appropriate specialised skills and resources to maintain the values of a historic house site such as Throsby Park and to manage it as a long-term residential lease. The transfer will be accompanied by a deed of agreement and a caveat on title to ensure that the property remains in public ownership in perpetuity and that some form of regular public access is provided as part of any leasing arrangement. This transfer will ensure the continued conservation of this significant heritage property for future generations with limited ongoing public access. I trust this policy will apply to other historic buildings that are in danger of vandalism or face other issues that require this type of protection. The Christian Democratic Party supports the bill.

The Hon. HELEN WESTWOOD [3.03 p.m.]: I too am pleased to support the Historic Houses Amendment (Throsby Park Historic Site) Bill 2009. The fact that the bill has the support of the major parties and the crossbenches is indicative that it is very good legislation. The bill will revoke Throsby Park, a significant heritage property in the Southern Highlands, from reservation under the National Parks and Wildlife Act and transfer it to the Historic Houses Trust. This will ensure its long-term conservation as a place of living heritage. Had the Historic Houses Trust been in operation at the time of the original reservation, Throsby Park would have been placed within its jurisdiction. The bill will rectify that anomaly. Throsby Park will be managed as a long-term residential lease with some opportunities for public access and appreciation. This is the best and most cost-effective way to conserve its historic heritage value for future generations.

The residents of New South Wales have come to appreciate the value of our historic buildings. We now have a much greater appreciation for and desire to preserve our heritage, particularly as expressed in our buildings and architecture of the past. The bill also amends the Historic Houses Act to prevent any part of Throsby Park being sold without an Act of Parliament. This mirrors the level of protection afforded by the National Parks and Wildlife Act and will ensure that the property will not lose its status as a significant, publicly owned heritage asset. Throsby Park is located on the outskirts of Moss Vale in the Southern Highlands. Previous speakers have referred to its distance from Sydney. I lived in the Southern Highlands for a significant part of my life and I know it is very much appreciated by the community.

The Southern Highlands area values its history. The local residents and council are very supportive of maintaining the historic houses in the area. The community is very proud of its heritage, particularly its agricultural heritage. Throsby Park is a symbol of early colonial Australia, reflecting its use as one of the intense commercial mixed farm and subsistence operations that became the breeding ground for subsequent rural expansion and development of the beef export industry. Throsby Park was one of the first settlements in the region, opening up the settlement of the Southern Highlands. It is a beautiful area. Those who have had the privilege of living in the area and visitors appreciate this uniquely beautiful part of New South Wales. The property is a rare surviving property that consists of a furnished Georgian house, a weatherboard-clad cottage and associated buildings and gardens on a 75-hectare site. It is listed on the Register of the National Estate, the State Heritage Register and the Register of the National Trust.

The Historic Houses Trust was created in 1980 to manage, conserve and interpret historic buildings and places. It has an international standing in the conservation and interpretation of historic buildings and places. Its philosophy is to protect a range of properties that are representative of different periods, social cultures and architectural styles and to manage museums that are relevant to contemporary society. It currently manages 12 properties as museums, including Hyde Park Barracks, Elizabeth Farm, the Museum of Sydney, Government house, Rouse Hill House and Farm, and Vaucluse House. Anyone who has visited those historic properties knows how well they are managed. They are great educational tools for students and young Australians to learn about the history of early European Australia.

Importantly, the trust runs a very effective initiative, the Endangered Houses Fund, which is a new revolving fund program that identifies significant properties and saves them from demolition or unsympathetic development. Under this initiative properties are acquired, conserved, protected and then offered back into the marketplace for the use and enjoyment of future generations. In this way funds will revolve and more houses can be saved over time. The Endangered Houses Fund is a proactive response to the many requests the trust gets to become involved in historic houses and sites that are not considered appropriate for museum purposes. I am pleased to support the bill.

The Hon. MICHAEL VEITCH (Parliamentary Secretary) [3.10 p.m.], in reply: I thank all honourable members for their contributions to debate on the Historic Houses Amendment (Throsby Park Historic Site) Bill 2009. The bill will revoke Throsby Park from reservation as an historic site under the National Parks and

Wildlife Act and transfer the ownership and responsibility for the site to the Historic Houses Trust. This will ensure that Throsby Park is managed by the organisation that is best equipped to manage the site for its most appropriate use as a long-term residential lease while also ensuring that its heritage values are protected.

Throsby Park Historic Site is located on the outskirts of Moss Vale in the Southern Highlands, about 140 kilometres from Sydney. It is of State and regional cultural heritage significance and is listed on the Register of the National Estate, the National Trust Register and the State Heritage Register. It is a rare surviving property that exhibits a sense of continuity from its early colonial origins. Throsby Park Historic Site was acquired by the New South Wales Government and reserved under the National Parks and Wildlife Act in 1975. The estate was run down and its maintenance was beyond the means of the Throsby family. As a condition of the purchase of the site the State Government agreed that Miss Del Throsby and her mother could remain living on the site. This agreement gave rise to significant management constraints for the National Parks and Wildlife Service. Sadly, Mrs Throsby died in 1977 and Del Throsby passed away in June 2006. This ended six generations of the Throsby family occupation of Throsby Park. Miss Del Throsby was best known for running the Throsby Park Riding School, which was established in 1934.

Since its acquisition, the National Parks and Wildlife Service has undertaken extensive restoration work on the Throsby Park historic buildings at a total cost of more than \$2 million and professionally managed the site for more than 30 years. The restoration included major structural works such as reinforcement of the roof and wall underpinning, as well as repairs to internal floors, walls and ceilings and electrical rewiring. The Historic Houses Trust was created in 1980 to manage, conserve and interpret historic buildings and places. It is a specialist organisation with expertise in a range of complementary fields, including building conservation, social history research, architecture, historic gardens, historic interiors and historic site management.

The trust has an international standing in the conservation and interpretation of historic buildings and places. Its philosophy is to protect a range of properties that is representative of different periods, social cultures and architectural styles, and to manage museums that are relevant to contemporary society. It currently manages 12 properties as museums, including the Hyde Park Barracks, Elizabeth Farm, the Museum of Sydney, Government House, Rouse Hill House and Farm, and Vacluse House.

The trust also runs the Endangered Houses Fund through funds raised from the private sector to protect historical places as living places. It is a revolving fund that is used to acquire historic buildings, and then conserve and protect them in the market either for sale or as long-term leases. Funds from the sale or lease of these properties go back into the fund. In this way heritage is protected through adaptive reuse, an alternative that is far less costly than establishing museums. This means that more heritage is able to be protected over time.

The bill will amend the Historic Houses Act to prevent any part of Throsby Park being sold without an Act of Parliament. This mirrors the level of protection afforded by the National Parks and Wildlife Act and will ensure that the property will not lose its status as a significant, publicly owned heritage asset. To ensure continued public access to appreciate the historic heritage of the site, the long-term residential lease will include conditions requiring that Throsby Park be open for public access and appreciation, most likely for a couple of weekends a year. The bill, which is a new way forward for Throsby Park, builds on the excellent restoration works undertaken by the Department of Environment, Climate Change and Water. The bill provides for the best use of the site while protecting its significant heritage values and ensures that it will be publicly owned in perpetuity, with opportunities for public access and appreciation. I commend the bill to the House.

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

Motion agreed to.

Bill read a second time.

Leave granted to proceed to the third reading of the bill forthwith.

Third Reading

Motion by the Hon. Michael Veitch agreed to:

That this bill be now read a third time.

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

BUSINESS OF THE HOUSE**Postponement of Business**

Government Business Orders of the Day Nos 4 to 6 postponed on motion by the Hon. Michael Veitch.

CREDIT (COMMONWEALTH POWERS) BILL 2010**Second Reading**

The Hon. MICHAEL VEITCH (Parliamentary Secretary) [3.16 p.m.], on behalf of the Hon. Ian Macdonald: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

I am pleased to introduce the Credit (Commonwealth Powers) Bill 2010, which transfers regulatory responsibility for credit and finance broking from this State to the Commonwealth.

The decision to transfer state powers in this regard has been made with the best interests of consumers in mind recognising that a single regulator can act quickly and decisively to protect consumers when the need occurs.

Underlying this decision is an acknowledgement of the anomaly of the Commonwealth regulating all financial services except for consumer credit and broking transactions.

The New South Wales Government has demonstrated a strong commitment to the protection of all consumers and played a prominent role in developing and implementing consumer credit laws that will shortly come to an end.

I have no doubt that the Commonwealth Government shares our commitment to the protection of credit consumers and will ensure that the level of services and support available to these consumers will be the equivalent to those currently provided.

The National Consumer Credit Protection Bill 2009, now enacted, which is the tabled text referred to in the Credit (Commonwealth Powers) Bill 2010, demonstrates that commitment.

The national legislation imposes a licensing system on credit providers and finance brokers alike and requires membership of an ASIC approved external dispute resolution scheme as a condition of licensing. This will ensure that disreputable traders are excluded from the industry and that consumers have affordable access to justice for the majority of consumer complaints.

The Consumer Credit Code, the state-based uniform legislation regulating all credit for personal domestic and household purposes, is to be transferred across in its entirety with amendments to close loopholes exploited by unscrupulous lenders to avoid regulation.

The Commonwealth has added to those amendments two important protections, the first is to raise the ceiling for hardship and stay of enforcement applications to \$500,000.

The second is to extend the application of the Code to residential investment property.

I applaud these changes.

A most important addition to the regulatory scheme is a set of requirements for responsible lending conduct which will apply to both credit providers and brokers.

Members would be aware of the practices of fringe lenders, who approve loans that can't be repaid, and disreputable brokers who are only after their commission, so they exaggerate consumers' financial circumstances to get them a loan they can't repay.

We have seen the results of such practices worldwide on a grand scale and the results have been catastrophic.

These responsible lending conduct provisions are heartily welcomed.

I have already mentioned the requirement for membership of an ASIC approved dispute resolution scheme.

There are two such schemes in operation currently, the Financial Ombudsman Scheme and the Credit Ombudsman Scheme.

Both already deal with matters arising under the Code as well as finance broking issues and this will ensure a smooth transition for dispute resolution.

Matters which need to be heard in a court will be heard in the Federal Court and also the State courts. Under the Constitution the Commonwealth is unable to confer jurisdiction for credit matters on tribunals.

This means the Consumer, Trader and Tenancy Tribunal will no longer hear credit matters, except for the maximum annual percentage rate and broking laws on a temporary basis, which I will explain shortly.

In order to promote access to justice the Commonwealth is to set up a small claims division of the Federal Court, which can waive fees and will not make costs orders except in the case of vexatious litigation.

As well, legal representation will be only by leave of the court.

This facility will also be available in State courts.

This welcome development recognises that consumers with small claims are not in a position to navigate standard court procedures involving formal evidentiary requirements and costly legal fees.

While the Commonwealth legislation could be discussed at length, it is the Credit (Commonwealth Powers) Bill 2010 that is at issue today.

I mention the Commonwealth legislation only to reassure Members that consumers will not be disadvantaged by this transfer, but will in fact gain from it.

I turn now to the referral Bill and this State's consequential and transitional provisions.

The States and Territories have chosen to make a text-based adoption, with a limited amendment power, in order to ensure that power is transferred to regulate and amend only the National Consumer Credit Protection legislation, as passed by the Commonwealth Parliament.

The referral Bill provides for the commencement of the legislation which will, as a result of changes announced by the Commonwealth last year, be 1 April 2010.

These changes were negotiated in order to allow industry sufficient time to change systems where necessary.

Registration of credit providers and brokers will commence on 1 April 2010, with licensing applications to commence from 1 July 2010.

The National Credit Code will also start on 1 July 2010 along with "high level" responsible lending requirements.

This will require financial providers to assess consumers' capacity to repay and to not provide unsuitable products.

States will retain responsibility for administering the Consumer Credit Code until the National Code commences.

Importantly, the New South Wales broking legislation as set out in Part 1 A of the Consumer Credit Administration Act 1995 will be retained until 1 January 2011 when the equivalent Commonwealth provisions commence.

This will ensure that consumers have appropriate protection from rogue brokers until the Commonwealth protections take effect.

I turn now to the Schedules to the referral Bill which set out the effects of the transfer of powers on New South Wales legislation and what regulatory responsibilities will remain with the New South Wales Government.

Let me preface the detail of the Bill with a general explanation.

All contracts regulated by the Consumer Credit Code prior to transfer will, in the future, be administered by the Australian Securities and Investments Commission (ASIC).

Of course all future consumer credit will also be regulated by the Commonwealth and administered by ASIC, in accordance with the new National Code and the overarching licensing and responsible lending regime.

There is one qualification to this, for a period of one year following the referral, New South Wales will continue to impose a maximum annual percentage rate on all Code contracts.

This is by agreement with the Commonwealth Minister, who has not included in the National legislation a maximum rate on consumer credit contracts.

I am very pleased that in the transition period, while the effect of the licensing and responsible lending provisions on fringe lending practices is being assessed, New South Wales consumers will continue to have this protection.

I will say a little more on this when I come to those provisions in the Schedule.

New South Wales will continue to administer pre-Code credit contracts that were regulated under the Credit Act 1984 and the Credit (Home Finance Contracts) Act 1984.

