

# LEGISLATIVE COUNCIL

Tuesday 18 October 2011

---

**The President (The Hon. Donald Thomas Harwin)** 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.

## ADMINISTRATION OF THE GOVERNMENT OF THE STATE

**The PRESIDENT:** I report the receipt of the following message from the Hon. Thomas Frederick Bathurst, Administrator of the State of New South Wales:

Office of the Governor  
Sydney 2000

ADMINISTRATOR

The Honourable Thomas Frederick Bathurst, Administrator of the State of New South Wales, has the honour to inform the Legislative Council that he assumed the administration of the Government of the State at 8.25 a.m. on Sunday 16 October 2011.

T. Bathurst  
16 October 2011

## DEATH OF THE HONOURABLE ELAINE BLANCHE NILE, A FORMER MEMBER OF THE LEGISLATIVE COUNCIL

**The PRESIDENT:** I announce the death last night of the Hon. Elaine Blanche Nile, aged 75 years, a member of this House from 1988 to 2002. On behalf of the House I have extended to Reverend the Hon. Fred Nile the deep sympathy of the Legislative Council in the loss sustained. In due course a condolence motion will be moved providing an opportunity for members to participate in the debate. I ask members and officers to kindly stand as a mark of respect.

*Members and officers of the House stood in their places as a mark of respect.*

## TECHNICAL AND FURTHER EDUCATION COMMISSION AMENDMENT (STAFF EMPLOYMENT) BILL 2011

### HOME BUILDING AMENDMENT BILL 2011

### PLUMBING AND DRAINAGE BILL 2011

### CLUBS, LIQUOR AND GAMING MACHINES LEGISLATION AMENDMENT BILL 2011

### NATIONAL PARKS AND WILDLIFE LEGISLATION AMENDMENT (RESERVATIONS) BILL 2011

### HERITAGE AMENDMENT BILL 2011

**Bills received from the Legislative Assembly.**

**Leave granted for procedural matters to be dealt with on one motion without formality.**

**Motion by the Hon. Michael Gallacher agreed to:**

That the bills be read a first time and printed, standing orders be suspended on contingent notice for remaining stages and the second readings of the bills be set down as orders of the day for a later hour.

**Bills read a first time and ordered to be printed.**

**Second readings set down as orders of the day for a later hour.**

### **REGISTER OF DISCLOSURES BY MEMBERS**

**The President** tabled, pursuant to the Constitution (Disclosures by Members) Regulation 1983, a copy of the Register of Disclosures by Members of the Legislative Council for the period 1 July 2010 to 30 June 2011.

**Ordered to be printed on motion by the Hon. Michael Gallacher.**

### **BUSINESS OF THE HOUSE**

#### **Formal Business Notices of Motions**

**Private Members' Business items Nos 262 and 271 outside the Order of Precedence objected to as being taken as formal business.**

### **MOREE VIBE ALIVE FESTIVAL**

**Motion by the Hon. Amanda Fazio agreed to:**

1. That this House notes that:
  - (a) Vibe Alive is a two-day festival for young Australians of all backgrounds that celebrates Aboriginal and Torres Strait Island cultures,
  - (b) the recent Moree Vibe Alive Festival was held on Thursday 31 August and Friday 1 September 2011 and was the second such event to be held in Moree,
  - (c) this year's festival successfully brought together over 2,500 young people from across New South Wales to celebrate in the spirit of reconciliation the importance of health and education and giving it their best in life through performing arts,
  - (d) a health and careers expo as well as a community concert brought over a further 5,000 community members together to witness the talents and uniqueness of the youth of New South Wales, and
  - (e) community members travelled as far as over 600 kilometres to be a part of this festival, including role models such as Luke Carroll, Nathan Foley and The Street Warriors.
2. That this House calls on the Government to continue funding for future Vibe Alive Festivals.

### **BUSINESS OF THE HOUSE**

#### **Formal Business Notices of Motions**

**Private Members' Business item No. 275 outside the Order of Precedence objected to as being taken as formal business.**

### **SOLARIUMS**

**Motion by the Hon. Amanda Fazio agreed to:**

1. That this House notes that:
  - (a) a 2007 Queensland Institute for Medical Research study found solarium use by people under 35 increases their risk of developing melanoma by 98 per cent,
  - (b) approximately one-quarter of New South Wales people aged 13 to 44 mistakenly believe tanning in a solarium is safer than in the sun,
  - (c) one-third of all cancer cases in 15- to 30-year-olds in New South Wales are melanoma, and
  - (d) there were 3,528 cases of melanoma and 482 melanoma-related deaths in New South Wales in 2007.
2. That this House calls on the Government to take action to stop people aged under 30 years of age from using solariums unless they can provide evidence from a medical practitioner that their use of a solarium is for the purpose of medical treatment.

**BUSINESS OF THE HOUSE****Formal Business Notices of Motions**

**Private Members' Business item No. 311 outside the Order of Precedence objected to as being taken as formal business.**

**TRIBUTE TO MARGARET OLLEY, AC, AO****Motion by the Hon. Jan Barham agreed to:**

1. That this House notes the passing on 26 July 2011 of Margaret Olley at the age of 88.
2. That this House notes Margaret Olley is renowned for:
  - (a) a significant career as an artist spanning over five decades,
  - (b) her extraordinary discrimination as a collector of art, especially supporting and mentoring emerging Australian artists,
  - (c) her generosity as an art donor,
  - (d) tributes to her childhood on a farm out of Kyogle in northern New South Wales, by her support of the Southern Cross University and Lismore regional art gallery, and
  - (e) her dedication to her painting till the day before her death, when she put the finishing touches on more than two dozen pieces for her forthcoming exhibition.

**LIFE EDUCATION****Motion by the Hon. Natasha Maclaren-Jones agreed to:**

1. That this House acknowledges the work of Life Education to:
  - (a) develop and implement innovative programs that educate, motivate and empower children and young people to make informed choices for a safe and healthy lifestyle, and
  - (b) build the capability of children and young people to challenge their attitudes, expand their knowledge and develop their skills and strategies for healthy lifestyle behaviour.
2. That this House notes:
  - (a) that Life Education engages with over 350,000 children and 30,000 students across New South Wales each year,
  - (b) the support that the O'Farrell-Stoner Government provides to Life Education,
  - (c) that the month of October is Ocober and an opportunity to highlight the growing danger of binge drinking and alcohol abuse, particularly among young Australians, and
  - (d) that funds raised from Ocober this year will go to Life Education.

**VISITORS**

**The PRESIDENT:** I welcome into my gallery Mr Peter Topura, Executive Officer to the Clerk in the Bougainville House of Representatives, who is here on secondment as part of the twinning program between Bougainville and New South Wales parliaments.

**BUSINESS OF THE HOUSE****Suspension of Standing and Sessional Orders: Order of Business****Motion by the Hon. Cate Faehrmann agreed to:**

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 216 outside the Order of Precedence relating to the Protection of the Environment Operations Amendment (Notification of Pollution Incidents) Bill 2011 be called on forthwith.

## Order of Business

### Motion by the Hon. Cate Faehrmann agreed to:

That Private Members' Business item No. 216 outside the Order of Precedence be called on forthwith.

## PROTECTION OF THE ENVIRONMENT OPERATIONS AMENDMENT (NOTIFICATION OF POLLUTION INCIDENTS) BILL 2011

### Discharge of Order of the Day and Withdrawal of Bill

**Order of the day discharged and bill withdrawn on motion by the Hon. Cate Faehrmann.**

## PUBLIC SECTOR EMPLOYMENT AND MANAGEMENT AMENDMENT (ETHICS AND PUBLIC SERVICE COMMISSIONER) BILL 2011

### Second Reading

**Debate resumed from 13 October 2011.**

**The Hon. TREVOR KHAN** [2.51 p.m.]: As members no doubt recollect, on the previous occasion the Public Sector Employment and Management Amendment (Ethics and Public Service Commissioner) Bill 2011 was debated I referred to employment mobility. The sharing of ideas between sectors can lead to innovation in service delivery. Innovation is the great driver of reform and is the way to the future: We will be able to encourage new models and ideas, and not be limited by our current parameters. Innovation can be used to create opportunity and inform the way that government delivers services to the people. This can be of benefit to our communities who wish to have the ability to choose services that are more convenient, more effective and more reliable. The New South Wales public sector also, as part of ensuring that citizens are at the centre of service delivery, collaborates with the not-for-profit sector in providing services.

Collaboration in innovative service delivery through a temporary assignment not just across public sector jurisdictions but including the not-for-profit organisations, universities and the private sector will be used to build a new customer service culture in New South Wales, ensuring that the customer is at the centre of the way we plan, develop and deliver our public services. Additionally, temporary assignments limit costs to the host employers, or employers where a person is temporarily assigned, as the employees concerned remain on their existing salaries and conditions. This makes the proposal attractive because the employer does not incur costs for the assigned employee but the benefits can be significant. This Government also recognises the valuable role that mobility plays in developing skills and broadening the perspectives of employees in the public sector.

**The PRESIDENT:** Order! The Hon. Mick Veitch and the Hon. Penny Sharpe should contain their enthusiasm for the Hon. Trevor Khan's speech.

**The Hon. TREVOR KHAN:** Mobility can generate or stimulate ideas and solutions by expanding the experiences of employees. Often a new perspective to a problem can lead to innovative solutions. Additionally, mobility expands career development and, by providing a variety of opportunities, may increase or enhance for existing and prospective public sector employees the idea of the New South Wales public sector as an employer of choice. Mobility encourages changes in not only work location, whether within the public sector or within universities, the private sector or not-for-profit organisations, but also the type of work that individuals may undertake—for example, from being engaged primarily in policy work to obtaining experience in service delivery or regulatory roles.

For the New South Wales public sector as an employer, promotion of mobility is a great asset. It demonstrates to employees and potential employees that a public sector career can present a diversity of opportunities and provide scope for the development of a range of skills. This can be attractive to employees and potential employees who seek variety, challenges and diverse career experiences. Expansion of the range of temporary assignments will enable that to happen effectively. Other Australian public sector jurisdictions have identified increased mobility as a goal. There are key issues in mobility that all Australian public sector jurisdictions to date have deferred considering. These issues present barriers to the movement of employees

between jurisdictions, both permanently and temporarily. The barriers include complexities arising from different leave accrual arrangements and issues involving the closed defined benefits of superannuation schemes applying to the employees who may be transferred.

The Government will work with other Australian public sector jurisdictions to address and resolve those barriers, but we know the solutions are not immediate and will require legislative reform on a national scale. That is something we will ask the New South Wales Public Service Commissioner to raise and progress with other public service commissioners in Australia. The full mobility, including portability, of entitlements in the resolution of issues concerning superannuation is a longer-term goal. The reform to establish temporary assignments that is before the House demonstrates the leadership and pragmatism of this Government. This bill introduces a simple solution to the vexed problem of mobility that other Australian public sector jurisdictions are likely to adopt. The solution comprises arrangements that provide flexibility, involve minimal cost to employers and benefit employees by expanding their career experience while contributing to the breadth of their understanding of key issues.

Customers—the citizens of New South Wales—can only benefit from having public sector employees with diverse career experience and broad perspectives when it comes to planning, development and delivery of services that have the customer and customer needs as their focus. New South Wales is leading the way, with other employers in both public and private sectors, in solving the problem of short-term mobility. One question that I am sure will arise is: Does the Government intend that temporary assignment will be the usual practice for employment in the New South Wales public sector, which will be the new public sector comprising a short-term temporary workforce rather than a career-based service? I assure the House that that is not the intention. The Public Sector Employment and Management Act specifies in section 7 (3) that the usual basis of employment of staff in a department will be the employment of officers. That means ongoing, permanent employment is the usual way in which people are employed in departments. That will not change.

Temporary assignment provides flexibility for both employers and employees and allows for a change of skills and experience as well as the development of new ideas and initiatives that will only benefit those who are involved and those who are reliant on the production of effective public goods and services. In turn, the reform will assist the Government in its determination to ensure that the New South Wales public sector is an employer of choice that attracts a higher calibre of individual candidates. Increased access to mobility across employers nationally in the public, private, university and not-for-profit sectors develops a public sector workforce that is efficient, highly skilled and innovative, as well as more aware of the needs of the community.

**The Hon. SOPHIE COTSIS** [3.00 p.m.]: The Public Sector Employment and Management Amendment (Ethics and Public Service Commissioner) Bill 2011 speaks to the arrogance and ineptitude of the O'Farrell Government. To the Government's credit, the bill delivers on an election promise—unlike the rest of its agenda for the New South Wales public service, almost none of which was canvassed prior to the last election. Since coming to office, the O'Farrell Government has waged war on New South Wales public service workers—teachers, special needs teachers, school counsellors, nurses, prison officers, juvenile justice officers, child protection workers and the list goes on. The Government has capped the wages of public sector workers at 2.5 per cent—an attack it did not announce before the election.

**The Hon. Rick Colless:** The Labor Party did that.

**The Hon. SOPHIE COTSIS:** No, it did not. The Hon. Rick Colless should look at our policy.

**The Hon. Dr Peter Phelps:** We know what your policy is: it is 2.5 per cent plus productivity.

**The Hon. SOPHIE COTSIS:** No, it is not. The Hon. Dr Peter Phelps should look at our policy. The Government has gutted the Industrial Relations Commission.

**The Hon. Lynda Voltz:** Point of order: It is very difficult to listen to the speaker while members on the other side of the Chamber are constantly interjecting.

**The PRESIDENT:** Order! I remind members that interjections are disorderly at all times, as is responding to interjections.

**The Hon. SOPHIE COTSIS:** I respect your ruling, and I will ignore the member. The Government has capped the wages of public service workers at 2.5 per cent—an attack it did not announce before the State

election. The Government has gutted the powers of the New South Wales Industrial Relations Commission—an attack it did not announce before the State election. The Government has slashed the budget of NSW Industrial Relations, axing 48 jobs and closing five regional offices, in Coffs Harbour, Orange, Gosford, Wagga Wagga and Penrith in western Sydney. Worst of all, the O'Farrell Government is sacking 5,000 New South Wales public sector workers—again, a move it did not announce before the last election. This bill may tick a box on Barry O'Farrell's list of election commitments but that list is quickly being dwarfed by the list of real people, the hard workers of New South Wales, who have had red lines drawn through their names and who were never told by the Coalition that their jobs would be axed under an O'Farrell Government.

What will this bill achieve for the working people of New South Wales? The bill will see the appointment of a new Public Service Commissioner and the establishment of a Public Service Commission Advisory Board. This amounts to creating a bureaucracy for bureaucracy. For all the O'Farrell Government's talk of investing in front-line services, it cannot escape anyone's notice that at the same time it is sacking 5,000 workers who provide front-line public services. The Government is creating a new bureaucracy simply to manage a bureaucracy. The Premier must have little faith in his Ministers if he cannot trust them to hold their agencies to account and must instead hire more bureaucrats to do it for him. One cannot be surprised, given the hopeless and appalling performance of the Minister for the Environment. How can the O'Farrell Government claim to promote ethics and accountability while continuing to allow a Minister to serve after she left Stockton families unaware of a toxic chemical leak for 54 hours?

**The Hon. Walt Secord:** Fifty-four hours?

**The Hon. SOPHIE COTSIS:** Fifty-four hours. One suspects that the ultimate purpose of the new Public Service Commission Advisory Board will be to advance further the O'Farrell Government's war on workers. Just as the Coalition did not reveal its plan to cap wages and sack workers before the last election, it may also be keeping from the public the agenda of the new bodies created by this bill. What answers can the O'Farrell Government and Ministers give to the 40,000 public service workers and their families who marched to The Domain last month, having already seen their wages capped, their rights stripped away and their family's livelihoods placed on the chopping block? Those workers, who have already been betrayed by the O'Farrell Government, are entitled to know what practical effects the Public Service Commission Advisory Board will have for them. For instance, will it deliver an expansion in the use of individual contracts in the New South Wales public service?

Members will recall WorkChoices, Australian workplace agreements and the scrapping of the no-disadvantage test. Those measures introduced by another Coalition Government had the potential to see people made redundant from their jobs and then asked to re-apply at a lower wage with fewer entitlements. Will the Government rule out the Public Service Commission Advisory Board pursuing such an agenda? If not, how can the O'Farrell Government claim, as has the Premier, that it wants the New South Wales public service to be the best in the nation and a leader across the world when public service workers have to look constantly over their shoulders, wondering whether the Coalition is going to cut their wages or sack them? If the O'Farrell Government is serious about promoting an ethical public service it should start by treating New South Wales public service workers ethically. It should end its war on public service workers, sit at the negotiating table and have a discussion with them so that our nurses, teachers, police, firefighters and child protection workers can do the best job possible for the people of New South Wales.

**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [3.06 p.m.], in reply: I thank members for their contributions to debate on the Public Sector Employment and Management Amendment (Ethics and Public Service Commissioner) Bill 2011. It appears that no-one is opposing the bill. This is an historic moment in the proud history of the New South Wales public service because this bill will ensure that the commitment of the New South Wales Government to the public sector will be delivered and that our public sector will be respected for its integrity and independence, and renowned for its innovation in the delivery of services.

This bill establishes two key platforms to assist the public sector with this change. The first will include ethics and values in public sector legislation. The second will establish a Public Service Commissioner to ensure integrity, performance and accountability in the State's public sector. The amendments to the Public Sector Employment and Management Act will include an ethical framework for the public sector that identifies the core values of the public sector and the principles guiding those values, with the objective to enshrine in legislation for the first time fundamental attributes of an effective public sector, such as a merit-based career service that acts in a non-partisan manner and is responsible for implementing government decisions.

The Government acknowledges the valuable contribution of the public consultation process in developing and refining the core values, principles and objectives contained in the ethical framework. The other significant amendment to the Public Sector Employment Management Act is the inclusion of provisions establishing the Public Service Commissioner and the Public Service Commission Advisory Board. The Public Service Commissioner is an independent statutory position appointed by the Governor, on the recommendation of the Public Service Commission Advisory Board. The Public Service Commission Advisory Board, led by one of Australia's most experienced and respected public administrators, Professor Peter Shergold, AC, will give independent expert and active advice to the Public Service Commissioner to enable the commission to meet its objectives.

New section 3E in schedule 1 to the bill identifies the principal objectives of the Public Service Commissioner as promoting and maintaining the highest levels of integrity, impartiality, accountability and leadership across the public sector; improving the capability of the public sector to provide strategic and innovative public advice; implementing the decisions of the Government; and meeting public expectations. The Public Service Commissioner will also attract and retain a high-calibre professional public sector workforce; ensure that public sector recruitment and selection processes comply with the merit principle and adhere to professional standards; foster a public service culture in which customer service initiatives, individual responsibility and the achievement of results are strongly valued; and build confidence in the public sector. Finally, the Public Service Commissioner will support the Government in achieving positive outcomes through strengthening the capability of the public sector workforce.

As outlined in new part 1.3, new section 3G, the Public Sector Commissioner will prepare an annual report to the Premier on the state of the public sector and the Premier will table that report in each House of Parliament as soon as practicable after it is received from the commissioner. I assure honourable members that, contrary to some suggestions in the debate, the underlying premise of the ethics-related elements of this bill respond to the longstanding and genuine representations of individuals in the public sector, and particularly the Institute of Public Administration Australia, which has been seeking reforms to the New South Wales public service to support the integrity and professionalism of the sector. Those calls fell on deaf ears when the Labor Party was in power. However, the Coalition was listening and is determined to ensure that it acts.

Contrary to comments made by The Greens, this bill takes real action by creating a public service commissioner with some new and enhanced functions and responsibilities for the public sector. These include promoting and maintaining the public sector core values of integrity, trust, service and accountability—which will be enshrined for the first time in legislation—building public confidence in the sector's workforce and fostering a culture in which customer service initiative and the achievement of results and individual responsibility are strongly valued. It will also promote strong collaboration with the not-for-profit and business sectors to better inform the development and implementation of service delivery strategies and services and their delivery models. In addition, the bill will enable mobility beyond New South Wales to and from universities, other Australian public sector jurisdictions, the private sector and the not-for-profit sector, which will encourage flexible and innovative joint ventures.

The legislation provides for the production of a new annual state of the sector report, including an assessment of the performance of the entire public sector. This report will be a key mechanism for providing the Parliament, the Government, the public sector and the community with an overview and assessment of the composition and performance of the New South Wales public sector. These functions will deliver better outcomes for the Government, its public servants, our citizens and our customers. Assertions about a lack of consultation on this bill are untrue. The Government undertook consultation on the creation of the public sector ethics legislation, as it said it would in the 100 Day Action Plan. It drew up a draft ethical framework for the New South Wales public sector based around the four pillars of integrity, trust, service and accountability. To develop this framework, the Government heard from individuals who are users and customers of public services, taxpayers and individual public servants across the occupations in the public sector.

The government website encouraged people to have their say about public sector ethics. Consultation was undertaken with stakeholders, including government agencies, the Auditor-General, the NSW Business Chamber, the Council of Social Service of New South Wales, National Disability Services and the New South Wales branch of the Institute of Public Administration Australia. Briefings were conducted with the Independent Commission Against Corruption and the NSW Ombudsman. Professor Peter Shergold, Chairman of the Public Service Commission Advisory Board, also contributed to the framework and the feedback gathered during the consultation process helped to refine the ethical framework in the development of the bill. Furthermore, despite the leader of The Greens' claims that unions were not briefed and that correspondence from them was unanswered—

**Dr John Kaye:** There is no such person.

**The Hon. MICHAEL GALLACHER:** I am advised that Brendan O'Reilly, the former Director General of the Department of Premier and Cabinet—a person with extensive public sector experience who led the working group that set up the organisation and developed this legislation—briefed Unions NSW and affiliates on 28 June and that a response to the letter was sent from the Department of Premier and Cabinet on 27 July.

**Dr John Kaye:** You didn't think I was listening, did you?

**The Hon. MICHAEL GALLACHER:** Unions have also been briefed regularly at the Department of Premier and Cabinet's monthly Public Sector Unions Consultative Forum. The Public Service Commissioner is the centrepiece of the Government's public service policy and is serious about rebuilding the integrity, professionalism, innovation, independence and capability of the New South Wales public sector. Citizens, elected members and public servants all need to have confidence in, and clear expectations about, the limit of government's role, the performance standards and results that public officials deliver, and the appropriate separation of the political role and professional public servants.

The Government wants the New South Wales public sector to be the best in the nation and a leader across the world. The Public Service Commissioner will help to shape the New South Wales public sector to respond to the contemporary and future needs of our State, its citizens and customers with independence, professionalism and integrity, and to be rewarded for success and innovation. It must have the skills to deliver the highest quality and most effective services to the people and taxpayers of this State. I commend the bill to the House, and thank Dr John Kaye for listening.

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

**Motion agreed to.**

**Bill read a second time.**

#### **In Committee**

**Clauses 1 and 2 agreed to.**

**Dr JOHN KAYE** [3.17 p.m.]: I move The Greens amendment No. 1 on sheet C2011-095B:

No. 1 Page 4, schedule 1.1, proposed section 3B, lines 4 and 5. Omit all words on those lines.

I thank the Leader of the Government for listening.

**The Hon. Lynda Voltz:** The bromance is on again.

**Dr JOHN KAYE:** I do not think so, but it is a nice thought. This amendment deletes one of the core public sector values—that is, to engage with the not-for-profit and business sectors to develop and implement service solutions. That is not a core value; if anything, it is a strategy for implementing value if one believes those sorts of things. Members should consider the other proposed core values in which the not-for-profit and business sectors are engaged. The legislation states:

The core values for the public sector and the principles that guide their implementation are as follows:

#### **Service**

- (a) Provide services fairly with a focus on customer needs.
- (b) Be flexible, innovative and reliable in service delivery ...
- (d) Focus on quality ...

Under "Accountability" it provides that the public sector must:

- (a) Recruit and promote staff on merit.
- (b) Take responsibility for decisions and actions.
- (c) Provide transparency to enable public scrutiny.

- (d) Observe standards for safety.
- (e) Be fiscally responsible and focus on efficient, effective and prudent use of resources.

All of those core values are about things that can be identified by the average person, by the average public sector individual. The others are what would sensibly and normally be referred to as values. However, "engage with the not-for-profit and business sectors to develop and implement service solutions" is not a value; it is a strategy for implementing outcomes which, in some cases, would be deeply flawed. However, elevating it to a value creates an obsession with achieving outsourcing. In effect, we are saying that outsourcing becomes a core public sector value. This particular core public sector value says to the public sector: you are not competent to deliver services; you need to turn to the not-for-profit and business sectors to implement service solutions; you cannot do it yourself. It is the wrong place to put such an unqualified statement about outsourcing.

If we were serious about looking at outsourcing we would require a far more detailed and nuanced examination of situations under which a public sector employee ought to be engaged without outsourcing or privatisation. Here we have, as a core value, the thing that should be at the forefront of the mind of each public sector worker, the thing that they should focus on achieving in every action, every minute of every day: outsourcing. That may be the view of the O'Farrell Government and some members in this place, but it cannot sensibly be seen to sustain a strong and efficient public sector if the core value is to outsource everything. Elevating a strategy to the level of a principle or value is always dangerous.

In this case, it is an especially dangerous activity because it is elevating the rundown of the public sector to being a core value. I suspect it is a Freudian slip. I do not think the Government could normally and naturally argue that outsourcing is a core value. But it is so obsessed with the destruction of the public sector, it feels the urge to include outsourcing as a core value. It is important that this provision be removed. If these values are to have any meaning whatsoever it is important that they maintain integrity. Putting a strategy in there and calling it a value undermines the integrity of these values. Therefore, the intent of The Greens amendment No. 1 is to delete the term "engage with the not-for-profit and business sectors to develop and implement service solutions". I commend the amendment to the Committee.

**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [3.23 p.m.]: The Greens amendment No. 1 seeks to amend proposed section 3B by deleting paragraph (c) under the heading Service. Paragraph (c) states:

- (c) Engage with the not-for-profit and business sectors to develop and implement service solutions.

The Government opposes this amendment. Collaboration with other sectors, including the business and not-for-profit sectors, is vital to achieving the Government's aim of leading the New South Wales public sector into the future. Improving innovation in the public sector is a key commitment of the Government. It is one of our targets in NSW2021, designed to shape a modern forward-thinking public sector that embraces new ideas to improve services and efficiency. Whilst there is no shortage of good ideas in the New South Wales public sector, in collaborating with other sectors we can learn things about the ability to realise and implement those ideas at the organisational level. There is an enormous appetite for engagement in the business and non-government sectors and, critically, a genuine willingness to make a contribution to the enhanced performance of New South Wales. The establishment of a Public Service Commission will encourage flexible and innovative joint ventures that will improve service to the people of New South Wales. The Government is opposed to this amendment.

**The Hon. LUKE FOLEY** (Leader of the Opposition) [3.25 p.m.]: The Labor Opposition opposes the amendment moved by Dr John Kaye. It seeks to delete paragraph (c) under the heading Service in proposed section 3B, which defines public sector core values. We do not live in a command economy; we live in a mixed economy where the public sector, the private sector and the not-for-profit sector all have an important and valuable role to play. Dr John Kaye is over egging the pudding in his comments. It is not unreasonable to have a statement that says that the public service ought to always engage with the business sector and the not-for-profit sector. The member has not made the case, and we do not support his amendment.

**Dr JOHN KAYE** [3.26 p.m.]: In response to the Government's comments on The Greens amendment, I indicate that the Government relies on the proposition that it is important to encourage the public sector to be innovative in looking for service solutions. However, the Leader of the Government should look at paragraph (b) under the heading Services in proposed section 3B, which states:

- (b) Be flexible, innovative and reliable in service delivery.

Innovation already exists within these core values. The Government says that it is vital for the public sector to have engagement with the not-for-profit and business sectors; that developing and implementing service solutions is vital to the activities of the public sector. There is no question that there is an important engagement with the not-for-profit sector and probably also with the business sector. That is not in question. Neither the Minister nor the Leader of the Opposition addressed the issue of whether outsourcing and engagement with the not-for-profit and business sectors is a core value or whether it sits against providing services fairly with words such as "flexible", "innovative", "reliable", "quality", "on merit", "responsibility", "transparency", "safety", "responsible, efficient and effective" and "prudent". These are the sorts of words that belong in core statements of value.

However, "engage with the not-for-profit sector to develop and implement service solutions" is not a value. I come back to that again and again. It is not a value; it is purely a statement of intent to outsource some services, and it should be seen as such. If it is what the Government wants, it should accept that that is what it is. It should not have it in core values. I commend the amendment to the Committee.

**Question—That The Greens amendment No. 1 [C2011-095B] be agreed to—put and resolved in the negative.**

**The Greens amendment No. 1 [C2011-095B] negatived.**

**Dr JOHN KAYE** [3.28 p.m.]: I move The Greens amendment No. 2 on sheet C2011-095B:

No. 2 Page 7, schedule 1.2 [2], proposed section 3F (1). Insert after line 10:

- (c) to ensure that all public sector employees receive, on an ongoing basis, education and training to assist them in the resolution of ethical issues,
- (d) to provide, when requested to do so, advice to public sector employees on the resolution of ethical issues,

The intent of this amendment is to insert two activities into the Principal Objectives of Commissioner at proposed section 3E in schedule 1. The first is to ensure that every public sector employee receives "on an ongoing basis, education and training to assist them in the resolution of ethical issues". Another principal objective is (d), to provide, on request, "advice to public sector employees on the resolution of ethical issues". As we said during the second reading debate, we do not oppose the idea of the creation of core public sector values—they are important—but we are concerned about the absence of consultation. We are also concerned about the message that is being sent. There is an important role for ethics and values.

The legislation does not go to what needs to be done to support public sector workers to implement those core values. The intent of the amendment is to add to the objectives of the commissioner to provide education and training to assist in the resolution of ethical issues and to provide advice to public sector employees on resolving ethical issues. By definition ethical issues are very complex, difficult and require a lot of maturity and a facility with moral reasoning. Many people both within the public sector and other sectors of the community from time to time are understandably required to make sensible ethical decisions while navigating their way through complex and ambiguous situations. Each of us as politicians, and before, has confronted issues that have challenged us as to the right thing to do.

One of the experiences to come from professional ethics across a number of disciplines has been the need for training and education in moral reasoning. A lot of literature is now available on the benefits of formal education and training in moral reasoning in coming to ethical solutions. As I said earlier, I have been involved in doing this for engineering students and it seems weird when you first do it. It seems as if one is externalising internal values and transmitting them into a formal framework. However, a large body of experience now shows that this work helps people confront difficult and complex situations for which there is no clear solution and enables them to gather a sensible answer that works for them.

The second aspect of the resolution is to provide advice. Having an independent and neutral body to turn to when a public servant is confronted with a tricky ethical question will ease the burden on the individual employee and will create higher quality ethical outcomes. Both resolutions would add to the objectives of the commissioner and strengthen the benefits to the public sector of the core values. They would also assist public sector workers in making sensible ethical decisions while navigating their way through complex and ambiguous situations. I commend The Greens amendment No. 2 to the Committee.

**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [3.32 p.m.]: The Greens amendment No. 2 seeks to include additional functions for the Public Service Commissioner in new section 3F (1):

- (c) to ensure that all public sector employees receive, on an ongoing basis, education and training to assist them in the resolution of ethical issues,
- (d) to provide, when requested to do so, advice to public sector employees on the resolution of ethical issues,

Those additional functions are unnecessary. The Government opposes the amendment. The role of the Public Service Commissioner to promote and maintain the public sector core values is provided for in new section 3C, General provisions. As part of this role the commissioner will ensure that all public sector employees receive appropriate training. Implementing this framework to public sector employees will be consultative and engaging. The main objectives will be to teach employees to engage in ethical conversations, develop employees' capability for ethical awareness, reasoning and choice, and to build and sustain ongoing commitment to ethical practices at all levels. The Public Service Commissioner will assist individual departments to draft tailored codes of conduct that align with and extend the values and principles in the ethical framework. As part of this process the commissioner will provide tools for these agencies so they may resolve ethical issues with their employees. As I have said, the Government opposes the amendment.

**The Hon. LUKE FOLEY** (Leader of the Opposition) [3.33 p.m.]: The Opposition supports The Greens amendment No. 2. In short, this amendment seeks to add to the general functions of the Public Service Commissioner in a statement that he or she should ensure that all public sector employees receive ongoing education and training around ethical issues. I recently received ethics training myself, as did my colleagues in the State Parliamentary Labor Party. I found the training to be very instructive. I think all members would benefit from ongoing training in ethical matters. It is not something to be laughed at or somehow disparaged. Those in public life and those engaged in delivering the State's public services to the community can always do with education and training to help them to resolve ethical issues. That is the point of this amendment and the Opposition is happy to support it.

**Dr JOHN KAYE** [3.35 p.m.]: I said when moving The Greens amendment No. 2 that it pertained to new section 3E, Principal objectives of Commissioner, but I was in error; it is new section 3F, General functions of Commissioner.

**The Hon. Michael Gallacher:** The Government picked that up.

**Dr JOHN KAYE:** I congratulate the Government on picking that up.

**The Hon. Michael Gallacher:** We were listening.

**Dr JOHN KAYE:** That is fantastic. However, in its opposition to The Greens amendment No. 2 the Government relies on new section 3C (1) which states:

- (1) The Public Service Commissioner has the function of promoting and maintaining the public sector core values.

But what does "promoting and maintaining" mean in this concept? Promoting could be little more than making people aware that the values exist. Maintaining could have two different meanings: it may have a punitive role or it may have a role in identifying when the core values have not been adhered to. Neither of those words captures the idea of education and training, nor do they capture the idea of providing advice to those public sector workers who are confronted with situations that are morally ambiguous or problematically difficult for them to resolve. I cannot accept the Government's argument that new section 3C (1) covers The Greens proposed amendment for paragraphs (c) and (d) of new section 3F (1). Paragraphs (c) and (d) would specifically identify the function of education and training and specifically identify the need to provide advice. I commend The Greens amendment No. 2 to the Committee.

**Question—That The Greens amendment No. 2 [C2011-095B] be agreed to—put.**

**The Committee divided.**

**Ayes, 17**

Ms Barham	Mr Moselmane	Ms Voltz
Mr Buckingham	Mr Primrose	Ms Westwood
Ms Cotsis	Mr Roozendaal	Mr Whan
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Ms Faehrmann	Ms Sharpe	Ms Fazio
Mr Foley	Mr Shoebridge	Dr Kaye

**Noes, 19**

Mr Ajaka	Mr Gay	Mr Mason-Cox
Mr Blair	Mr Green	Mrs Pavey
Mr Borsak	Mr Harwin	Mr Pearce
Mr Brown	Mr Khan	
Mr Clarke	Mr Lynn	<i>Tellers,</i>
Ms Ficarra	Mr MacDonald	Mr Colless
Mr Gallacher	Mrs Maclaren-Jones	Dr Phelps

**Pairs**

Mr Searle	Ms Cusack
Mr Veitch	Miss Gardiner

**Question resolved in the negative.**

**The Greens amendment No. 2 [C2011-095B] negatived.**

**Schedule 1 agreed to.**

**Dr JOHN KAYE** [3.46 p.m.]: I do not intend to move the remaining The Greens amendment.

**Schedule 2 agreed to.**

**Title agreed to.**

**Bill reported from Committee without amendment.**

**Adoption of Report**

**Motion by the Hon. Michael Gallacher agreed to:**

That the report be adopted.

**Report adopted.**

**Third Reading**

**Motion by the Hon. Michael Gallacher agreed to:**

That this bill be now read a third time.

**Bill read a third time and returned to the Legislative Assembly without amendment.**

**TABLING OF PAPERS**

**The Hon. David Clarke** tabled the following paper:

Crimes (Administration of Sentences) Act 1999—Report of the State Parole Authority of NSW for the year ended 31 December 2010.

**Ordered to be printed on motion by the Hon. David Clarke.**

**LEGISLATION REVIEW COMMITTEE****Report**

**The Hon. Dr Peter Phelps**, as chair, tabled the report entitled "Legislation Review Digest No. 6/55" dated 18 October 2011.

**Ordered to be printed on motion by the Hon. Dr Peter Phelps.**

**BUSINESS OF THE HOUSE****Postponement of Business**

**Government Business Orders of the Day Nos 2 to 7 postponed on motion by the Hon. Duncan Gay.**

**UNIVERSITIES GOVERNING BODIES BILL 2011****Second Reading**

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [3.51 p.m.]: 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.**

The *University Governing Bodies Bill 2011* facilitates amendments to each of the ten Acts establishing the State's public universities.

The amendments will bring the governance arrangements of New South Wales universities into line with contemporary practice. These amendments will also give effect to the key recommendations of the 2009 report of the Legislative Council General Purpose Standing Committee No. 2 entitled *Governance of NSW Universities*.

Universities are a crucial part of the New South Wales education system and economy. The State needs our universities to be well equipped to meet our growing needs for skills and innovation.

Last year New South Wales universities received \$1.2 billion in income from commercial sources. They are both major public institutions of great strategic significance to the State and very significant businesses. Their governance arrangements need to reflect this reality.

A number of universities in New South Wales have been requesting changes to their governing body size and composition for some time. This has been a matter of particular concern to universities both before and following the report of the parliamentary committee chaired by my colleague, the Hon Robyn Parker.

That is why we have moved quickly to consult with universities and have put this bill before the Parliament.

The Government has consulted widely with the New South Wales public universities on a model for legislative change to university governance arrangements that lies at the heart of this bill. The Vice-Chancellors' Committee has advised that all 10 of our public universities including their chancellors and governing bodies support the model for legislative change.

**Introduction**

The New South Wales Coalition Government is committed to supporting a strong, contemporary regulatory framework for New South Wales universities. Our universities need to be supported to maintain their current strengths and to continue to develop in ways that properly equip them to thrive in the future.

The amendments proposed in the *Universities Governing Bodies Bill 2011* will chiefly ensure that the governing bodies of New South Wales universities are able to have greater flexibility in determining their own size and composition, if they so choose.

At the same time, the bill maintains a representative model of university governance that ensures key stakeholders remain appropriately represented. Governing bodies will continue to include elected academic and non-academic staff members; elected student members and graduate members—whilst ensuring that a majority of the membership of each governing body must be external.

The changes give universities much-desired flexibility—the capacity to decide the size, composition and related mix of necessary skills and experience on their governing bodies and, thus, more freedom to govern themselves according to their individual missions and strategic plans.

The changes also allow universities to take control over other important matters they have wanted for some time—the ability to hold meetings by electronic means, the ability to dismiss the chancellor or deputy chancellor and, if they deem it necessary, to remunerate members.

The bill is an "opt-in" model which allows each university itself to decide whether and when to introduce changes to their governance structure.

The capacity to remunerate members and to dismiss a chancellor or deputy chancellor if the need arises, were key recommendations of the 2009 Legislative Council committee report on the governance of New South Wales universities.

Currently, the capacity to dismiss a chancellor or deputy chancellor for losing the confidence of the governing body is available only to two universities—the University of Sydney and the University of Newcastle—through provisions in their by-laws, rather than in their enabling Acts. This amendment will extend that to all universities, and place this particular power at these two universities in their Acts, rather than their by-laws.

In terms of the capacity to remunerate members, all current New South Wales university legislation is silent on this issue. The amendment will provide legal certainty in this area, and give universities only the capacity to remunerate—they do not have to implement it if it does not suit their particular circumstances.

For example, some regional universities may wish to take advantage of remuneration to facilitate the involvement of external members who have the necessary skills and attributes to undertake the responsibilities associated with university governance.

The bill itself is structured in the following way:

The main body of the bill at section 4 provides that a university governing body can adopt the standard governing body provisions contained in schedule 1. This must be approved by a two-thirds majority of members.

If they do so, these standard provisions will replace the existing governing body provisions in their Act. It is not compulsory for universities to make these changes. The legislation provides them with the flexibility to 'opt in' only if they wish to.

Such a resolution will enable the particular university governing body to determine a number of factors:

- the total number of members it is to have, within a specified range;
- the total number of members in most categories of membership; and
- the time when the resolution itself should come into effect.

Section 4 of the bill also sets up the mechanism for effecting these changes. This will be via an order made by the Minister for Education after receiving notice of the governing body resolution. At the appropriate time after the ministerial order is made, the university Act will be amended and the existing, replaceable provisions cease to have effect.

Schedule 1 contains the standard governing body provisions that will amend the existing replaceable provisions in the university Acts.

Schedule 2 provides for savings, transitional and other provisions necessary on the enactment of this bill, including the capacity for savings and transitional regulations to be made.

Schedule 3 contains a number of related amendments that will be made to all university Acts whether or not the particular university governing body decides to opt-in to the 7 standard governing body provisions contained in schedule 1.

Schedule 3 consists of a series of amendments for each of the 10 New South Wales public universities, in a clearly marked section for each. These have some small variations that reflect the particular Acts and take account of minor, local or pre-existing differences between our public universities.

The changes set out in schedule 3 were identified by the universities as important reforms, whether or not the universities wish to change the number and composition of their governing bodies.

I will now deal with the different sections of the bill in more detail and in doing so, outline the key background issues, the amendments the bill initiates and the approach it takes.

### **The Main Body of the bill**

There are six clauses in the main body of the bill.

The commencement clause (clause 2) provides that, with the exception of the amendments to the rule-making power in schedule 3, the Act commences on the date of assent.

The definitions at clause 3 indicate the provisions in each of the university Acts that will be replaced by the standard governing body provisions in schedule 1 when universities choose to do so.

Clause 4 is the key clause on which the bill turns, providing the mechanism enabling universities to adopt the standard governing body provisions at schedule 1 when they choose to do so.

They will need a two-thirds majority decision by the governing body to opt-in, and the Minister will then need to make and publish a ministerial order after the terms of the decision are conveyed to him or her.

When the resolution does take effect, the standard provisions will take the place of the existing provisions (the "replaceable provisions") in the relevant university Act, and any necessary consequential changes will also be made to the particular university Act and by-law.

Clause 4 also provides for consequential changes to be made to the rule-making power in each university Act when a ministerial order brings the governing body resolution into effect.

The new governing body arrangements, if adopted, require university rules (called constitution rules) to be made to support them, rather than the university by-laws, as at present. The rule-making power therefore needs to change to enable the new approach to operate.

### **The Standard Governing Body Provisions of the Bill**

*Schedule 1* contains the standard governing body provisions of the bill. The governing body of a university can decide to adopt these by a two-thirds majority decision at any time after the passage of this bill—or not adopt them at all, if it prefers to retain its current size and composition.

The same categories of membership are retained in these provisions, reflecting continuing support for the representative model of governance that underpins the bill as well as the current university Acts.

The schedule 1 provisions set the size-range for the governing body and the required categories of membership. They enable the governing body by a two-thirds majority resolution to determine its own size within the specified range, and the number of members it will have within most categories. The actual numbers determined by a university are to be specified in constitution rules made by the governing body.

The provisions require that the governing body membership must include the following numbers across the specified categories:

- three official members (the chancellor, vice-Chancellor and president of the academic board),
- between two and six ministerially appointed members,
- at least one elected member of the academic staff ,
- at least one elected member of the non-academic staff,
- at least one elected student who is not employed on a full-time basis as a staff member of the university;
- at least one external person who is a graduate of the university, either elected or appointed; and
- such number of external persons appointed by the governing body itself as is prescribed by the constitution rules.

The bill continues important key principles that apply to the current university Acts:

- external members are required to be in the majority;
- the current representative nature of governing bodies is preserved, with all the main stakeholders represented amongst the membership. Academic staff, non-academic staff, and student members will continue to be elected, and external graduate members can be either elected or appointed, as is current practice.; and
- to maintain a continuity and balance in the overall composition of the governing body, the bill provides that no single category of membership may constitute a majority.

#### **Size of Governing Body**

The bill provides for a minimum of 11 and a maximum of 22 members on the governing body, with each university to determine the size considered appropriate to its circumstances.

Currently, there is no specified minimum number although the same maximum of 22 is the existing upper limit.

#### **Qualifications and Experience of Members**

The bill continues current provisions in the university Acts relating to the qualifications and experience of governing body members.

At least two members of the governing body must have financial expertise, and at least one must have commercial expertise. These qualification requirements were incorporated into university Acts in 2004 amendments that implemented aspects of the Howard Government's National Governance Protocols.

All appointed members—whether governing body or ministerial appointments—must have expertise and experience relevant to the functions of the governing body, and an appreciation of the object, values, functions and activities of the university.

#### **Elected Staff and Student Members**

Each university's constitution rules are to prescribe the number of people who will comprise the elected academic staff members, elected non-academic staff members and elected student members.

#### **Graduate Members**

Graduate members must be external and can be either elected, appointed or some combination of both processes. Graduates need not form a separate category of membership, but can be appointed either as ministerial or governing body members. The number of graduates must be specified in the constitution rules.

#### **Governing Body-appointed Members**

Subject to the maximum membership limit and the key principles that apply, the bill allows governing bodies to appoint as many external members of their own choosing as they feel necessary to meet their requirements. Again, the number of governing body appointees decided on must be specified in the constitution rules.

#### **Ministerially-appointed Members**

At present, each university Act provides for the Minister for Education to appoint six external persons to the university governing body.

This bill will give universities the option of having between two and six ministerial appointees on their governing bodies, with the number specified in the constitution rules.

While the Minister will retain absolute discretion over his or her own appointments, the governing body of a university may suggest to the Minister persons it considers appropriate for appointment. This is consistent with current processes.

The only change to the current arrangements for ministerial appointments is that the Minister will no longer be able to appoint a member of Parliament to the governing body. The governing body itself, however, may do so in its own category of appointed members if it feels this is desirable or beneficial.

### **Official Members**

The bill will preserve the current status of the chancellor, vice-chancellor and chair of the university academic board or senate as ex-officio members of the governing body.

One change, however, is that the chancellor may now be counted as an external member, depending on the circumstances. It remains possible that a governing body may elect a chancellor who is an internal member of the university.

### **Term of Office**

The bill provides limits on the term of office for all elected or appointed members, as specified in clause 10 of schedule 1. In sum, the terms are:

- for an official member—while the member holds the particular office;
- for a ministerially appointed member or governing body-appointed member—a term not exceeding four years;
- for an elected staff or student member—a term not exceeding two years, as specified in the by-laws; and
- for an elected graduate member—a term not exceeding four years, as specified in the by-laws.

The bill also continues the following requirements in the current legislation, stemming from the Howard Government's National Governance Protocols, that:

- a person must not be appointed or elected to serve more than 12 consecutive years of office unless the governing body specifically resolves to allow it for a particular person; and
- the governing body and the Minister should consider the issue of appropriate balance between experienced and new members when by-laws and appointments are made.

### **Savings, Transitional and Other Provisions**

*Schedule 2* provides for the making of the necessary provisions to support implementation of this bill, including transitional regulations as necessary.

When a university governing body decides to adopt the standard governing body provisions contained in schedule 1, detailed provisions will then need to be developed by Parliamentary Counsel in conjunction with the particular university to enable a smooth transition to the new arrangements.

Transitional arrangements would, for example, need to include provision for exactly how the existing membership of a governing body is to transition to the new membership arrangements that will apply.

### **Uniform Amendments to University Acts and By-laws**

*Schedule 3* will amend all of the 10 university Acts in a uniform way to achieve the objects set out in paragraphs (b), (c) and (d) of the overview of the bill.

### **Conclusion**

The *University Governing Bodies Bill 2011* provides the public universities of New South Wales with much needed flexibility to govern themselves in the way they see fit.

The bill helps reduce red tape by allowing for such modernisations as the ability to hold teleconferences and remove chancellors or deputy chancellors without resorting to government interference. This is consistent with this Government's pledge in the State Plan to reduce red tape by 20 per cent.

I understand that universities have been asking for changes such as these for years. They need flexibility to operate in the more globalised educational environment we find ourselves in. They knocked on the ever-revolving door of changing education Ministers and no-one answered.

In six months, this Government has been able to consult with all New South Wales universities and work with them on a proposal they all assent to and have it presented here for deliberation—something those opposite couldn't do in 16 long years of government.

Thanks to the Coalition Government, governing bodies will now be better able to meet the challenges of an increasingly competitive global knowledge economy, and a demand-driven national higher education system.

They will have skills to match their responsibilities, and members who are appointed through a customised and transparent procedure.

This bill is an affirmation of the New South Wales Coalition Government's commitment to universities' autonomy and independence, while also ensuring that appropriate and effective representative governance arrangements are in place.

While the representative model of university governance will continue, the amendments will allow universities to re-balance membership structure so that governing bodies can have an effective strategic focus at a time where the external context increasingly requires this.

The bill has been drafted in such a way that universities are free to maintain exactly their current arrangements if they consider that those arrangements are serving them well.

I commend the bill to the House.

**The Hon. PENNY SHARPE** [3.52 p.m.]: I lead for the Opposition on the Universities Governing Bodies Bill 2011. The aim of this bill is to amend universities' enabling legislation to allow greater flexibility in determining the size and composition of their governing bodies and related matters, including establishing a procedure for governing bodies to dismiss the chancellor and deputy chancellor, enabling governing bodies the explicit ability to remunerate members of the governing council, and the ability to call or hold meetings using agreed technological means. This is an opt-in model—meaning that universities can decide for themselves whether, and when, to introduce changes. These proposals respond to recommendations made by the Legislative Council committee report in 2009. The legislation contains some sensible proposals and much of the bill results from action which began when Labor was in Government. As such, the Opposition does not oppose the legislation in principle. However, we will be moving some amendments in the Committee stage to ensure that there is no dilution of the voice of students and staff on university councils. I will detail these amendments later.

Universities in New South Wales are a critical part of the State's, and indeed the nation's, social and economic infrastructure; they account for a significant proportion of Australia's public and private tertiary education providers and much of its research and development infrastructure and investment. Our universities are leaders in cutting-edge research in several fields. They are home to a number of research council centres of excellence and they are host to several important national research facilities. According to recent Australian Bureau of Statistics figures, about 35.4 per cent of 25- to 34-year-olds in New South Wales have a bachelor degree or higher qualification, which is slightly higher than the national average. We also know that if New South Wales is to boost productivity in the future we must increase the number of people who hold bachelor degrees and who have higher-level vocational qualifications.

Our universities are very important to New South Wales and last year they received \$1.2 billion in income from commercial sources. They are big corporate bodies but, as we all know, they are much more than that. They are public education institutions and receive substantial public funding, so university governing bodies have a responsibility to govern in the interests of the communities they serve. Universities need to be informed by the needs of a broad group of stakeholders and they must have a diversity of representation on their governing bodies to ensure robust and informed decision making. Good governance is fundamental to universities being able to fulfil their responsibilities, and it has been the subject of much discussion, debate and reform, particularly in the past decade. As I said, this legislation contains some sensible proposals, including the establishment of procedures to enable the governing bodies of universities that have lost confidence in their chancellor or vice-chancellor to remove them from office, to provide for the remuneration of their members and to use technology when holding meetings.

However, the Opposition remains concerned about the potential composition of governing bodies under the standard governing provisions, particularly with regard to the representation of academic and general staff and students. I understand extensive consultation has been undertaken and, as I said, the New South Wales Vice-Chancellors' Committee supports the legislation. However, the Opposition would like more detail on what consultation has occurred with staff and students and their representative organisations. It is unclear what consultation has been undertaken. I ask the Minister to provide information on the consultation process between staff organisations and students as part of the development of this legislation.

The standard governing body provisions in the legislation guarantee that there will be at least one elected member of the academic staff, at least one elected member of the non-academic staff and at least one elected student member. The representation of these groups currently varies between councils. For example, the University of New South Wales governing body has four academic staff members, the University of Sydney

governing body has four academic staff members, the University of Technology, Sydney governing body has two academic staff members and the University of Western Sydney governing body has one academic staff member. There appears to be more standardisation of representation of non-academic staff and students.

The Opposition appreciates that some governing bodies might wish to change their composition or the overall number of members of their governing councils. However, the Opposition would be concerned if there were to be a diminution on the governing body of the voice of the staff and students of universities as a result of universities implementing the provisions in this legislation. Therefore, the Opposition believes it is important to ensure that the proportion of those groups of members, that is, academic staff and non-academic staff and students, remains the same after these changes.

Academic staff provide a unique and important perspective on governance, given that universities are places of learning, research and critical thought, and non-academic staff have a detailed knowledge of the institution and the higher education sector. Equally, students bring their own perspective. Students are key stakeholders in all aspects of university life. Hearing students and their views is important to universities being able to fulfil their charter. The ability for students to be part of the decision-making process is as essential for students as it is for staff. The Opposition believes that the voice of the academic staff, other staff and students should not be diluted as a result of these overall changes. We will therefore be moving two sets of amendments to ensure there is no diminution of the voice of students and staff.

I will go into the detail of our amendments, but, broadly speaking, the amendments the Opposition will be moving seek to retain the proportion of students and staff no matter what size the governing council ends up as a result of these changes. Of course, students, academics and other staff are not the only stakeholders in universities. The Opposition agrees that no individual category of membership should constitute a majority on a governing body. I also note that the bill gives universities the option of having between two and six ministerial appointments and that the Minister will no longer be able to appoint a member of Parliament to the governing body. I understand that this will not preclude members of Parliament from being members of the governing body, but they cannot be ministerial appointments.

At this stage I should declare a personal interest. I was, until recently, a ministerial appointee to the University of Technology, Sydney council. I think it is important for the House to note also that for some time the appointment of members of Parliament to governing councils of universities has occurred at the request of the university councils themselves. Despite the disparaging comments made by the Minister in the other place, there is no doubt that many members of Parliament have made substantial contributions to universities through their membership of governing councils and have provided an important link between universities and this Parliament. If some university councils wish to appoint members of Parliament, that is a matter for them and should not be prohibited. The Opposition supports the arrangements set out in this bill to allow this to occur. The Opposition does not oppose this bill. We think it contains some sensible proposals. Indeed, some of this process had commenced under the previous Government. However, we will be moving amendments to ensure that the voice of staff and students is maintained across the universities in New South Wales.

**The Hon. SARAH MITCHELL** [3.58 p.m.]: I am very pleased to speak in support of the proposed amendments to the university governance legislation. These reforms will lift strict requirements on the size and composition of New South Wales university governing bodies, to better position our universities to deliver on strategic priorities. These governance changes will help universities to be more competitive in their commercial and investment performance, balancing their corporate interest with their major focus on educational and research responsibilities as public institutions.

The 10 public universities in New South Wales remain our lighthouse institutions of higher education, focused on their primary functions of teaching, scholarship and research. However, commercial and strategic realities mean that their governing bodies need to be properly equipped to make critical strategic decisions that support and grow their primary functions. By supporting and streamlining key decision-making and governing processes at university level, the Universities Governing Bodies Bill will help to bring into better alignment State priorities and university capabilities.

The reforms in the bill have two elements. The first is a major opportunity for universities that wish to position themselves in the current climate to adopt more streamlined governance arrangements. If universities decide to opt into the standard governing body provisions in schedule 1 to the bill, they will have greater freedom to determine, within certain parameters, the most suitable size and composition of the governing bodies. This possibility is completely voluntary in the bill: Universities do not have to do that.

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

**Item of business set down as an order of the day for a later hour.**

### QUESTIONS WITHOUT NOTICE

---

#### STATE EMERGENCY SERVICE AND RURAL FIRE SERVICE RAYMOND TERRACE LEASE

**The Hon. LUKE FOLEY:** I direct my question to the Minister for Finance and Services. Why is Hunter Water commercialising the lease agreement with the State Emergency Service and the Rural Fire Service for leasing a site at Raymond Terrace, thereby increasing the fee from \$500 a year to as high as \$27,000 a year? What steps will he take to stop these plans?

**The Hon. GREG PEARCE:** That is a very detailed and interesting question, and guess what? We have estimates next week that Hunter Water will attend.

**The Hon. Luke Foley:** You do not have a clue.

**The Hon. GREG PEARCE:** The Leader of the Opposition can ask them himself.

#### P DRIVERS PROJECT

**The Hon. JOHN AJAKA:** My question is directed to the Minister for Roads and Ports. Will he update the House on the national P Drivers project?

**The Hon. DUNCAN GAY:** I thank my Parliamentary Secretary for the question.

**The Hon. Luke Foley:** Tell him that estimates are on next week—ask it then.

**The Hon. DUNCAN GAY:** The Hon. John Ajaka will be busy next week. He is the busiest Parliamentary Secretary in this Parliament—among others!

**The Hon. Sophie Cotsis:** Are you saying Matthew is not doing his job?

**The Hon. DUNCAN GAY:** No, he is doing his job. Today I launched the national P Drivers project at the University of Western Sydney Blacktown campus. The project represents the beginning of a road safety trial involving more than 27,000 young provisionally licensed drivers from New South Wales and Victoria. The P Drivers project aims to improve the behaviour of young drivers through an innovative education program and is being trialled in New South Wales and Victoria. It is the largest research project of its type carried out anywhere in the world.

**The Hon. Walt Secord:** In the world?

**The Hon. DUNCAN GAY:** In the world. Sadly, the western Sydney region has by far the highest number of P-plate driver crashes and fatalities of any place in New South Wales, which is why I launched the program this morning in western Sydney. The New South Wales trial will be held in four regions—western Sydney, Tamworth-Armidale, Dubbo-Forbes, and Lismore-Tweed Heads. A key performance indicator for the project will be to investigate whether a minimum of a 10 per cent reduction in crashes can be achieved between the program and the control groups. Young provisional drivers will be recruited to take part in the program, which will provide them with eight hours of driver education that is designed to change behaviour rather than simply teaching vehicle control skills. The impact of the educational program on road safety will then be measured.

The program focuses on building awareness of the risks on the road, the importance of effective decision-making, and developing safe driving behaviour. The Roads and Traffic Authority and VicRoads will contact all new provisional drivers in the trial areas and invite them to participate in the study, which has been specially created to engage young people. The P Drivers project is a joint initiative of both public and private sector partners, including the Roads and Traffic Authority, VicRoads, the Transport Accident Commission, the Federal Government, NRMA Insurance, the RACV and the Federal Chamber of Automotive Industry.

I am pleased to report that through the Roads and Traffic Authority the New South Wales Government is a major financial contributor and will be providing \$3 million out of \$10 million for the project. Participants first will complete a self-assessment survey to identify their driving behaviour and how often they are exposed to high-risk situations on the road. The surveys will give participants feedback about their driving behaviour and how they compare to their peers. The course also will involve a discussion about identifying problems and the links between young driver behaviour and increased crash risks, prior to a two-hour on-road practical driving session.

A second discussion to review the course and reinforce changes in safe driving behaviour will then be held. The participants will share their personal experience with trained facilitators who will encourage participants to develop a personal plan that outlines aspects of their driving they need to work on and identify strategies that will lead to change. I look forward to results of the trial. This is an innovative program to help P-plate licensed drivers, not L-plate drivers. The project is aimed at getting good driving practice into their minds.

**The Hon. Rick Colless:** The hardest thing.

**The Hon. DUNCAN GAY:** For young people, it is the hardest thing to do. Instead of treating them as criminals with sanction after sanction, the project will endeavour to identify the problems. It is innovative and it is very sensible.