New South Wales will also continue to have responsibility for finance broking transactions undertaken prior to the repeal of the New South Wales laws and the commencement of the full responsible lending provisions in the national laws.

Brokers have been regulated under the Consumer Credit Administration Act 1995 since 2004, and while the nature of broking, which is a transaction rather than an ongoing contract, means that issues are likely to arise within a relatively short time of that transaction taking place, New South Wales will retain responsibility for a few years.

As previously stated, New South Wales will keep its legislation in place until all broking requirements under the Commonwealth law are in place on 1 January 2011.

The Bill also amends the Consumer, Trader and Tenancy Tribunal Act and Regulation to reflect the repeal of legislation.

However it allows certain matters to continue to be heard while New South Wales continues to have jurisdiction, either on a temporary and time limited basis such as maximum annual percentage rates or matters which are commenced but not concluded before referral takes place.

It also includes those matters for which we continue to have jurisdiction but which will in the relatively near future be irrelevant since contracts regulated by that Act will have run their course, such as the Credit Act 1984.

The legislation also provides for the continued operation of the financial counselling trust fund.

I am sure the Honourable Members of this House will agree that this fund is of considerable importance in promoting the financial health of the New South Wales community.

In 2008, this Program was instrumental in helping financial counselling organisations throughout the State to provide advice and assistance to nearly 40,000 people.

I am very pleased to say that the fund is actually self sustaining as the capital base of the fund, which came from civil penalty contributions, is able to generate sufficient interest to contribute to the Financial Counselling Services Program.

I turn now to Division 2 of Schedule 3 which relates to the maximum annual percentage rate of interest which can be charged in this State.

As I mentioned previously, the rate cap will sunset one year after the referral of the Consumer Credit Code.

However while in operation it will include an amendment to ensure that unscrupulous lenders cannot avoid the rate cap by artificially separating their business into a broker plus lender structure so that they can hide their exorbitant fees.

The Bill will require the inclusion of certain fees to third parties in the calculation of the maximum rate.

This will overcome the problem of fee splitting in New South Wales which is used as a loophole to avoid the interest rate cap legislation.

The legislation will continue to apply the enforcement provisions for the purposes of investigating and enforcing breaches of the maximum rate provisions.

The Bill will also authorise the Director General of the Department of Services, Technology and Administration to provide ASIC with documents, information and assistance that is reasonably required by ASIC in relation to its functions under the National credit legislation.

I conclude my remarks by noting that Australia has fared relatively well in this financial crisis, and venture to say that this is partly due to the quality of the laws that regulate the provision of consumer credit in this country.

I would also like to express my appreciation of the Fair Trading staff who have done so much to assist individual consumers with their credit problems, and also the important community organisations which support and assist consumers with their credit problems, including financial counsellors, legal centres and community organisations administering No Interest Loan Schemes.

The dedication and commitment of the workers in these organisations is inspiring, and I want to put on record my appreciation for the wonderful work that they do to assist vulnerable consumers and bring to justice those who operate outside the law.

I believe that state and territory Governments can be proud of the legislation which has struck a balance between protecting the rights and interests of consumers while not impeding the legitimate business goals of the industry.

I commend the Bill.

The Hon. CATHERINE CUSACK [3.16 p.m.]: The Credit (Commonwealth Powers) Bill 2010 transfers regulatory responsibility for credit and finance broking from New South Wales to the Commonwealth as part of a national program, and will bring all credit providers under the same national scheme of licensing and regulation of consumer credit. The bill adopts the National Consumer Credit Protection Act 2009 of the Commonwealth and the National Consumer Credit Protection Transitional and Consequential Provisions Act 2009.

The background to this matter is that the Commonwealth passed the National Consumer Credit Protection Amendment Bill 2010 on 25 February 2010, which enabled the States to adopt the national credit legislation and to refer their powers to the Commonwealth. The national legislation imposes, for the first time, a national licensing system on all credit providers, including mortgage brokers, banks, building societies and credit unions, and finance brokers. The legislation deals with the anomaly that the Commonwealth has had powers regulating all financial services except consumer credit and broking transactions. It requires membership

of an Australian Securities and Investments Commission approved external dispute resolution scheme as a condition of licensing. Under the bill, the State-based uniform consumer credit code, which regulates all credit for personal, domestic and health purposes, will be transferred to the Commonwealth.

The Liberal-Nationals Coalition believes it is a clear improvement to have a consistent national licensing scheme for all credit providers, and has argued that position for quite some time. Indeed, the legislation is a welcome backflip on the part of the Government in regard to having a single regulatory approach with the Commonwealth being the national regulator of these services. I will remind the House of a little bit of the background to the need for the legislation. As members are aware, the Australian financial system underwent a series of deregulation reforms during the 1980s. They were commenced by the Keating Government and carried through by the Howard Government. As a result of those reforms, the banking system, which was previously a bit of a closed shop in Australia, was opened up to foreign competition and the lending market was opened up to a new form of profession—mortgage brokers, who were able to lend in competition with the banks.

The impact on consumer credit was fantastic. I believe that the cost of loans reduced by at least 18 points almost immediately. Competition was provided by new companies such as Aussie Home Loans and other businesses that sprang up. They caused a revolution in the home mortgage industry in Australia. It was also very good for women, who previously could not access finance from stuffy old banks. I am sure that everyone sees that period of deregulation as very healthy from a consumer perspective.

However, given that anyone could hang out their shingle and declare themselves to be a mortgage broker, some undesirable types came into the market and were responsible for sharp practices. It was clear to everyone concerned that those people needed to be regulated. One of the anomalies was that credit legislation was State-based. We recognised the futility of having credit laws in New South Wales at odds with those in Victoria given that people work across State borders, so a process of harmonisation was introduced. The Ministerial Council of Consumer Affairs [MCCA] had meetings several times a year at which various items such as product safety, mortgage broking and credit legislation were discussed and the States worked together to harmonise their legislation.

As a result of those discussions it was decided that one State would assume responsibility for developing model consumer credit legislation, which would then be adopted in Queensland. After any problems had been identified and rectified—or tweaked—the other States would adopt identical legislation. The problem with harmonisation is that it would have to be one of the slowest, creakiest and oldest systems used since Federation. The mortgage broking legislation harmonisation process provides a perfect example of the slowness of the process. It was clear with deregulation that markets were moving very quickly and that consumers needed to be protected. However, the creaky old harmonisation process was totally inadequate in meeting the challenge of providing the necessary protection.

Phil Naylor, the Chief Executive Officer of the Mortgage and Finance Association of Australia, and others were pleading with State Governments and the Commonwealth Government to introduce legislation to license brokers because it was embarrassing to the ethical brokers to have cowboys ripping off clients. We had a big problem in 2008 involving newly arrived Sudanese refugees who fell victim to highly organised loan scams. They were desperate to house their families and they were offered loans that they would never be able to repay. They were purchasing housing construction packages at inflated prices and accessing many government schemes such as the First Home Owner Grant for a deposit. Mortgage brokers and the companies offering building packages would take their profits and run, leaving the refugees to deal with their inability to make repayments. It was a highly organised scam and the refugees were being deliberately targeted. The mortgage broking industry wanted that type of practice stamped out. In 2003—seven years ago—the Ministerial Council of Consumer Affairs issued a communiqué stating:

Ministers today endorsed further work to develop consistent national regulation of finance brokers which builds on the NSW Consumer Credit Administration Amendment (Finance Brokers) Act.

That meant New South Wales was given responsibility to develop the model legislation. Very little had happened in 2004, when Minister Meagher was still the Minister responsible for the mortgage and finance broking industry in this State. The Ministerial Council of Consumer Affairs's 2004 communiqué stated:

Ministers noted that a regulatory impact statement on a model for consistent national regulation for finance brokers was currently being drafted. It is proposed that the statement would be released for discussion in September 2004.

The discussion paper was released in December 2004 with submissions closing on 15 February. That is, people had only one month to respond. It then took the creaky old council until September 2005 to announce a strategic agenda for the national regulation of finance brokers, with New South Wales as the sponsor. It was promised that a consultation paper would be completed by March 2006. The communiqué released after the meeting held on 17 May 2006 made no reference whatsoever to finance or mortgage brokers. In 2007—a year later—the Ministerial Council of Consumer Affairs had another meeting after which a communiqué was released stating that Ministers noted progress in the national regulation of finance and mortgage brokers and that a consultation bill would be publicly released later that year. That was four years after the process had commenced and the council was finally developing a consultation bill. Later that year, the House of Representatives Standing Committee on Economics, Finance and Public Administration held a hearing attended by the Assistant Governor of the Reserve Bank, Dr Phillip Lowe, who expressed the frustration of everyone in the finance industry and at the Commonwealth level about the slow progress. He stated:

The idea has been to try to get a common approach across the states. The process, though, has taken a long, long time and I think a number of people have become dissatisfied with that. I really think the process needs to be accelerated.

Two days later, Federal Treasurer Peter Costello issued a media release drawing attention to the Reserve Bank's comments and noting that the New South Wales Government was tasked to prepare a draft bill in collaboration with other States and Territories for the regulation of the mortgage broking industry. In 2008, when the Opposition was asking questions about what on earth had happened to the legislation that New South Wales had been asked to produce not only for this State but also for the rest of Australia—which was relying on this Government to perform the task—a spokesman for the then Minister for Fair Trading told Australian Associated Press that consultations were continuing about another meeting of the Ministerial Council of Consumer Affairs on a date that could not be changed in either April or May. The spokesperson said that legislation was unlikely to be released before the end of 2008 or 2009, that a deadline could not be set and that it was all underway. That was extremely depressing for all the businesses and consumers who had been relying on New South Wales to do its job.

I understand that one of the key issues holding up the legislation was the dispute resolution system. The Victorian Government set up its own dispute resolution system for consumers and it was holding out for its system to be accredited to handle complaints about mortgage brokers. That one issue succeeded in delaying the whole process for another 18 months. That highlights the weakness of the harmonisation approach. I certainly lost confidence in it. I am relieved to know and welcome the news that the New South Wales Government has finally given up its quest to be in charge of an area for which the Commonwealth Government should be responsible. It has much better developed institutions for managing the performance and accountability of our financial sector. It certainly makes a lot more sense to consolidate that regulation under one government.

Of course, one of the reasons the States are keen to retain responsibility for this area of government relates to taxing powers. I note in the second reading speech that New South Wales will retain some of its taxing powers for 12 months. I also note that because the New South Wales Government unfortunately ploughed ahead in this quest to have its own mortgage broking legislation, which was eventually passed last year, we now have three different sets of regulatory systems. There is the pre-2009 legislation, there is the 2009 legislation and there will be all the agreements that get signed in the future that will be covered under the new Commonwealth legislation.

New South Wales will have to continue to manage disputes and monitor the performance of these loans, and the people giving them, for quite some time to come. It will be confusing to consumers and it also means that the Consumer, Trader and Tenancy Tribunal will continue to play a role in resolving disputes. It is not a role that the tribunal has played successfully. One does not have to be legally qualified to be a member of the Consumer, Trader and Tenancy Tribunal, and I have complained many times in the House about the quality of some of the appointments. There seem to be a lot of Labor Party friends on the Consumer, Trader and Tenancy Tribunal. Decisions of the tribunal can have a profound impact on people's lives, particularly if a consumer argues the case about interest, a loan, or whatever and an inexperienced tribunal member gives a poor ruling, perhaps in favour of the consumer. The financial institution has the right to appeal to the Supreme Court and, years later, the consumer may discover they have lost the appeal. They then must cover their legal costs and those of the financial institution, all because of a dodgy decision made by a Consumer, Trader and Tenancy Tribunal member.

Unfortunately, too many people fall into that trap. Therefore, I am thrilled to learn that the Federal Court is looking at establishing a small claims division where qualified people, judges, will be able to make decisions about complex issues in future. That is an enormous improvement for consumers. It will be an

Australian Securities and Investments Commission approved dispute resolution system, which, hopefully, will ensure much better quality and performance from dispute resolution forums. The Liberal Party and The Nationals welcome this legislation. It has been our policy for some time. Due to globalisation and deregulation we have definitely moved to a national credit and finance market. It is appropriate and much safer for consumers and much easier for businesses to operate in Australia if we take a single regulatory approach. We welcome these reforms and will not oppose the legislation.

The Hon. LYNDA VOLTZ [3.32 p.m.]: I speak in support of the Credit (Commonwealth Powers) Bill 2010. The bill deals with the referral of power to the Commonwealth to regulate consumer credit and repeals the New South Wales legislation. The bill retains the New South Wales broking legislation, as set out in part 1A of the Consumer Credit Administration Act 1995, until 1 January 2011, when equivalent Commonwealth provisions commence. This measure will ensure that consumers have appropriate protection from rogue brokers until the full protections of the Commonwealth legislation commence. It is the disadvantaged and vulnerable consumers who are the targets of unscrupulous lenders or brokers and who most need the assistance of strong laws to protect them.

The Commonwealth legislation imposes a licensing system on credit providers and finance brokers alike. This will begin with the registration of credit providers and brokers from 1 April 2010, and licensing will be required from the beginning of July 2010. One of the conditions required to get a licence will be that the credit provider or broker is a member of an Australian Securities and Investments Commission approved external dispute resolution scheme. This will ensure that disreputable traders are excluded from the industry and that consumers have affordable first-step access to justice for the majority of consumer complaints. Furthermore, the new Commonwealth regulatory scheme contains a set of requirements for responsible lending conduct, which will apply to both credit providers and finance brokers and which will commence on 1 July 2010.