### ELECTRICITY COMPANY DIVIDENDS

**The Hon. ADAM SEARLE:** I direct my question to the Minister for Finance and Services. Given his Government's commitment to freezing dividends paid by all power and water State-owned corporations, why has he increased dividends payable by Endeavour Energy?

**The Hon. GREG PEARCE:** I thank the Deputy Leader of the Opposition for his question. The New South Wales Liberal-Nationals Government is taking action to put downward pressure on electricity prices. Our election commitment was for no increase in electricity dividends above currently budgeted levels in our first term of government. All savings would be delivered to electricity customers.

**The Hon. Steve Whan:** Read the budget paper yourself.

**The Hon. GREG PEARCE:** The budget presented in September shows dividends for the 2011-12 are forecast to be \$696 million.

**The Hon. Steve Whan:** For distribution.

**The Hon. GREG PEARCE:** That is \$207 million lower than the forecast for 2011-12 in last year's budget—the budget of the Government of which the Hon. Steve Whan was a member. The 2012-13 dividends will be \$905 million, which is \$239 million lower than last year's estimate. In 2013-14, dividends are forecast to be \$808 million, which is \$246 million lower than last year's budget presented by the Hon. Eric Roozendaal. This reflects lower forecast dividends in distribution and transmission as well as generation.

### BELINDA PEISLEY DISAPPEARANCE

**The Hon. MARIE FICARRA:** My question is directed to the Minister for Police and Emergency Services. Are the police looking into the disappearance of 19-year-old Belinda Peisley, who was last seen at her home in Katoomba in late September 1998? Have police uncovered any additional clues that might indicate what has become of Ms Peisley?

**The Hon. MICHAEL GALLACHER:** I thank the Hon. Marie Ficarra for her question. It is fortuitous that she has asked the question, given that earlier today I gave Ms Peisley's family an undertaking that I would raise this matter in the House to make sure we take every opportunity to focus the minds of the community on this matter. I assure members that the police are continuing their investigation into Belinda Peisley's disappearance. The New South Wales Police Force established Strike Force Belonidae to determine Belinda's whereabouts and the reasons she went missing. Belinda Peisley was only 19 years of age when she vanished and was the mother of two young children. At the time of her disappearance, her sons were aged three years and one year. Those boys are now teenagers who, sadly, have grown up without their mother. Belinda's disappearance also continues to haunt her other family members.

There is evidence that in the months leading up to her disappearance Belinda had fallen in with the wrong crowd. She had received a large inheritance, which brought a number of new people into her life. Sadly, she also became addicted to drugs. Her drug use had escalated to the point at which the police believe she had incurred considerable debts. Late last year a witness, who saw Belinda shortly before she vanished, said that Belinda's home looked as though it had been ransacked. The police have said they believe that Belinda Peisley may have met with foul play.

Officers attached to Strike Force Belonidae have conducted extensive investigations in the years since Belinda was reported missing. They have followed up numerous leads and have identified a number of persons of interest in the case. Unfortunately, Belinda's whereabouts, and the circumstances of her disappearance, remain a mystery. Police believe there are members of the public who know what happened to Belinda: Why she went missing, where she is now and who is responsible for taking her away from her two boys. It was heart moving today when the two sons faced the media and the eldest son made a plea for someone to come forward with information so they could find their mother. The Government is also now offering a reward of \$100,000 for information leading to the arrest and conviction of the person or people responsible for the presumed murder of Ms Peisley. I urge anyone who has any information about Belinda to come forward and provide that information to police.

### CARERS ALLOWANCE

**The Hon. JAN BARHAM:** My question is directed to the Minister for Finance and Services, representing the Minister for Family and Community Services. Will the Minister clarify what savings are anticipated from the removal of the carer allowance paid to parents who adopt children in foster or out-of-home care? How will it affect the number of out-of-home care adoptions?

**The Hon. GREG PEARCE:** I thank the member for her question and interest in this area. As the question is detailed, I will refer it for an answer as soon as convenient.

### CROWN EMPLOYEES WAGE DETERMINATION

**The Hon. SOPHIE COTSIS:** My question is directed to the Minister for Finance and Services. Why did it take the Government 58 days to advise Crown employees of their recent wage determination?

**The Hon. GREG PEARCE:** I am not sure what the Hon. Sophie Cotsis is talking about. I would have thought that the union representing the workers might have had the responsibility to actually represent them. If the Hon. Sophie Cotsis is saying that the union has failed to do anything for its members, we have seen quite a bit of that lately. Let us talk about the Health Services Union. I gather there are some very disgruntled people who are members of that union.

**The Hon. Lynda Voltz:** Point of order: My point of order is relevance. The question clearly related to the Government informing its employees with regard to a wage determination. The Minister is nowhere near the question that has been asked. I ask you to bring him back to the question.

**The PRESIDENT:** Order! There is no point of order.

**The Hon. GREG PEARCE:** My understanding is that people pay fees to be members of unions and ought to be able to expect a level of service from them.

**The Hon. Sophie Cotsis:** Point of order: My point of order is relevance. Will you bring the Minister back to the question, which was about the Government advising its employees about their wage determination?

**The Hon. Amanda Fazio:** To the point of order: I support the point of order on relevance as raised by the Hon. Sophie Cotsis. The question clearly asked the Minister for Finance and Services why it took his Government 58 days to advise Crown employees of their recent wage determination. The question did not ask about the timing of any union notification to members about the same determination: it asked what the Government was doing. The Minister for Finance and Services is the responsible Minister and should answer the question that was asked of him, not ramble on about other matters.

**The Hon. GREG PEARCE:** To the point of order: The question included an assumption as to who would advise the employees of their employment conditions as a result of a determination in the Industrial Relations Commission, where these employees were represented by a union. I am addressing who should have informed them.

**The Hon. Lynda Voltz:** To the point of order: The Minister is making an assumption about what the union may or may not have done.

[*Interruption*]

In fact, the union has. The question is what the Government has done about notifying its employees.

**The PRESIDENT:** Order! There is no point of order.

**The Hon. GREG PEARCE:** As I was saying, the question is: Who had responsibility? The union was supposed to have represented these people in the case. The union was supposed to have been their union, and it has not represented them. These people are now saying the union did not do its job. We have seen that so many times with unions. People genuinely join these unions, pay their fees and there is no accountability. Union bosses are spending money on credit cards and goodness knows what. Do we know how much they get paid? No? You are embarrassed now, aren't you? Do you want to defend some of that behaviour?

**The Hon. Lynda Voltz:** Point of order: The Minister is now being completely irrelevant to the question that was asked of him.

**The PRESIDENT:** Order! The Minister's time has expired.

### SPECIALIST INSURERS

**The Hon. MATTHEW MASON-COX:** My question is addressed to the Minister for Finance and Services. Will the Minister update the House on the performance of specialised insurers in New South Wales?

**The Hon. GREG PEARCE:** I thank the Hon. Matthew Mason-Cox, Parliamentary Secretary, for yet another good question that shows his commitment to real research and his interest in the wellbeing of the State. I inform the House that some interesting and, indeed, promising results have been brought to my attention by one of the specialist insurers. Coal Services this year announced a reduction of 2.78 per cent to workers compensation premium rates for the New South Wales coalmining industry, with the target premium rate set at 3.5 per cent.

What is remarkable about this is the fact that this is part of a series of reductions of premiums in that industry. In 2002-03 the target premium rate for the coal industry was 11.5 per cent. With the target premium rate now being 3.5 per cent, the coal industry has seen almost a 70 per cent reduction in premiums over the past eight years—a staggeringly good result. I congratulate Coal Services on that reduction. In commenting on the reduction, the Chief Executive Officer of Coal Services, Mark Coyne said:

A continued focus on occupational health and safety and durable return to work practices by NSW coal mine operators and contractors had contributed to a sustainable premium level. We have been working hard to improve our engagement and interaction with our stakeholders, and to demonstrate the value that specialised insurers can offer to the industry.

I also note that Dr Nikki Williams, the Chief Executive Officer of the NSW Minerals Council, applauded the continued improvement in workplace safety at New South Wales coalmines. She said:

NSW Mining companies and their employees are to be congratulated on continuing to improve workplace health and safety. It is heartening to see those improvements now beginning to be reflected in reduced workers compensation premium rates.

I also note the comments of the General President of the Construction, Forestry, Mining and Energy Union, Tony Maher, who was also enthused by the result, commenting:

Our workers are our industry's most important asset. Coal Services has a range of programs designed to support industry in protecting workers' health and safety; and these, coupled with reduced premiums, is a win-win for everyone.

One of the unique features that support improved occupational health and safety measures is the Premium Incentive Scheme. This is a unique incentive scheme that rewards employers for proactive occupational health and safety and other health and safety initiatives, allowing employers to further invest in health and safety, providing coaching for individuals and teams to support a safety culture in and around the mines, significantly reducing severity of injuries and injury occurrences overall. BHP exhibits some of the lowest injury rates, and hence premium rates, in the scheme. I am advised that Coal Services paid \$6.8 million in incentive payments to policy holders last year. Mark Coyne has commented that:

Participation in the incentive scheme is a reflection of the commitment by mine operators to continually improving injury prevention and injury management systems within the industry for mine workers.

I take this opportunity to congratulate Coal Mines Insurance on its results. These results reflect the fact that a focus on occupational health and safety and targeted prevention strategies can drive better results in workers compensation. While we are all focused on getting workers back to work as soon as possible, what is more important and more beneficial is trying as far as possible to prevent injuries from happening in the first place. In that situation everyone is a winner. I also congratulate the Hon. Jeremy Buckingham for being able to sit quietly through my answer.

### WIND TURBINES

**The Hon. ROBERT BORSAK:** My question is directed to the Minister for Finance and Services, representing the Minister for Planning and song and dance acts. Can the Minister inform the House how many of approximately 300 wind turbines planned for construction in a 50-kilometre radius around the Yass, Boorowa and Rugby areas are being proposed by Australian-owned companies?

**The Hon. GREG PEARCE:** That is a very interesting question and I look forward to obtaining the answer to it. How many wedge-tailed eagles will be injured by the 320 new wind turbines? That is the issue at the core of this question. It is shameful if Australian companies are paying for wind turbines to kill our wedge-tailed eagles. I congratulate the Hon. Robert Borsak for his diligence in pursuing this issue. It will be a public benefit if we can discover who is responsible for injuring those wedge-tailed eagles, and it will be well worth the time and effort required to do so. I undertake to provide the member with an answer.

### HUNTER EXPRESSWAY

**The Hon. PENNY SHARPE:** My question is directed to the Minister for Roads and Ports. Is the Minister aware of community opposition to a proposed ancillary facility workshop to be erected beside the Hunter Expressway and that documents from the Roads and Traffic Authority and an independent environmental assessment indicate that it does not meet the conditions of construction for the expressway? Will the Minister have the workshop moved to an alternative site that complies with the conditions of construction, or does he endorse the actions of Abi Group in seeking approval from the Department of Planning to build the workshop regardless of consent conditions and community concerns?

**The Hon. DUNCAN GAY:** Tragically, yesterday, a construction worker died as a result of a heart attack at that construction site. I am sure every member sends condolences to his family. Interestingly, today also marks a milestone in that one million cubic metres of earth has now been moved since the project commenced. Federal Minister Albanese and I attended the launch of this great project, which is being jointly funded by the Federal and State governments.

I am advised that Abi Group has the design and construction contract for the 27-kilometre western section of the Hunter Expressway. As part of the construction, Abi Group must build site compounds and ancillary sites along the length of that section of the project. The Roads and Traffic Authority received separate proposals from Abi Group for a concrete batching facility and a workshop facility to be built on Lovedale Road at Allandale and to be operated for approximately 18 months. These sites were chosen after taking into consideration a number of criteria, including community and environmental impacts, close proximity to the expressway, access to services such as water and power, availability of land that is either owned by the Roads and Traffic Authority or that can be leased by Abi Group and locations that meet relevant planning guidelines.

Abi Group has site compounds at Old Maitland Road and Bakers Lane at Sawyers Gully, Lovedale Road at Allandale, Wine Country Drive at Branxton and off the New England Highway west of Branxton. I am advised that the construction of the concrete batching plant will start in coming weeks. I understand that the facility has been determined to comply with the conditions of approval for the project by the environmental management representative appointed by the Department of Planning, and the Roads and Traffic Authority has concurred. As part of the construction and operation of the batching facility, Abi Group has committed to implement mitigation measures.

The batching facility will be constructed in a deep cutting to minimise the impact of noise on surrounding properties, and an amenity mound will be constructed to reduce both noise and visual impacts on the residents to the south west of the facility. That mound will be about four metres high and 100 metres long. The row of mature trees associated with the native vegetation area at the top of the cutting will also be retained to minimise views of the top of the larger batching facility. Dust bags will be used on cement silos to minimise dust emissions, and deliveries of cement will be made in sealed tankers and pumped into sealed silos.

The access road to the batching facility will have a bitumen sealed surface, the intersection of the site access road with Lovedale Road will be designed in accordance with Roads and Traffic Authority guidelines, and noise and dust monitoring is being undertaken on regular basis. I am further advised that the proposed workshop has been referred to the Department of Planning for approval and is currently under consideration. The Roads and Traffic Authority issued local residents with an update to this effect on Friday last week. [*Time expired.*]

#### M4 REALIGNMENT

**The Hon. NATASHA MACLAREN-JONES:** I direct my question to the Minister for Roads and Ports. Will the Minister update the House on the realignment of the M4?

**The Hon. DUNCAN GAY:** I love good news. I am pleased to inform the House that work has started on the realignment of the M4 at the old toll plaza at Silverwater. There are no glossy brochures or press releases about things that are not happening. We have Tom the Toiler on the ground. The Hon. Walt Secord would like Tom the Toiler because he is a Labor icon who fiddled the books in the Tweed. This is good news. This Government's allocation of \$5 million for the realignment in the 2011-12 State budget is great news for motorists who use the busy corridor linking western Sydney with Parramatta Road every day. The realignment of the motorway will allow for a 90-kilometre-an-hour speed limit on the three eastbound and four westbound lanes at that location. This simple change will provide for a smoother journey for the 137,000 motorists who use the M4 in that area each day.

Detailed design work and an environmental assessment have been completed, so the realignment can now go ahead. The tollbooths were removed in February last year, but the former Labor Government failed to realign the road. As happened with so many other projects, members opposite started this project but did not finish it. In fact, the former Minister for Roads—"Lucrezia" or David Borger—said that, despite his repeated requests, the Roads and Traffic Authority did not move the old tollbooth structures on the M4. Despite being Minister for Roads, he had no control over the authority; he was a weak and ineffective Minister, just like his six predecessors. It could not be clearer: Labor took the people of western Sydney for granted and were punished at the March election for that. It was left to this Government to clean up the mess left behind on the M4 by members opposite.

It has been a source of frustration to motorists that despite the removal of the tollbooths the work to realign the road was never started. Not only was it not started; it was not even planned. In contrast, the Coalition has listened to the people of western Sydney and acted to address their concerns. A change in the concept design means that the tunnels underneath the road that were used by the toll cashiers to move safely from the administration building to the tollbooths will not be affected by this realignment. That change will help to keep down the costs and to get the work done more quickly. That is right: Not only is this Government delivering for the people of western Sydney but it is also doing it in a timely and cost-effective manner.

It is hardly surprising, given the former Government's tendency to waste hard-earned taxpayers' dollars. Work will involve resurfacing about a kilometre of the motorway between the James Ruse Drive viaduct and the Silverwater Road ramps. The work is expected to take about four months, weather permitting, and will involve changed traffic conditions. To minimise traffic disruption, major work will be conducted outside peak hours and motorists should follow the directions of all signs and traffic controllers. No traffic delays are expected overnight, when lane closures are in place. Motorists will be happy to know that finally someone is working on at least part of the M4. [*Time expired.*]

#### COASTAL PROTECTION LEGISLATION REPEAL

**The Hon. ROBERT BROWN:** My question is directed to the Minister for Finance and Services, representing the Minister for Planning and Infrastructure. Will the Government honour its pre-election commitment to repeal amendments made to the Coastal Protection Act and other legislation by the previous Government in 2010 that introduced onerous requirements for properties predicted to be affected by sea level rises?

**The Hon. GREG PEARCE:** Of course we honour all our election promises but that is a detailed question and I undertake to obtain a detailed answer.

#### GRAFFITI HOTLINE

**The Hon. MICK VEITCH:** My question is directed to the Minister for Police and Emergency Services. Why has it taken the Government seven months to meet its election commitment to set up a graffiti hotline?

**The PRESIDENT:** Order! The Hon. Dr Peter Phelps will come to order.

**The Hon. MICHAEL GALLACHER:** I will answer that question by giving the member some advice: please read the question you are given before you ask it. The member's asking me that question reminds me of an old saying: One does not need to have a long neck to be a goose. Simply put, what has been done to the member is quite appalling.

**The Hon. Lynda Voltz:** Point of order: The Minister is debating the question.

**The Hon. MICHAEL GALLACHER:** And proudly doing so.

**The PRESIDENT:** Order! Entertaining though the Minister may be, he will not debate the question.

**The Hon. MICHAEL GALLACHER:** Because of 16 years of neglect by those opposite graffiti was out of control in some communities—they could not care less. Now, for the first time in 16 years, something is going to be done about graffiti. It is the intent of the Government—and the intent of the people of New South Wales—to act on this issue. As the member points out in his question, it was an election promise by the Coalition; a commitment that we gave the people of New South Wales. It was one of those fundamentals in law and order that the people of this State knew we stood for when we said exactly what we were going to do about addressing the serious issue of graffiti in the election campaign.

For the first time in 16 years this House has said to the people of New South Wales, "Yes, we hear you, we hear about your property being destroyed, we hear about your confidence as a community being destroyed, we hear about the way in which graffiti offenders are being allowed to graduate through the Juvenile Justice system before actually appearing in a court." We said we were going to do something about this crime, which we regard as a gateway to more serious crime. We saw a need to ensure that those who commit graffiti offences understand the seriousness of their actions. Everybody in New South Wales understood this—except the Opposition.

**The Hon. Lynda Voltz:** Point of order: My point of order relates to relevance. The question was specifically about why seven months have passed without a hotline being set up. The Minister, after more than three minutes, has not referred to the hotline.

**The PRESIDENT:** Order! The Minister was being generally relevant.

**The Hon. MICHAEL GALLACHER:** It is drawing a long bow indeed for the coalition of the left to seriously suggest that nothing is being done about graffiti. Those opposite spent 16 years neglecting graffiti. The first opportunity came in the form of legislation in this House that the public knew was going to be one of the priorities for the incoming Government. The Coalition Government has stood by the commitment that we gave the public—*[Time expired.]*

## BOATING SAFETY

**The Hon. MELINDA PAVEY:** My question is addressed to the Minister for Roads and Ports. Can the Minister please update the House on improving boating safety in New South Wales?

**The Hon. DUNCAN GAY:** I thank the member for her question. I know the member's family does a bit of boating; her husband, Warren, is a keen fisherman and boater. Sadly, there is no joy in my answer, because there have been problems in boating in recent times. I take this opportunity to urge people when boating to wear life jackets at times of heightened risk. The tragic loss of lives in a boating accident over the October long weekend in the waters off Batemans Bay has again heightened the issue of life jackets. The tragic incident involved the capsizing of a 4.9 metre power boat. I am advised that none of the people who lost their life was wearing a life jacket, despite the fact that there were six life jackets in the boat. My thoughts go out to the family and friends of those involved in that tragic accident.

The fact is that a life jacket will not save anyone's life unless it is being worn. It is compulsory for boats to carry a life jacket for all persons on board and for the jackets to be worn by those on board in circumstances identified as heightened risk. Those circumstances include when crossing coastal bars, when boating alone or in adverse conditions, when boating in small craft under 4.8 metres, when passengers are children under the age of

12, or when poor swimmers are being carried. The challenge is to make people understand that accidents can and do happen and that it is essential that they wear life jackets as a precaution, because when trouble strikes on the water, it is generally too late for passengers to put on their life jacket.

I am pleased to report that the 2010-2011 summer boating season was the safest since accurate records have been kept. However, from late April to early October this year, which is known as the off season, 15 people lost their lives in boating accidents. Only one of those victims was wearing a jacket. That means that 14 of the 15 victims were not wearing life jackets. Boating is a popular pastime in New South Wales and a passion for many people. Each year an estimated 1.5 million people go boating along the New South Wales coastline and on inland lakes, rivers and estuaries. It is important that people act responsibly and wear life jackets in order to avoid similar tragedies happening over this summer period. Life jacket design and manufacture advances over recent years have made the modern inflatable life jacket more convenient to wear for longer periods and in a wider range of boating activities than life jackets of past years.

With that in mind, I have asked NSW Maritime to prepare a new life jacket safety awareness campaign. NSW Maritime has also stepped up its life jacket education programs through a three-year plan. The overarching theme of the boating safety plan is: You are the skipper; you are responsible. The key safety messages are: wear a life jacket, navigate safely, plan and prepare, and limit alcohol consumption. I ask members of the House to remind friends and family who might use our waterways over the coming months to wear a life jacket at all times of heightened risk. I know that the Hon. Rick Colless will be as careful as he always is when he takes out his floating gin palace. [*Time expired.*]

### HUNTER FOOD SECURITY

**The Hon. JEREMY BUCKINGHAM:** My question without notice is directed to the Minister for Roads and Ports, representing the Minister for Primary Industries. Recent data from the Australian Bureau of Statistics has shown that 42.5 per cent of the land used for food production has been lost in the Hunter since 1980. If the Government cares about food security, why do the guidelines for the Strategic Regional Land Use Plan propose a gateway process that will allow the remaining farms in the Hunter to be sacrificed to mining?

**The Hon. DUNCAN GAY:** I thank the members for his question and for his diligence in pursuing this matter. The Government is working on this. No matter how badly the Hon. Jeremy Buckingham wishes to paint the picture, the Government is putting in place some of the toughest rules in this country to protect farmlands and produce.

[*Interruption*]

The Hon. Walt Secord should stop stuttering and come out with it. He should issue a press release if he cannot say it. He is stuttering away and disturbing me. I think they call it Walt code ever since he was discovered not knowing what the Labor Party was doing on the North Coast. He accused The Nationals of being part of *Muriel's Wedding* when everyone knows that Tom the Toiler up there—

**The Hon. Walt Secord:** Point of order: My point of order relates to relevance.

**The PRESIDENT:** Order! I remind members that interjections are disorderly at all times. I encourage the Minister not to respond to interjections and to remain generally relevant to the question.

**The Hon. DUNCAN GAY:** I acknowledge your ruling, Mr President. I was moving away from the question but I was being distracted by other members. Food security is an important concern and it is one of the issues in the policy developed by the Government that is currently being put in place—

**The Hon. Steve Whan:** Is that why it is late?

**The Hon. DUNCAN GAY:** It is 16 years late. We have heard the member on the losers lounge, the former Labor Minister—who did nothing when he was Minister—saying, "Is that why it is late?" Yes, it is late: it is 16 years late. Those opposite allowed this State to be devastated and now they have the temerity to have a go at the Government. I cannot believe that the member would lead with his chin on something like that. But I digress. The question of the Hon. Jeremy Buckingham is a proper one. I know that some people are concerned about the time it is taking for these measures to be put in place, but it is not an easy thing to do. If it were easy, I suggest that even the former Government would have done it.

The Coalition Government is adopting cutting-edge practices in New South Wales that have not been used in any other State in the Commonwealth. I know that some broadcasters and people of good will are concerned about the time that is being taken. The Greens have always been opportunists; they want to play politics. I could talk about Leichhardt council but I will not be distracted. Things are happening but they will take time. The Government wishes things could be done sooner but it is an issue of balance and it must be done right. If we get it wrong on either side of the equation, it will be very difficult to retrieve the situation.

### INFORMATION AND COMMUNICATIONS TECHNOLOGY

**The Hon. HELEN WESTWOOD:** I direct my question without notice to the Minister for Finance and Services. How will the Minister ensure that people's personal information, including their driver's licence, birth certificate and land title records, are protected under outsourced information technology systems?

**The Hon. GREG PEARCE:** I believe that the Hon. Helen Westwood was once a councillor.

**The Hon. Luke Foley:** Yes, and she won an Order of Australia for her work. She ought to be congratulated.

**The Hon. GREG PEARCE:** She did, and I do congratulate the member on receiving the Order of Australia. As members know, I spent a lot of my youth in Bankstown.

**The Hon. Luke Foley:** They would not have you back today, Greg.

**The Hon. GREG PEARCE:** No, they have had me back. I attended a Liberal Party function at Bankstown just before the election.

**The Hon. Michael Gallacher:** And it was packed.

**The Hon. GREG PEARCE:** And it was packed with a great many Liberal supporters from Bankstown and the surrounding areas.

**The Hon. Lynda Voltz:** Point of order: My point of order relates to relevance. As fascinating as the Minister's reminiscence is about the days when he was allowed into Bankstown, it has no relevance to this question, which relates to privacy laws.

**The PRESIDENT:** Order! The interjection of the Hon. Luke Foley was out of order. I encourage the Minister not to respond to interjections and to remain generally relevant to the question.

**The Hon. GREG PEARCE:** Bankstown council has a very good administration back office. How long ago were you first on the council, Helen?

**The Hon. Lynda Voltz:** Point of order: My point of order relates to relevance. The Minister well knows that he should not direct his comments directly to members but that his comments should be directed through the Chair.

**The PRESIDENT:** Order! I uphold the point of order. The Minister has the call.

**The Hon. GREG PEARCE:** I apologise. I know that is the rule. The Hon. Helen Westwood began with Bankstown council about 27 years ago and even then Bankstown council was able to keep secure its records. Back when the First Fleet arrived, around 1789, the administration at that time was able to keep confidential information confidential, and that has always remained a feature of business and government. We can all be very proud that there is a major focus in New South Wales—being led by the Government and me—on an information and communications technology strategy.

This morning I was privileged to address the Regional Development Australia conference held in Wollongong on this very issue. I was also joined at that conference by Professor Howard Armitage, but I did not

get to hear his address. Professor Armitage, a world leader from the University of Waterloo in Canada, was present because the Illawarra is a centre of information and communications technology excellence. I will give the House another example of the level of information and communications technology leadership that we have in the Illawarra. A couple of weeks ago I attended the opening of premises to be occupied by MphasiS—an Indian information and communications technology company—in Wollongong. It was great to see Professor Armitage in Wollongong today as part of the Government's thrust to continue to lead in information and communications technology, of which security is a fundamental part. [*Time expired.*]

### INTENSIVE CORRECTION ORDERS

**The Hon. CHARLIE LYNN:** I address my question to the Minister for Police and Emergency Services. Has the Minister seen recent public reports about the use of intensive correction orders? What is the Minister's response to those reports?

**The Hon. MICHAEL GALLACHER:** Recent reports linking intensive correction orders to a drop in the prison population have missed the point. The Leader of the Opposition in the other place is the main offender in this. During the time of the former Government this House passed legislation that saw periodic detention ceasing to be a sentencing option in New South Wales from 1 October 2010 and a new community sentencing option called an intensive correction order being available. An intensive correction order is a community-based sentencing option and is available for offenders sentenced to imprisonment to be served by way of intensive supervision in the community for up to two years. The Leader of the Opposition in the other place said that the O'Farrell Government is allowing convicted prisoners to serve their sentences in the community instead of serving them in jail and that the system has allowed more serious criminals to serve their sentences in the community. He accused the Government of:

... cooking up a secret plan to allow more convicted criminals to serve their prison sentences out on the street.

However, our "secret plan" was introduced by the Keneally Labor Government and was based on a model recommended by the New South Wales Sentencing Council in 2007. Here we have the Leader of the Opposition trashing the reforms of the Keneally Government, attributing them to us, and calling them "secret" despite their being introduced through legislation. The Leader of the Opposition in the other place also accused the Premier of having a secret plan to reduce prisoner numbers. A recent *Daily Telegraph* article stated that there were 10,482 prisoners in 2009-10 and 10,492 prisoners in 2008-09. These figures represent the highest number of inmates in full-time custody in the years concerned and do not include periodic detention numbers.

The current inmate population in full-time custody is 9,867, as at October 2011. There are now no stage 1 prisoners in periodic detention centres. To date, there has been no proven reason that the inmate population has reduced. It would be a matter for the New South Wales Bureau of Crime Statistics and Research to comment, but it recently reported a consistent overall reduction in crime rates for the vast majority of offence types for the past several years. If crime rates fall it stands to reason that there should be fewer people in jail. The Leader of the Opposition in the other place was part of a Government that regularly spoke in glowing terms about the drop in crime rates—indeed, the previous Government took credit for it—yet in opposition he turns around and whinges about the falling prison population.

The Leader of the Opposition cannot have it both ways. If we want crime to drop—and who does not want that—and unless the member wants to lock up people who have not committed a crime, at some point there will be a drop in the prison population as people stop committing crimes. The intensive correction order legislation makes clear that it is a new sentencing option that is not intended to be a direct replacement for periodic detention. Indeed, no direct link between the numbers sentenced to intensive correction orders and the numbers sentenced to periodic detention has been proven to date. There are still multiple options left to magistrates and judges other than intensive correction orders—in other words, suspended sentences, bonds, probation, et cetera. Intensive correction orders are a form of imprisonment. [*Time expired.*]

### MALDON TO DOMBARTON RAIL LINE

**The Hon. CATE FAEHRMANN:** My question is addressed to the Minister for Roads and Ports. Given the recent runaway truck on Mount Ousley on Wednesday 21 September, which followed three heavy truck accidents in the Illawarra region—one fatal, another putting the Kiama to Bomaderry line out of action

and a bulk truck and trailer running off the Princes Highway at Albion Park rail—will the Minister inform the House whether he is advocating for the Maldon to Dombarton rail line to get more freight on rail in the Illawarra area? If not, in light of the increased truck movements as a result of the Port Kembla expansion, the Bass Point Quarry project, Graincorp's move to 24-hour-a-day truck haulage and the existing heavy haulage of coal through local roads, will the Minister guarantee that Illawarra residents and the residents of Mount Ousley will get relief from heavy trucks on their roads sometime soon?

**The Hon. DUNCAN GAY:** Had the member been monitoring the media today she would have noticed—

**The Hon. Luke Foley:** The Prime Minister's call.

**The Hon. DUNCAN GAY:** I do not know about the Prime Minister, who was there with my good friend Albo the good. He is the bloke who matters. He is the bloke in the Labor Party who delivers. Very few of them deliver but in this case—

**The Hon. Mick Veitch:** Name another one.

**The Hon. DUNCAN GAY:** I cannot name another one. The Prime Minister was there with Albo the good. Albo phoned me last night to tell me that he was making an announcement about the Maldon to Dombarton rail line. Off the top of my head, \$25 million has been allocated for planning. That is a good start. We have to be fair—when Labor is not fleecing the country over the carbon tax, sometimes it gets it together. When there is an opportunity to put freight on rail, I am a great supporter. That is why I welcomed the announcement this morning. Not many people in the Labor Party support Albo the good. They tell me he has a bit of trouble down there. The rest of Labor's mates do not support him, but at least we do. At least he talks to us. If Labor is having a go and we are having a go, we have to be able to talk about the matter. The pity is that the rest of Labor is simply feral. There is nothing happening there.

Returning to the question, I believe we should be using rail wherever possible, but in many instances the rail corridors do not exist. At the moment much of our freight must go by other transport modes. We have always believed we must have the right mode for the right load. We love a bit of alliteration in Roads; it is marvellous. Where possible, we will keep freight on rail, but given the amount of freight that is going out through Port Kembla there is a large number of truck movements. Into the future, the key to our infrastructure plans is putting more freight on rail.

#### MOTHERSAFE PROGRAM

**The Hon. PAUL GREEN:** My question is addressed to the Minister for Police and Emergency Services, representing the Minister for Health, and Minister for Medical Research. I refer to my question without notice on 27 May 2011 and the Minister's answer on 8 September 2011 regarding the MotherSafe Program. The Minister said:

The Department of Health, in conjunction with the South Eastern Sydney Local Health District, is reviewing the MotherSafe program at the Royal Hospital for Women to inform future service delivery options.

Will the Minister advise the House when the review is due for completion? Will the Minister increase funding so as to provide extra MotherSafe staff to cope with increased demands?

**The Hon. MICHAEL GALLACHER:** I thank the member for his question. Obviously it follows on from an outstanding answer given to him by the Minister for Health. I assure the member that I will get another high-quality answer to him as quickly as possible. I will refer the question to the Minister for Health for her attention.

#### PORT BOTANY PRIVATISATION

**The Hon. AMANDA FAZIO:** My question is directed to the Minister for Roads and Ports. Will the Minister advise the House when the proposal to privatise Port Botany was first submitted to Treasury? I am asking for the date on which that occurred.

**The Hon. DUNCAN GAY:** That question should be directed to the Treasurer or to the Minister for Finance and Services, and Minister for the Illawarra.

**RETAIL INDUSTRY**

**The Hon. TREVOR KHAN:** My question is addressed to the Minister for Finance and Services, and Minister for the Illawarra. Will the Minister update the House on the state of the retail industry in New South Wales?

**The Hon. GREG PEARCE:** Like many industries suffering the effects of the global financial crisis and ongoing financial issues since 2008, the retail industry has been struggling in these difficult economic times. As members may be aware, the Productivity Commission is currently holding an inquiry into the economic structure and performance of the retail industry. A draft report was released in August. Many submissions to that inquiry discuss the obstacles and difficulties that retail businesses are facing in the current uncertain economic environment. For example, the submission from the Australian National Retailers Association notes that in trend figures current annual retail sales growth nationwide is well below the long-term annual average growth rate of about 6 per cent.

As for New South Wales, the latest data from the Australian Bureau of Statistics reveals that, in trend terms, retail turnover rose by only 0.1 per cent in August 2011. This equates to around half the national average for that month and compares unfavourably to the long-term trend of 0.5 per cent monthly growth, as noted in the Australian National Retailers Association submission. In strict dollar terms, retail turnover in New South Wales has declined over the past 12 months, which indicates that retail sales have been stagnating for too long. Nationally, between August 2010 and August 2011 there was an estimated 6 per cent decline in the clothing and footwear sector and an almost 3 per cent decline in retail turnover at the larger department stores. In addition, the high Australian dollar has increased the pressure on the local retail industry, encouraging consumers to buy at cheaper prices from overseas retailers trading online.

Of course, there is also a comprehensive list of legislative and regulatory burdens that retail businesses must contend with on a daily basis. This vast array of laws is complex and confusing. The New South Wales Government cannot address all the economic problems facing the retail industry at this moment, but retail trading is an essential part of the New South Wales economy, and we need to ensure that business and community needs are met. Major retail stakeholders have contacted me to express a number of concerns about the over-regulation of retail trading in this State. Despite a number of amendments to legislation in recent years, concerns from both business and the broader community continue to be raised. Many people are genuinely concerned about Australia's flat productivity rate. The President of Fair Work Australia, Geoff Guidice, has noted Australia's two-speed economy and called for a bipartisan inquiry into what he calls the nation's negligible productivity growth. He stated:

While we have so far been spared many of the problems of Europe and North America, the parts of our economy which are performing so robustly cannot be expected to continue to do so indefinitely. A relatively small number of industries may be protecting our economy from the consequences of our productivity performance. One asks the question, what will happen if that protection fails and we are fully exposed to the competitive pressures of globalized markets.

This Government is determined to make sure that New South Wales is productive. This Government will be looking at ways to reduce red tape and make sure that New South Wales has a reputation for being open for business. I also inform the House that today Standard and Poor's reaffirmed the State's triple-A credit rating. In doing so, it specifically identified the great work of the Treasurer, Mike Baird, in the recent budget. On another occasion I will speak at length on this subject, but Standard and Poor's—

**The Hon. Greg Donnelly:** Did they thank you?

**The Hon. GREG PEARCE:** No, they did not thank me. But if the Hon. Greg Donnelly would like to thank me on their behalf, I would accept that as a very appropriate gesture.

**The Hon. Lynda Voltz:** Point of order: The question was clearly about the current state of the retail sector in the global financial crisis. I think the Minister has moved well away from that.

**The PRESIDENT:** Order! There is no point of order.

**The Hon. GREG PEARCE:** Standard and Poor's said—I will be brief—"In our opinion New South Wales' financial management and strong performance is expected to improve under the new Government". [*Time expired.*]

**The Hon. MICHAEL GALLACHER:** If members have further questions I suggest they place them on notice.

## **RIVERINA EDUCATION OPPORTUNITIES**

**The Hon. DUNCAN GAY:** On 15 September 2011 the Hon Robert Borsak asked me, representing the Minister for Education, a question without notice relating to Riverina education opportunities. The Minister for Education has provided the following response:

Post-school training opportunities are widely promoted in the Riverina region by the Department of Education and Communities' State Training Services Riverina regional office. Information on training programs is located at the State Training Services' website at [www.training.gov.au](http://www.training.gov.au).

TAFE NSW—Riverina Institute provides post school education and training opportunities at its campuses located at Deniliquin, Finley, Hay and Leeton.

The number of students undertaking a qualification at Certificate IV and above at those campuses has increased from 195 in 2006 to 411 in 2010—an increase of 111 per cent.

## **DEFERRED ANSWERS**

The following answers to questions without notice were received by the Clerk during the adjournment of the House:

### **FIREFIGHTER OCCUPATIONAL HEALTH AND SAFETY**

On 13 September 2011 Mr David Shoebridge asked the Minister for Police and Emergency Services a question without notice regarding firefighter occupational health and safety. The Minister for Police and Emergency Services provided the following response:

Fire and Rescue NSW has advised that the Monash Centre for Occupational and Environmental Health at Monash University, together with the Australian Fire Authorities Council, is undertaking the largest cohort study of its kind in Australia. The study will assess any link between firefighter professions and particular health outcomes, including cancer. Fire and Rescue NSW will participate in this study and assess the outcomes and any implications.

It is expected that the study will be carried out over the next three (3) years, with progress reports to be delivered on a six (6) monthly basis.

### **PARKINSON'S DISEASE**

On 13 September 2011 the Hon. Paul Green asked the Minister for Police and Emergency Services, representing the Minister for Health, a question without notice regarding Parkinson's disease. The Minister for Health provided the following response:

The New South Wales Government is investing a record \$105.6 million in medical research in 2011-12. Funding includes:

- \$32 million for the Medical Research Support Program which supports infrastructure and operating costs for 17 Medical Research Institutes in New South Wales. This includes \$5 million annually to improve medical research.
- \$2.9 million for the Spinal Cord Injury and other related neurological conditions research program.
- \$61 million in capital grants for Neuroscience Research Australia at Prince of Wales Hospital; the Australian Advanced Treatment Centre; Westmead Millennium Institute; and the Children's Medical Research Institute at Westmead.

The Government has also commissioned an independent Health and Medical Research Strategic Review, as part of the Better Patient Care: Boost for Medical Research 2011 election policy, to review the current performance of health and medical research in New South Wales and recommend a strategic plan for the next 10 years.

According to its Chair, Mr Peter Wills, AC, the Review is assessing the current performance of health and medical research in New South Wales, and will be making recommendations on how the sector can be improved, better coordinated and leveraged; and will be proposing ways in which New South Wales health needs, clinical trials and commercialisation capacity can be better supported or expanded. I understand that the review is looking at the fundamental role of our universities, hospitals and medical research institutes in undertaking medical research in New South Wales and how both private and public funding sources for research can be better coordinated and strengthened, including options for partnerships between Government, philanthropies and the business sector.

The New South Wales Government is committed to funding research into neurological conditions such as Parkinson's Disease. On 9 September, I announced the awarding of \$1.2 million for two Paul Brock Fellowships for Cross Disciplinary Research in Neurological Conditions and two Applied Spinal Cord Injury Research Fellowships.

People with Parkinson's are among those eligible for disability related appliances provided through EnableNSW, to assist with self care, communication, mobility and respiratory functions.

I am advised that NSW Health provides funds of \$22,914 per annum to Parkinson's NSW under the NSW Health Non-Government Organisation Grant Program.

Parkinson's NSW also subleases premises from Alzheimer's Australia (NSW) (AANSW) at Macquarie Hospital, North Ryde and NSW Health subsidises the rent of AANSW to assist both organisations.

### DEPARTMENT OF ENVIRONMENT AND CLIMATE CHANGE STAFFING ARRANGEMENTS

On 13 September 2011 the Hon. Robert Borsak asked the Minister for Finance and Services, representing the Minister for the Environment, a question without notice regarding the Department of Environment and Climate Change staffing arrangements. The Minister for the Environment provided the following response:

I am advised as follows:

As at 30 June 2010, of the 392 full-time equivalent staff in the former Department of Environment and Climate Change and Water with 'manager' in their title, 147 of these full-time equivalent staff had less than 5 staff reporting to them. This includes 6 full-time equivalent staff who had no staff reporting to them.

The staff employed in project manager positions were accountable for the management, coordination and delivery of a diverse range of projects in areas, including but not limited to environmental protection, sustainability, biodiversity, native vegetation, coastal protection and Aboriginal cultural heritage.

### RIVER RED GUM NATIONAL PARKS

On 14 September 2011 the Hon. Robert Brown asked the Minister for Finance and Services, representing the Minister for the Environment, a question without notice regarding the river red gum national parks. The Minister for the Environment provided the following response:

The following table shows the expenditure to 14 September 2011 in each of the programs comprising the \$97 million River Red Gum package, which is being delivered across four years from 2009/10 to 2012/13 inclusive.

Program	Expenditure to 14/9/11 (\$ million)	Focus of expenditure
<b>Structural adjustment for the timber industry</b>		
Business Exit Assistance	25.647	Ex-gratia payments to 21 Crown timber businesses fully exiting the industry, one partial exit, and eight harvest and haulage contractors. The five remaining Crown timber businesses (one high quality sawlog, one low quality sawlog, three residue) have signed long term wood supply contracts.
Worker Assistance	14.109	Special redundancy payments (\$81,360 or part time equivalent) to 177 workers of Crown timber businesses made redundant as a result of the River Red gum decision. Training allowance to those eligible workers who applied (up to \$10,000 per worker).
Structural Improvement Initiatives	4.450	Reliant business assistance (\$1.179 million) to eight businesses deemed reliant on exiting Crown timber businesses; industry assistance to the Crump Mill in Mathoura (\$1.121 million) to facilitate its expansion; flood assistance (\$0.180 million) to the Arbuthnot Mill in Koondrook; and in-kind purchase of additional timber volumes (\$1.970 million) for four of the five remaining Crown timber businesses (Arbuthnot, Crump, Gelletly and Strange).
<b>National Park Establishment</b>		
Park management—Capital	2.317	Purchase of plant and equipment required for field operations, establishment and fit-out of Moama office, workshop improvements, boundary fencing, visitor signage, road works, visitor facility upgrades and improvements to water regulators.
Park management—operations	3.427	Employment of 33 staff including rangers and field staff. Park management planning (20 statements of interim management intent completed), fire planning (17 bushfire management strategies completed), drafting of a River Red Gum Visitation Strategy, pest management and community and neighbour liaison.
Aboriginal joint management	0.646	Fourteen meetings with working groups for Werai, Millewa and Taroo forests. Establishment of a negotiating team for the Werai traditional owners following a Nation meeting involving over 120 people.
<b>Research and Regulation</b>		
Adaptive management	0.720	Preparation and planning for the ecological thinning trial including mapping of canopy condition and tree density in Millewa, establishment of a joint NSW/Victorian Scientific Advisory Committee and development of the experimental design. Development and management of the first two seasons of the domestic firewood program. Rehabilitation of cypress pine sandridges in Murray Valley National Park. Carp removal in Moira Lakes.

Compliance	0.490	Development of the River Red Gum Integrated Forestry Operations Approval. Monitoring of Forests NSW compliance with relevant approvals. Overall coordination of the River Red Gum program across Government and within the Office of Environment and Heritage.
Transitional costs	0.400	Establishment of the Adaptive Management Unit and review of Occupational Permits transferred when tenure was transferred from state forest to national and regional park.
<b>Regional and Community Development</b>	3.456	The delivery of the first funding round under the \$12 million Riverina Regional Employment and Community Development Fund, with total funding commitments of \$9.48 million. 41 projects have been approved, with 80% of these commenced and one already completed. The details of projects approved for funding can be found at <a href="#"><u>Environment &amp; Heritage   Project Summaries—2010 Riverina Red Gum Regional Employment &amp; Community Development Fund—Round 1</u></a>
<b>Murray CMA programs</b>	0.859	Employment of five staff working on natural resource management in the Murray River Red Gum forests. Community water sampling events, environmental monitoring and planning and community partnerships and remote tracking of native fish during flood events.
<b>Forest Projects and Industry Adjustment Unit (DPI)</b>	0.813	The administration and coordination of the timber industry structural adjustment program within the Department of Primary Industries. 290 applications were processed to determination stage under the structural adjustment sub-programs. \$42.236 million in payments were made.
<b>Natural Resources Commission Assessments</b>	2.385	Costs for the Riverina Red Gum and South West Cypress forest assessments.
<b>TOTAL</b>	<b>59.719</b>	

#### SHOALHAVEN CANCER CARE CENTRE

On 14 September 2011 the Hon. Paul Green asked the Minister for Police and Emergency Services, representing the Minister for Health, a question without notice regarding Shoalhaven Cancer Care Centre. The Minister for Health provided the following response:

New South Wales Government's overarching procurement policy provides the framework for agencies to achieve value for money from their procurement whilst being fair, ethical and transparent.

Health Infrastructure follows this and other guidelines when dealing with the private sector to deliver its capital program, including the new Shoalhaven Cancer Centre.

#### TOBACCO ACTION PLAN

On 14 September 2011 Dr John Kaye asked the Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council, representing the Minister for Health, a question without notice regarding the tobacco action plan. The Minister for Health provided the following response:

I am advised:

During the period of the previous Tobacco Action Plan 2005-2009 the rate of smoking in New South Wales declined by almost 3 per cent from 20.1 per cent to 17.2 per cent (daily or occasional smoking, 16 years and over). In 2010 the rate reduced by a further 1.4 per cent to 15.8 per cent.

As part of a strengthened commitment to preventative health, the Government will further reduce the harm caused by tobacco on New South Wales' communities.

The Government's strategic plan NSW 2021, released in September 2011, sets the following targets in relation to smoking:

- Reduce smoking rates by 3 per cent by 2015 for non-Aboriginal people and by 4 per cent for Aboriginal people; and
- Reduce the rate of smoking by non-Aboriginal pregnant women by 0.5 per cent per year and by 2 per cent per year for pregnant Aboriginal women.

To support the delivery of these targets, the Government is developing a new tobacco strategy which is anticipated to set out a comprehensive portfolio of evidence based regulatory, policy and programmatic tobacco control and cessation activity in New South Wales.

The new tobacco strategy will be informed by the public consultation undertaken in 2010 by the New South Wales Department of Health and the Cancer Institute NSW on the strategic directions for tobacco control in New South Wales over the next five years. Over 800 submissions were received and a stakeholder forum was held with key public health and industry representatives.

This consultation feedback has contributed to the drafting of a new tobacco strategy which, in line with the NSW 2021 targets, will focus on groups with a high prevalence of smoking, particularly Aboriginal communities, whilst maintaining the population wide approaches which have seen overall adult current smoking rates drop to 15.8 per cent in New South Wales.

Without pre-empting the detail of the new strategy, it is expected that it will include actions to strengthen tobacco control across key areas including public education; cessation services; advertising and promotion of tobacco and smoking products; second-hand tobacco smoke; and research, monitoring and evaluation.

It is intended that the new tobacco strategy, which will place New South Wales as a leader in Australia and globally in tobacco control, will be released following finalisation.

#### **POLITICAL DONATIONS AND GUJARAT NRE**

On 15 September 2011 Mr David Shoebridge asked the Minister for Finance and Services, and Minister for the Illawarra, a question without notice regarding political donations and Gujarat NRE. The Minister provided the following response:

I refer to the statement entitled "Gujarat NRE and political donations" which is available on the website of the Department of Planning and Infrastructure at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au).

#### **STAYING HOME LEAVING VIOLENCE PROGRAM**

On 16 September 2011 the Hon. Paul Green asked the Minister for Finance and Services, and Minister for the Illawarra, a question without notice regarding the Staying Home Leaving Violence program. The Minister provided the following response:

Staying Home Leaving Violence is a small, specialised domestic violence program which allows women to stay at home safely while escaping a violent relationship. It requires a high level of collaboration with Police, Housing, and the Women's Domestic Violence Court Advocacy Program, as well as other local services to enable women to remain safely in their home and be supported to maintain this over time.

Walgett, Dubbo, Kempsey and Moree are examples of where Staying Home Leaving Violence is already contributing to rural and regional NSW through these partnerships.

In planning future expansion, a number of factors must be considered in order for Staying Home Leaving Violence to be a viable service model and a real choice for women and children escaping violence. Local collaboration and coordination in the delivery of specialised case management services is critical.

The expansion of the program into five additional locations will occur over the next two years. Staying Home Leaving Violence will be available in three additional locations this year, and a further two additional locations in 2012-13. The selection of these locations is made using information from the Bureau of Crime Statistics and Research, NSW Police data, and information from government partners and local networks. Rural, regional and remote locations will be considered as part of this expansion.

#### **Questions without notice concluded.**

### **UNIVERSITIES GOVERNING BODIES BILL 2011**

#### **Second Reading**

#### **Debate resumed from an earlier hour.**

**The Hon. SARAH MITCHELL** [5.03 p.m.]: Before question time I was speaking about the two main elements of reform in the Universities Governing Bodies Bill 2011. The first is the opt-in provision in schedule 1 to the bill that enables universities to choose to be part of the standard governing body provisions. The second element of the reforms is contained in schedule 3 to the bill and provides all universities—whether or not they opt-in to the schedule 1 opportunity—with amendments to their Acts that will help facilitate their operations, decision-making and capacity to select members with appropriate skills and experience. The flexibility of these arrangements means that universities can be better placed to form strategic decision-making bodies tailored to their specific needs and help to deliver on strategic priorities important to this State. With over half of university funding coming from non-government sources, there is a real need to ensure that university governing bodies have the right mix of expertise and experience to facilitate strategic decision-making.

Universities play a major role in New South Wales because they are major contributors to State and national economic growth. The University of Wollongong, for example, provided over \$1 billion in direct economic benefit to the Illawarra and South Coast regions in 2010. Our universities also supply essential skilled

and qualified workers in areas of labour shortage. Charles Sturt University, for instance, offers over 70 per cent of its professional programs in areas of identified national and regional labour market skills shortages. It is important that we create the conditions for university governing bodies to achieve as much as possible in linking State priorities with university capabilities. New South Wales public universities are an important State resource. The reforms in this bill will support key decision-making and governing processes at a university level. The reforms will support universities and, through the important role universities play in State and regional economies, the State and community of New South Wales South Wales will benefit as well.

Universities are one of our significant State resources: our bastions of scholarship, our essential human capital developers, our creators of new knowledge, our institutions of innovation, and our guardians of intellectual spirit and adventure. Our public universities have a key role in creating a highly skilled workforce with skills relevant to the local business community. Providing and retaining skilled professionals in regional areas is also critical to the provision of essential services. The New South Wales Government, through its agencies, collaborates with universities in a wide range of initiatives across fields such as education and training, health, primary industry, science and medical research.

Universities have an important role to play in supporting the State, to address skills shortages in vital fields such as health, information and communications technology, engineering and professional services, and in assisting secondary teachers, particularly those specialising in maths, science and special education. One of the goals of this Government—it is part of the NSW 2021 Plan—is to ensure that the State has a highly educated and skilled workforce that is able to support economic growth, increased productivity, innovation and social inclusion. To this end, the New South Wales Government has set aggressive targets for the higher education sector, including:

By 2025, 44 per cent of 25-34 year olds in New South Wales will hold a bachelor level qualification or higher.

By 2020, 20 per cent of undergraduate enrolments in New South Wales will be students from low socio-economic status backgrounds.

In order to increase participation and attainment, the New South Wales Government is promoting better links between our schools, our broad range of tertiary institutions and our universities. The Government is also working with business and education providers to develop effective pathway programs into higher education. Universities need to be well equipped, strategic and responsive in order to provide New South Wales with the workforce it needs in the future—the graduates and professionals who will keep our State functioning and developing. New South Wales universities educate more than 30 per cent of Australia's future professionals, and so have a crucial role to play in supplying qualified workers in critical areas of both State and national workforce need. New South Wales universities are also essential in providing highly trained and qualified professionals for vital State services, including teachers, police, social services, nurses and all the other key healthcare workers.

New South Wales universities also have an important role to play in producing graduates and raising participation in higher education. The efforts of our universities have led to an above-average rate of qualifications among the people of New South Wales. Australian Bureau of Statistics data from 2009 indicates that New South Wales has 35.4 per cent of 25- to 34-year-olds with a bachelor degree or higher qualification, exceeding the national average of 33.3 per cent. In the context of a demand-driven higher education system for 2012, it is very important that we enable our university governing bodies to position themselves to deliver the number of graduates needed in the right areas. Strategic planning and management is necessary for this, in close consultation with the State Government, as is the right choice of governing members with the necessary skills and expertise.

Our New South Wales universities are also hubs of research excellence and innovation. In 2010 the Australian Research Council released a report evaluating the research performance of Australian universities. New South Wales universities made up four of the 10 universities in Australia with the highest proportion of research above world standard. New South Wales universities also attract the highest proportions of Commonwealth research funding: 30.5 per cent of the national total of Commonwealth research grants were delivered to New South Wales universities in 2011, 33 per cent of the total of Australian Research Council grants were made to New South Wales in 2009, and 59 per cent of funding for Australian Research Council Centres of Excellence came to New South Wales in 2011. Through research activities, universities foster new skills and technologies that lead to potential increases in productivity and that have implications for the long-term growth and prosperity of this State.

Our universities operate in a very competitive global and national context. Each university needs appropriate governance arrangements to compete strategically in the complex markets in which they participate. Some are satisfied with their current governing body arrangements, but others seek change to streamline their membership and add necessary strategic focus. Strategic decision-making will be the key to building our international student base. Education is one of the State's largest export industries. Universities are a key attractor of international students. International students account for almost 25 per cent of students at universities in New South Wales and contribute significant revenue. In 2010 that revenue was close to \$1.3 billion.

The New South Wales economy as a whole received a total of \$6.5 billion in export earnings from education services. However, international student numbers have been in decline since 2010, when the Commonwealth introduced more stringent migration and student visa policies. In New South Wales enrolments declined almost 10 per cent compared with the same time the previous year. However, it is expected that there will be future increases in international student numbers as a result of the Commonwealth moving to address some of the problems with its 2010 policy changes through a strategic review of the student visa program. As a result, the Australian Government will introduce measures from mid 2012 that will benefit universities particularly, including streamlined visa processing and work visas for most university graduates.

The Government expects that those measures should assist in increasing international student numbers. It will be important for universities to take strategic advantage of the opportunity that presents. If necessary, as a result of this bill, they will be able to rebalance and refocus their governing bodies to take strategic advantage of this context and maximise their share of international students, with potential economic benefits for both their university and the State. Commonwealth and State governments have a large stake in our universities. Governments provide enormous financial support for our universities. In 2010 the Commonwealth provided funding to New South Wales universities worth in excess of \$3.6 billion. The New South Wales Government also provides universities with significant funding and in-kind support. An estimate undertaken in 2009 valued support as worth well in excess of \$400 million a year. In reality, it is probably worth at least twice that much.

It is important that we have the best and most qualified and engaged individuals managing public investment to ensure the best returns possible are realised. Through this bill the Coalition Government intends to facilitate a climate in which universities can grow and prosper to provide them with greater autonomy and flexibility. The Government aims to provide a more flexible regulatory and planning environment for universities whenever possible, consistent with maintaining all necessary accountability requirements. This bill is part of the effort to create that climate. I commend the bill to the House.

**The Hon. NIALL BLAIR** [5.13 p.m.]: I support the Universities Governing Bodies Bill 2011. The bill will bring governance of New South Wales universities into line with contemporary governance practice. New South Wales has an internationally respected system of higher education that produces major benefits for individuals, the State and the nation. In 2010 the higher education sector generated \$10.4 billion in export income nationally. In New South Wales, education services generated income of \$6.5 billion during 2010. The Auditor-General's report to Parliament on the New South Wales university sector, which was released in May this year, remarked that it is essential for universities to have effective corporate governance frameworks to effectively manage and mitigate risk exposures, such as those arising thanks to the complexity of universities' business arrangements.

This bill will equip our universities to compete in an increasingly complex and competitive global knowledge economy and commercial environment. Currently, universities are required to balance two fundamental characteristics. As much as they remain centres of learning, scholarship and research, universities are also very large and complex business enterprises that are involved in a variety of educational and research fields. The growing breadth and complexity of university business activity was highlighted in the Auditor-General's 2011 report on the New South Wales university sector. The report highlights that income from business activities totalled \$1.245 billion for universities during 2010. In addition, the 10 public universities in the State control 97 major entities and have many more commercial contracts in place. All this is occurring at the same time as public funding is reducing.

At present, no university in New South Wales relies on Commonwealth funding for more than 50 per cent of its operating revenue. With this changing funding environment comes the need to diversify revenue sources: with rising expectations about the quality of university programs comes a corresponding focus on increased accountability. Alongside that, universities operate in an increasingly diversified national and international higher education market. A demand-driven system of public funding for universities from

2012 will mean that each university will receive Commonwealth funding primarily for those eligible students it is able to attract. The sector offers an ever-widening range of subjects, increasingly flexible study routes and a broad range of qualifications. Matching what universities provide to what students want and the skills needed by employers and the State is yet another important challenge.

Students are more likely to be attracted to universities that are thriving and dynamic with ambitions for growth founded on a strong financial position and a vision for the future. While New South Wales universities continue to meet those challenges successfully and maintain their standing internationally, their capacity to build on that performance is increasingly reliant on strong commercial and investment performances. Business and industry have the capacity for greater involvement in universities beyond their existing role as end users of graduates and beneficiaries of research. This requires an increased involvement in, and contribution to, the sector by business and industry, either through funding and support for research and development or through teaching and scholarship. In turn, increased private and industry investment in universities, whether through philanthropic initiatives or collaboration between industry and universities, has implications for the needs and speed required of institutional governance.

The changing balance of public and private enterprise across the higher education sector highlights the skill and flexibility required of universities in the modern context. To thrive, universities must successfully negotiate the demands of traditional State regulation and internal university processes while at the same time keeping pace with commercial ventures to respond rapidly to fast-changing international trends, capture a market niche, develop new links with external partners, or restructure operations. In that type of environment it should be possible for universities that desire it to have a leaner, more expert-based board structure, within limits, with a membership that is less unwieldy, less like an assembly, and more like the strategic decision-making body that it needs to be. For some time universities in New South Wales have been asking the Government to sanction changes to their governing body size and compositions.