These responsible lending provisions will require a credit provider or broker to assess the consumer's capacity to repay and to ensure that they are not provided with unsuitable products. This new requirement for responsible lending is critical to ending the destructive practices that dodgy lenders employ by granting loans that cannot be repaid, and will prevent disreputable finance brokers from inflating the financial circumstances of their client to make sure the consumer gets the loan and they get their commission. These are important protections but the New South Wales Government recognises that initially they do not go far enough to protect consumers because there will be no disclosure or documentary requirements related to broking processes until 1 January 2011. This means that consumers might not be aware of the costs of the broker's services and there would be no requirement for documentation of the process. Contractual documentation is needed by the regulator, court or tribunal when they enforce their laws or make determinations as to whether the product was unaffordable or unsuitable.

The New South Wales Consumer Credit Administration Act sets out clearly and in detail the information that must be given to consumers before any broking transaction commences. It also provides for what information must be obtained from consumers in order that appropriate products can be assessed on their behalf. All these details are set out in a contract, a copy of which must be given to the consumer. As well as the documentary provisions, the broker is prohibited from charging fees before credit is accessed and cannot charge a fee unless the credit accessed matches the consumer's requirements. Consumers are also able to challenge the broking fee or conduct in the Consumer, Trader and Tenancy Tribunal.

The schedules to the bill set out the effects of the transfer of powers on New South Wales legislation and what regulatory responsibilities will remain with the New South Wales Government. Brokers have been regulated under the Consumer Credit Administration Act 1995 since 2004 and New South Wales will continue to have responsibility for finance broking transactions undertaken prior to the referral. As previously stated, New South Wales will also keep its legislation in place until all broking requirements under the Commonwealth law are in place, which is expected to be 1 January 2011. The finance broking legislation and enforcement powers will continue to apply in relation to finance broking activities. However, the linkage between finance broking laws and the uniform consumer credit code, which establishes jurisdiction, will be changed to reflect the new definitions under the National Credit Code.

Because the Commonwealth is unable under the Constitution to confer jurisdiction for credit matters on tribunals, the Consumer, Trader and Tenancy Tribunal will no longer hear credit matters once the transfer of credit is complete. However, while New South Wales retains its broking legislation, the tribunal will retain jurisdiction to hear these matters. There will be automatic sunset of the New South Wales broking laws on

commencement of the equivalent provisions of the national law. In conclusion, this bill transfers the responsibility for the regulation of credit to the Commonwealth but it ensures that New South Wales consumers will remain protected by the New South Wales law until the equivalent protections commence in the national legislation. New South Wales consumers would expect nothing less. I commend the bill to the House.

Dr JOHN KAYE [3.37 p.m.]: I speak on the Credit (Commonwealth Powers) Bill 2010. As the Hon. Catherine Cusack, the Hon. Lynda Voltz and the incorporated second reading speech point out, this bill effectively transfers regulatory responsibility for credit consumer protection to the Commonwealth. It is part of an agreement between the States and the Commonwealth to establish a uniform code and to have that code reside on the legislative books of the Commonwealth. The Greens agree with previous speakers that in and of itself this is not a bad idea.

We come to that conclusion for three basic reasons. The first is that New South Wales has done a quite ordinary job in regulating consumer credit. It has persistently refused, particularly in the micro credit area—small credit provision for short periods—to introduce a system of licensing to weed out the disreputable operators who seek to exploit their clients. Secondly, while New South Wales does have a cap on interest rates—which the Greens strongly support and which I will come back to later in this speech—the New South Wales Government has failed to respond to the tricky issue of fixed costs. The regulatory regime in New South Wales, which only allows for charging under a fixed cap by way of interest, sends the wrong message to the industry and restricts the availability of small amounts of credit for short periods to individuals who have great need of that credit. Thirdly, the regulatory effort on the ground has not been impressive. We know from a variety of sources that major issues are associated with the behaviour of some micro credit providers.

The Government has not made any great regulatory effort to weed out people seeking to make large amounts of money from people who can least afford to part with the money and those who have done so in ways that have been dishonest, disputable and, in many cases, downright illegal. Although the move towards a uniform Commonwealth consumer protection code is supported by the industry, we must be realistic. Federal legislation will be superior to State-based regulation only if all the necessary measures are enforced. First, we must ensure that there is real policing on the ground to prevent individuals using their capacity to lend funds to make an unreasonable amount of money from those who can least afford to pay for it. Second, we must ensure that the regulation evolves to provide a market that meets the needs particularly of those who require small amounts of capital for short periods. We must have smart regulation.

I am concerned that if we regulate federally we are even further away from the point at which the money is being lent, which means it will be harder for the system to evolve. It is one thing to come to Macquarie Street asking for changes to the regulation; it is another to go all the way to Canberra to seek improvements in the regulation. Thirdly, we are very concerned that the caps on interest rates are maintained. It was a step forward in New South Wales to achieve those caps and while they are not perfect—as we referred to previously regarding the failure to cover fixed costs, and I will give anecdotal evidence supporting that later—they will at least protect consumers from some of the worst aspects of the system.

I refer briefly to the provision of micro credit—that is, small amounts of money for short periods. It is important to understand that micro credit is essential for the financial viability of many low-income households, and those who cannot secure a credit card or other debt facilities because they lack regular income and the resources to underwrite such a borrowing instrument. However, they have the inevitable exigencies facing all households, such as the refrigerator or car breaking down and requiring expensive repairs. They may need a change of scenery, in many cases to escape from an intolerable situation such as an abusive relationship. The ability to aggregate cash is something that people on a reasonable income take for granted. Those on low incomes often find it difficult to survive without micro credit facilities.

We argue that it would be better to achieve the same outcome—that is, provide a short line of small credit to low-income households by other means, such as public provision of the necessary credit. It is unlikely that that would be achieved in the current environment, where we are moving away from public provision and towards private provision. Some not-for-profit providers lend money to low-income households and that is laudable; indeed, in many cases it works extremely well. However, many individuals perceive this as charity and an affront to their dignity and therefore reject the idea of turning to the not-for-profit sector.

The second feature of the micro credit market is that the industry by its nature attracts those who would exploit others. There are many dodgy operators who push credit products onto people who cannot afford to pay for the products they take on. This, combined with absolutely brutal debt collection practices, has resulted in a

large number of very unfortunate outcomes in the industry. I make it clear that this is only part of the market. There are many very respectable small business people who are trying to make a not unreasonable living providing an important financial service to households and individuals who otherwise would not have access to that line of credit. It is not just the reputations of respectable individuals and small businesses that operate in this market that is tarnished by the disreputable ones; their livelihoods are put at risk also. It is unfair competition between people who seek to do the right thing—who do not seek to gouge their clients or lend money to those who will have difficulty repaying the money—and those who cut corners or extract massive profits from people unable to provide that degree of support to those products.

Unfortunately, the New South Wales Government has deserted the good operators, who for years have been crying out for a licensing system. But their cries have fallen on deaf ears. At no point did the New South Wales Government engage with representatives of the reputable credit providers. They cried out, "Please regulate our industry, provide licences and a mechanism whereby we can distinguish ourselves from those who are behaving disreputably and gouging clients. We want to build an industry that is based on good principles, ethical behaviour and some degree of care for our clients". It is a great tragedy that the call was not heeded. If it had been, it would have been far easier to squeeze out the disreputable operators. As a result, good operators have been caused financial pain and those exploited by dodgy operators were caused massive financial pain—and, in some cases, physical pain.

A major step forward is that the Commonwealth has indicated that the legislation to which we are referring the State powers will provide for a licensing system. A timetable has been set for registration, followed by licensing. That is a huge step forward and for that reason, if for no other, the Greens will not oppose the bill. It will protect good operators and those who need the services of small credit providers. It must be accepted—and this is no criticism of anybody—that the Commonwealth scheme will push up compliance costs. A number of people have told me that the paperwork will increase substantially, which will raise the costs of doing business. They do not complain but merely identify the greater fixed costs associated with every financial product to be provided. It is inevitable that with tighter regulation there will be compliance costs. Compliance costs mean filling out forms, which will take longer, using more staff time and increasing costs for providers. That is not a problem; it is merely a feature of what happens with improved regulation.

The problem is that when fixed costs cannot be recovered by fixed charges it puts pressure on small and short-term loans, and in the end they will be squeezed out. With a financial product where one can recover costs only via the variable component—that is, by the interest charged on the loan—and for very short-term loans and small loans that have more or less the same fixed costs associated with the longer-term and bigger loans, inevitably those borrowers become unprofitable. Our concern is that until we can evolve the system to reflect the need to capture—

The Hon. Catherine Cusack: I think you mean the lenders become unprofitable.

Dr JOHN KAYE: Sorry, I meant the lenders.

The Hon. Catherine Cusack: The borrowers are already unprofitable.

Dr JOHN KAYE: Yes. The lenders become unprofitable. The borrowers become an unattractive proposition to any lender who is seeking to maintain a reasonable margin. Until we evolve the system so that we allow those fixed charges to be recovered in other ways, we will end up squeezing out the short-term loans and the very small loans. They are the loans that go to the people who probably need them the most, to keep their households running. I urge the Minister to talk to the Commonwealth to start the process of negotiating changes to the regulatory structure, so we can make sure, in a way that is entirely reasonable, that those fixed costs are recovered.

Caps on interest rates are essential. We are very pleased that there is an intention on the part of the Commonwealth to have caps on interest rates, and we are particularly pleased that there is an intention that the New South Wales Government will maintain its caps on interest rates for at least 12 months. Anecdotal evidence provided to the Greens by the Consumer Credit Legal Centre NSW says that the introduction of the cap on interest rates reduced the centre's caseload substantially. In other words, once there was cap on interest rates fewer and fewer people were caught in the borrowing trap. Introducing a cap on interest rates was a huge step forward in New South Wales, and I congratulate the New South Wales Government on doing so.

One of our major concerns with the bill is that, while the New South Wales Government is reserving the right to maintain the cap on interest rates for 12 months, and while there is discussion between it and the

Commonwealth—which we welcome—about some form of interest rate capping in 12 months time, there is now a real risk that there will be a period when there is no cap on interest rates. That will have disastrous consequences for many borrowers because it will mean that they face exorbitant costs on their borrowings. We urge the New South Wales Minister to speak with her Federal counterpart and ensure that the Commonwealth rapidly comes on board with a cap on interest rates to protect consumers.

The Greens' second major concern is whether the move from the Office of Fair Trading to the Australian Securities and Investments Commission [ASIC] is a step forward. The Australian Securities and Investments Commission has an unfortunate track record. It completely failed to recognise the flaws in the products that were on offer in the lead-up to the global financial crisis. We saw many investments taken up by relatively inexperienced players. We saw products being pushed at consumers via television advertisements, picking up people who had not previously been involved in the investment market. I saw some of these television advertisements and at the time was quite shocked by them, particularly those from companies such as Australian Capital Reserve, Westpoint and Fincorp, which talked about a guaranteed 7½ per cent to 9 per cent return on property "if you put your money with us". However, when the fine print was read, it was discovered that the investment was not in property but in unsecured notes. When those companies went belly up, there was nothing behind those notes, and in effect many investors lost a large amount of money. Indeed, many investors were driven into a state of penury by those advertisements. The Australian Securities and Investments Commission failed to recognise the inherent risks in these sorts of instruments, and failed to regulate for investor clarity. The commission failed to make sure—

The Hon. Catherine Cusack: It was the Government's job to do that, wasn't it?

Dr JOHN KAYE: I think by that stage it was Australian Securities and Investments Commission's job. The Australian Securities and Investments Commission certainly took responsibility for it. The Australian Securities and Investments Commission also failed to regulate margin lending products. The House would be aware that margin lending is when individuals borrow to buy shares and the loans are secured against those shares. But when the investment falls lower than the loan, there is an obligation on the investor to pay back part of the loan. In theory, if a person is an experienced investor there are profits to be made, but those profits come with the price of substantial risk. It is very obvious—and this is not just with hindsight; there were people saying it at the time—that if the share market were to go into a downturn it would leave many investors impoverished. Many investors would face a margin call where they had the choice of either selling their shares to pay out their loan and taking a substantial loss, or digging themselves in deeper to top up their loans with cash. This has been a huge problem for a large number of investors to date.

At the time the Australian Securities and Investments Commission was not monitoring the situation to make sure that consumers understood what they were investing in and, most importantly, understood that they were investing in a high-risk path that could end up costing them a lot of money. The commission also failed to recognise that the processes that some companies, in particular Storm and Opes Prime, had in place to inform investors did not reveal the risks they were exposed to. The commission did not work to make sure that the investors were in a position to deal with the margin calls that margin lending inevitably builds. It is very clear that in a market that had been rising for many years investors—particularly small, inexperienced investors without a history of being involved in institutions such as the stock market—had a sense that they were on the never-ending path of upward share market values. Many investors got caught up in the enthusiasm, invested in these products, and lost a lot of money when the inevitable happened and the stock market crashed.