Universities argue that they need more flexible governing body structures if they are to have the expertise and high-level corporate experience that will help them to diversify and maximise their revenue from non-government sources. The New South Wales Vice-Chancellors Committee, together with chancellors and governing bodies, has expressed its support for a model that gives flexibility in size and composition while retaining existing categories of representation in governing bodies: official members, elected members, governing body appointed members and ministerially appointed members. The Universities Governing Bodies Bill 2011 will assist New South Wales universities to rise to the challenge of increased levels of participation and to remain internationally competitive in the quality of their education provision. I urge the House to support the bill so that New South Wales universities will be well placed to foster sustainable governance and funding solutions for the future.

**Dr JOHN KAYE** [5.20 p.m.]: On behalf of The Greens I oppose the Universities Governing Bodies Bill 2011. Previous speakers have not understood that universities are not businesses. They are fundamentally institutions of learning and institutions for the production of knowledge.

**The Hon. Penny Sharpe:** That is not what I said.

**Dr JOHN KAYE:** I acknowledge the interjection of the Hon. Penny Sharpe. I meant to exempt her; I was talking about Government speakers. To treat universities like businesses and to use expressions such as "streamlining" shows a profound misunderstanding of the benefits that universities have provided to New South Wales. The Universities Governing Bodies Bill will greatly reduce the influence of staff and students on the 10 universities' governing bodies. This legislation is being created in response to pressure from vice-chancellors such as Fred Hilmer from the University of New South Wales and chancellors such as David Gonski from the University of New South Wales in their quest for far more personal control over their councils and institutions.

The Universities Governing Bodies Bill 2011 will allow those chancellors and vice-chancellors who already have complete control over their governing bodies to slash the number of elected student and staff representatives to one. It will also remove any requirements to elect alumni representatives. The Greens oppose the bill. We call on all parties in this Chamber to reject it. It will reduce the ability of students and staff to influence the future of their institutions. Further, this bill will completely isolate the lone elected representatives and put them in impossibly powerless situations in the face of aggressive vice-chancellors and chancellors. It will also hand over tertiary institutions to increasing corporate and business control, undermining the public benefits of higher education and learning.

The key provision in the bill is the introduction of the standard governing body provisions. The bill allows the university governing bodies to adopt the standard provisions by a two-third majority vote of its members. If so adopted, the provisions would automatically amend the New South Wales Acts establishing and regulating the universities so that the governing body could amend its own membership down to a minimum of one elected staff representative, a minimum of one elected student representative and a minimum of one alumni member who may be elected, appointed by the governing body or appointed by the New South Wales Minister for Education at the discretion of the governing body. The chancellor, vice-chancellor and chair of the academic board will remain members, as well as between two and six appointees of the Minister, but they must not be members of Parliament and appointees of the governing body. If a governing body adopts the standard provisions then it can choose to have between 11 and 22 members.

Before I completely trash the bill, I must say that some aspects of it are positive. For example, it allows university governing bodies to dismiss their chancellor or vice-chancellor by a two-thirds majority vote. This provision grew out of the catastrophe that befell the University of New England in 2008 when the then chancellor refused to go, despite completely and totally losing the confidence of his governing body, the Council of the University of New England. This provision is welcomed by The Greens and by the university sector. The bill allows university governing bodies to meet using technology such as teleconferencing—a modern provision that will work well, particularly for rural and regional universities. The bill provides that remuneration can be given to members if it is agreed by a two-thirds majority vote, a matter on which I am personally quite agnostic. None of those three provisions is opposed by The Greens.

However, the adoption of the standard provisions on governing bodies is completely opposed by The Greens. If one looks at the numbers of academic staff, non-academic staff, students, alumni and the total number of members on governing bodies for each of the 10 universities around New South Wales and one does the numbers—as no doubt have David Gonski, Fred Hilmer and the other vice-chancellors who know how it works—one sees that the two-thirds threshold required to adopt the standing provisions would be easily reached. If at each of these universities the standard provisions were opposed by the elected staff members—and I imagine they would be, by either the one or two student representatives on university bodies or by one member of the governing body, for example, one of the elected alumni representatives—but was supported by all other members then the two-thirds threshold required to adopt the standing provisions would be easily reached.

It would be an impossible challenge to the elected staff and student representatives to prevent the standard provisions from being elected. Even if there is a progressive-minded alumni representative, even if those three constituencies collaborate to try to stop the adoption of these standard provisions, they will be unsuccessful. To block the adoption, academic staff and students would need to persuade other members of the governing body to oppose the adoption provisions—they would need to persuade two members at the University of New South Wales and the University of Sydney, and four members at the University of Western Sydney. Given the nature of the appointees to governing bodies, that would be an almost impossible task. Therefore, any chancellor or vice-chancellor around New South Wales who was of a mind to impose the standard provisions on their governing body would be successful in doing so. With the exception of the University of Western Sydney, all of the 10 universities—that is, the nine other universities around New South Wales—have more than one elected academic staff representative. With the exception of Macquarie and Southern Cross universities, all have more than one elected student representative.

Adopting the minimum number in the standard provisions would massively reduce and isolate the elected staff and student representatives at almost every New South Wales university. As governing body members are frequently constrained by confidentiality provisions they would be unable to develop ideas and responses collectively. In effect, the elected representatives would be on their own, forced to develop their ideas, responses, views, motions and issues they have raised on their own with no collective help whatsoever. They would be unable to develop ideas and responses collectively. They would be exposed to the intimidation of confronting an assertive vice-chancellor or chancellor on their own with almost no back-up or support. Many academic staff who are elected to university governing bodies do an amazing job in the face of vice-chancellors such as Fred Hilmer, who are extremely assertive and who exert extreme control over their university bodies.

This Parliament is saying, "That is okay. We will cut you loose. We will leave you there on your own to deal with the likes of Hilmer and Gonski." This is unfair and unreasonable for those individuals. The very least we could do is provide them with some back-up; of having more than one member or a number of members with them. Further, in some instances the elected academic staff members and elected student representatives would find it impossible to raise matters by substantive motion because they would lack a

seconder. Under the standard provisions, unless the staff and student representative can make common cause, in many cases they will be completely isolated and will not even be able to raise and have debated substantive issues because they will not be able to find a seconder.

This does not only impact on academics; it also impacts on the future of universities. Increasingly around Australia governing bodies are dominated by appointed members with a business and corporate focus. While many of these individuals bring financial and management expertise to the job—and that is a welcome issue—they are in general not focused on the public benefits of tertiary institutions. Further, these business and corporate individuals have little or no knowledge of, or sympathy for, the core activities of academic pursuit. The values of scholarship, serving the community, political, cultural and social critique, and engagement in public debate are largely alien to them.

A governing body that is dominated by people who come from a business or corporate background will be placed at risk. Members should bear in mind that those values of scholarship, service to the community and critique of and engagement in public debate are central to a healthy economy, a healthy democracy, and a vibrant and thriving culture. If we reduce the voice of universities by removing the capacity for staff to influence the governing body, we put at risk a core tenet and fundamental support for our vibrant culture and society.

This legislation will accelerate the decline of universities into an increasingly commercial focus. It will reduce some institutions to nothing more than the consulting arm of big business and the mass reproducers of existing knowledge. Universities are much more than large classrooms stuffed full of kids being taught to do the same thing that people before them were taught to do; they are much more than consulting arms of big business producing commercial knowledge. Universities are the core of our collective brains. They sit at the centre of our capacity to look at ourselves as a society and to understand that which works and that which does not. They provide a diversity of reflection and feedback on the way we work and new and innovative ideas—not only commercially successful ideas but also culturally, intellectually and economically important ideas which may or may not attract a dollar but which nonetheless sit at the heart of our society. If we put these at risk, if we sacrifice these to the corporate bottom line, we put at risk the future of our society.

Academic staff and students, as the core internal constituents of universities, bring to governing bodies a practical and realistic understanding of the challenges of running a university and the commitment that goes beyond corporate profits and budget bottom lines. To have universities at which the voice of the people who are doing the research, who are engaged with the community and who are doing the teaching is minimised, muted or muzzled on the governing body means that universities will no longer be able to function for the benefit of the students and our society. It will mean that we will have universities run for the benefit of a small number of large corporations rather than for the benefit of our society. That is the neo-liberal view of the future of education. It provides for no constituency within universities, and academic staff will be nothing more than employees who are silenced, muzzled and prevented from engaging discussion about the future of their institution.

It is entirely unreasonable to expect this crucial view of how universities should be run and this experience of being in front of a large classroom, of the sweat, pain and frustration of trying to produce new knowledge, of being a lone voice against an orthodoxy—

**The Hon. Dr Peter Phelps:** As a conservative in the humanities—I know!

**Dr JOHN KAYE:** I note the interjection and I accept and celebrate the fact that universities produce people such as Peter Phelps. However, they will not do so once we have the homogenised institutions that this legislation will produce.

**The Hon. Duncan Gay:** You are mad.

**Dr JOHN KAYE:** I also note that the Leader of the House suggested that the Government Whip is mad. It is unreasonable to expect this crucial view to be articulated by one or two individuals. It is ridiculous to suggest that an engineering student, such as I once was, would be able to articulate the needs and concerns of an academic in the law faculty. We need the representative diversity that many individuals on a governing body can offer. It is also silly to suggest that one individual student can represent the views of the entire range of both undergraduate and postgraduate students. I have been an undergraduate student in this country and a postgraduate student overseas and I recognise the complexities and needs involved in both roles. I also recognise

that what I understood from my experience as an undergraduate was dramatically different, but no less valid, from what I understood from my experience as a postgraduate student. It is completely unrealistic to imagine that one individual can represent both postgraduate and undergraduate students.

In the name of streamlining and turning universities into corporations, we are muzzling those who know the most about the future of universities. It is those people who genuinely care and who have dedicated their lives to the pursuit of knowledge and to the transmission and development of knowledge. This legislation will reduce their capacity and hand over our universities to administrators and people from the business sector. This day will be rued in the long term. If this legislation is passed, people will look back on what the O'Farrell Government—

**The Hon. Duncan Gay:** You are overstating it.

**Dr JOHN KAYE:** No, I am not. This Government did not even have the courage to show this legislation to the National Tertiary Education Union. The first that the union knew about the legislation was when either The Greens or the Labor Party sent it a copy. A whisper was circulating about the legislation three weeks ago, but that is all we heard. There was no consultation about this legislation; it was never seen by academic staff.

**The Hon. Duncan Gay:** It is what they want.

**Dr JOHN KAYE:** It is not what academics want; it is what the governing bodies of universities want.

**The Hon. Dr Peter Phelps:** Which includes academics.

**Dr JOHN KAYE:** It includes a minority voice—

**DEPUTY-PRESIDENT (The Hon. Helen Westwood):** Order! There are far too many interjections. The member should not respond to interjections, which are disorderly at all times.

**Dr JOHN KAYE:** Existing governing bodies include only a minority university staff voice. The O'Farrell Government is jumping to the tune of the aggressive university administrators who want to run their governing bodies without the inconvenience of dissent. This legislation will neuter the voice of academic staff and students and hand over universities to the control of senior administrators and their friends from the big end of town. It will accelerate the decline of universities into an increasingly commercial focus, and thereby reduce some institutions to nothing more than the consulting arm of big business involved in the mass broadcast of existing knowledge.

The values of scholarship, service to the community, and social and cultural critique are being sacrificed to silence the voices of academics and students and to smooth the way for yet more commercially focused universities. Lone academic and student representatives will be in an impossible position. Without the support of like-minded colleagues, they will have to face up to the intimidation of vice-chancellors and their appointees. Silencing academic staff and students will deny governing bodies the practical and realistic understanding of the challenges of running a university.

**The Hon. Dr Peter Phelps:** They are not silenced.

**Dr JOHN KAYE:** They are silenced. When the representation of university staff on a governing body is reduced to one member, their voice will not be heard. They will be constantly intimidated and they will have no-one with whom to compare notes or to support them. It is an outrageous and unfair position. It is unreasonable to expect this crucial view to be articulated by one or two individuals, and it is particularly unrealistic to expect one individual to represent both undergraduate and postgraduate students.

Every vice-chancellor will be able to steer these provisions through their existing governing body. Those behind the legislation can do the numbers as well as I can. They know full well that a two-thirds majority is an easy bar to clear. The Minister for Education is signing over New South Wales universities to big business and the small clique of administrators who run them. Silencing academic staff and students will have grave consequences for universities and for the future of this State. This legislation is a huge step backwards for New South Wales, for universities, and for their staff and students.

**The Hon. Dr Peter Phelps:** Is it your argument that it is so good—

**DEPUTY-PRESIDENT (The Hon. Helen Westwood):** Order!

**Dr JOHN KAYE:** My argument—

**DEPUTY-PRESIDENT (The Hon. Helen Westwood):** Order! Dr John Kaye will resume his seat. When I call members to order, I expect them to respond appropriately. Members will cease interjecting across the Chamber. The member with the call will not respond to interjections.

**Dr JOHN KAYE:** The Greens accept that it is unlikely we will be able to defeat this legislation. However, one of its worst problems is that it has not been the subject of appropriate consultation with the National Tertiary Education Union. To facilitate that consultation, I move:

That this debate be now adjourned until the first sitting day in 2012.

**Question put and resolved in the negative.**

**Motion for adjournment of debate negatived.**

**The Hon. SCOT MacDONALD** [5.41 p.m.]: I support the Universities Governing Bodies Bill 2011. I appreciate the passion of Dr John Kaye, but it is not rooted in reality. The suggestion that universities will collapse tomorrow and the sky will fall is a colourful exaggeration. I take up the point that universities should be immune from commercial realities. In many respects that is an elitist Greens viewpoint of the world and if we took that viewpoint universities would revert to what they once were—six or eight sandstone universities, accessed by the relatively well off cohort of society. We have extended access to universities to a greater proportion of the population—people from all demographics now have access to them. But if we are going to do that, we must have commercial realities within our universities. The position taken by The Greens in this argument is unrealistic. I think the Hon. Penny Sharpe asked whether universities were consulted.

**The Hon. Penny Sharpe:** No, were students and staff consulted?

**The Hon. SCOT MacDONALD:** I accept that the member said "students", but I believe she also said "universities".

**The Hon. Penny Sharpe:** I acknowledge that universities have been consulted.

**The Hon. SCOT MacDONALD:** I point to consultation that I enjoyed with the Parliamentary Secretary for Higher Education and Skills, Ms Gabrielle Upton. We met with the chancellor, vice-chancellor and key executives of the University of New England. That university was in trouble in 2008 and triggered an upper House inquiry; it is probably the genesis of this legislation. Those personalities have changed and they welcome this legislation. The consultation with universities undertaken by the Minister and the Parliamentary Secretary was thorough, and I was privileged to be a small part of that.

This bill will bring the governance of New South Wales universities into line with contemporary governance practice. As my colleague the Minister for Education, Mr Adrian Piccoli, outlined in his agreement in principle speech, the bill will give universities greater flexibility in determining the size and composition of their governing bodies. Modern universities continue their traditional role as centres of learning and scholarship, but are also large and complex business enterprises. It has become essential for the long-established student, graduate and staff representation on university governing bodies to be boosted and complemented by members with managerial and financial expertise.

The New South Wales Government recognises the importance of all categories of membership. That is why the bill strikes a balance between the critical presence of members with commercial skills and experience, and the fundamental presence of representative membership. The Government has been keen to ensure that the bill allows for appropriate representation from graduates. It also allows for staff and student representation, and for the Minister and each university governing body to make their own appointments.

Over the past two decades Australian universities have faced mounting challenges arising from a reduction in public funding as a proportion of their overall revenue, the need to diversify revenue sources, and increased competition from new and different types of providers. Today universities operate in that new environment. By bringing their governance in line with modern approaches, the Government intends to enable

our universities to respond promptly and effectively to these challenges. I refer to globalisation of the learning and research marketplace, international competition for students and the fees they can contribute to university finances, and commercialisation of research. All of these factors place universities in an environment where specific financial and commercial expertise in their governing bodies is essential.

Aligned with the growing emphasis on commercial activities, most universities in New South Wales have been seeking greater flexibility to achieve governance arrangements that best suit their particular circumstances. Universities want to see a reduction in the number of their councils' overall membership, where appropriate, allowing them to achieve a better focus on expertise. Engagement in commercial ventures is a critical aspect of our universities' development and financial viability. The income derived last year by New South Wales universities from commercial activities totalled \$1.245 billion. This is a substantial amount. To put it in perspective, it represents almost 19 per cent of our universities' revenue. This is a significant argument in favour of the changes contained in this bill. The bill will allow universities to implement changes to their governance structures so that they can constitute their governing bodies to combine business acumen with representation of the range of voices constituting a university.

However, the operations of our universities are by no means business-related only. I wish to highlight to the House how responsive and flexible governance arrangements in universities can strengthen the existing relationships between universities and their local communities, and make them more productive. Our universities, particularly regional universities, have established and developed strong links with their communities, local industry and locally based professionals. However, to be able to fulfil their community engagement mission, educate and train a professional workforce, and engage in business partnerships, it is important for university governing bodies to include members who have relevant expertise and experience.

Effective governance can enable Australian communities to realise more local benefits from their investment in universities. Effective governance can provide many benefits that may flow from the university to its broader community. Regional universities and campuses play a significant role in advancing and sustaining the economic, cultural and social wellbeing of the communities they serve. They make a substantial contribution to regional economies in respect of direct and indirect benefits. The presence of a public university in a region or locality also carries the potential to distribute the intellectual and social benefits of globalisation to people who are not members of the university. Our rural and regional universities are often the major employer in their communities, thus strengthening ties with local communities who feel ownership and who benefit, both materially and intellectually, from the presence of the institution.

To emphasise this point I mention a few figures that illustrate the importance of our regional universities. I refer to the economic impact of Charles Sturt University—and, in particular, that of its campuses—on the inland communities that the university was established to serve. For example, the operations of the Bathurst campus of Charles Sturt University are estimated to contribute more than \$102 million in gross regional product, \$72.3 million in household income and 1,081 full-time jobs in Bathurst. When flow-on effects are taken into account, these contributions represent 6.28 per cent of gross regional product, almost 9 per cent of household income and more than 8 per cent of the city's total employment.

These arguments clearly show that the capacity of our universities to build on their performance depends more and more on strong commercial, investment and governance performance. For many reasons, including these, it is important for us to support and facilitate responsive and flexible governance arrangements in universities. I urge the House to support this bill so that our universities can go forward to implement changes to their governing bodies. They can then continue to compete with the best universities in the world. I commend the bill to the House.

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [5.50 p.m.], in reply: I thank all members for their contributions, some more adventurous than others and some more accurate than others. Many of those contributions ignored the fact that the universities asked for the changes. The universities unanimously accepted the model. Students and academics are represented on governing councils and those governing councils were consulted extensively. They voted to support the model. Any university with a two-thirds majority can remain unchanged if it wishes. The Government is putting something forward that was asked for but if the universities do not like it they do not have to accept it. The Greens-Labor Coalition does not like change. The Greens-Labor Coalition does not want our universities to be on an equal footing with the rest of the world.

**The Hon. Amanda Fazio:** Don't verbal us.

**The Hon. DUNCAN GAY:** The member does not need verballing. The member is disgraceful enough. I commend the bill to the House.

**Question—That this bill be now read a second time—put.**

**The House divided.**

**Ayes, 27**

Mr Blair	Mr Green	Mr Searle
Mr Borsak	Mr Lynn	Mr Secord
Mr Brown	Mr MacDonald	Ms Sharpe
Mr Clarke	Mrs Maclaren-Jones	Mr Veitch
Mr Colless	Mr Mason-Cox	Mr Whan
Mr Donnelly	Mrs Mitchell	
Ms Fazio	Mr Moselmane	
Ms Ficarra	Mrs Pavey	<i>Tellers,</i>
Mr Foley	Mr Primrose	Dr Phelps
Mr Gay	Mr Roozendaal	Ms Voltz

**Noes, 5**

Mr Buckingham  
 Ms Faehrmann  
 Mr Shoebridge  
*Tellers,*  
 Ms Barham  
 Dr Kaye

**Question resolved in the affirmative.**

**Motion agreed to.**

**Bill read a second time.**

**Suspension of Standing Orders: Instruction to Committee of the Whole**

**Dr JOHN KAYE** [5.58 p.m.]: I move:

That standing orders be suspended to allow the moving of a motion forthwith: That it be an instruction to the Committee of the Whole that it has power to consider amendments that would have the effect of limiting the bill to amending legislation relating to various universities regarding the removal from office of Chancellors and Deputy Chancellors, the remuneration of members of, and the conduct of meetings by, governing bodies of the universities.

The purpose of this motion is to allow me to move a motion in Committee that effectively removes from the bill schedule 1 and those parts related to it. Schedule 1 is that section of the bill related to the standard governing provisions. I spoke about these provisions during my contribution to the second reading debate. These provisions will decimate the capacity of academic staff representatives and elected student representatives to represent their constituencies on the council.

Academic staff, the union, students or student organisations and the general public have not been consulted about these provisions. They may have been shown to a couple of vice-chancellors. I note that one speaker in the second reading debate, who surely was being ironic, said, "This is okay because we showed it to the chancellor, the vice-chancellor and a couple of senior administrators at the University of New England". The Government thinks that is consultation. When the Government is making a wholesale change to the way universities operate and it does not speak to academics who have dedicated their lives to the institution, when it does not pay those academics the courtesy of letting them know this will happen, and when their union is strongly saying to those people that this legislation should be opposed, surely it is time to remove that schedule from the legislation and create an opportunity for a debate in the community. While it is clear that a majority of members in this House may feel positively towards this—

**The Hon. Rick Colless:** That's democracy.

**Dr JOHN KAYE:** That is not democracy. That is parliamentary democracy. When the core constituency is saying that the provisions are bad and will damage universities, when a change is being driven by senior management and corporate individuals represented on university governing bodies, when academics, the union and students are saying that they are bad, surely we should remove them from the legislation and debate the issue at greater length. This is a massive change to universities. The legislation will devastate the capacity of universities to serve their communities. I commend to the House the motion to suspend standing orders to allow me to move a motion instructing the Committee of the Whole to consider the amendment which would remove the schedule and the other matters relating to the standard provisions for university governing bodies.

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [6.01 p.m.]: The Government opposes this motion. Dr John Kaye, in his desperation, wants to control the House from a power of one. He has a view and because we have a different view somehow we are wrong and do not realise how wrong we are. Once again the member wants to remove control of the House from the House to suit his personal agenda. He tries it time and again. Previously he did not have a second voice to call a division.

**Dr John Kaye:** Point of order: The Minister is resorting to personal abuse.

**DEPUTY-PRESIDENT (The Hon. Helen Westwood):** Order! What is the member's point of order?

**Dr John Kaye:** The point of order is, first, that the Minister's comments are not relevant to the motion. My first point of order is relevancy and, second, the Minister is personally insulting me.

**DEPUTY-PRESIDENT (The Hon. Helen Westwood):** Order! There is no point of order. Dr John Kaye will resume his seat. The Minister has the call.

**The Hon. DUNCAN GAY:** My case has been made by the member's interjections. The Government rejects this motion. This is Dr John Kaye's personal crusade, on which he is trying to lead members of the House.

**Mr DAVID SHOEBRIDGE** [6.03 p.m.]: The Government's response to dealing with a serious concern about not consulting key university stakeholders is to not consider the full ramifications of the legislation before it pushes the legislation through Parliament and for the Minister to deal with a live issue by belittling another member. Clearly, members of The Greens are disagreeing with the Government and potentially other members in this Chamber. The fact that there is a democratic disagreement and that a different view has been expressed in the Chamber is exactly why we have an upper House. The purpose of the upper House is to hold the Government to account and to consider whether it has actively consulted.

It seems on any clear view of the issue that the Government has failed to consult key stakeholders, and the democratic control of New South Wales universities will be degraded. It is unfortunate that the legislation is being pushed through in this way. It is unfortunate that the Government, with all its resources, did not consult on this legislation. But it is more unfortunate that the Government is in denial on this matter and has resorted to petty abuse rather than addressing the issue at hand.

**Question—That the motion be agreed to—put.**

**The House divided.**

**Ayes, 5**

Ms Barham  
Dr Kaye  
Mr Shoebridge  
*Tellers,*  
Mr Buckingham  
Ms Faehrmann

**Noes, 26**

Mr Blair	Mr Lynn	Mr Searle
Mr Borsak	Mr MacDonald	Mr Secord
Mr Brown	Mrs Maclaren-Jones	Ms Sharpe
Ms Cotsis	Mr Mason-Cox	Mr Veitch
Ms Ficarra	Mrs Mitchell	Ms Voltz
Mr Foley	Mr Moselmane	Mr Whan
Mr Gallacher	Mrs Pavey	<i>Tellers,</i>
Mr Gay	Mr Primrose	Ms Fazio
Mr Green	Mr Roozendaal	Dr Phelps

**Question resolved in the negative.**

**Motion negatived.**

**In Committee**

**Clauses 1, 2 and 3 agreed to.**

**Dr JOHN KAYE** [6.15 p.m.]: I move The Greens amendment No. 1 on sheet C2011-102:

No. 1 Page 4, clause 4, line 3. Omit "two-thirds". Insert instead "75%".

The purpose of this amendment, which amends clause 4, is to raise the bar on adoption of the resolution of the standard governing body provisions. In my speech on the second reading, I made reference to the fact that at each university in New South Wales the standard provisions would be adopted unless they were opposed by a substantial number of representatives other than the elected staff representatives and the elected student representatives. Indeed, in every university in New South Wales, if all the elected staff representatives, all the elected student representatives, and one other member of the governing body were to oppose the adoption, the governing body would still be able to reach the two-thirds threshold required to adopt the standard provisions. In effect, the two-thirds threshold disempowers each of the individual constituencies represented on the governing board.

A 75 per cent majority—which I must say is used in my own party, The Greens, in making decisions—is a way in which you ensure that every constituency represented on the governing body has a voice. The 66 per cent majority just hands the whole show over to the Fred Hilmers and David Gonskis of this world. It makes it too easy to get it through. It disempowers the elected academic staff, the elected students and the alumni. To make sure that these changes genuinely are consensus and not just the voice of the majority, then it is important that the bar be raised from two-thirds to 75 per cent before the matter is adopted. I commend the amendment to the Committee.

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [6.18 p.m.]: The Government opposes the amendment. Apart from some personal vilification of some honoured citizens of this State, the Hon. Dr John Kay really did not deliver any rationale behind going from two-thirds to 75 per cent.

**The Hon. PENNY SHARPE** [6.19 p.m.]: The Opposition does not support the amendment. The Greens have not made out a case. The amendment is unnecessary and we will not be supporting it.

**Question—That The Greens amendment No. 1 [C2011-102] be agreed to—put.**

**The Committee divided.**

**Ayes, 5**

Mr Buckingham  
Ms Faehrmann  
Mr Shoebridge  
*Tellers,*  
Ms Barham  
Dr Kaye

**Noes, 26**

Mr Blair	Mr Lynn	Mr Secord
Mr Borsak	Mr MacDonald	Ms Sharpe
Mr Brown	Mrs Maclaren-Jones	Mr Veitch
Mr Colless	Mr Mason-Cox	Ms Voltz
Mr Donnelly	Mr Moselmane	Ms Westwood
Ms Ficarra	Mrs Pavey	Mr Whan
Mr Foley	Mr Primrose	<i>Tellers,</i>
Mr Gay	Mr Roozendaal	Ms Fazio
Mr Green	Mr Searle	Dr Phelps

**Question resolved in the negative.**

**The Greens amendment No. 1 [C2011-102] negatived.**

**Clause 4 agreed to.**

**Clauses 5 and 6 agreed to.**

**The Hon. PENNY SHARPE** [6.27 p.m.], by leave: I move Opposition amendment Nos 1 to 4 on sheet C2011-099A in globo:

No. 1 Page 6, schedule 1. Insert after line 16:

elected academic staff member —see section 5 (2) (a).

No. 2 Page 6, schedule 1. Insert after line 21:

governing body resolution means governing body resolution made by the [governing body] under section 4 of the Universities Governing Bodies Act 2011.

No. 3 Page 7, schedule 1, line 7. Omit "subsection (6)". Insert instead "subsections (6) and (8)".

No. 4 Page 7, schedule 1. Insert after line 17:

(8) The constitution rules must provide for the number of elected (academic staff) members of the [governing body] on the governing body resolution taking effect to bear the same (or as near as possible to the same) proportion to the total number of members of the [governing body] as academic staff members of the [governing body] bore to the total number of members of the [governing body] immediately before that resolution took effect.

The standard governing body provisions in the bill provide for a governing body to have at least one member of the academic staff of a university elected by the academic staff. The number of academic staff currently on university governing bodies varies throughout the State from between one and four. Staff representatives have a very important role to play on the governing body. They have detailed knowledge of the institution, the higher education sector and the importance of teaching, learning, research and critical thought. The Opposition supports universities having greater flexibility in regard to their governing body's size and composition. Indeed, as the Opposition stated during the second reading debate, this has been a process we have been undertaking for several years. However, the Opposition is concerned that this may result in a diminished voice for staff. The amendments will ensure that the proportion of academic staff members will remain the same, even if the name and composition of the governing body changes. In this way we believe flexibility will be preserved and standard governing body provisions will be maintained while preserving the voice of all staff on university councils.

**Pursuant to sessional orders business interrupted to permit a motion to adjourn the House if desired.**

**The Committee continued to sit.**

*[The Temporary Chair (The Hon. Sarah Mitchell) left the chair at 6.30 p.m. The Committee resumed at 7.45 p.m.]*

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [7.45 p.m.]: The Government opposes the Opposition's amendments.

**Dr JOHN KAYE** [7.45 p.m.]: I move to amend Opposition amendments Nos 1 and 4 be amended in the following terms:

1. Opposition amendment No. 1: Omit "member" and insert instead "members".
2. Opposition amendment No. 4: Omit proposed clause (8) and insert instead:
  - (8) The proportion that elected academic staff members bear to the total number of members of the [governing body] must be no less than the number of academic staff members required by or under this Act to be elected by academic staff as members of the [governing body] bore to the total number of members of the [governing body] immediately before the governing body resolution took effect.

The proposed new clause 8 is set out in our amendment No. 8 as circulated on sheet C2001-102. That amendment proposes that the proportion of academic staff members be no less than the number of academic staff members required under the Act to be elected. The Greens say the proportion of academic elected members must be no less than exists currently whereas the Opposition proposes that the number be as close to the current proportion as possible.

Suppose an academic governing body has 22 members, of whom two are elected staff members, and the university decides to reduce the number of members to 14. Under the Opposition's amendment the closest equal proportion would be to reduce the number of academic staff by one. Under our amendment, because we round up, not down, the number of academic staff would be reduced by two. It would have to be not less than the complete amount, so we would have it reduced by two. The idea is to not allow the number of academics to shrink unless the number of members of staff is genuinely halved so that we maintain the proportion not just as the closest proportion, but as the nearest number higher than the proportion. The point is that cutting back academic staff members in the way I described in my contribution to the second reading debate on this bill will have a diabolical consequence for the governing body and the university.

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [7.50 p.m.]: The Government opposes The Greens amendments to those of the Opposition. Effectively these are amendments made on the run. The amendments moved by the Opposition, even though the Government does not support them, are in order because we know that Parliamentary Counsel drafted them. However, Dr John Kaye is devising policy on the run by seeking to amend these amendments, and he has not discussed their ramifications with Parliamentary Counsel. The Government opposes the amendments moved by Dr John Kaye.

**The Hon. PENNY SHARPE** [7.51 p.m.]: It is a bit rich of the Government to suggest that the Opposition is doing things on the run when we have barely seen this bill, and the many others that will be brought to this Chamber this week.

**The Hon. Duncan Gay**: I said it was The Greens.

**The Hon. PENNY SHARPE**: I know that, but the point I make is that the next few sitting weeks will be a bit rugged because of the many bills that will be jammed through this Chamber over that time, as other bills have been pushed through in the past day or so.

**The Hon. Rick Colless**: They have been on the *Notice Paper* for weeks. They have been in the other House for weeks.

**The Hon. PENNY SHARPE**: They have not.

**The Hon. Rick Colless**: They have been in the other place for weeks.

**The Hon. PENNY SHARPE**: Then perhaps the member should send a message to his colleagues downstairs. The Opposition does not support the amendments of The Greens to its amendment. As stated previously the Opposition is broadly supportive of the direction of this bill. We believe that our amendments provide the flexibility needed by governing bodies and, at the same time, preserve the important voice of staff and students. They provide greater flexibility rather than lock in the governing bodies. We will not be supporting The Greens amendments to our amendments.

**Dr JOHN KAYE** [7.53 p.m.]: I must respond to the comment made by the Hon. Duncan Gay. The amendment was drafted by Parliamentary Counsel. The Greens were advised by the Clerks to proceed in this manner because the Opposition tabled its amendment first, and if that amendment were negatived, it would be out of order for The Greens amendment to be passed.

The Greens amendment is substantially different from the Opposition's amendment. It provides for more elected academic staff representation on the governing body than the Opposition's amendment would. If the Opposition had not moved its amendment, we would have moved our amendment Nos 3 and 8 and a number of others in globo. We would have moved The Greens amendment No. 3 and subclause (8) of amendment No. 8, which naturally go together, and that would have been appropriate. I reject the Government's allegation that The Greens are making policy on the run. The Leader of the House used the word "policy" unwisely because of the scandalous lack of consultation about this policy and the Government's complete lack of understanding of the impact of this legislation.

**The Hon. Duncan Gay:** If your amendment is directly opposite that of the Opposition's, it is out of order.

**Dr JOHN KAYE:** It is not directly opposite.

**The Hon. Duncan Gay:** You just said it was.

**Dr JOHN KAYE:** I did not. Yet again the member is trying to verbal me. I said it was different and that it takes the matter further. Unfortunately, the Hon. Duncan Gay does not understand what is going on. Our amendment is not directly opposite.

**The Hon. Dr Peter Phelps:** He knows exactly what is going on.

**Dr JOHN KAYE:** I acknowledge that interjection. It is a bit rich for Government members to say that this amendment constitutes policy on the run given that this legislation has never been seen by the National Tertiary Education Union or, to my or the union's knowledge, any academic.

**The Hon. Dr Peter Phelps:** What are chancellors, vice-chancellors and deputy vice-chancellors?

**Dr JOHN KAYE:** It may well have been shown to university administrators, but it was not shown to line teachers.

**The Hon. Dr Peter Phelps:** When did they stop being academics? Did someone wave a wand over them and turn them into horrible administrators?

**The Hon. Lynda Voltz:** Point of order: It is difficult to follow the debate while members constantly interject and Dr Kaye is unable to continue his contribution.

**The TEMPORARY CHAIR (The Hon. Sarah Mitchell):** Order! I remind members that interjections are disorderly at all times.

**Dr JOHN KAYE:** I have largely concluded my remarks. If The Greens amendments to the Opposition's amendments fail, we will support the Opposition's s amendments because they are a step in the right direction and provide some additional protection for academic staff members of a governing body. However, we remain deeply concerned about an elected academic staff member of a governing body having no support in the face of some of the vice-chancellors and chancellors who run these bodies at their own whim and who would leave those individuals completely exposed.

**Question—That the amendments of Dr John Kaye to Opposition amendments Nos 1 and 4 [C2011-099A] be agreed to—put and resolved in the negatived.**

**Amendments of Dr John Kaye to Opposition amendments Nos 1 and 4 [C2011-099A] negatived.**

**Question—That Opposition amendments Nos 1 and 4 [C2011-099A] be agreed to—put.**

**Division called for.**

**The TEMPORARY CHAIR (The Hon. Sarah Mitchell):** Order! There having been only one voice for the ayes, in accordance with Standing Order 115 (3) I declare the question to be resolved in the negative.

**Opposition amendments Nos 1 and 4 [C2011-099A] negatived.**



**Pairs**

Ms Cotsis	Mr Ajaka
Mr Roozendaal	Mr Clarke
Mr Searle	Ms Cusack
Mr Veitch	Miss Gardiner
Ms Westwood	Mr Khan

**Question resolved in the negative.**

**The Greens amendments Nos 3 and 8 [subclause (9)] [C2011-102] negatived.**

**Dr JOHN KAYE** [8.12 p.m.]: I do not move The Greens amendments Nos 4 and 5 on sheet C2011-102 as circulated in my name. However, I seek leave to move The Greens amendments Nos 6 and 7 in globo.

**Leave granted.**

**Dr JOHN KAYE** [8.12 p.m.], by leave: I move The Greens amendments Nos 6 and 7 on sheet C2011-102 in globo:

No. 6 Page 6, schedule 1, line 35. Omit "two-thirds". Insert instead "75%".

No. 7 Page 7, schedule 1, line 11. Omit "two-thirds". Insert instead "75%".

Once the university governing body standard provisions have been accepted, these amendments will raise the threshold for changing the number of members of a university council in line with the governing body provisions from two-thirds to three-quarters. This will ensure that each of the constituencies represented on a governing body has a say. The amendments will provide a more consensus-based model for reforming university councils. If it were left at two-thirds the elected academic staff and student representatives would not have a say in the future composition of university councils.

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [8.14 p.m.]: The Government does not support the amendments for the reasons detailed earlier.

**The Hon. PENNY SHARPE** [8.14 p.m.]: The Opposition does not support the amendments.

**Question—That The Greens amendments Nos 6 and 7 [C2011-102] be agreed to—put and resolved in the negative.**

**The Greens amendments Nos 6 and 7 [C2011-102] negatived.**

**The Hon. PENNY SHARPE** [8.15 p.m.], by leave: I move Opposition amendments Nos 5 and 6 on sheet C2011-099A in globo:

No. 5 Page 8, schedule 1, lines 10-14. Omit all words on those lines. Insert instead:

- (c) at least one must be an undergraduate student of the University who:
  - (i) is not employed on a full-time basis (or on such other basis as the by-laws may prescribe) as a member of the academic or non-academic [general] staff of the University, and
  - (ii) is elected by the undergraduate students of the University, and
- (d) at least one must be a postgraduate student of the University who:
  - (i) is not employed on a full-time basis (or on such other basis as the by-laws may prescribe) as a member of the academic or non-academic [general] staff of the University, and
  - (ii) is elected by the undergraduate students of the University.

No. 6 Page 8, schedule 1, line 15. Omit "(c)". Insert instead "(d)".

These straightforward amendments seek to ensure that there will be an undergraduate student and a postgraduate student on any university governing council. Students have an important role to play and must have a voice. I commend the amendments to the Committee.

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [8.16 p.m.]: The Government does not support the amendments for the reasons detailed earlier.

**Dr JOHN KAYE** [8.16 p.m.]: The Greens support Opposition amendments Nos 5 and 6. Opposition amendment No. 6 is consequential upon Opposition amendment No. 5, which secures a position for an undergraduate student and a postgraduate student. As I said in my speech during the second reading debate, The Greens believe the two constituencies are dramatically different and require separate representation on any university governing body.

**Question—That Opposition amendments Nos 5 and 6 [C2011-099A] be agreed to—put and resolved in the negative.**

**Opposition amendments Nos 5 and 6 [C2011-099A] negatived.**

**Dr JOHN KAYE** [8.17 p.m.]: I move The Greens amendment No. 9 on sheet C2011-102:

No. 9 Page 8, schedule 1, line 5. Omit "one must be a member". Insert instead "two must be members".

This important amendment would secure two elected academic members on every governing body. No governing board should have only one elected academic member. As I said in my speech during the second reading debate, a lone elected academic staff member on a governing board would be in an invidious situation. He or she would have no-one to talk to or to second his or her motions. In the face of an aggressive chancellor or vice chancellor in particular, he or she would have no support. This amendment would protect and support academic staff members on governing boards. It would also ensure that the needs and unique views of academic staff as to the future direction of universities would be articulated. I commend the amendment to the Committee.

**The Hon. PENNY SHARPE** [8.18 p.m.]: The Opposition supports this amendment.

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [8.18 p.m.]: The Government does not support the amendment.

**Question—That The Greens amendment No. 9 [C2011-102] be agreed to—put.**

**The Committee divided.**

**Ayes, 14**

Ms Barham	Mr Moselmane	Mr Veitch
Mr Buckingham	Mr Primrose	Mr Whan
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Ms Faehrmann	Ms Sharpe	Dr Kaye
Ms Fazio	Mr Shoebridge	Ms Voltz

**Noes, 16**

Mr Blair	Mr Green	Mrs Pavey
Mr Borsak	Mr Harwin	Mr Pearce
Mr Brown	Mr Lynn	
Ms Ficarra	Mr MacDonald	<i>Tellers,</i>
Mr Gallacher	Mrs Maclaren-Jones	Mr Colless
Mr Gay	Mr Mason-Cox	Dr Phelps

**Pairs**

Ms Cotsis	Mr Ajaka
Mr Foley	Mr Clarke
Mr Roozendaal	Ms Cusack
Mr Searle	Miss Gardiner
Ms Westwood	Mr Khan

**Question resolved in the negative.**

**The Greens amendment No. 9 [C2011-102] negatived.**

**Dr JOHN KAYE** [8.27 p.m.]: I do not intend to move The Greens amendment No. 12.

**Schedule 1 agreed to.**

**Schedules 2 and 3 agreed to.**

**Title agreed to.**

**Bill reported from Committee without amendments.**

#### **Adoption of Report**

**Motion by the Hon. Duncan Gay agreed to:**

That the report be adopted.

**Report adopted.**

#### **Third Reading**

**Motion by the Hon. Duncan Gay agreed to:**

That this bill be now read a third time.

**Bill read a third time and returned to the Legislative Assembly without amendment.**

#### **PAYROLL TAX REBATE SCHEME (DISABILITY EMPLOYMENT) BILL 2011**

#### **REDFERN-WATERLOO AUTHORITY REPEAL BILL 2011**

**Bills received from the Legislative Assembly.**

**Leave granted for procedural matters to be dealt with on one motion without formality.**

**Motion by the Hon. Duncan Gay agreed to:**

That the bills be read a first time and printed, standing orders be suspended on contingent notice for remaining stages and the second readings of the bills be set down as orders of the day for a later hour of the sitting.

**Bills read a first time and ordered to be printed.**

**Second readings set down as orders of the day for a later hour.**

#### **STATE REVENUE LEGISLATION AMENDMENT BILL 2011**

#### **Second Reading**

**The Hon. GREG PEARCE** (Minister for Finance and Services, and Minister for the Illawarra) [8.32 p.m.]: 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.**

The New South Wales Government is committed to having best practice revenue laws.

The State Revenue Legislation Amendment Bill 2011 makes important amendments to the Duties Act 1997 to ensure the legislation is current and consistent with best practice tax administration.

The bill also amends the First Home Owner Grant Act 2000 to improve one aspect of the administration of the First Home Owner Grant scheme.

I will deal first with the amendments to the Duties Act.

The first two provisions deal with duty on superannuation transactions.

The duties concession for persons changing complying superannuation funds extends to apply to transfers of marketable securities to a life company from a trustee of a complying superannuation fund.

While the current concession allows transfers of property from a life company to the trustee, it does not allow a reverse transaction, that is, a transfer of property to a life company from a trustee of a complying superannuation fund in connection with members changing funds.

The stamp duty cost is prohibitive in the absence of a concession. Extending the concession will enable funds to take advantage of the Commonwealth concession.

A transfer of members between funds arising from a merger of superannuation funds may result in a liability to landholder duty if there is an acquisition of a significant interest in a company or unit trust that holds land.

The bill provides consistency with the transfer duty concessions by providing for a concessional duty of \$500 on an acquisition of an interest in a landholder that results from members ceasing to become entitled to benefits in one complying superannuation fund and becoming entitled to benefits in another complying superannuation fund.

The next duties amendment deals with special disability trusts, which are established by families to provide for the care and accommodation needs of a family member with a severe disability.

The current duties exemptions for the establishment of the trust and the transfer of property to the trust apply to special disability trusts established under the Commonwealth Social Security Act 1991.

However, special disability trusts may also be established under the Commonwealth Veterans' Entitlements Act 1986. The bill removes an impediment to establishment of these trusts in New South Wales by extending the duties exemptions to special disability trusts established under the Veterans' Entitlements Act.

The bill also contains a statute law amendment to the Duties Act to correct a reference to a Commonwealth Act.

Finally, the bill amends the First Home Owner Grant Act to improve recovery of grants that are required to be repaid.

Some recipients of the first home owner grant are subsequently required to repay the grant, usually because of the person's failure to satisfy the eligibility requirements such as the requirement to occupy the home as his or her principal place of residence.

The liability to repay the grant and any penalty imposed is a charge on the land, entitling the Chief Commissioner of State Revenue to lodge a caveat on title.

At present, the debt owed to the Office of State Revenue ranks behind the interest of the mortgagee or any other holder of an interest that is registered prior to lodgement of the caveat. As a result, there are often insufficient funds available upon the sale of the property, including sale by a mortgagee in possession, for OSR to recover the debt.

The bill provides that a grant recipient's liability to repay the grant and any penalty is a first charge on the land, with priority over all other encumbrances except land tax.

This is consistent with the grant legislation of every other State and Territory.

The amendment would only apply prospectively to grants paid on transactions occurring after 1 October 2011.

I commend the bill to the House

**The Hon. ADAM SEARLE** (Deputy Leader of the Opposition) [8.32 p.m.]: The Opposition supports the State Revenue Legislation Amendment Bill 2011, which amends the Duties Act 1997 to extend the duty concession for transfers of securities from a trustee of a complying superannuation fund to a life company, extends duties exemptions to special disability trusts established under the Veterans Entitlement Act 1986, and amends the First Home Owner Grant Act 2000 to improve recovery of grants that are required to be repaid.

The Australian superannuation system has proved to be an important policy reform for both the New South Wales and the Australian economy. Over the past 20 years compulsory superannuation has created a very significant pool of savings, worth more than \$1.3 trillion, that has transformed not only retirement incomes but has created new sources of investment funds that continue to open up new opportunities for both New South Wales and the national economies. To permit superannuation to maintain this central and positive role, it is necessary to keep reforming its operation to ensure that the funds placed in the system are most efficiently allocated, at minimum cost and maximum effectiveness.

The changes proposed to duty concessions for trustees of complying superannuation funds supports this process because it makes the cost of transferring funds in the superannuation system more consistent across

different sectors of the financial services industry. The amending bill brings changes to the duty concessions available to complying superannuation funds vis-a-vis the transfer of securities, such as land to life companies, which aims to remove an outstanding duty anomaly in the superannuation system. The bill also provides for the payment of duty at the concessional rate of \$500 or a lesser ad valorem rate on a transfer of marketable securities from the trustee of a complying superannuation fund to a life company. At present this duty concession operates only in one direction—from the life company to a trustee—on the movement of interests in assets, such as property, but not the other way around, so this is a significant, important and worthwhile thing to do.

The amending bill also deals with duty anomalies in setting up disability trusts. In line with other superannuation changes, the amending bill aims to remove any inconsistency when setting up a special disability trust under the Commonwealth Veterans' Entitlements Act 1986. Those trusts under this bill will face the same treatment and duty of \$50 for transferring property as trusts established under the Commonwealth Social Security Act 1991, so this is also a good and important measure. There is also in this bill an improved capacity to recover first home owner grants for non-compliance. The amendment aims to improve the capacity of the Office of State Revenue to reclaim grants made to recipients who subsequently turn out to be ineligible. The need to reclaim grants occurs in cases, for example, where it has been provided against a property that is not the principal residence of the applicant. This failure to comply with the occupancy criteria of the grant program generates a liability to repay the grant and any associated penalty.

At present the debt owed to the Office of State Revenue ranks behind the interest of the mortgagee or other holder of an interest that is registered prior to the lodgement of any caveat. This is seen to reduce the capacity of these grant moneys to be recovered upon the sale of the property, including a sale by a mortgagee in possession. To reduce the potential for this type of loss, the amendment provides that once a caveat is lodged by the Chief Commissioner of Revenue in respect of the home that is recorded in the register kept under the Real Property Act 1900 the charge has priority over all other encumbrances, except land tax, so the Government effectively has first charge on the land. This helps to protect the overall funds available for the First Home Owner Grant Scheme and helps decrease the incentive for applicants to misrepresent themselves when applying. The proposed change will bring New South Wales into line with the grant legislation in place in other States and Territories. It is important that this last-step action will activate only where other penalties for non-compliance have failed to be paid. The Opposition welcomes and supports the legislation.

**Dr JOHN KAYE** [8.36 p.m.]: The Greens do not oppose the State Revenue Legislation Amendment Bill 2011. As the Hon. Adam Searle comprehensively outlined, the bill contains four key provisions. The first is extending the duty concessions for transfers of marketable securities in connection with persons changing superannuation funds to include transfers between a life company, or a custodian for a life company, and a trustee of a complying superannuation fund or custodian for that trustee. Secondly, it amends the Duties Act 1997 to provide concessional duties of \$500 on acquisition of interest in a landholder that results from a person ceasing to be entitled to benefits in one complying superannuation fund becoming entitled to benefits in another complying superannuation fund.

Thirdly, and probably most importantly, the bill provides an exemption from duty on the establishment of a special disabilities trust under the Commonwealth's Veteran Entitlements Act and on the transfer of property to these trusts. Finally, it amends the First Home Owner Grant Act 2000 to allow the collection of a recipient's liability to repay a grant and a penalty following the recipient's failure to satisfy the eligibility requirements and makes it clear that that is the first charge on the land. These sensible revenue measures should be supported. The special disabilities trust is very important. The trust enables families with children or loved ones who are severely disabled to create a trust that will take care of the accommodation and care needs of such an individual, hopefully throughout their life. It points again to the need for a national disability insurance scheme, which I think is gaining in support across all parties. It is clearly a good thing. The Greens do not oppose this legislation.

**The Hon. PAUL GREEN** [8.39 p.m.]: On behalf of the Christian Democratic Party, I indicate support for the bill. We believe that the Government has got it right.

**The Hon. GREG PEARCE** (Minister for Finance and Services, and Minister for the Illawarra) [8.39 p.m.], in reply: It is a great pleasure to speak in reply to debate on this bill. I must say I was most impressed by the erudite contribution made by the Deputy Leader of the Opposition. I know that he takes a great interest in these matters. Certainly in relation to the Duties Act, I was most impressed by his analysis of the amendments and the impact of the amendments on superannuation funds, including transfers between a life company or custodian for a life company and a trustee of a complying superannuation fund or custodian for that trustee.

I was also impressed by his having analysed the amendments in relation to the concessional duty of \$500 on acquisition of an interest in a landholder that results from persons ceasing to become entitled to benefits in one complying superannuation fund and becoming entitled to benefits in another complying superannuation fund and, in relation to the Duties Act, the exemption from duty on the establishment of a special disability trust. I thank all members who contributed to the debate. I commend the bill to the House.

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

**Motion agreed to.**

**Bill read a second time.**

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

### **Third Reading**

**Motion by the Hon. Greg Pearce agreed to:**

That this bill be now read a third time.

**Bill read a third time and returned to the Legislative Assembly without amendment.**

### **SPORTING VENUES AUTHORITIES AMENDMENT (VENUES NSW) BILL 2011**

#### **Second Reading**

**Debate resumed from 11 October 2011.**

**The Hon. LYNDIA VOLTZ** [8.43 p.m.]: The Opposition will oppose the Sporting Venues Authorities Amendment (Venues NSW) Bill 2011. This is a bill for an Act to amend the Sporting Venues Authorities Act 2008 and to repeal the Parramatta Stadium Trust Act 1988; to constitute Venues NSW; to abolish existing regional sporting venues authorities and the Parramatta Stadium Trust; to transfer the assets and liabilities of those bodies to Venues NSW; and for other purposes. According to the Government, the object of the bill is to establish Venues NSW to replace the Parramatta Stadium Trust and existing regional sporting venues authorities, and to transfer the assets, rights and liabilities of those bodies to Venues NSW.

Originally the Sporting Venues Authorities Bill 2008 was introduced by Graeme West. It allowed the Parramatta Stadium Trust, the Hunter Venues Trust and the Illawarra Venues Trust to have up to seven members each. That bill combined the Newcastle International Sports Centre Trust and the Newcastle Showground and Exhibition Centre Trust. As members know, they were two separate trusts but were situated on the same parcel of land. It made sense to combine them into one job lot as the Newcastle Venues Trust with legislative conditions that enabled the showground to continue to operate as a showground. At the moment the Hunter Venues Trust has three members: Glenn Turner, who is the chair, Keith Lynch and Cathy Tate. The Illawarra Venues Trust has seven members: Chris Christodolou, who is the chair, Vicki Tiegs, Judith Henderson, Ian Hunt, David Fanner, Lyn Kofod and Nick Hartgerink. The Parramatta Stadium Trust has seven members: Craig Gallagher, who is the chair, Pam Smith, who is the deputy chair, Alan Overton, Denis Fitzgerald, John Brown, Doris Drewery and Patrick Smith.

The Sporting Venues Authorities Amendment (Venues NSW) Bill 2011 that has been introduced by the Government dissolves those trusts and replaces them with a trust consisting of at least seven and not more than 11 members appointed by the Minister. Under the structure proposed in this bill, advisory committees may be established by a Minister or venues authority. The advisory committees will have at least three and no more than seven members who will be entitled to remuneration. They will be known as the Hunter Local Venues Council, the Illawarra Local Venues Council and the Western Sydney Local Venues Council. This bill effectively takes the 17 current board members to 11 board and 21 committee members, all of whom are entitled to remuneration, with at least the Illawarra venues board receiving no remuneration as part of that structure. Effectively it will add another layer of bureaucracy to the system and increase the number of paid trust positions while dismissing local community members who currently conduct the trusts.

There are many medium-size stadiums throughout New South Wales and they quite often compete with each other. While either the Minister or the authority may appoint the committee, only the Minister can dissolve

an advisory committee, including one set up by the authority. This bill does not provide for a Venues NSW Trust. Only certain venues and State-owned facilities have been included in the Venue Authority and many of those venues will compete with each other. Venues that have not been included in the venues strategy are the Sydney Cricket Ground and Sydney Football Stadium, and NSWIS, but they are both division 2 entities. Also not included are venues operated by Sydney Olympic Park, such as the Aquatic Centre, the Archery Centre, the Athletic Centre, the Hockey Centre, the Sports Centre and the Sports Hall. As a result of the way the venues are structured, the Wollongong Entertainment Centre and the Sports Hall in Sydney Olympic Park quite often compete with each other, particularly for events such as basketball and netball.

We know that the WIN Entertainment Centre has hosted finals for the Sydney Uni Flames basketball and a number of concerts, and has been in direct competition with venues such as the Acer Arena. The Sydney International Equestrian Centre and the International Shooting Centre are part of the Western Sydney Parklands, as is the Eastern Creek International Raceway, which competes with the Sydney Olympic Park Authority for V8s and the Sydney International Dragway, but they are not included in this venue structure. If a trust were to be established for the purpose of having an events strategy in New South Wales and an overview created of State-owned venues to go forward, the other State-owned venues would be included. What we will have is a hotchpotch consisting of Sydney Olympic Park, the Sydney Football Stadium and the Venues NSW Trust, but we will no longer have regional boards that will enable Newcastle, Illawarra and Parramatta stadium representatives to fight for events to be held in their centres.

Item [6] of schedule 1 to the bill inserts after section 21 (1) (d) new subclause (c1), which states:

to establish and manage community facilities and to establish and manage facilities for community and recreational purposes (whether or not on the authority's land),

I ask the Minister to elucidate on the meaning of community facilities and recreational purposes in that context. Currently authorities are allowed to establish and manage facilities for sporting activities but this is very different. Community facilities and recreational purposes are quite distinct functions.

The bill adds breaching conditions of entry as a reason for removal from a venue. At the same time it removes causing annoyance as a reason for someone being removed. Previously people could be removed for causing annoyance or inconvenience to other patrons. I ask the Minister to elucidate why "annoyance" has been removed. Annoyance and inconvenience have two different meanings. I am sure the Minister will be able to give a reasonable explanation for that.

This bill removes appointment by the Governor. Previously members of the trust were appointed by the Governor on the recommendation of the Minister. Now it is direct appointment by the Minister.

The Opposition will be opposing this bill. If the Government is going to have a venue strategy, it must be a comprehensive venue strategy for all State-owned venues so they can work with Events NSW. We should not have a hotchpotch—added levels of bureaucracy within the venues and more paid positions on committees—which takes away regional control. People in regional cities such as Newcastle and Wollongong will have to fight to attract events when they are in direct competition with other State-run facilities, particularly the Sydney Football Stadium, the Sydney Cricket Ground Trust and the Sydney Olympic Park Authority.

**The Hon. CHARLIE LYNN** (Parliamentary Secretary) [8.52 p.m.]: I support the Sporting Venues Authorities (Venues NSW) Amendment Bill 2011 because it will help secure a viable and exciting future for important community assets—our regional sporting and entertainment venues—as well as deliver many family and cultural events which add to the life of the community. These venues help to make the Illawarra, Hunter and Parramatta great places in which to live, work and visit. I emphasise that sporting and entertainment venues in the Illawarra, Hunter and Parramatta provide the opportunity for locals to enjoy great sporting matches, cultural events and family days out. These venues contribute considerable economic benefits for both their communities and the State through increased tourism and the creation of local employment by supporting service industries in regional communities.

As Sydney's second central business district and the demographic heart of Sydney, Parramatta has always enjoyed a reputation as being a great place to work. But Parramatta Stadium is now also helping to put Parramatta on the map as a fantastic destination to visit on the weekends. For the past three years Parramatta Stadium has played host to the Deepavali Fair. This annual Hindu festival known as the festival of the lights is the most widely celebrated festival for people from the Indian subcontinent. On Sunday 30 October this event will transform Parramatta Stadium into a spectacular community festival, with hundreds of Bollywood dancers, artists and food stalls, and will end with an amazing fireworks display. The Deepavali Fair is one of the main events of the hugely successful Parramasala arts festival and last year attracted more than 20,000 attendees.

Since June this year, Parramatta Stadium has also been home to the Cumberland County Fair and Market, which every Sunday provides Parramatta locals and visitors with the opportunity to shop for local produce and arts and crafts. Set amongst the trees in the Parramatta Stadium forecourt, and hosting live music, the market provides those attending with food and entertainment while they shop and keeps the kids busy on the family rides. While tourism numbers vary from event to event, I am informed that at the WIN Sports and Entertainment Centre in Wollongong the out-of-town attendance at major sporting and entertainment events can be as high as 40 per cent. This year WIN Sports and Entertainment Centre hosted 11 family shows including *Disney on Ice* and the Wiggles. In 2010 the family show market grew by 39 per cent and attracted more than 52,000 of the centre's total of 160,000 visitors.

Additionally, the Irish National Dance Championships were held at Wollongong Entertainment Centre recently. This was a five-day event attended by more than 1,000 people who travelled to Wollongong specifically to attend this event. It is estimated that attendees at this event spent on average \$200 a day on accommodation, meals, transport and other local services. This event alone contributed an injection of more than \$1 million dollars directly into the region. In 2008, independent research company Illawarra Regional Information Service conducted an economic impact statement of the WIN Sports and Entertainment centres. It found that the regional economic benefit to Wollongong was \$28.6 million per annum and that it generated local employment of 265 full-time equivalent jobs. This study was updated in 2009 to assess the economic impact of the completion of WIN Stadium's western grandstand. The completion of this project will increase the capacity of WIN Stadium by almost 4,000 seats to 23,150. With this project completed the regional economic benefit is estimated at being \$37.1 million per annum and flow-on increase in local employment to 346 full-time equivalent jobs.