The Australian Securities and Investments Commission also failed to regulate to avoid the managed investment scheme bubble that tragically took away the retirement investments of many small investors. If the commission cannot manage a relatively small number of large corporations, how will it manage the sort of credit market it is now taking on with regard to consumer credit—where customers are even more vulnerable, with even less understanding of many of the products they are purchasing, and where a larger number of small companies will be much harder to keep track of?

In its admission of guilt, the Australian Securities and Investments Commission blamed the Government for a lack of regulatory guidance in each of these three cases. Regardless of whether it was the Commonwealth Government or the Australian Securities and Investments Commission that failed small investors, it means that the system that comprises the Australian Securities and Investments Commission and the Commonwealth Government failed to protect consumers and failed to ensure that the system did not allow consumers to lose a lot of money and take risks that they simply did not understand.

The Greens also echo the concerns raised by the Legislation Review Committee regarding this bill. In its recent report the committee echoed the concerns raised by the Federal Senate Standing Committee for the Scrutiny of Bills. The standing committee raised two fundamental concerns: first, the creation of strict liability offences that attract potential jail sentences; and, secondly, the Henry VIII provisions, which are not about having six wives but about the ability to change Federal legislation with regulations. Strict liability removes the requirement for the prosecution to establish intention, or "the guilty mind" as it is called, to secure a conviction. In effect, the Federal legislation creates jail sentences for offences that are committed either unintentionally or without knowledge of their even being committed. As the Legislation Review Committee pointed out, this is contrary to the principle of innocent until proven guilty. It is harsh and unreasonable treatment for people who, without the intention of committing a crime, may have done so because they simply did not know the law well enough or they failed in their responsibilities.

The Greens have no difficulty with those people receiving a fine, but we raise concerns about their being jailed. The Henry VIII provisions—which I emphasise are not about having six wives—allow the legislation to which this Parliament is now referring its powers, the Commonwealth legislation, to be altered by regulation, bypassing the normal parliamentary scrutiny. The passage of the legislation before the House today will not just refer the State's powers to the Commonwealth but also, in effect, refer those powers to the Commonwealth Executive Government and the bureaucracy. The Legislation Review Committee echoed the Commonwealth's concerns about the use of the Henry VIII provisions by saying that the Standing Committee for the Scrutiny of Bills raised concerns "with regard to the extent to which 'Henry VIII' clauses have been used to change powers, entitlements and obligations conferred by the principal Commonwealth legislation". The Standing Committee for the Scrutiny of Bills expressed that it does "not condone the use of 'Henry VIII' clauses as a standard drafting practice, even in cases where the explanatory memorandum provides reasons for that use or where the bill reflects COAG agreement".

The New South Wales Legislation Review Committee pointed out that the use of regulations could potentially alter fundamental functions, powers, obligations, entitlements and rights conferred by a principal piece of legislation as a cause for concern and an inappropriate delegation of legislative power—the Greens seek a response from the Minister on the concerns raised by the Legislation Review Committee. Further, while the Greens do not oppose the bill, we raise a number of other concerns, which are the future of the cap, the role of Australian Securities and Investments Commission, and issues of strict liability and Henry VIII clauses, and we seek a response from the Parliamentary Secretary addressing our concerns.

Pursuant to sessional orders business interrupted at 4.00 p.m. for questions.

QUESTIONS WITHOUT NOTICE

PUBLIC HOUSING TENANT DENNIS FERGUSON

The Hon. MICHAEL GALLACHER: I direct my question without notice to the Attorney General. What criteria did the Government use to determine whether a suburb such as Ryde was suitable to house convicted paedophile Dennis Ferguson? Why was Ryde eventually chosen as the suburb in which Dennis Ferguson could live, and why not one of the other four reviewed suburbs?

The Hon. JOHN HATZISTERGOS: It forms no part of my responsibility to arrange housing. The Government has a public housing department, under the auspices of the Minister for Housing, and relatively recently, legislation was passed relevant to that issue. The legislation was debated in this House and the statements of the Leader of the Opposition on that issue are a matter of public record. If the Leader of the Opposition expects me to make arrangements in relation to specific housing in specific locations for any person in need of housing then, frankly, he is completely overlooking the nature of my responsibilities. I suggest that the Leader of the Opposition acquaint himself with the proper level of Ministerial responsibility to which the question should be directed.

BOX HILL PRECINCT PLANNING

The Hon. CHRISTINE ROBERTSON: I address my question without notice to the Minister for Planning. Will the Minister inform the House of the Government's approach to precinct planning at Box Hill?

The Hon. TONY KELLY: The Government has identified for housing development some 10,000 hectares of non-urban land in Sydney's north, which I recently visited. Once developed this region, the North West Growth Centre, will be divided into 16 precincts. Some of those precincts will be largely for employment purposes but they will also include shops, schools, recreation and other public infrastructure needed by those communities. Since establishing the North West Growth Centre in 2006, the Government has rezoned three precincts: Colebee and North Kellyville, which are predominantly residential precincts, and Riverstone West, largely an employment precinct capable of supporting some 12,000 employees. The Government is also well down the path towards rezoning three more precincts: area 20, Riverstone and Alex Avenue—all recently mentioned in a newspaper article.

Without waiting for those precincts to be rezoned, the Government has started planning work for the next three precincts in the North West Growth Centre: Schofields, Box Hill and Box Hill Industrial. The aim of the growth centres is to provide housing for new communities with a range of employment close by so people can minimise their time getting to work and maximise their time spent with family. The land in these growth centres is virtually all privately owned. So before departmental officers or contractors can begin the necessary work to plan these new precincts, they need permission from the landowners to enter the sites—a fairly standard and legitimate course of action, you might say. After all, how could the Government have already rezoned three precincts in the North West Growth Centre without the permission of landowners to go on site and study such things as the topography, the existing infrastructure and whether there is any heritage value.

So earlier this month a letter was sent from my department to the landowners in the Box Hill industrial precinct, seeking their permission to enter properties where necessary. There is a section of land attached to this precinct where new homes have been built in the past decade or so. Clearly no site visits or inspections need to take place on those properties. One can imagine my surprise when a member of this Parliament used that letter to create anger and confusion among the residents of those new homes. Instead of referring people to the toll-free number in the letter, I am advised that the member for Hawkesbury held a community meeting on the weekend to ring alarm bells by suggesting that the letter meant homes would be demolished to make way for more development. How irresponsible!

One would expect the member for Hawkesbury to understand the precinct planning process because his electorate covers part of the North West Growth Centre. He should have known that the letter was a standard part of the precinct planning process. He certainly knew there was no suggestion whatsoever in the letter, or anywhere else, that the homes in question were marked for acquisition or demolition. But the member for Hawkesbury could not resist the chance to score a few cheap political points, even if it meant scaring homeowners in his own electorate. It is shameful that someone would knowingly cause families distress by raising the prospect that the Government was going to take their homes from them.

I have apologised for the department's mistake in sending that initial letter to the owners of those properties that have already been rezoned and developed. Today, the department sent another letter clearing up the misinformation that has been so malevolently spread. The Government is planning for Sydney's growing population in a sensible, sustainable way and it will not be sidetracked by the antics of attention-seeking Coalition members.

LAND ACQUISITION

The Hon. DUNCAN GAY: I direct my question without notice to the Minister for Planning, Minister for Infrastructure, and Minister for Lands. Is the Minister aware that over the weekend Premier Kristina Keneally made an announcement that sweeping planning laws will come before Parliament in the next few months allowing the Government to compulsorily acquire family homes? Will the Minister inform the New South Wales public of the reasons for the rush to establish a new development authority with powers to compulsorily acquire and rezone privately owned land for resale to developers? What plans, if any, does the Minister have to ensure that proper community consultation occurs? How will the Minister ensure that private landholders are not financially ripped off by developers in this process?

The Hon. TONY KELLY: The Keneally Government is responsibly planning for the future of New South Wales—that is what good governments do. The Government is creating a framework in which communities can grow and thrive. That does not mean street grids indicating where houses are to go; it means planning for the needs of communities and how they will sustain themselves economically and environmentally. It also means ensuring that the Government understands the context and implications of development decisions in order to deliver quality environments. With Sydney's population set to grow to six million in the next 25 years, the Government is considering all options for sustainable urban renewal—

The Hon. Duncan Gay: Old time Labor policies.

The Hon. TONY KELLY: Old time Labor policies? In 1991 the Coalition was in power and it got through the House by one vote—Brad Hazzard voted for it. I hope you will let me elucidate.

[*Interruption*]

The PRESIDENT: Order! Members will cease interjecting.

The Hon. TONY KELLY: Before I was rudely interrupted, I was saying that with Sydney's population set to grow to six million in the next 25 years, the Government is considering all options for sustainable urban renewal including a boost to the growth of medium- and high-density housing in urban areas. In fact, I am advised that around 82 per cent of new housing development over the past decade has taken place in existing urban areas. Of that development 40 per cent has been in units. The age-old doctrine that Sydney's residents want to live in freestanding homes on a quarter acre block in new growth areas does not apply any more.

The Hon. Duncan Gay: Are you going to tell that to the people whose homes you are going to take, that they do not want to live there any more?

The Hon. TONY KELLY: As I said, 82 per cent want to live in existing urban areas.

The Hon. Duncan Gay: What about the 18 per cent who want to stay in their homes?

The PRESIDENT: Order! The Deputy Leader of the Opposition does not have the call.

The Hon. TONY KELLY: The difference between 82 and 100 is 18, but those people will be located in the greenfield sites. It is time the Opposition started to look after the people of New South Wales. Developing more homes in areas of existing infrastructure is sensible. It is the most cost-effective and efficient way to provide for our future. It delivers more affordable housing, while at the same time maintaining Sydney's green spaces and easy access to leisure and amenity for the community. I repeat what was said in relation to the Metropolitan Transport Plan, which was announced by the Premier on 1 February 2010. Even with improved planning controls, such as streamlined rezoning for urban renewal precincts, this proposed redevelopment in urban areas could pose particular challenges in relation to the multiple and fragmented ownership that is typical of urban areas.

Let me make this perfectly clear, this proposal is not about acquiring great swathes of land. It is about responsible management of a resource: urban land. Any government acquisition of land would only be done where necessary and if there is great community benefit. That is no different from the current situation. The processes would be subject to detailed consideration by Cabinet. Currently, there is no such proposal before Cabinet—which has been suggested by a couple of community groups. As a careful and responsible Government, we will ensure that any extension to current acquisition powers will involve appropriate guidelines, appropriate safeguards, appropriate rules and appropriate compensation. [*Time expired.*]

FREEDOM OF INFORMATION

Ms LEE RHIANNON: I direct my question without notice to the Attorney General. When will the Government's new freedom of information legislation, the Government Information (Public Access) Act 2009, commence? When will a permanent Information Commissioner be appointed?

The Hon. JOHN HATZISTERGOS: I anticipate an announcement in relation to that matter will be made soon.

MAGISTRATES EARLY REFERRAL INTO TREATMENT PROGRAM

The Hon. TONY CATANZARITI: My question without notice is addressed to the Attorney General. What is the latest information on the Magistrates Early Referral Into Treatment Program?

The Hon. JOHN HATZISTERGOS: I thank the Hon. Tony Catanzariti for a very good question. Indeed, the Hon. David Clarke asked me a question about this issue late last year, not realising it was a

Commonwealth-State funded program. I am happy to provide additional information to the House because this is one of the most successful programs to be implemented in New South Wales courts. We all know that drug and alcohol addiction can destroy a person's health and livelihood and break families apart, but there is ever-mounting evidence that abuse of these substances can also draw otherwise law-abiding people to commit quite serious crimes. For example, the New South Wales Bureau of Crime Statistics and Research has found that each 10 per cent increase in the number of dependent heroin users leads to an increase of approximately 6 per cent in the robbery rate; and the United Kingdom Home Office has found that alcohol misuse contributes to 40 per cent of violent crime, 78 per cent of assaults, and 88 per cent of criminal damage cases.

With crime rates now stable or falling in 16 out of 17 categories, the Government is determined to keep reducing the number of criminal incidents that occur in our community. Breaking the drug and alcohol crime cycle is a key part of our strategy for achieving this. Ten years ago the Government introduced the innovative Magistrates Early Referral Into Treatment, or MERIT, program at Lismore. The program has operated with funding from the Commonwealth Government through the Illicit Drug Diversion Initiative and more recently the National Health Care Agreement. It allows magistrates to refer offenders with drug problems into treatment prior to sentencing and, I am pleased to say, now operates in 63 local courts across New South Wales, providing access for more than 80 per cent of offenders. Recent evaluations have shown that it is working. Last year the Bureau of Crime Statistics and Research released a study, which showed that participation in MERIT reduced the proportion of offenders reconvicted for any offence by 12 percentage points. The Auditor-General also looked at the program's effectiveness in relation to indigenous offenders. The Auditor General's report "Helping Aboriginal defendants through MERIT" found that:

[MERIT] has improved the health of participants, including significant reduction in drug use and significant improvement in mental health. Better justice outcomes include lower rates of imprisonment and reduced rates of reoffending.

In light of these positive findings, both the Bureau of Crime Statistics and Research and the Auditor-General recommended that the program be expanded to also target offenders facing issues with alcohol dependency. I am pleased to report to the House that the Government has acted on these recommendations and expanded the MERIT program to trial the inclusion of offenders with alcohol-related problems at a number of court locations.