On Sundays, the Newcastle showground now also hosts the Newcastle City Farmers Market where the community can buy direct from the farmer and crafts straight from the artist. Newcastle's Ausgrid Stadium has, for the past five years, hosted the world's biggest car boot sale. This is possibly the biggest garage sale in the Southern Hemisphere with more than 500 stalls and all things collectible, antique, original, vintage, second hand and new for sale. This year the Newcastle Entertainment Centre will play host to events for every age group including a health and lifestyle expo and the Wiggles.

I am happy to support the bill because it will create the opportunity to attract more major sporting and entertainment events to the Illawarra, the Hunter and western Sydney, boosting regional tourism and delivering significant economic benefits to those communities and to New South Wales. It will add to the quality of life and community atmosphere of these regions and provide these venues with a strong base from which they can continue to operate and grow in the future. By building on that strong foundation these venues will continue to provide not only great sporting and headline entertainment events but also the cultural and community events which breathe life into regional communities. That is why I support the bill.

**The Hon. SARAH MITCHELL** [8.56 p.m.]: I support the Sporting Venues Authorities (Venues NSW) Amendment Bill 2011. This bill establishes a new authority called Venues NSW which will consolidate New South Wales taxpayer-owned venues in the Illawarra, the Hunter and western Sydney. We all agree that sporting and entertainment venues are vital community assets. We owe it to the taxpayers of New South Wales to manage these public assets as efficiently as possible and to remove duplication where we can. This will be achieved through the establishment of local venues councils, which will help Venues NSW consult and engage with their local communities. Restoring our communities' faith in government by involving them in decisions that affect them is a key priority for this Government and local venues councils will be a great example of this.

Representatives on these local venues councils will be everyday people who are passionate about the role that their local sport and entertainment venues have in making their community a better place in which to live, work and visit. They will review future plans for improvements to the venues to ensure that they meet the community's needs both now and in the future. They will work with Venues NSW on strategies to increase local participation in sport and recreation so that we will build more active, stronger and healthier communities. Finally, and most importantly, they will work with Venues NSW to develop new ideas about ways to boost the use of these venues and increase local events and regional tourism. The chairs of the three local venues councils will sit on the Venues NSW board, ensuring that local communities have a voice at the highest level.

The venues to come under the management of Venues NSW include Parramatta Stadium, WIN Stadium and WIN Entertainment Centre, Ausgrid Stadium, Newcastle Entertainment Centre and Showground and a number of other venues managed by the Hunter Region Sporting Venues Authority. This bill does not preclude the continuation of existing contracts with suppliers, sporting organisations or sponsors from going

ahead. It makes good commercial sense that the management of these important public assets be consolidated. The reforms contained in this bill will provide an opportunity for cost savings that are expected to flow from sharing procurement, merging contracts that are common across the venues and sharing staff who have expertise important to all venues, such as financial services and asset management. Implementing the reforms contained in this bill will not require any additional resources because the new management structure can be funded from existing resources.

Queensland and Western Australia are already considerably further down the path of consolidating their publicly owned sporting and entertainment venues. The new business model for government-owned sporting and entertainment venues proposed in this bill has proved to be very successful in Queensland. This year Stadiums Queensland will celebrate its first decade of operation. A decade ago sporting and entertainment infrastructure in Queensland was lagging behind the rest of Australia. Today it can compete successfully for world-class sporting and entertainment events and secure the social and economic benefits that flow from them for Queensland.

Stadiums Queensland now owns and operates nine major sporting and entertainment facilities, which equates to more than \$1.5 billion worth of infrastructure developed and maintained to attract major events to Queensland. Some of the venues managed by Stadiums Queensland include Skilled Park, the Gabba, the Queensland Tennis Centre and the Brisbane Entertainment Centre. In 2009-10 more than 4.3 million people attended events or used facilities at Stadiums Australia venues. On average, patrons visited those venues five to six times a year and 83 per cent said that they would definitely come back again. Independent research shows that Stadiums Queensland injects more than \$308 million into the Queensland economy and provides employment for 2,050 people.

In 1986, Western Australia also consolidated its major State-owned sporting facilities. VenuesWest now manages eight government-owned sport and entertainment venues including the Western Australian Rugby Centre, Arena Joondalup, Challenge Stadium, Perth Motorplex, the Western Australian Basketball Centre and the soon to be completed jewel in Western Australia's crown, the Perth Arena. I support this bill because it is an approach that has been tried and tested in Queensland and Western Australia. The new business model being proposed by this bill will provide the opportunity to improve our competitiveness in attracting major events and tourism to New South Wales. It will also provide the right base upon which to build the commercial performance of these important public assets. I commend the bill to the House.

**The Hon. JEREMY BUCKINGHAM** [9.04 p.m.]: I speak as The Greens spokesperson for sport on the Sporting Venues Authorities Amendment (Venues NSW) Bill.

**The Hon. Charlie Lynn:** Are you a good sport?

**The Hon. JEREMY BUCKINGHAM:** I am a good sport. However, this legislation is not good sport; in fact, it is not cricket. The Greens do not support this bill because it will disempower local communities that have significant cultural attachment to these venues.

**The Hon. Charlie Lynn:** You can't stack as many of your mates on the new boards as you could on the old ones.

**The Hon. JEREMY BUCKINGHAM:** The Greens certainly do not support a stack of mates being appointed to boards. We support community empowerment and community ownership and control of boards. Any amendments that would enshrine in law the appointment of local representatives would slightly improve the legislation, but the general concept of centralising control of regional sporting venues would still exist. It is concerning that this legislation deals with venues in the Hunter and the Illawarra, because those communities have a particular attachment to their local facilities. It will be interesting to see the response of those communities to this legislation. At this stage The Greens do not plan to move any amendments to the bill, but we will vote against it. I understand that the Opposition does not support the bill but also will not move any amendments.

This bill amends the Sporting Venues Authority Act 2008 to replace regional sporting venues authorities with a single authority, known as Venues NSW, which will oversee regional sporting venues. The entities impacted by this legislation are the Illawarra Venues Authority, the Parramatta Stadium Trust and the Hunter Regional Sporting Venues Authority. The Greens' concerns have been well elucidated by the

Hon. Lynda Voltz. Like the Opposition, we are concerned that this legislation does not capture other State-owned sporting venues and will therefore put them in competition with Venues NSW. That means there will be no truly integrated events strategy in this State.

**The Hon. Michael Gallacher:** Do you want it bigger?

**The Hon. JEREMY BUCKINGHAM:** We might consider that. The problem is that the stated objective will not be achieved by this legislation. The bill also amends the Act to provide that council members are appointed by the Minister rather than the Governor. That is a concern because the Minister might appoint council members who support his views—they could even be mates.

**The Hon. Michael Gallacher:** I don't have any mates.

**The Hon. JEREMY BUCKINGHAM:** I am sure that between them Government members might be able to drum up seven or 11, although the Hon. Dr Peter Phelps would struggle.

**The Hon. Michael Gallacher:** What about Lee Rhiannon?

**The Hon. JEREMY BUCKINGHAM:** She has potential because she has a keen interest in sport. The bill provides that the board will be able to establish regional advisory councils to advise on local issues. The term "advisory council" is a euphemism for disempowering the community. The council appointees will also be entitled to remuneration and allowances as determined by the Minister.

The bill also specifies the establishment of three local venues councils: Hunter Local Venues Council, Illawarra Local Venues Council and Western Sydney Local Venues Council. The Hon. Sarah Mitchell said that these councils will be involved in decision-making, but in reality decisions will be made by the board. That is always a concern because board members will be appointed by the Minister and the legislation contains no reference to who will be appointed, although there is a broad view about that. As the Hon. Charlie Lynn said, these venues are used for functions other than sporting events; they are used for cultural events, festivals, the arts and many other community events.

The Greens are concerned about the centralisation of administration and the removal of regional management. This bill will disempower the community. The Government's support of decentralisation is clear, given its determination to move the Cronulla Fisheries Research Centre, but it is doing the opposite with this legislation and centralising power to the detriment of regional communities. Centralised administration cannot hope to be influenced by local advisory councils, which will have no power and which will be stacked with ministerial appointees.

This bill will diminish the venues ability to respond to local needs and will make it more difficult for local communities to engage with a venue on non-major event coordination. It also creates the potential for centralisation of jobs from regions such as the Illawarra and the Hunter. The bill will reduce opportunities for local contractors and suppliers, given the move to centralised purchasing policies, and the boards will be less engaged with local communities. The regional authorities that are being incorporated into Venues NSW can now compete with other State-owned venues or even among themselves to attract events to their region, but centralisation will mean that local communities will lose the ability to make those decisions.

The Greens are concerned that both the centralised Venues NSW board members and the legislated regional advisory council members will be appointed by the Minister. Members suggested by way of interjection that this legislation is designed to avoid jobs for the boys. The new appointees will be remunerated and that concerns The Greens. It is also in contrast to the Act, which provides that the Governor made appointments on the Minister's recommendation. There is no provision in this legislation, nor was it suggested in the second reading speech, that the chairs and members of the local advisory councils will be appointed to the central board. We will see whether that happens in practice, and I hope it does. The Greens require a guarantee of local government, community, arts and cultural membership on the councils as a minimum to ensure that local interests are appropriately represented.

**The Hon. SCOT MacDONALD** [9.09 p.m.]: I support the Sporting Venues Authorities Amendment (Venues NSW) Bill 2011. This bill aligns with the Government's campaign endeavours to make New South Wales the number one State. We will do so by lifting the bureaucratic load wherever we can and focusing on the provision of services to the good people of New South Wales. The bill amends the Sporting Venues Authorities

Act 2008, repeals the Parramatta Stadium Trust Act 1988 and establishes a new authority, Venues NSW. The Illawarra Venues Authority, Parramatta Stadium Trust and Hunter Region Sporting Venues Authority will be dissolved and their assets, rights and liabilities transferred to Venues NSW, which will be governed by one board.

A priority of the bill is to ensure that local communities continue to be directly involved in the management of local venues. Three local venues councils will be established to provide advice to Venues NSW on the needs of the Illawarra, Hunter and western Sydney communities. That goes a long way towards answering the concerns of The Greens. This reform will mean that these New South Wales government-operated venues can be managed as a single portfolio under the leadership of a new head of Venues NSW. The venues that will come under Venues NSW management include Parramatta Stadium, WIN Stadium and WIN Entertainment Centre, Ausgrid Stadium, Newcastle Entertainment Centre and Showground, and other venues managed by the Hunter Region Sporting Venues Authority.

This does not preclude the continuation of existing contracts with suppliers, sporting organisations or sponsors from going ahead. The establishment of Venues NSW will support better commercial outcomes. Cost savings are expected to flow from sharing procurement, consolidating contracts for services and staff being shared across the venues in areas such as finance and asset management. The Venues NSW board will have up to 11 members, including the chairs of each Local Venues Council and an employee from the Office of Communities. A venues manager and staff will be in each region, ensuring that local venues continue to provide local input and employment. I commend the bill to the House.

**The Hon. PAUL GREEN** [9.12 p.m.]: On behalf of the Christian Democratic Party, I support the Sporting Venues Authorities Amendment (Venues NSW) Bill 2011. The bill amends the Sporting Venues Authorities Act 2008 and repeals the Parramatta Stadium Trust 1988. It also establishes a new authority, Venues NSW. The Christian Democratic Party notes that the venues initially affected by the bill will be Parramatta Stadium, WIN Stadium and WIN Entertainment Centre, Ausgrid Stadium, Newcastle Entertainment Centre and Showground, and other venues managed by the Hunter Region Sporting Venues Authority. This reform will mean that these New South Wales government-operated venues can be managed as a single asset portfolio.

Whilst the Hon. Jeremy Buckingham made some good arguments, I am sure these efficiencies and centralisation will assist us to govern these venues and produce better outcomes for local communities. The bill has the potential for other government-operated venues to join in the future. I assume if the legislation is successful that will occur, but if it fails the Government will draw back from the opportunity to include other venues. The Christian Democratic Party notes that the benefits of establishing Venues NSW, which will support commercial outcomes and produce cost savings, include the sharing of procurement. The Hon. Jeremy Buckingham said that sharing procurement could be good or bad.

One example of sharing procurement is the sharing of farming resources throughout rural and regional Australia. When farmers join together they may be able to obtain a product in Sydney at a cheaper price than they are able to obtain it in their local community. The problem is that local communities need local investment. If farmers join together and procure products from another centralised region they can cripple their local economy. I share the concerns of the Hon. Jeremy Buckingham about such vulnerabilities. When implementing this bill I hope the Government is mindful that sharing procurement is done wisely. It could be noted that the procurement of products takes place in rural and regional Australia rather than in the city, even though the city price may be cheaper because of lower delivery costs.

A further benefit of the commercial outcomes and cost savings of Venues NSW is the consolidation of contracts for services. Once again, we must ensure that contracts for services are not just city based and that weightings are applied to rural and regional Australia, particularly in the Illawarra and similar regions where suppliers cannot skim off the cream to get the edge on their competition. It could be noted that value-adding is required and that contracts for services are made with businesses in regional areas where the stadiums are located, as well as other outlets the Government may take under its wing. The bill does not preclude the continuation of existing contracts with suppliers, sporting organisations or sponsors from going ahead. That is an important provision.

Community engagement is also important and a priority of the bill is to ensure that local communities continue to be directly involved in the management of local venues. If local communities are left out, it will be the first indication of a hole in the dam wall and it will not be long before these venues fail. They depend on local communities buying into their operations through membership and other forms of investment that local

communities make in local sporting venues, particularly the large stadiums. Local venues councils will consult with stakeholders to ensure that venue operations meet regional needs. They will work with Venues NSW and provide feedback to the community about regional plans and initiatives.

Local venues councils will also provide advice on improvements to venues and have input into the development of plans relating to venues, such as venue master plans. Such plans are important not only to inform stakeholders but also to meet community requirements, such as access for the disabled. Local venues councils will ensure that a holistic approach is taken to master plans. They will provide advice on strategies to meet the Government's priorities linked to increasing regional events and tourism, sport and recreation development, and community participation. The Venues NSW board will have up to 11 members. The Hon. Jeremy Buckingham referred to teams. The way to obtain a thorough and effective outcome is to build a like-minded team of people who will achieve the vision put before them. I commend the bill to the House.

**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [9.17 p.m.]: I thank all members for their contributions. I was disappointed by the contribution of the Opposition member, who indicated opposition for the legislation but did not really say why. The Greens representative who spoke to the bill gave far more relevant reasons for their concerns compared to the contribution by the Australian Labor Party member. The Labor member asked a number of questions but did not remain in the House to listen to any answers. I will try to do my best with what I have before me.

The Government is establishing Venues NSW, a new authority to manage government-owned sporting and entertainment venues at Parramatta, Wollongong and Newcastle. Venues NSW will consolidate the Illawarra Venues Authority, Parramatta Stadium Trust and Hunter Sporting Venues Authority in one organisation, managed by one governing board. The venues that will come under Venues NSW are Parramatta Stadium, WIN Stadium and WIN Entertainment Centre in Wollongong, Ausgrid Stadium, Newcastle Entertainment Centre and Showground, and other venues managed by the Hunter Regional Sporting Venues Authority. Local communities will continue to have a say in how the venues are managed through local venues councils, which will be established in the Hunter, the Illawarra and in western Sydney.

That nub of the concerns raised, particularly by The Greens, is ensuring local representation in the management of these venues. It has always been our view that the local community can be trusted to know what should be done about the venues set out in the legislation. This Government intends to consult the community. The Government recognises the need for consolidation on the management approach to these stadiums and associated facilities. The previous Government made a mess of consultation in Newcastle and the Hunter Valley. It vilified those who were running sporting organisations in the area. Despite considerable community support for the redevelopment and continuing development of these facilities, the community lost confidence in the process.

Whilst the clubs were trying to do the best they could to build facilities, the previous Government was doing its best to cause a loss of confidence. This was felt in relation to the Ausgrid stadium and the Newcastle Entertainment Centre. We need good management of these venues. Over the years successive governments, councils and local communities have made considerable investment in these facilities. This bill will ensure that the potential of those facilities is maximized and achieved free of political interference and that local communities maximise their potential to play a role through local boards. I am keen to see the developments in Newcastle and the Hunter progressed with the passage of this long overdue legislation. I commend the bill to the House.

**Question—That this bill be now read a second time—put.**

**The House divided.**

**Ayes, 17**

Mr Blair	Mr Green	Mrs Mitchell
Mr Borsak	Mr Khan	Mrs Pavey
Mr Brown	Mr Lynn	Mr Pearce
Ms Ficarra	Mr MacDonald	<i>Tellers,</i>
Mr Gallacher	Mrs Maclaren-Jones	Mr Colless
Mr Gay	Mr Mason-Cox	Dr Phelps

**Noes, 15**

Ms Barham	Mr Moselmane	Mr Veitch
Mr Buckingham	Mr Primrose	
Mr Donnelly	Mr Searle	
Ms Faehrmann	Mr Secord	<i>Tellers,</i>
Mr Foley	Ms Sharpe	Ms Fazio
Dr Kaye	Mr Shoebridge	Ms Voltz

**Pairs**

Mr Ajaka	Ms Cotsis
Mr Clarke	Mr Roozendaal
Ms Cusack	Ms Westwood
Miss Gardiner	Mr Whan

**Question 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 Gallacher 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 Order of the Day No. 9 postponed on motion by the Hon. Greg Pearce.**

**LOCAL GOVERNMENT AMENDMENT (ROADSIDE VEHICLE SALES) BILL 2011****Second Reading**

**The Hon. GREG PEARCE** (Minister for Finance and Services, and Minister for the Illawarra) [9.31 p.m.]: I move:

That this bill be now read a second time.

The Local Government Amendment (Roadside Vehicle Sales) Bill 2011 proposes that the Local Government Act be amended to give councils the power to erect notices to prohibit the parking of a vehicle on a road or road-related area for the purpose of offering the vehicle for sale. Like other activities undertaken contrary to notices erected by councils, contravention of the notice would constitute an offence that attracts a maximum fine of 10 penalty units, which presently equates to \$1,100. In addition, the offence would be one for which a penalty notice may be issued, currently \$110. Penalty notices of this type may be issued by the police and council rangers. The penalty notice system would operate following the amendment, which will explicitly allow the signage erected to be enforceable.

The object of the bill is to deter persons from parking vehicles on roads for the purposes of sale in circumstances in which that is likely to cause inconvenience or loss of amenity to nearby residents and businesses. Victoria Street, Potts Point, and Brougham Street, Woolloomooloo, have been identified as places where this activity presents concern for the council of the City of Sydney and local residents. Local residents are

understandably upset because this stops them accessing local parking and makes it extremely difficult for delivery vans to park while they service local businesses. While very mindful of these concerns, the Government has recommended to the City of Sydney council alternative measures that can be implemented under existing legislation. These include time-restricted parking and metered parking. However, I am advised that these alternatives are opposed by the residents and business operators in the locality.

Nevertheless, the Government readily acknowledges that the residents and business operators in the locality face problems with this activity. The Government proposes the amendments so as to provide affected residents and business operators with early relief from issues arising from the sale of vehicles on these residential streets. That is why the action that the Government is taking will complement the City of Sydney council's decision to reinstate a section of a local car park as a designated park and sell point for backpacker vehicles. Having an alternative park-and-sell location is important to the Government as the people who own these campervans contribute to our tourism industry. I also emphasise that this legislation will not restrict mums and dads anywhere else who have their cars for sale from parking their vehicles in their street.

Although this issue appears to be localised to the Sydney city council area, other councils that may experience these types of issues in the future will be able to apply to the Minister for Local Government to include their local government area in the regulation. The Government believes this problem is an isolated issue, unique to Victoria Street, Potts Point, and Brougham Street, Woolloomooloo, and does not require legislation of statewide application. I commend the bill to the House.

**The Hon. PAUL GREEN** [9.35 p.m.]: I was going to try to draft amendments to the Local Government Amendment (Roadside Vehicle Sales) Bill 2011 this afternoon in the belief that the House would consider it tomorrow. I want to ensure that councils have the last word on what areas will be either sterilised or open to communities for roadside vehicle sales. In the Shoalhaven there are areas where people park on a Saturday to sell their cars. Many of those people are mums and dads who place their cars in areas off the Princes Highway where there is a high turnover of traffic and therefore more prospective buyers. Sometimes there are 30 or 40 cars parked in those areas, which give rise to some concerns. Car dealers are always a bit nervous when they see someone making a buck out of private sales, and it should be noted that many of those dealers do a great job by employing many people.

I am concerned that if local government does not have a say in this matter the State Government will exercise a broad-spectrum power and sterilise all rural, regional or city areas where people—who may be doing it tough or facing hard times and need to make a couple of bucks—display their vehicles for sale. For people in those situations one of the first things to go is the second or third car. We do not want to deny mums, dads and young people the opportunity to upgrade their vehicles. There is ample room in road reserves throughout local government areas so there should be appropriate places where people can try to flog off their cars and make some money. That right should be protected.

I also note the need for risk management in those areas, as people tend to stop to look at the cars, which causes other drivers to do the same. While the Government notes the external issues in relation to roadside vehicle sales, at the end of the day local governments should make the decision as to whether it is allowed in their area. The Christian Democratic Party does not oppose the bill but notes that it will give councils the power to prohibit the parking of vehicles on certain public roads for the purpose of offering vehicles for sale. Currently section 632 (2) (a) of the Local Government Act 1993 prevents councils from enforcing a notice that prohibits or regulates the parking or the use of a vehicle on a public road. The bill specifies that that section does not prevent councils from putting up notices to ban the offering of vehicles for sale on a road. It is noted that the bill specifically refers to public roads. I wonder whether the member for Sydney, Clover Moore, has overlooked the fact that public reserves should also be included.

**The Hon. Amanda Fazio:** She only ever thinks about the City of Sydney; she doesn't care about the rest of New South Wales.

**The Hon. PAUL GREEN:** She is Sydney-centric. I am not surprised—she is the Lord Mayor and I would expect her to be passionate about her backyard. But I am also passionate about my backyard, and I note that perhaps the bill should be amended to refer to "public roads and public road reserves". The Christian Democratic Party commends the bill to the House, but with some hesitation.

**The Hon. SOPHIE COTSIS** [9.40 p.m.]: I lead for the Opposition in debate on the Local Government Amendment (Roadside Vehicle Sales) Bill 2011. At the outset, I inform the House that the Opposition supports

the bill but I foreshadow that we will move two amendments to it in Committee. Last month I visited Victoria Street, Points Point, to meet with some of the local residents and business owners, having received hundreds of emails and telephone calls—

**The Hon. Duncan Gay:** Thousands, on your email account.

**The Hon. SOPHIE COTSIS:** Why do we not go to Victoria Street and I will introduce the Minister to all the residents.

**The Hon. Duncan Gay:** Thank you for the invitation.

**The Hon. SOPHIE COTSIS:** I will introduce them to the Minister; they are lovely people.

**The Hon. Greg Pearce:** After our camping trip.

**The Hon. SOPHIE COTSIS:** I have a suggestion about the camping trip.

**The Hon. Greg Pearce:** What is it?

**The Hon. SOPHIE COTSIS:** I will not reveal that now, but I have a suggestion about the camping trip. I understand that hundreds of representations were also made to the Minister for Local Government. The member for Sydney made representations to the Minister for Local Government about this issue as well as to other members and to me. The business owners and residents of Victoria Street whom I met have had enough of backpackers camping in vans outside their homes or businesses while waiting to sell their vehicles. The Opposition is not opposed to people placing "For Sale" signs on their vehicles in an attempt to sell them.

But business owners are concerned about having 20 to 30 backpacker vans parked in front of their shops as it makes parking difficult for their customers. One shop owner told me that in the past couple of months his trade has decreased by 30 per cent and that he has had to put off two staff members. Other residents told me of their experiences, including backpackers urinating in front of their businesses and homes and generally doing the sorts of things that backpackers do. Importantly, ratepayers, local residents and business owners of Victoria Street, Kings Cross, should be able to park their vehicles outside their homes and businesses. I understand their concerns and I thank them for bringing this issue to the attention of their local member.

Labor's position on this issue is simple: A residential street is not a used car yard. Labor does not believe suburban streets should become shantytowns for backpackers selling their second-hand campervans. Efforts by the local council to address this problem through mechanisms such as limited parking times and "No Stopping" signs have proved inadequate. Backpackers have blocked driveways and used other schemes to evade action by council officers. The Opposition agrees with the local residents and business owners that enough is enough. One resident I spoke to was so upset that he was considering selling his home. He felt that he could not leave his home without being abused. The member for Sydney has organised a car market for selling backpacker campervans at a Kings Cross car park, and I applaud her for that initiative.

The bill amends section 632 of the Local Government Act specifically to enable a council to erect a notice to prohibit the roadside parking of vehicles being offered for sale. Breaching the notice will carry a maximum penalty of \$1,100. It has been argued that section 632 could be used to deal with the unauthorised sale of motor vehicles. The section currently enables a council to erect a notice prohibiting the "doing of anything" in a public place. While these provisions may have some potential, their wording does not provide a great deal of clarity. The bill will provide clarity and give councils a firm basis on which to deal with the unauthorised sale of motor vehicles.

**The Hon. Trevor Khan:** So you like the bill?

**The Hon. SOPHIE COTSIS:** I just indicated the Opposition's support for the bill.

**The Hon. Trevor Khan:** Excellent.

**The Hon. SOPHIE COTSIS:** Was the member not listening?

**The Hon. Trevor Khan:** It's 9.45 p.m.

**The Hon. SOPHIE COTSIS:** I will not apologise for standing up for ratepayers—

**The Hon. Trevor Khan:** That is why the bill is before the House.

**The Hon. SOPHIE COTSIS:** That is what I am doing; I am debating the bill. The Opposition has indicated that it will support the bill with amendments. The Opposition will move two amendments in Committee to address potential unintended consequences.

**The Hon. Trevor Khan:** Oh, God!

**The Hon. SOPHIE COTSIS:** If the Hon. Trevor Khan does not like it, he should leave the Chamber. It is not uncommon for Australians to attempt to sell their vehicles privately.

**The Hon. Greg Pearce:** It's a great Aussie tradition.

**The Hon. SOPHIE COTSIS:** It is a great Australian tradition to park our cars out the front of our homes with a little "For Sale" sign on the windscreen. I have done it a number of times. I support selling vehicles in a free market. There has to be an appropriate place for backpackers to sell their vehicles but it is not in front of ratepayers' homes. An ordinary citizen who attempts to sell a vehicle privately could come into conflict with some of the measures proposed in the bill, and the Opposition is keen to ensure that that does not happen. To protect ordinary families—the mums and dads—who want to sell their vehicles the Opposition will move an amendment to make it clear that a council cannot issue a fine in respect of a vehicle registered in the name of a resident of the area to which the vehicle sale notice relates. Local residents will still be permitted to offer their private vehicles for sale by using a simple "For Sale" or similar sign.

The second amendment to be moved by the Opposition in Committee seeks to ensure that a council is required to directly notify each resident of an area that is likely to be affected by the proposed notice and to invite submissions to be made within 30 days of the notification. The council is also to consider any submissions made within that period. Any good council will normally consult with residents before putting up notices of the kind contemplated in the bill. This amendment should not add unduly to the workload of councils but it will guarantee that local residents will have a strong say in whether they want to prohibit roadside vehicle sales in their area.

I note that the Government moved an amendment in the other place that the effect of this bill will be limited to the City of Sydney, which we supported. It is also my understanding that the Government amendment will allow additional councils to be included by way of regulation. This will enable councils to apply directly to the Government to use this new power. This seems to be a sensible way forward. Accordingly, the Opposition will support this bill providing it is in the same terms as in the other place and which I have outlined.

I acknowledge the input I received for this bill from my parliamentary Labor Party colleagues, particularly the contribution of the member for Heffron, Kristina Keneally. She was fantastic. She gave a brilliant speech representing her constituents as the member for Heffron. As many members would know, the City of Sydney local government area covers many suburbs in the Heffron electorate such as Redfern, Beaconsfield, Rosebery and Zetland. I also thank the businesses, shop owners and residents of Victoria Street who have put up a fantastic fight and ensured that all sides of politics listened to them. I congratulate them on their efforts. I thank the member for Sydney and her staff for briefing me. I also thank the staff of the Minister for Local Government. The Local Government Amendment (Roadside Vehicle Sales) Bill proposes a sensible way forward to deal with a growing problem in many local communities.

I consulted the Local Government and Shires Associations to seek some guidance during my research on this bill. I understand that Coffs Harbour and a number of rural councils and Blacktown council and a number of metro councils have a similar problem with roadside vehicle sales. It may not necessarily be in their residential streets, but some told me that there are cars parked out on the Pacific Highway up in Coffs Harbour. In places such as Blacktown or Penrith people park vehicles for sale on council land. They indicated to me the ways in which they deal with those issues. I thank them for providing me with that information. The Opposition supports the bill, noting the matters that I have already raised and the Opposition's foreshadowed amendments.