Alcohol MERIT commenced operation at Dubbo Local Court in October last year and at Manly earlier this month. Furthermore, a number of courts in the Greater Western Area Health Service region have, since initiation, had clinical teams to treat offenders with alcohol dependency. These court programs have now been brought under the Alcohol MERIT banner. They include: the "Wellington Options" Program, which has operated out of Wellington Local Court since 2002; the Rural Alcohol Diversion Scheme, which has operated from Bathurst and Orange Local Courts since 2003; and the Drug MERIT Program at Broken Hill and Wilcannia, which has treated offenders with primary alcohol problems since 2004. This means that Alcohol MERIT services are now available to offenders at a total of seven local courts across the State.

As I noted earlier, the Drug MERIT program has benefited from funding from the Commonwealth Government, most recently through the National Health Care Agreement. I understand that the New South Wales Health Minister has recently been involved in discussions with the Commonwealth Government around funding for Alcohol MERIT services. I am hopeful that these discussions will help us to expand Alcohol MERIT to even more court locations across the State, and thereby ensure we stay one step ahead in working to break the drug and alcohol crime cycle.

BRIGALOW FOREST THINNING

The Hon. ROY SMITH: My question without notice is directed to the Hon. John Robertson, representing the Minister for Climate Change and the Environment. I refer to the Brigalow decision of 2005, which included a requirement for ecological thinning of more than 350,000 hectares of managed forest that was transferred to the National Parks status. Over the past five years and on a year-by-year basis how much thinning has been completed?

The Hon. JOHN ROBERTSON: I will take that question on notice and undertake to provide an answer to the Hon. Roy Smith.

BUNDARRA DROUGHT ASSISTANCE

The Hon. RICK COLLESS: My question without notice is directed to the Minister for Lands, representing the Minister for Primary Industries. Given the Bundarra community's submission for an extension

to its exceptional circumstances assistance passed through your hands, prior to then sitting on Minister Macdonald's desk and ending up on Minister Whan's desk, what will the Minister do to help overturn the decision not to grant Bundarra farmers with the drought assistance they need? Will the Minister give reasons why Bundarra has been denied exceptional circumstances assistance when during the Premier's photo shoot in Bundarra in December she stated, "If Bundarra does not qualify for EC who does?" Minister, why is the Premier avoiding answering the question about exceptional circumstances to Bundarra farmers by disputing the origins of a photo, as she did in the lower House this afternoon?

The Hon. TONY KELLY: Not only has the Hon. Rick Colless got the wrong House and the wrong Minister—although I understand he asked me to pass the question on to the Minister in the lower House—he has also got the wrong government; it is actually the Federal Government that provides exceptional circumstances assistance.

JOBS SUPPORT

The Hon. PENNY SHARPE: My question without notice is addressed to the Treasurer. Will the Treasurer update the House on the Government's support for jobs in New South Wales?

The Hon. ERIC ROOZENDAAL: I thank the Hon. Penny Sharpe for her question and ongoing interest in this matter. Just last Thursday, I reported to the House more good news for the New South Wales economy.

Dr John Kaye: Green shoots?

The Hon. ERIC ROOZENDAAL: Yes, more green shoots. New South Wales is the only State to record a fall in unemployment. The rate for New South Wales for the month of February was 5.4 per cent. This was a decrease of 0.2 per cent on January. There is more good news for New South Wales families and New South Wales business. But I do need to report today some bad news that I came across in the *Australian*. Members may remember recently that the Leader of the Opposition, the Hon. Barry O'Farrell, went on a little, one-man trade delegation to China.

The Hon. Catherine Cusack: Someone had to do it.

The Hon. ERIC ROOZENDAAL: I am glad the Hon. Catherine Cusack has raised that. Now we know why he went to China. It was revealed today in the *Australian* what in fact the plan is for the Coalition: to outsource. Not just to outsource but to outsource offshore. Now I know what Barry O'Farrell was doing in China: He was sourcing some polyphone data room so that if the Opposition wins the election it can outsource all information technology to China, or perhaps Malaysia.

The PRESIDENT: Order! I call the Leader of the Opposition to order for the first time.

The Hon. Greg Pearce: Point of order: The Treasurer should be aware that his Government is buying 626,000 train carriages from China.

The PRESIDENT: Order! That is not a point of order. The Treasurer may continue.

The Hon. ERIC ROOZENDAAL: The Hon. Greg Pearce has exposed Barry O'Farrell's hidden policy to outsource New South Wales jobs offshore—I do not know to where but clearly China is on the agenda because Barry has just been over there on a one-man holiday. I quote Fran Foo from today's the *Australian*:

The NSW Opposition would increase IT outsourcing activities. Financial management spokesman Greg Pearce said—

The Hon. Greg Pearce: Absolutely.

The Hon. ERIC ROOZENDAAL: The Hon. Greg Pearce acknowledges that; he says, "Absolutely". What does that mean? It means sending New South Wales jobs overseas, and he has been exposed on that. The Hon. Greg Pearce said:

Clearly we've got to do more outsourcing. Offshoring raises all sorts of political concerns.

What an insight from the Hon. Greg Pearce as he drops out Barry O'Farrell's hidden policy to send New South Wales public sector jobs overseas. He has been exposed because he talks about offshoring. Let us talk about

what that would mean—the devastation of deliberately sending jobs offshore. That is clearly a policy this Government will not be a part of. I hear the Greens also screaming out in rage about this plan to send jobs offshore. I have some good news: More than 66,000 additional jobs have been created in New South Wales since March 2009. On a trend basis, employment in New South Wales has increased for 11 consecutive months. That is good news for families and it is good news for businesses in New South Wales.

BRUMBIES

The Hon. ROBERT BROWN: My question is directed to the Minister for Industrial Relations, representing the Minister for Climate Change and the Environment. Has the Government made any decision yet on the method of removal of brumbies in New South Wales State forests and national parks? Does the Government support the conservation group the Colong Foundation in its call for brumbies to be eliminated, especially from the Snowy Mountains, by aerial culling? Following the inhumane horse cull debacle that occurred in the Guy Fawkes National Park, after which the Minister at the time banned the aerial culling of horses, has the Government now changed its policy on brumbies and their removal at the behest of the Colong Foundation?

The Hon. JOHN ROBERTSON: I can provide an answer to this question because a journalist asked me the same question yesterday in a press conference. The department advises me that it is satisfied with the current practice of trapping and that there are no plans to change that.

STATE ECONOMY

The Hon. GREG PEARCE: I have a real question for the Treasurer. Will the Treasurer update the House on the latest economic statistics, given that yesterday's Australian Bureau of Statistics release of New South Wales Commercial Finance Commitments for January 2010 showed the amount for fixed loan and revolving credits totalled \$7.435 billion, the lowest monthly figure since February 2002, and a decline of \$3.1 billion from January 2009? How do these disappointing figures support the Treasurer's contention of continued strengthening of the New South Wales economy?

The Hon. ERIC ROOZENDAAL: I suppose after my revelations about Beijing Barry that is the best the Opposition can come up with, but that is okay. Are you going to drop out any more of your secret policies, Greg, or is that the only one you are running with? The Hon. Greg Pearce is becoming one of the Government's best assets. Keep it up! We have had 11 months of good numbers in terms of reduced unemployment. This State was the only State to record a decline in unemployment in the last round of statistics, and State final demand is clearly demonstrated at 3.9 per cent over the first half of the year. Our performance is significantly stronger than that of Victoria, Queensland and Western Australia. They are real statistics collected over a long time that talk about the strength and growth of the New South Wales State economy.

The Opposition's small-target policy—otherwise known by Tony Abbott as the "lazy Barry O'Farrell strategy"—has consistently meant that it sifts through all the strong economic indicators for the State, all the good news for the State and all the good news for the national economy to find the little nugget that it can try and twist and turn against the Government. The Opposition has a consistent policy of talking down this State. Let us look at the history of the Opposition. We will discount its plan to send New South Wales jobs offshore, as exposed in the *Australian* only today; let us talk about the Opposition's action on the economic stimulus.

What was the Opposition's position on the stimulus strategy, which was roundly supported around the world by every decent commentator and by every serious think tank? The Opposition opposed the stimulus, and it still opposes it, despite all the pundits around the world acknowledging that the reason that Australia steered its way through the global financial crisis so well was the implementation by State and Federal governments of a stimulus strategy to support the strength of the national economy and State economies. Although unemployment has declined the Opposition still wants to talk the State down. This is the party that kept trying to tell everybody that we were in a recession when clearly we were not. All the evidence is there that New South Wales continues to lead the national recovery.

The Hon. Greg Pearce: Point of order: My point of order is relevance. The Treasurer is two and a half minutes into his answer and still has not addressed the finance statistics, which are statistics that have caused economists today to question whether the Reserve Bank will increase interest rates next month.

The PRESIDENT: Order! The Treasurer's answer will continue to be generally relevant.

The Hon. ERIC ROOZENDAAL: One of the major tests of how well the economy is going is, of course, the credit rating. The shadow Treasurer, Mike Baird, said:

The triple-A rating sends a very clear signal to the market that things are well managed.

What happened to New South Wales's credit rating during the global financial crisis? It improved because this Government made the right decision. We improved it from a negative outlook to triple-A. The proof is that in the end New South Wales continues to lead the nation in its economic recovery, it continues to lead in State final demand, and it will continue to lead the nation, despite the Opposition talking down the economy.

NATIONAL INDUSTRIAL RELATIONS SYSTEM

The Hon. IAN WEST: My question is directed to the Minister for Industrial Relations. Will the Minister update the House on what action the Government is taking to provide information and assistance to New South Wales employers and workers following the move to the national industrial relations system?

The Hon. JOHN ROBERTSON: I thank the honourable member for his question and his ongoing interest in this area. The decision by the New South Wales Government to participate in the national industrial relations system is assisting in the delivery of standardised and simplified workplace arrangements for employers and workers across Australia. The Fair Work Ombudsman and the Office of Industrial Relations are working side by side to help employers and employees to make the transition to the new national system.

New South Wales inspectors will undertake approximately 15,000 education visits across the State to businesses moving to the new system. These visits will focus on small businesses located in regional areas, and I can report that the regional program is well underway with visits to 1,300 regionally based employers taking place in February and March alone. Businesses on the New South Wales South Coast, Parkes, Armidale, Ballina, Yamba, Singleton and Scone are among the areas targeted.

NSW Industrial Relations will also roll out a series of free information workshops and seminars across the State. These workshops will provide practical help to business owners and managers to enable them to understand their rights and responsibilities and to provide information about modern awards, the National Employment Standards and the arrangements for the transition to the new national system. The majority of these free workshops will be conducted in regional New South Wales at times that suit business owners and managers. The workshops are proving to be very successful. As of 4 March, 2,688 people had registered for free workshops and in the past week alone six workshops have been conducted involving 181 participants. I am also pleased to advise that as part of the deal with the Commonwealth Government, Fair Work Australia will operate from three locations in New South Wales: Sydney, Wollongong and Newcastle. The regional locations were decided upon in recognition of the vitality of their business districts.

Fair Work Australia will also utilise established NSW Industrial Relations contact centres in Sydney, Campbelltown, Penrith and Coffs Harbour and outposts in Wagga Wagga, Ballina, Dubbo and Gosford. These workplace visits and workshops demonstrate the New South Wales Government's commitment to providing practical and effective education services across the State.

The Hon. Melinda Pavey: What about aged care workers?

The Hon. JOHN ROBERTSON: I acknowledge the member's interjection. The Federal Labor Government got rid of individual contracts, which members opposite supported and which Tony Abbott wants to resuscitate. He wants to get WorkChoices out of the morgue fridge and give it a different name. Members opposite support the resuscitation of WorkChoices. That is why they do not like the Fair Work Act, which put a stake through the heart of WorkChoices. The Act gives workers rights to National Employment Standards and to redress unfair dismissal, but members opposite despise those rights. They do not want to hear this because they love WorkChoices and still have not given up on it. They are still in denial about what WorkChoices did to working people and to their rights. It forced them onto individual contracts. It gives me great pleasure to report to the House the availability of two new videos produced by NSW Industrial Relations. [*Time expired.*]

The Hon. IAN WEST: Will the Minister please elucidate his answer?

The Hon. JOHN ROBERTSON: One of the videos, entitled *Fair Work Employers*, assists small businesses to understand the changes required under the national system and ensures that they know how to meet their obligations. The other video, entitled *Fair Work Employees*, has been developed to assist workers to

understand any changes to workplace conditions they should be aware of. The videos outline key employment changes resulting from the new national system, including changes to unfair dismissal laws and flexible working arrangements. Both videos can be accessed via the NSW Industrial Relations website, www.industrialrelations.nsw.gov.au. These videos add to the range of educational resources being provided by the New South Wales Government. NSW Industrial Relations has for many years been a trusted source of industrial relations advice to many New South Wales employers and their employees and I commend its efforts. The Government is committed to ensuring that employers and workers continue to receive first-rate protection during the establishment of Fair Work Australia.

WSN ENVIRONMENTAL SOLUTIONS

Mr IAN COHEN: I address my question to the Treasurer. Is the Treasurer concerned about breaching provisions of the Trade Practices Act by proposing to sell WSN Environmental Solutions prior to releasing the 2008 Wright report? Have any waste management industry stakeholders or potential purchasers of WSN seen the 2008 Wright report? Does the report contain advice that New South Wales should adopt a strategy of limiting landfill expansion? Is the information contained in the 2008 Wright report a key determinant in the valuation of WSN? If so, will the Treasurer make the document publicly available?

The Hon. ERIC ROOZENDAAL: The Government has had a comprehensive and strategic review of the business WSN Environmental Solutions undertaken by financial, accounting, environmental and legal advisers that will be used to develop a sales strategy that achieves a number of important objectives. The transfer of WSN addresses the inherent conflict between the Government being both owner and regulator of the business. It will also benefit taxpayers by reducing the exposure to the ongoing commercial and financial risks in an increasingly competitive market and avoiding the requirement for additional capital investment.

The provision of environmentally responsible waste management facilities will continue with the stringent regulatory framework managed by the Department of Environment, Climate Change and Water. Important safeguards will be implemented to ensure fair and equitable treatment of employees. The Government has also written to the Australian Competition and Consumer Commission to ensure that this process results in a competitive outcome for consumers. And contracts between WSN and councils will not be impacted. The terms and lengths of existing contracts will be transferred. Importantly, the transfer of WSN Environmental Solutions means that the Government can focus its efforts on core community services and that public funds will be better directed to frontline infrastructure. This is yet another example of the Government's strong financial management. While I am talking about waste services and waste management, I draw the attention of members to the journal *Inside Waste Weekly*. It is a particularly illuminating document.

[*Interruption*]

I will not apologise for being well read. *Inside Waste Weekly* contains a very interesting article about WSN and makes particular reference to the Hon. Catherine Cusack, the Opposition spokesperson for the environment. I want members to get the full picture. The article states that the Hon. Catherine Cusack has poured cold water over the shadow Treasurer's plan. Members should visualise the Hon. Catherine Cusack pouring cold water over Mike Baird. It is a pretty ugly picture.

The article states that the Hon. Catherine Cusack said that the Opposition had not released its waste services policy. However, this has been a day of revelation. The Hon. Greg Pearce has exposed the Opposition's policy to outsource waste services and the Hon. Catherine Cusack has admitted she has no policy on waste services. What a team we have opposite. I now understand why Barry O'Farrell has made himself a small target.

Mr IAN COHEN: I have a supplementary question. Three parts of my question relate directly to the Wright report but the Treasurer did not refer to it in any shape or form. Does he know about the report? Does he intend to release it publicly, or is he withholding it? Please answer the question.

The Hon. ERIC ROOZENDAAL: I refer to my previous answer.

INFRASTRUCTURE AUSTRALIA

The Hon. MARIE FICARRA: My question without notice is directed to the Minister for Planning, and Minister for Infrastructure. Why did the New South Wales Government fail to realise that it could apply to Infrastructure Australia for funding and did not have to wait to be invited to do so by the agency? Given that

Infrastructure Australia was previously granted \$91 million for the Sydney metro project, which has now been scrapped, and in view of this Government's failure to submit funding applications for much-needed upgrades to rail services in the Penrith-Mulgoa area, upgrades to Picton station and through services from the Southern Highlands into the city, how can Infrastructure Australia have any confidence in the New South Wales Government's ability to deliver?

The Hon. TONY KELLY: Obviously the honourable member is not listening to the Treasurer, who almost daily talks about New South Wales' fantastic infrastructure program.

The Hon. Marie Ficarra: Where is the detail?

The Hon. TONY KELLY: I will give the member some of the detail. The four-year infrastructure program is—

The Hon. Eric Roozendaal: A record spend.

The Hon. TONY KELLY: That is correct, a record spend, of \$65.5 billion. It is the largest infrastructure program in the State's history. The Government's \$65.5 billion program from 2009-10 to 2012-13 will support 165,000 jobs a year. In addition, in 2009 the Commonwealth budget allocated a total of \$2.2 billion over six years to New South Wales for major road and rail projects. In accordance with the New South Wales Government's stated infrastructure priorities, this represents 25.5 per cent of the \$8.45 billion roads, rail and ports funds allocated from the Building Australia Fund. The Commonwealth's \$2.2 billion budget provides \$91 million for West Metro planning; \$1,451 million for the F3 extension to Branxton—the Hunter Expressway; and \$618 million for the Pacific Highway Kempsey bypass to Frederickton. The Commonwealth's additions to the New South Wales Government's investment are welcome. Both the New South Wales Government and the Commonwealth Government are committed to investment in infrastructure that generates long-term economic growth, jobs and future recovery.

METROPOLITAN GREENSPACE PROGRAM

The Hon. LYNDA VOLTZ: My question is addressed to the Minister for Planning. Will the Minister update the House on the Government's commitment to providing increased access to green space in metropolitan Sydney?

The Hon. TONY KELLY: The Government has a long-term strategy to provide enjoyable and accessible recreation space for the people of this State. As part of that strategy, the Premier recently announced grants worth some \$2.4 million to develop 17 projects under the Metropolitan Greenspace Program. In this program the New South Wales Government partners with local government to improve regionally significant open space and to develop links between bushland, parks, centres and waterways. Simply put, we want more people to explore the parks and walking trails that are offered around this beautiful city. The Metropolitan Greenspace Program was identified in the Government's 25-year Metropolitan Strategy as a key initiative for improving links between bushland, parks and waterways. Annually, the program allocates \$2.4 million to councils on a dollar-for-dollar matching basis.

The Hon. Greg Pearce: Is this a new program?

The Hon. TONY KELLY: No. It has been operating since 1990, and the Government has provided \$27 million to almost 500 projects in partnership with local government. Funding offered to projects through this program is regarded as seed funding, and it is money well spent. On average, every dollar from the Department of Planning generates an estimated \$4 to \$10 for a project. In recent years there has been an increased focus on recreational trails for walking and cycling, after New South Wales Government consultation with local communities in 2005 identified a strong desire for more parks and trails.

I will outline some of the examples of successful projects for this month's allocation. They include \$332,000 to Ryde City Council for work including foreshore trails linking Bennelong Park to Kissing Point Park, and associated landscaping; \$220,000 to Blacktown City Council for the Ropes Walk Recreation Trail, including some 800 metres of new concrete path and an additional one kilometre of sandstone pathways, along with bush regeneration and tree planting; and \$175,000 to Sutherland Shire Council for the Oak Park extension and esplanade upgrade to create a new park adjacent to the esplanade in Cronulla, providing a network of green spaces along the route.

The Metropolitan Greenspace Program is a practical way of improving regionally significant open space. I encourage all members to ensure their local councils make submissions for next year's funding, which could be lodged from 15 March. It is wonderful that we have all these open spaces and outdoor recreational opportunities available, but it is also important to promote them. That is why I urge members to check out a new website, www.sydneygreenmap.lpma.nsw.gov.au, which was recently announced by Premier Keneally. This website is designed to provide a single access point to the nature-based recreation areas and an up-to-date guide to activities available to everyone in New South Wales, from the Royal Botanic Gardens and Sydney Olympic Park, to all our State parks. Managed by the Land and Property Management Authority, the site combines the collective knowledge of some 16 partners, including a number of New South Wales Government agencies, as well as local councils. It is a great starting point for locals and visitors alike, allowing them to explore and experience the best of Sydney's outdoors. The Government remains committed to improving the experiences of Sydney's green spaces and to promoting them and making them easier to access.

HOUSING AFFORDABILITY

Ms SYLVIA HALE: I address my question to the Minister for Planning. Jurisdictions such as South Australia, the United Kingdom and Canada embrace inclusionary zoning as one of a suite of solutions to the housing affordability problem. In light of the recommendations of the Standing Committee on Social Issues in its report on homelessness and low-cost rental accommodation and the statistical information indicating we have a shortfall of affordable housing in New South Wales, will the Minister reconsider his stance on inclusionary zoning and allow local councils to levy developments for affordable housing purposes by amending the relevant State environmental planning policy?

The Hon. TONY KELLY: A draft proposal to enable affordable housing contribution schemes to be introduced in local environmental plans was part of a suite of affordable rental housing proposals released in November 2008 for targeted consultation and industry feedback. To boost housing supply and support construction jobs, the Government announced in December 2008 that developer contributions levied by councils will be subject to a threshold of \$20,000, above which my approval is required. Some of those councils were trying to levy amounts as much as \$65,000 and \$75,000 for section 94 charges per block.

Reverend the Hon. Fred Nile: Shame!

The Hon. TONY KELLY: Exactly. Such measures stifle development and affordable housing in New South Wales. In view of this decision, there is no immediate intention to allow councils to introduce further affordable housing contribution schemes beyond those already operating in Green Square, Ultimo-Pyrmont and Willoughby.

LIVERPOOL PLAINS COALMINING

The Hon. TREVOR KHAN: My question without notice directed is to the Minister for Mineral and Forest Resources. Does the Minister recall that on 1 September 2009, in response to a question without notice from the Hon. Helen Westwood regarding Liverpool Plains coalmining, the Minister stated in part:

... I have requested that BHP Billiton provide a revised work program for the evaluation of the Caroona project.

Will the Minister advise the House whether there is a works program for the Liverpool Plains Caroona coalmining operations? Will he advise whether the works program has been revised and/or amended since its initial development? Will he ensure that the works program and any amended works program will become publicly available? If not, why not?

The Hon. IAN MACDONALD: The member has asked a very interesting question. Certainly last year I raised with BHP Billiton a number of issues that are being—how should I put this—discussed throughout the Liverpool Plains. The Hon. Trevor Khan will be well aware that certain actions have caused BHP some difficulties in its works program. I should have thought that would have been evident to the member—I am sure it is. At that time BHP had drilled a large number of exploration wells to ascertain both the resource and the other environmental information that it needed.

As to the revised program, as the member would know, for a short period I was not Minister for Minerals so I am not sure if anything was submitted during that period. However, I am having discussions. Members might also be aware that BHP Billiton has changed its management structure in New South Wales, and I am looking forward to meeting the new team. But clearly, in all seriousness, BHP will have to severely

alter its works program. As the member would recall, as part of the discussion BHP had to try to meet some of the representations of the Caroon Coal Action Group, it revised its plans with regard to the exploration licence and the Government made the appropriate arrangements to exclude Liverpool Plains. There is a forum before which these plans can be discussed—the community consultative committee, which is chaired by the Hon. Garry West. Indeed, the Hon. Ian Armstrong chairs the committee that handles the Watermark project.

The Hon. Duncan Gay: Do you have Jack Hallam's phone number? I am thinking of ringing him when I become Minister in the next government.

The Hon. IAN MACDONALD: The Deputy Leader of the Opposition is not very generous. I am fully aware that these issues are debated at considerable length and in great detail by the community consultative committee. We need balance and discretion from the member and others involved so that we can work our way through the issues properly. Many people in the region believe that these mines should be developed and that they will contribute significantly to the economic strength of the Gunnedah region. I am receiving considerable information on this, and I hope to release it in the near future. I do not have the actual plans with me.

The Hon. Duncan Gay: But you will get them?

The Hon. IAN MACDONALD: I may or may not. I am sure that a number of the members of the community consultative committee will be all over the plans as far as they exist.

BANKSTOWN HELICOPTER ENGINE FACILITY

The Hon. HELEN WESTWOOD: My question is addressed to the Minister for State and Regional Development. Can the Minister inform the House about Turbomeca Australasia's new helicopter engine facility at Bankstown Airport?

The Hon. IAN MACDONALD: Last week I had the pleasure of attending the official opening of Turbomeca Australasia's new helicopter repair and maintenance facility at Bankstown Airport, the second helicopter gas turbine engine maintenance facility for Turbomeca Australasia Pty Ltd. Through Industry and Investment NSW, the New South Wales Government has provided an assistance package to secure this new aerospace industry facility for western Sydney. Turbomeca now employs 130 people at Bankstown Airport, where it is the only company in Australasia assembling new helicopter engines.

The new helicopter gas turbine engine facility, Killara, has created new jobs for western Sydney and provided a valuable addition to New South Wales' aerospace, defence and advanced manufacturing sectors. This is a vote of confidence for the highly skilled workforce of western Sydney and demonstrates the ability of New South Wales to compete successfully in international aerospace markets. The Killara facility complements and extends Turbomeca capabilities at Bankstown, creating new employment opportunities for aircraft maintenance engineers and capacity for future growth.

The facility will service growing national and international markets, including the servicing of civilian helicopter engines from as far away as Europe and Africa, with engines shipped in for maintenance and repair. About 70 per cent of this work is for export markets. Sixty per cent of civil helicopter engines sold in Australia are turbo engines, and with the Department of Defence purchasing new helicopters for the Army and the Royal Australian Navy, local demand is expected to increase. Turbomeca is also providing engine build, maintenance and repair services to the Australian Army's Tiger helicopters, as well as the Royal Australian Air Force's multi-role helicopters, the MRH90, as a subcontractor to Australian Aerospace.

The New South Wales Government has been pleased to help Turbomeca expand its presence in western Sydney in recent years. Turbomeca, of course, has a proud history in the field of helicopter engines and is today a world leader in the field. We look forward to working with the company and its parent, the Safran Group, into the future to capture and grow further business and investment opportunities for our State. The New South Wales Government is committed to significantly growing the State's defence industry, including aerospace, to support and generate jobs and economic growth.

ELECTRICITY PROJECTS

Dr JOHN KAYE: My question is directed to the Minister for Energy. Does the Minister recall telling the House on 11 March that he had looked at electricity demand management as an alternative to a range of

transmission distribution projects and concluded that it would be "inadequate to ensure that we can continue to supply electricity to the consumers of New South Wales"? Did the Minister base that statement on analysis provided by independent or impartial agencies or consultants or was he relying on the views put forward by the project proponents in advancing their own project? Will the Minister table the advice on which he based that statement?

The Hon. JOHN ROBERTSON: As I think I said last time, I recently met with representatives from the TransGrid Action Group to listen to their concerns and continue the community consultation process. Obviously this project has created concern among some residents and it is important that their views are heard properly and duly considered. In response, I have requested that an independent review be made of the methodology used to calculate the load forecasts.

TransGrid is currently planning the construction of a high-voltage powerline between Dumaresq switching station at Bonshaw and its substation at Lismore to ensure that people who live in northern New South Wales continue to have a secure and safe electricity supply. As I have already outlined, the project represents a \$227 million boost to the security of electricity in the region and will benefit thousands of community members and businesses in the area, as well as supporting any future renewable generation. The New South Wales Government is committed to ensuring that northern New South Wales electricity infrastructure does not fall behind that of other major regional centres in New South Wales.

Demand side management reduces peak demands and their associated network supply costs by influencing patterns of energy use by the end user and encouraging them to reduce power use during peak periods. There are a number of mechanisms in place to ensure demand side management is considered as a cost-effective alternative to network augmentation. The Australian Energy Regulator [AER] is responsible for regulating investment in the distribution and transmission networks, and regulating the associated network charges. The Australian Energy Regulator has determined a demand management incentive scheme to apply to New South Wales network distributors over the 2009-14 regulatory control period.

The scheme has two components—a demand management innovation allowance scheme and an existing D-factor scheme developed and applied by the Independent Pricing and Regulatory Tribunal in its 2004-09 distribution determination. The Australian Energy Market Commission has recently conducted a review of demand side management in the national electricity market. This has led to minor modifications to the National Electricity Rules to improve the uptake of demand side management in the national electricity market. I am also advised that the Australian Energy Regulator has provided TransGrid with an annual allowance of \$1 million to further investigate innovative demand side management solutions. In fact, TransGrid recently implemented a demand management solution to the Newcastle, Sydney and Wollongong areas during the summer of 2008-09, the largest of its type ever delivered in the national electricity market. This demand side management solution provided network support from non-network sources as part of the regulatory consultation process for the Western 500 Project.

GARRAWARRA CENTRE FOR AGED CARE

The Hon. JOHN AJAKA: My question without notice is addressed to the Treasurer. Is he aware that former Australian Liberal Party member for Heathcote Ian McManus said he had been given a guarantee by former health Minister Andrew Refshauge that the Garrawarra Centre would never be sold? Is the Treasurer aware of Mr McManus' further comment in the *Sydney Morning Herald* on 3 March 2010 about the sale of the Garrawarra Centre, when he said, "The area health service is cash-strapped from administrative and political bungling and wants to sell this hospital to offset that—to the cost of the elderly residents and their carers"? Was the Treasurer's mini-budget decision to sell off the centre the wrong decision, and one that will be to the detriment of elderly residents and their carers? Will the Treasurer now honour the former Minister for Health's promise and commitment that the Garrawarra Centre will not be sold?

The Hon. ERIC ROOZENDAAL: I thank the Hon. John Ajaka for his interest in this matter. I am not aware of Mr McManus' comments, so I cannot respond any more than that.

The Hon. JOHN HATZISTERGOS: If members have further questions, I suggest that they place them on notice.

Questions without notice concluded.

ADJOURNMENT

The Hon. TONY KELLY (Minister for Planning, Minister for Infrastructure, and Minister for Lands) [5.01 p.m.]: I move:

That this House do now adjourn.

SHINE FOR KIDS

The Hon. HELEN WESTWOOD [5.01 p.m.]: Today I inform the House about a wonderful organisation called Shine for Kids, which has been operating since 1982. I am proud to say that Shine for Kids is supported by our State Government and operates the Children's Support Project, which provides a range of innovative services and programs for children and families of inmates. Shine for Kids operates across New South Wales with centres located at Silverwater, Bathurst, Windsor, Wellington, Cessnock, Junee and Parklea, with another facility planned for Nowra. In late 2008 Shine for Kids commenced operation in Victoria.

Being separated from a parent is one of the most traumatic events a child can experience. Regardless of whether that parent is in prison, has died, or has left or abandoned the family, the grieving process is much the same. There is the same fear, anxiety, sadness and anger. And often the problems of financial hardship and disrupted care are thrown into the mix. But some things are unique to the children of prisoners—things like shame, a fear of being ostracised, and a terrible sense of isolation. A parent in prison often triggers a move to a new community and a new school—a severing of ties with existing social and support networks. But even more debilitating is the isolation that comes with guarding their terrible secret. One thing that makes these children so easy to overlook is that they make it their life's work to stay hidden.

There are a lot of consequences for children or young people who have a parent in prison. Shine for Kids is helping families cope. It is a really wonderful organisation that is doing great things for our community. These young people deserve our help, because none of us would choose for them to suffer. But, beyond the humanity, there is also a more selfish motivation. I would argue that when we help them we are also helping our communities. Children of prisoners are five times more likely than other kids to end up in prison themselves. Statistics indicate that at any time approximately 15,000 students in New South Wales are directly affected by the imprisonment of a parent, and that 60,000 students under the age of 16 have experienced parental incarceration at some point in their lives. The peer groups of each of these students can also be affected indirectly. It is imperative, in light of these statistics, that programs such as those provided by Shine for Kids exist to provide the valuable support to allow children with an imprisoned parent to develop appropriate and effective skills to make sense of their world and adequate coping mechanisms. We have a social responsibility towards these and all at-risk kids.

Shine for Kids has developed many valuable projects, such as the Children's Supported Transport Project, the Child and Family Centre Project, the Child/Parent Activity Day Program, the Video Visits Program, and the Group Work Program, which provides venues for peer support, parental interaction and an opportunity to have fun. The Group Work Program is a strength-based and solution-focused model that acknowledges and affirms what is already working for an individual, building on existing skills and strengths, and is future focused. It includes children's peer support groups held in the community and schools; the children and family school holiday fun program; the children and family monthly day trip fun program; and carers' groups, reducing the isolation experienced by family members.

During the Group Work Program the kids themselves have been identified as isolated—feeling lonely; stigmatised—feeling they are not as good as others; ostracised or ignored—left out; missing out on time with mum or dad and missing out on activities, because there is not enough money; angry—at dad, at mum, at the police, at themselves; deserted—betrayed, let down; frightened about what is going to happen to them now and their future; humiliated/embarrassed—they would not dare tell their friends; and stressed—which triggers anger and aggression, fits of crying, even bedwetting. Guilt is also an emotion that these children experience. A lot of kids feel like it is their fault that mum or dad is in jail. They are confused by changes in family dynamics. They report feeling insecure. Most kids no longer feel safe and secure; they miss their parent. They often demonstrate low self-esteem.

The work of the committed staff and volunteers at Shine for Kids is doing much to turn around the young people's experiences and feelings around their parents' incarceration. I congratulate the staff and supporters on the valuable work they do on behalf of our community. A patron for Shine for Kids is someone

well known in this place, and that is former member of the Legislative Council Ann Symonds, who gives so generously of her time for this valuable organisation. Shine for Kids has a number of fundraising programs this year. I urge members to support those programs, and to support the great work the organisation does in the name of our community.

KELSO LAW AND ORDER

The Hon. RICK COLLESS [5.06 p.m.]: I recently chaired a meeting along with my colleague the shadow Minister for Police, Mike Gallacher, aimed at tackling the many social and law and order issues that have for many years plagued the community of Kelso, in the Bathurst Electorate. Since taking on responsibility for Bathurst as a duty electorate, my office has been regularly contacted by Kelso residents sick of putting up with lawlessness and antisocial behaviour in their neighbourhood, and sick of the perceived inaction from local government agencies that allows this behaviour to continue. It was in this spirit that I organised a law and order forum in an effort to publicly address these issues and gain further understanding of the underlying problems and how we can help local residents overcome them. Despite a great deal of apprehension by many within the Kelso community at the thought of publicly identifying themselves in addressing these problems, the meeting drew around 50 people, each of whom I publicly thank for volunteering their time.

As I am sure members will be aware, Kelso is a community located on the eastern fringe of the city of Bathurst and is home to a high concentration of the city's public housing and, unfortunately, a disproportionate level of the city's law and order and social problems. Kelso is not unique in this regard: I dare say there would not be a town in New South Wales that does not have a suburb which is justly or unjustly singled out by police, local government, social service agencies and other residents as the hot spot for crime and social issues. Nor are Kelso residents unique in the fact that they want to overcome this perception and stamp out crime and antisocial behaviour in their neighbourhood. To a person they are a community that expresses a great deal of pride in their local community.

One thing that constantly impressed me on the evening was the willingness of local residents to talk candidly about these problems and readily offer solutions that would help solve them. Local residents in attendance on the night were quick to raise safety concerns regarding small children, often unattended, wandering on the streets while cars race around at dangerous speeds. They were just as quick to offer solutions like constructing speed bumps in known problem areas, and ensuring all public housing has proper fencing installed. While discussing community pride, one woman expressed her frustration at being unable to afford to regularly have her lawns mowed. Rather than turn on this woman, a large number of the crowd offered advice on accessing a Bathurst Regional Council-run program that loans lawn mowers to underprivileged local residents, and one woman even offered the services of her son to ensure the woman's lawns were regularly tended to.

Bathurst Regional Council has certainly taken a proactive approach by taking practical steps wherever it can to alleviate some of the concerns of Kelso residents. We heard from various people throughout the evening of the many council programs that had been started up at the behest of local residents, including providing rubbish skips for communal use. Indeed, council specifically provided the facility we held the meeting in, the Kelso Community Centre, to provide local services and engender a greater sense of community. The message that was continuously relayed to us throughout the night was that local residents are sick and tired of underresourced, unresponsive or uninterested government agencies failing to work with the community or work together to overcome the many social issues that plague Kelso. The State Labor Government, and in particular the member for Bathurst, Gerard Martin, have over the years continued to turn a deaf ear to these problems.

The Hon. Greg Donnelly: Point of order: The Hon. Rick Colless well knows that he should not attack a member of the other House in this way. He should be directed to correctly participate in this debate.

The PRESIDENT: Order! I uphold the point of order. The Hon. Rick Colless will bear my ruling in mind as he continues.

The Hon. RICK COLLESS: The only answer from the State Government was the recent \$4 million announcement to dilute the concentration of public housing in Kelso—a drop in the bucket—and the defeatist utterance from Mr Martin in the local media that Kelso has been "the bane of his life" since he became the local member.

The Hon. Greg Donnelly: Point of order: I repeat my earlier point of order. Perhaps I need to read the specific standing order to the Hon. Rick Colless—he is obviously not familiar with it. I refer to Standing Order No. 91 (3), which states—

The PRESIDENT: Order! The Hon. Rick Colless should be aware of the requirements of the standing order. I uphold the point of order. The Hon. Rick Colless will continue without making imputations against other members.

The Hon. RICK COLLESS: I also thank my colleague Mike Gallacher for his involvement on the night and for continuing to turn an attentive ear to the law and order problems facing Kelso residents. I know that the residents in attendance on that night certainly appreciated his input, advice and considered approach in helping them to sort through the many social issues in their neighbourhood. It provided residents with reassuring proof that the New South Wales Liberal-Nationals are united in working to overcome local problems. [*Time expired.*]

TILLEGRA DAM

Dr JOHN KAYE [5.11 p.m.]: In the early hours of Saturday 13 March 2010, Hunter Water released its Tillegra Dam project environmental assessment report. In doing so, the water utility breached faith with the community it is supposed to serve. It proved that it was prepared to obfuscate, mislead and lie in its passion to build a dam that is unnecessary, damaging and very expensive. The report was supposed to be in response to the 2,669 submissions received from the community, government agencies and experts. Instead of responding, Hunter Water Corporation dismissed legitimate criticisms of its project, relying on the same series of myths on which it has built its case over the past three years.

What is clear from the report is that the culture of serving its community, so carefully built up since the 1980s, has been buried under an avalanche of engineering lust. This is the "build at any cost" mentality that so badly betrays the trust of the consumers who will be forced to pay the \$477 million to build this dam, even though they have comprehensively rejected it. Hunter Water failed to rebuff the overriding case that Tillegra Dam is not necessary. In a series of fatuous arguments, the corporation dismissed the State's leading water supply planning experts from the Institute of Sustainable Futures at the University of Technology Sydney. Instead, it persisted with its reliance on unrealistic drought risks using measures of drought security that are unique to Hunter Water and fundamentally biased towards the need for a massive new supply project.

Hunter Water Corporation continues to fail to account for the use of water restrictions and demand management in a way that would cope with any short-term pressures on supply. The utility is clearly trying to create panic over water shortages to justify building its favourite project. The case against building Tillegra persists and has not been answered by Hunter Water Corporation. Knowing that it could never justify the need for an additional 60 billion litres of water each year and that it could never explain away the massive damage the dam will do to the Tillegra area, the Williams River and Hunter estuary, Hunter Water Corporation fell back on the oldest trick in the utility's book: it announced a series of entirely meaningless concessions in a vain attempt to distract the community's attention. Almost all of these concessions had already been announced or were required anyway.

Hunter Water managed to package its legal and administrative responsibility as sweeteners. In particular Hunter Water Corporation touted a new 1,323-hectare national park, yet more than 80 per cent of the proposed park area is already protected as a catchment area for Chichester Dam. Most of the area is relatively young regrowth forest, with some major lantana infestations. The No Tillegra Dam Group pointed out that thousands of places in New South Wales are far more worthy of national park status. The second sweetener was a so-called release of 2.5 billion litres of water from the Williams River each year to improve the flow and to supposedly rescue the Hunter estuary. That is all very good, but Tillegra Dam will rob 60 billion litres of water each year from the Hunter estuary and the Williams River.

The corporation says that by reducing the 60 billion litres of water by 2.5 billion litres everything will be okay. The New South Wales Office of Water was scathing in its criticism of Hunter Water's modelling of the estuary. It has embarked on its own study to determine what will happen. It is clear that the study needs to be completed and more studies undertaken to determine exactly what the impacts will be. An amount of 2.5 billion litres of water will not save a river system and an estuary that is about to have 60 billion litres of water removed. Hunter Water Corporation also promised to modify Seaham Weir. Yet the call for papers passed by this House last year revealed that in December 2009 government agencies had already warned Hunter Water Corporation that if Tillegra Dam was built Seaham Weir should be upgraded and this should be incorporated into the Tillegra Dam costings.

The fourth and fifth sweeteners were road works for the bridge in Dungog Shire and for all road maintenance between Dungog and the dam caused through the construction of Tillegra. That is complete

nonsense! The Hunter Water Corporation should fix any damage it does. The final sweetener was the relocation of the Bendolba Rural Fire station. If one goes to page 42 of the environmental assessment report, this had already been decided. Hunter Water has broken faith with its obligation to serve its community. It has reverted to an old-fashioned engineering-dominated bureaucracy with a build at any cost mentality. [*Time expired.*]

TRIBUTE TO MAX HADLOW

The Hon. MICHAEL VEITCH (Parliamentary Secretary) [5.16 p.m.]: I advise the House of the passing last week of Max Hadlow. Max worked tirelessly for the Goulburn community, and served as a shire councillor for nearly 20 years. He was elected to Goulburn City Council in 1990 and was elected mayor in 1999, a position he held until 2004. Max was passionate in promoting Goulburn and was appointed to many committees, which resulted in many benefits to the community. He was also a cycling enthusiast. Max regularly participated in the Pollie Pedal fundraising bike rides and raised money for many organisations, including the Royal Flying Doctor Service, Westmead Medical Research Foundation and many more. The tribute to Max in the *Goulburn Post* of Friday 12 March is a testament to his contribution to the Goulburn community and the high esteem in which he was held. Quote after quote praise him for his work and there are many expressions of how much he will be missed. Councillor Carol James, the current mayor of Goulburn, told the *Goulburn Post*:

Max was a memorable person in town and was a wonderful mayor because he was so down to earth with everyone.

Max was also a committed member of the Australian Labor Party. Senator Ursula Stephens told the *Goulburn Post*:

Max was Labor to the bootstraps. He was an active branch member and served on our State Electoral Council for several years.

She also said:

He worked tirelessly for our community as a councillor and mayor, and was a good friend and advocate to those who were most vulnerable in our community. He had a vision for Goulburn that we should honour in his memory—a strong, vibrant inclusive community.

Max Hadlow was never one to play politics and that earned him respect from all sides of politics. Alby Schultz, the Federal member for Hume, told the *Goulburn Post*:

Max Hadlow was one of nature's gentlemen, and when he was mayor and I the local member, he never made politics an issue. He was always straight up and down with me, open and frank.

I first met Max Hadlow when he was mayor of Goulburn and I was a councillor on Young Shire Council. I also had a bit to do with him through his Australian Labor Party activity, particularly through the SEC when Goulburn was part of the former Burrunjuck. I always found Max to be a gentleman, a genuine fellow and a huge advocate for Goulburn. Max passed away last Wednesday 10 March after a long battle with prostate cancer. He died in Port Kembla Hospital with his family at his side. The long battle Max endured with prostate cancer was not ironic. Most of his fund raising in "Pollie Pedal" was to raise money research in prostate cancer. Vale Max Hadlow.

AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION FILE

Ms LEE RHIANNON [5.20 p.m.]: Last year I received a phone call from an officer of the National Archives of Australia. The person informed me that they had received a request for my Australian Security Intelligence Organisation [ASIO] file. It is a policy of the National Archives to inform those whose ASIO file has been requested that an application has been received and their records are about to be released. On reading my file, I was surprised how often ASIO was wrong about what I had done in my life, and I do not mean just political action. The mistakes about my education and travel arrangements are extraordinary. The first entry I found was when I was seven years old. ASIO inaccurately noted that I was a founding member of the Eureka Students Organisation or secretary of the Students Political Institute, as was referred to in a secret briefing. The first organisation I joined was the Secondary Students for International Tolerance and Equality Organisation. ASIO did mention this group, although it got the name wrong. To be fair, the name was a bit of a mouthful.

I have fond memories of the Secondary Students for International Tolerance and Equality Organisation. It is sickening to think that ASIO was spying on this group of high school students. A highlight of our activities was organising a bus trip for 120 high school students to go to Canberra to lobby for an end to the Vietnam War. Using the slogan "Paris must mean peace"—the Paris peace talks had just started—we stopped to hand out

leaflets and do media interviews at Wollongong, Moss Vale and Goulburn before arriving in Canberra where we were met by Labor members of Parliament Tom Uren and Jim Cairns. We also visited the United States Embassy where a delegation from our group had the opportunity to meet diplomatic staff and put our point of view for an end to the war.

ASIO also spied on my friends and me when we were students at Sydney Girls High School. An ASIO report made on 11 December 1967, when I was in today's equivalent of year 10, reveals that a Garden Island-based security officer was collecting information from the daughter of a naval officer who was in my class at Sydney Girls High School. I will not mention any names, as there is clearly no political link. At Sydney Girls High School another student and I became friends with a young woman whose father was quite senior in the Navy. In a report marked "Secret " and dated 6 January 1977—10 years after the initial report was made—the ASIO Director-General wrote to the Director of Defence, Security, about how the father urged his daughter "to terminate her association with the two girls" after she reported she had been invited to attend a function at the Humanist Society. The report goes on to detail whom the young woman married and notes that there were no adverse mentions of either her or her husband. What a disgraceful saga and waste of public money! This is what the secret political police got up to in the 1960s and 1970s, and there is every reason to believe that they do the same today.

ASIO also has serious problems providing accurate information on my overseas travel arrangements. In a report titled "ASIO inward message" it is noted that my mother and I flew into Australia on 5 November 1970. In another report titled "ASIO outward message" it states that my mother and I arrived back from the United Kingdom "in the second half of October 1970". Both reports are wrong. I was in Europe from early 1970 to early 1971. When I returned I flew in from India in mid 1970. I was not with my mother and I did not fly in from the United Kingdom. ASIO's direct surveillance is also found wanting. In an ASIO report titled "Photographic surveillance" it is noted that a photo was taken of Claude Hamilton and me at Mascot on 8 December 1972. My passport from that time, which I still have, shows that I left the country for a trip to Asia on 2 December 1972. In a letter from the ASIO Director-General dated 11 March 1970 a request is made to the recipient of the letter, which has been blacked out, to watch me while I am in England. Presumably the letter is to the ASIO's United Kingdom equivalent.

The Hon. Greg Donnelly: MI5.

Ms LEE RHIANNON: I acknowledge that interjection. The letter states:

It would be appreciated if you could advise whether Brown comes to notice during her visit to the United Kingdom.

The letter also states that I was associated with various radical high school student groups and took part in demonstrations. The letter also reports on the political interests of my family. ASIO also makes extraordinary blunders about my education. An ASIO report of 2 March 1976 marked "Confidential" states:

She is studying motor mechanics at the University of New South Wales where she is currently employed as a lecturer.

This is seriously wrong. These data contradict two earlier "Secret" reports—one dated 11 September 1970 and one that appears to have been made on 13 November 1969—which state that I completed my university studies in 1969. In that year I was 18 years old and I was in my final year at high school. I never studied motor mechanics at the University of New South Wales. I did a double major in botany and zoology. I never worked as a lecturer at the University of New South Wales. I was at Macquarie University at that time. If ASIO got my education qualifications and travel arrangements so wrong, what else has it got wrong in its internal reports and briefings for politicians and journalists? A full report of my ASIO file will be available shortly on my website. [*Time expired.*]

BUSHFIRE HAZARD REDUCTION

The Hon. MELINDA PAVEY [5.25 p.m.]: Hazard reduction is very important for the safety of regional, rural and even city communities. I bring to the attention of the House an important document that was released yesterday by the Australian Farm Institute called, "Bushfire policy: Do we need more than just an ounce of prevention?" The document, which was prepared by the Australian Farm Institute, has major contributions from leading experts in the field, some of whom made a strong contribution to the Victorian Royal commission. Phil Cheney is a scientist and professor who is highly regarded within the Australian environmental and conservation movement for his beliefs and attitudes towards hazard reduction. His contribution is called, "Taking responsibility for fire suppression and fuel management".

There is also a contribution from Michael Stephens relating to "Bushfire, forests and land management policy under a changing climate". Further contributions are "Bushfire fuel management in Victorian forests" by Graham Ford; "Land management and wildland fire: Looking forward, an international point of view" by Tom Harbour from the United States; "About the research in physics for wildfires and its application to firefighting and prevention" by Albert Simeone; and "Forestry plantation and fire risk" by David Geddes. It is an important document in the context of the Victorian Royal Commission and last year's Victorian bushfires, which took the lives of 173 people in regional Victoria. There are important lessons to be learnt from this terrible day. Phil Cheney from the CSIRO writes:

After every fire disaster, there are claims we need more prescribed burning or fuel reduction and counter-claims that fuel reduction does not work under extreme fire weather conditions. But as Aboriginal people across Australia know, the only way of avoiding the intensity of catastrophic fires is to reduce the volume of fuel available to burn in the landscape.

Those fuel levels are up to 40 tonnes per hectare throughout regional New South Wales. In particular, I highlight the Blue Mountains, an area that is on the urban interface of Sydney. I am not just talking about on top of the Blue Mountains but also towards Penrith and through the Galston Gorge and the Hawkesbury. These areas face serious hazard-reduction problems, which we must fix. Whilst the budget of the New South Wales Rural Fire Service has increased from \$30 million 10 years ago to \$260 million today, we prescribe the same amount of burning in New South Wales, that is, about 100,000 hectares per year. The experts tell us that we must do more in New South Wales. I encourage communities to read the bushfire policy document in *Farm Policy Journal*, which is published by that great organisation headed by Mick Keogh, the Australian Farm Institute.

COUNTRY LABOR REGIONAL TOUR

The Hon. CHRISTINE ROBERTSON [5.28 p.m.]: Between 17 and 19 February 2010 the Country Labor parliamentary group travelled through the mid North Coast and North Coast regions. It was an inspiring visit. As part of a routine program, the Country Labor parliamentary group visits areas across the State. As well, many of us live and work in country areas. Nine Country Labor members were in attendance and our first stop was Kempsey. On our visits we talk to local people and community leaders about issues dealing with living in country New South Wales. At Kempsey the main issues raised with us were domestic violence offenders support and crisis housing. We know that crisis housing is a major issue in country New South Wales and we are working with the Minister on that issue. We then travelled to Nambucca Heads, where we were delighted to share in the Better Boating Program, which provides disabled people with access to boating. At Bellingen we spoke to community groups about issues that affected them. Then we travelled to Coffs Harbour, which has many issues, and Shannon Creek Dam. Our visit to country New South Wales was an exciting and important exercise.

We had a very interesting trip to Bellingen. We arrived the day after the shadow Minister for Health, Ms Jillian Skinner, had visited the region. Ms Skinner had said lots of amazing things to the community of Bellingen about its health planning processes, but Bellingen residents raised lots of very important on-the-ground issues for us to bring back to Minister Tebbutt, and I believe the Minister has met since with a delegation from Bellingen. I am aware that the Hon. Rick Colless knows about health planning because he and I have been involved in it in the past. It is very important to have the community onside and working with government, and that does not happen by conducting little opportunistic political visits to regions on the side. We found that insight to be very valuable.

Also, as we went along, several groups brought up the issue of neighbourhood centres in New South Wales, which was an issue that we were addressing already in the Parliament through the Country Labor parliamentary group. The people of the Bellingen region gave us very good and precise background information, which served us in good stead when we returned to Parliament to work on that specific issue. Coffs Harbour was incredibly exciting. Minister Kelly was with us in Coffs Harbour—

[Time for debated expired.]

Question—That this House do now adjourn—put and resolved in the affirmative.

Motion agreed to.

The House adjourned at 5.31 p.m. until Wednesday 17 March 2010 at 11.00 a.m.