**Mr DAVID SHOEBRIDGE** [9.52 p.m.]: The Greens support the Local Government Amendment (Roadside Vehicle Sales) Bill 2011, a short bill that is worthy of a modest contribution in this House. It deals with a real issue that has arisen in the City of Sydney and it has been appropriately brought to the attention of

the Parliament by the Lord Mayor and member for Sydney, Clover Moore. Large numbers of overseas visitors use Victoria Street and a street in Woolloomooloo to park their cars or campervans and they live in them sometimes for days or weeks with a "For Sale" sign out the front, which aggravates neighbouring residents. The Hon. Jan Barham thought I could not fit the words "defecation" and "copulation" into this contribution—but I just have. That kind of activity has been reported regularly on those streets, together with overflowing public garbage bins, late night drinking, late night music—

**The Hon. Dr Peter Phelps:** Late night drinking in the Cross? Late night music? What an outrage!

**Mr DAVID SHOEBRIDGE:** I note the interjection from the Government Whip. But when it is happening night after night until 2 o'clock or 3 o'clock in the morning without any control it is easy to see why local residents and business owners are concerned. It is good to see the Minister supporting it; there does not seem to be the same support from the Government bleachers. But there is a real concern. I note the contribution of the Hon. Paul Green, who was concerned about it relating only to public roads. I think that was addressed by an amendment in the lower House which now has it relate to a road or road-related area, so it does have sufficient application and will cover those areas. Its initial rollout will be limited to the City of Sydney. There is a capacity to expand it to other areas by regulation if it is successful in Sydney and needed in other areas.

One of the principal reasons The Greens feel comfortable to support this bill is that the City of Sydney has established an alternative place for vehicle sales to occur. There will be a place for these travellers to have an active market where they can sell their campervans, as of course they should have. We want to encourage people to come to this country, travel around, enjoy themselves, live in campervans, see all the sites and then have an area where they can sell their campervans at the end of their stay. That is obviously sensible. It is unfortunate that the City of Sydney shut it down a couple of years ago, which in some ways created this problem and delivered the market in these areas. Clearly that was an oversight at the time, which I think the City of Sydney recognised, and that is why it has taken these steps to re-establish the market.

There has been some discussion about the fact that this bill will not fix the problems in places such as Byron Bay, Coffs Harbour and the like. I do not think it will fix the problem in Byron Bay. The Hon. Jan Barham directed a concern to me, that is, that roadside sales in Byron Bay are not the main issue. No groups of campervans are parked for sale in some of the hot tourist spots of Byron Bay, Shoalhaven or Coffs Harbour. Strips of mainly coastal roads are occupied by campervans and travellers simply because it is a good spot for them to set up camp. They get a bunch of travellers together and develop a bit of a community. The same antisocial problems occur but they are not related to the sale of vehicles.

It will be interesting to see how this bill operates in relation to the City of Sydney. I think the City of Sydney is a good place to try it out because it has an alternative place of sale. The Greens have only just seen the Labor amendments, which appear somewhat unworkable in practice and The Greens do not support them. The people of Potts Point and Woolloomooloo are keen to see this bill become law. It would be good to see it become law tonight. For reasons I will address briefly when this matter goes into Committee The Greens will not support the amendments.

**The Hon. JAN BARHAM** [9.57 p.m.]: I support the Local Government Amendment (Roadside Vehicle Sales) Bill 2011. I thank Mr David Shoebridge for his contribution and for taking up the challenge and raising antisocial behaviour. I reiterate that I come from an area that has a problem with vehicles being used as overnight or longer-term living quarters, which results in antisocial behaviour. This is where councils have to think about the rights of residents. The problems in Byron shire are not necessarily caused by roadside vehicle sales. I do not think this bill will deal with the concerns of people in areas such as Byron shire, which is a tourist town. In recent years people have come to the area in Wicked Campers and Jucy Rentals.

The Hon. Amanda Fazio was concerned about the fact that they cannot afford to pay to park their vans in a camping ground. The tourism issue must be addressed. We must think about whether it is in the community interest to put money into looking after an area, managing it, responding to garbage requirements and looking after tourists amenities if they do not make a contribution. I do not think this bill will address the concerns of my community and the North Coast community, but they are valid concerns for the City of Sydney. The Government must consider the rights of residents and the ill effects that some of these types of activities will have on local residents and businesses. I support the bill.

**The Hon. GREG PEARCE** (Minister for Finance and Services, and Minister for the Illawarra) [9.59 p.m.], in reply: I thank all those members who participated in debate—the Hon. Paul Green, the

Hon. Sophie Cotsis, Mr David Shoebridge and the Hon. Jan Barham. Essentially, as the Hon. Jan Barham pointed out, we all agree that there is a great Australian tradition of being able to sell one's car by putting a sign on it on the street. Also, there is wide acceptance that backpackers make a great contribution to the Australian economy through tourism, and there is acceptance of the trade that goes with that. However, the people in Potts Point in particular have had their residences and businesses interrupted by what has become a real trade.

As Mr David Shoebridge pointed out, part of the problem is that the City of Sydney got a bit antsy a few years ago and the killjoys on the council managed to find a new way to kill joy and closed the alternative place for sales. At first the bill will impact on the City of Sydney but there is a regulatory power to extend the legislation to other areas. The intention is that with the introduction of this legislation Sydney council will be obliged to provide an alternative place for these sales to take place. On that basis 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.**

### **In Committee**

**Clauses 1 and 2 agreed to.**

**The Hon. SOPHIE COTSIS** [10.02 p.m.], by leave: I move Opposition amendment No 1 on sheet C2011-083F and Opposition amendment No. 1 on sheet C2011-092D in globo:

No. 1 Page 2, clause 3. Insert after line 19:

- (2C) A notice referred to in subsection (2B) does not apply in relation to the parking of a vehicle registered in the name of a resident of the area to which the notice relates.

No. 1 Page 2, clause 3. Insert after line 19:

- (3) Section 632 (4)

Insert after section 632 (3):

- (4) Before erecting a notice referred to in subsection (2B), the council must:
- (a) directly notify each resident of the area that, in the opinion of the council, is likely to be affected by the proposed notice and invite submissions to be made within 30 days of the notification, and
  - (b) consider any submissions made within that period.

The first amendment will ensure that any such notice does not apply to the parking of a vehicle registered in the name of a resident of the area to which the notice relates. That is, any resident of the area who has a vehicle registered in his or her name will still be able to sell a vehicle on the street. The second amendment inserts a new subsection in section 632. This means that the council will be required to directly notify residents in the area that in the opinion of the council they are likely to be affected by the proposed notice, to invite submissions to be made within 30 days of the notification, and to consider any submissions. That is a straightforward request. The Government continually tells us about empowering communities and consulting the community. The amendment is important to ensure that residents who will be affected are consulted before a sign is erected and there is a management plan regarding where the notices will be.

**The Hon. GREG PEARCE** (Minister for Finance and Services, and Minister for the Illawarra) [10.05 p.m.]: The Government does not support these amendments. The first amendment relating to local residents' registered cars is simply unworkable. Part of the basis of this bill going forward is that there will be a place close by for vehicles to be put up for sale, and local residents can use that as well. In relation to the 30-day consultation period, the traffic committees in the local area have already been consulted. Perversely, contrary to the Opposition's intention, if the amendment is passed that would have the effect of delaying what councils can do by at least another 30 days and probably 60 days. The Government opposes the amendments.

**Mr DAVID SHOEBRIDGE** [10.06 p.m.]: The Greens do not support these amendments and I will briefly explain why. First, the amendment providing that a notice referred to in subsection (2B) does not apply

in relation to the parking of a vehicle registered in the name of a resident of the area to which the notice relates simply would not work because a parking ranger going down a street would not be able to tell whether a vehicle was owned by a resident.

**The Hon. Sophie Cotsis:** It would be the council. It would be consultation.

**Mr DAVID SHOEBRIDGE:** The council does not have live access to that kind of information to enable parking rangers to work that out when they are walking down the street. It simply would not work in practice: if the amendment were agreed to it would defeat the bill. It is unfortunate that we received the amendment at this late hour. The amendment would defeat the purpose of the bill because it would be totally impractical for council rangers to be able to do an online live search of the Roads and Traffic Authority database to work out whether a vehicle in front of them was registered to a resident of the street. For that reason The Greens do not support that amendment.

There are two primary faults with the second amendment, which would insert an additional subclause in section 632. The first fault relates to the phrase "directly notify each resident of the area". If there is a family of five, on this reading the council would have to directly notify every resident. For example, it would have to notify the five-year-old, the four-year-old, the three-year-old and the 14-year-old. The meaning of "directly notify" is a little mysterious. Would a letter satisfy that requirement, or would it need to be some kind of more direct notice? Another more important problem with the amendment is that it does not recognise that local government is already good at and goes through consultation.

Anyone who has been on a local council knows that when it comes to changing street signage, which sometimes prohibits parking, it has a more fundamental impact on residents than simply limiting to some degree the purpose for which residents can park on a street. A council can prohibit parking on an entire street and make an entire street a no-stopping zone, which would go through the existing consultation provisions relating to traffic committees. There is compulsory consultation. On the traffic committee there are representatives of the local police, the local member of Parliament, the local council and local residents, so there is already substantial consultation and this additional layer of consultation is simply not required. I commend the balance of the bill to the Committee.

**The Hon. AMANDA FAZIO** [10.09 p.m.]: I support the amendments moved by my colleague the Hon. Sophie Cotsis. The first amendment, which would allow local residents an exemption to sell their cars on streets near their homes if they are subject to this legislation, is completely workable. If an over-zealous council ranger goes down the street and sees an ordinary sedan, not a campervan, with a *carsales.com* sticker on the back the ranger can book the vehicle's owner for selling the car on the street. If the amendment moved by the Hon. Sophie Cotsis were successful that person would then have a legitimate right of appeal on the basis that the infringement notice was issued in error and they should not have to pay it. That is something members should be aware of. If anybody here thinks council rangers do not often get over-zealous when it comes to issuing parking fines they are crazy.

Secondly, this bill was initiated by Clover Moore, the member for Sydney, who supported the call for community consultation and the giving of 30 days notice. It is perfectly reasonable to have some consultation in a local area, particularly when other council areas can be subject to the provisions in the Local Government Amendment (Roadside Vehicles Sales) Bill 2011 by way of regulation. Having that level of consultation in areas other than the City of Sydney would be a good thing as it would ensure local residents were happy with the council's proposals. I know Mr David Shoebidge lives in some sort of fantasy land where he thinks all councils consult well. I can tell him that in my local council area—

**The Hon. Dr Peter Phelps:** Name it.

**The Hon. AMANDA FAZIO:** Ashfield. It does not consult well when it changes things. I have witnessed people putting in "no standing" and "no parking" signs and the council ranger booking cars that were parked before the sign was cemented in place. The cement was still wet and they issued a fine to somebody. I said to these people, "Why are you going to pay the fine?" They said, "Because I got booked." This is the sort of thing that some local governments do.

**The Hon. Rick Colless:** Is that a Liberal council?

**The Hon. AMANDA FAZIO:** It is Greens Liberal Independent controlled. That is why we need to make sure there is consultation with people so they know changes are coming. I commend my colleague's amendments.

**Mr DAVID SHOEBRIDGE** [10.14 p.m.]: Council rangers have been under serious attack from residents and they have occupational health and safety concerns primarily because of the kind of contribution we just heard attacking them. Council parking rangers should be respected. They have a tough job and those kinds of attacks just make it more difficult for them. Such comments have no place in this debate.

**Question—That Opposition amendments [C2011-083F and C2011-092D] be agreed to—put.**

**The Committee divided.**

**Ayes, 10**

Ms Cotsis	Mr Searle	
Mr Donnelly	Mr Secord	<i>Tellers,</i>
Mr Moselmane	Ms Sharpe	Ms Voltz
Mr Primrose	Mr Veitch	Mr Whan

**Noes, 22**

Ms Barham	Mr Gay	Mrs Mitchell
Mr Blair	Mr Green	Mrs Pavey
Mr Borsak	Mr Harwin	Mr Pearce
Mr Brown	Dr Kaye	Mr Shoebridge
Mr Buckingham	Mr Khan	
Ms Faehrmann	Mr Lynn	<i>Tellers,</i>
Ms Ficarra	Mr MacDonald	Mr Colless
Mr Gallacher	Mr Mason-Cox	Dr Phelps

**Pairs**

Ms Fazio	Mr Ajaka
Mr Foley	Mr Clarke
Mr Roozendaal	Ms Cusack
Ms Westwood	Miss Gardiner

**Question resolved in the negative.**

**Opposition amendments [C2011-083F and C2011-092D] negatived.**

**Clause 3 agreed to.**

**Title agreed to.**

**Bill reported from Committee without amendment.**

**Adoption of Report**

**Motion by the Hon. Greg Pearce agreed to:**

That the report be adopted.

**Report adopted.**

**Third Reading**

**Motion by the Hon. Greg Pearce agreed to:**

That this bill now read a third time.

**Bill read a third time and returned to the Legislative Assembly without amendment.**

**ADJOURNMENT**

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [10.23 p.m.]: I move:

That this House do now adjourn.

### BALMAIN LABOR 120TH ANNIVERSARY

**The Hon. PENNY SHARPE** [10.23 p.m.]: Tonight I speak about the oldest social democratic party in the world and the role of local members and local branches, in particular, its oldest branch. I acknowledge the Balmain branch of the Australian Labor Party, a branch whose members have not just helped shape Sydney but also have helped shape the nation. In April this year the Balmain branch of the Australian Labor Party celebrated its 120th anniversary. Tonight I was privileged to host members of the Balmain branch and other Labor members, including the former member for Balmain, Verity Firth, and the Federal Member for Sydney, Tanya Plibersek, to celebrate 120 years of activism, struggle and progressive change.

On 4 April 1891 the Labor Electoral League was formed in Balmain's Unity Hall Hotel. There is fierce ongoing debate within the Labor Party about whether it was formed in Balmain or whether it was when 3,000 shearers met in the Queensland town of Barcaldine that was the true inception of the Australian Labor Party. As the duty member for Balmain, I know which of part of the argument I fall on. This first meeting at the Unity Hall Hotel was part of the birth of the organised Labor movement in Australia. As Senator John Faulkner said in his recent foreword to *A Little History of the Australian Labor Party*:

When those first, tentative, idealistic meetings were held to form a political party that would represent the interests of working Australians and the national interest against the established forces of wealth and privilege, education was beyond the reach of ordinary Australian families; accident or illness could throw a working man or woman into destitution; and most Australian women couldn't even vote for their parliamentary representatives, let alone run for office themselves.

Before that time the working men—and it was only men who had the right to vote in New South Wales at that stage—had no choice but to elect candidates who claimed sympathy with workers but, when elected, soon aligned themselves with the interests of the ruling classes. The Labor Party offered an alternative. From its very beginning the Labor Party stood for ordinary people. The first rules of the Labor Electoral League entrenched local electoral leagues in every electorate in New South Wales. We now call them local branches. Before this, membership-based political parties did not exist.

The Labor movement was from its beginning a movement of the rank and file. These local electoral leagues were formed by working people and their families. Members met locally and debated issues and policies. That tradition exists to this day. There are few better examples of robust debate than that which has been undertaken in the Balmain branch over the past 120 years. From its very beginning, the Labor movement existed to make life better for people by electing those who would stand up for the rights of workers and their families. The first platform included "free compulsory and technical education" and the eight-hour working day.

The Balmain Electoral League tasted its first success when the first Labor member for Balmain, Edward Darnley, was elected in 1891. The success of this branch was followed by electing James Johnston, William Murphy, John Storey, Tom Keegan, H. V. Evatt, John Doyle, Robert Stuart-Robertson, John Quirk, Mary Quirk, John McMahon, Roger Degen, Peter Crawford, Sandra Nori and, most recently, Verity Firth, as Labor members. John Storey was Labor Premier in the 1920s and Doc Evatt, as most members would know, later became the Federal Labor leader and Australia's first representative to the United Nations. Other important Labor Balmain identities include Tom Uren and Neville Wran.

Many Labor members from Balmain have made significant contributions not just to their local electorate but also to New South Wales. The most recent example is Verity Firth, whose achievements as a Minister in her time in this Parliament included stem cell legislation, the toughest tobacco laws in Australia, significant extra funding for domestic violence services for women, and the introduction of ethics classes in public schools. She continued the very best traditions of Labor and Balmain.

Although it has lasted for 120 years, the demise of the Australian Labor Party is a favourite topic in the media and commentariat. These predictions remain premature. As the Labor Party moves to reform itself for a world very different from 120 years ago the resilience of the Labor Party, its members and traditions should not be underestimated. The simple idea of working collectively to make the world a better place is an idea that endures in the heart of all Labor members and supporters. Members of the Balmain branch continue to dedicate themselves to that noble cause. In March this year Nick Dyrenfurth and Frank Bongiorno published a book titled *A Little History of the Australian Labor Party*. They describe the early years of the party:

The mass party's success owed much to its rank-and-file members, many of whom devoted their lives to the Labor cause.

Branches sprang up in most suburbs and towns across the nation.

Members didn't merely work for their favoured candidate come ballot time, but debated each other with vigour at branch meetings, raised vital funds and actively sought to shape party policy, sometimes by rebuking the parliamentarians.

Laborites prized their party membership, and as they worked and socialised together they created a distinctive fellowship.

At branch meetings of the Labor Party in Balmain locals still prize their membership. They believe in the Labor cause and in making life better for ordinary people. They still debate each other at branch meetings and stand up to their politicians if they do not agree with them. Hear, hear to that.

### ST JOHN AMBULANCE AUSTRALIA

**The Hon. NATASHA MACLAREN-JONES** [10.28 p.m.]: Tonight I pay tribute to St John Ambulance Australia, a vitally important organisation that has served our country for nearly 150 years. St John Ambulance is a charitable organisation built on the foundation of volunteers dedicated to helping people in sickness, distress, suffering and danger. As parliamentarians it is vital that we not only acknowledge the hard work and dedication of volunteer organisations but also encourage them. Organisations such as St John play a pivotal role in our society and many thousands of volunteers make a contribution right across the nation. St John is the largest first aid training organisation and each year it provides practical lifesaving skills to a quarter of a million people.

It is alarming that across the country only 8 per cent of Australians over the age of 15 have current first aid skills. Accidents can happen anywhere. It is those critical minutes before professional help can arrive that can make all the difference. It can minimise injury and even keep someone alive. Treating a burn immediately, compared with waiting for hospital treatment alone, can reduce the severity of the injury by 80 per cent, including the pain, secondary scarring, skin grafts and ongoing treatments.

New South Wales has 4,000 first aid and community care volunteers, and the volunteers provide almost 480,000 hours of first aid each year, with a further 90,000 hours of training and skill development. Many of these first aid service volunteers are on duty at large events including concerts, New Years Eve celebrations, the Royal Easter Show, Big Day Out and the City2Surf. This year St John treated 370 people during the City2Surf for a range in injuries, and a further nine were transported to hospital, including a 51-year-old man who was found unconscious in Rushcutters Bay. A medical professional has subsequently stated there is no doubt the efforts of the St John volunteers kept the man alive.

Every year close to 30,000 casualties are treated by St John in New South Wales. Last year the volunteers of St John attended 6,437 events and emergencies. In addition to this St John provides training to people of all walks of life. In 2010 well over 80,000 first aid certificates were issued in New South Wales. The services provided by St John, its volunteers and those it trains are invaluable. Of all people seriously injured in transport accidents 26 per cent are young people aged between 16 and 24 years, even though they represent only 14 per cent of drivers. Sadly, 33 per cent of Australian teenagers will have a car accident in their first 12 months of driving. St John attends annually the Australian Youth and Road Training Forum. The aim of the forum is to educate teenagers from New South Wales schools about the risks and possible consequences of getting a licence, encouraging them to learn first aid whilst learning to drive. I note that the O'Farrell-Stoner Government has committed to fund the forum over the next four years in addition to giving a further \$250,000 this financial year.

First aid is not the only community service that St John provides. Through the Program to Aid Literacy 665 primary school children in New South Wales were given assistance with their reading and writing. Furthermore, through the St John Immunisation Program assistance is provided to the New South Wales Department of Health when its staff visit secondary schools. The volunteers work alongside nurses providing administrative support to students before and after their immunisations. This frees up nurses to focus on delivering medical requirements. In 2010 St John New South Wales provided support to 215 schools in the Hornsby, Albury, Parramatta, Randwick, Wagga Wagga, Penrith and Wollongong health areas.

In addition, St John provides ophthalmic support in isolated rural and remote communities of north-western New South Wales. In conjunction with the St John Pius X Eye Clinic and the Pius X Medical Clinic in Moree, St John volunteers provide eye screening and treatment programs. Last week was the first National St John Ophthalmic Week. The aim of the week was to raise the profile and level of understanding about St John ophthalmic programs. I commend the 15,000 national St John volunteers and especially the volunteer trainers who give up so much for the community. Finally, I acknowledge the New South Wales St John Ambulance Australia Awards Ceremony, which was held at Sydney University on Saturday 8 October and congratulate all the 2011 award recipients on their outstanding achievements, hard work and dedication.

## DRUG USE

**The Hon. CATE FAEHRMANN** [10.32 p.m.]: Information reported in today's *Sydney Morning Herald* about an explosion in "legal highs" relates to the global campaign for governments to recognise that the so-called "war on drugs" has failed and to use evidence-based policy to address the growing harm caused by dangerous drug use. The *Sydney Morning Herald* reports that backyard developers are using old research papers and patent applications to find slightly different molecular structures and new drugs that are then bought and sold on the Internet. Changing just one carbon of a chemical compound can mean a new drug is developed. Peter Vallely, a special investigator from the Australian Crime Commission, believes only the "very tip" of an explosion in new drugs has been recognised.

Meanwhile, on 2 June this year the Global Commission on Drug Policy released a groundbreaking report at a press conference and teleconference at the Waldorf Astoria Hotel in New York City. The global commission's call for action includes alternatives to incarceration and greater emphasis on public health approaches to drug use, but also decriminalisation and experiments in legal regulation. The commission is the most distinguished group of high-level leaders ever to call for far-reaching changes on drug policy. The group includes former President of Mexico Ernesto Zedillo, former United States Secretary of State George P. Shultz, the Prime Minister of Greece, George Papandreou, many other former and current heads of state and other notable dignitaries, social justice advocates and entrepreneurs such as Sir Richard Branson.

The executive director of the global advocacy organisation Avaaz, meaning "voice", with its nine million members worldwide, has mounted a campaign in support of the global commission's recommendations that will be given to the United Nations Secretary General. Last time I checked their petition it numbered 647,773 people. To quote the former President of Brazil, Fernando Henrique Cardoso, who is also the commission's chair:

Fifty years after the initiation of the UN Single Convention on Narcotic Drugs, and 40 years after President Nixon launched the US government's global war on drugs, fundamental reforms in national and global drug control policies are urgently needed. Let's start treating drug addiction as a health issue, reducing drug demand through proven educational initiatives and legally regulating rather than criminalising cannabis.

The commission's recommendations include: ending criminalisation, marginalisation and stigmatisation of people who use drugs but who do no harm to others; encouraging experimentation by governments with models of legal regulation of drugs, especially cannabis, to undermine the power of organised crime and safeguard the health and security of citizens; ensuring that a variety of treatment modalities are available, including not just methadone and buprenorphine treatment but also heroin-assisted treatment programs that have proven successful in many European countries and Canada; and applying human rights and harm reduction principles and policies both to people who use drugs as well as those involved in the lower ends of the illegal drug markets such as farmers, couriers and petty sellers.

Why do we need to change the way we manage drug use in our society? Because the way we are managing it clearly is not working. The global war on drugs has failed, with devastating consequences for individuals and communities around the world. The report of the Global Commission on Drug Policy reveals the increase in use between 1998 and 2008 for cannabis was 8.5 per cent, for opiates it was 34.5 per cent and for cocaine it was 27 per cent. Vast expenditures on criminalisation and repressive measures directed at producers, traffickers and consumers of illegal drugs have clearly failed to effectively curtail supply or consumption. Repressive efforts directed at consumers impede public health measures to reduce HIV-AIDS, overdose fatalities and other harmful consequences of drug use. Government expenditures on futile supply reduction strategies and incarceration displace more cost-effective and evidence-based investments in demand and harm reduction.

Given the ever-growing body of evidence demonstrating the lack of impact of current drug policies and strategies on the overall scale of illegal drug markets, and the growing awareness of the negative side effects of these strategies on health and social welfare, it could be seen as surprising that most policy makers continue to support the current war on drugs approach. In Western democracies with decades of experience in drug policy design and review most political rhetoric continues to focus on the need to maintain resolve, or to strengthen commitment, or to clamp down on some new drug or pattern of use or supply.

The Global Commission on Drugs believes that there needs to be reform in how we view drug users. Overwhelming evidence from Europe, Canada and Australia now demonstrates the human and social benefits

both of treating drug addiction as a health rather than as a criminal justice problem and of reducing reliance on prohibitionist policies. Any progress made in finding better ways of dealing with drug problems has not been by additional prohibition measures but by harm minimisation. What some politicians refer to as "tough on drugs" is actually tough on the victims of drug use, tough on their families, and tough on law enforcement and health budgets. New South Wales should be heeding the informed and science-based approach being advocated by the global commission. We should not only maintain but develop new harm minimisation strategies. We should break the taboo on public debate and reform, scrap the supposedly hardline measures that simply do not work, and admit the phoney war on drugs cannot be won.

### TRIBUTE TO ABBY BERRO HAMMOUD

**The Hon. SHAOQUETT MOSELMANE** [10.37 p.m.]: I rise to say a few words about the tragic death of my nephew's heavily pregnant wife, Ms Abby Berro Hammoud. I do so to express my condolences to her family and to place on record the deep gratitude that my family feel for the compassion and support provided to us by Ms Majell Hind, the Consul-General of the Australian High Commission in Kuala Lumpur. We are grateful to her and to all staff in our foreign offices in Malaysia. As an Australian I felt a deep sense of pride given the high level of care and compassion exhibited by our Australian officials. You feel a sense of value as a human being when treated with respect by your government and by foreign affairs and trade institutions abroad.

The news of the sudden death of Abby, 26, and her almost seven-month unborn baby, was oppressive. Death and the sudden brutal shock that it brought to the unsuspecting casts long shadows of grief. The impact it will have on the immediate family we can never comprehend. It sends the grieving family into a deep sense of misery. Misery is what my sister and her family are now going through and it is what my family is currently experiencing as we try to deal with Abby's tragic death and the death of her unborn child.

One cannot even begin to contemplate what the young Ali Hammoud, 28, the husband, a young father of a two-year-old child, had felt as he tried to wake his wife only to find her dead. The shock and trauma is beyond imagination and to deal with such tragedy in a foreign land while alone is beyond comprehension. Following his notification to resort management, Malaysian authorities entered the hotel bedroom and removed the body for autopsy. The autopsy revealed the cause of death was an "unspecified epileptic seizure". A few cold words describe the cause that cut short a young life. Her seven-month-old unborn baby was destined never to see life beyond the womb. Hussein was to be his name. He was to be Hassan's brother and Ali's son. Tragically, it was never to be.

A few happy days at the Golden Sands Resort, Penang, Malaysia, was all they wanted and to return home to their work and families and share their story. Tomorrow Abby and Hussein will return in coffins with no story to tell. Tomorrow the mother and child, in separate coffins, will return home for their burial. For many years to come the family will mourn and remember that tragic day. My sister, Ali's mother, cries uncontrollably. With an injured heart and a voice scorched by the trauma and pain, she wails, "My heart burns".

In all this tragedy there is a good story I wish to tell. I wish to put on the record the wonderful work of our Consul-General, Ms Majell Hind. She showed a great degree of professionalism as well as compassion and understanding. She even shed a tear as she saw the still body of Abby with her baby laid lifeless beside her. On behalf of the deceased and her family and on behalf of the husband of the deceased and his family, Majell, I say thank you. The support you afforded us was phenomenal. Your kindness and compassion helped ease the pain we all feel.

Many people are not aware of the work done by consular staff and the service they provide to Australians overseas. Millions of Australians travel overseas each year and many return safe; sadly, some do not. The vast majority of travellers never have reason to call an Australian consulate for help. But, of course, there will always be Australians in difficulty overseas, and our overseas officials are always on the lookout, eager to assist. Before I conclude my remarks I wish to express my condolences to Reverend the Hon Fred Nile on the passing of his wife, a former member of this House, Mrs Elaine Nile.

In conclusion, I thank Ms Majell Hind and the Australian Government, Senator the Hon. Mark Arbib, and the Hon. Kevin Rudd's office, in particular his chief of staff Mr Phillip Green, for the assistance they provided Mr Ali Hammoud and our family in these difficult times.

## CARBON FARMING

**The Hon. JEREMY BUCKINGHAM** [10.41 p.m.]: Despite what seems for the moment to be a less consequential matter, this evening I wish to share my experiences of the Carbon Farming Initiative and Carbon Farming Conference and Expo held in Dubbo on 27, 28 and 29 September. It was a great gathering and was well organised. The Carbon Farming Expo, which is now in its sixth year, is growing bigger and better all the time. This important convergence of farmers, scientists, business leaders and policymakers is the brainchild of Michael and Louisa Keily from Central Western New South Wales and the committee of the Carbon Farmers and Traders of Australia. Carbon farmers are true innovators and pioneers in Australian agriculture. Like Macarthur, Farrer and others, they are visionaries who are coming together at a crucial time to respond to adversity. I am certain that their work will be recorded in history as a crucial first step in our response to climate change and as a fundamental first step in bringing renewal and resilience to our food security, agricultural systems and the rural communities on which we all depend.

The principal focus of the Carbon Farming Expo was a discussion of how best to prepare farmers for trade in carbon by ensuring that those farmers who perceive the threat of climate change and are prepared to grasp the nettle will be able to seize the opportunities that this unprecedented crisis brings. Why are farmers preparing to trade? Why are farmers, community groups and governments looking into the vast opportunities in biosequestration and carbon offset methodologies and practices? Because, at last—after decades of inaction, obfuscation and denial—we will soon have a carbon price. Rather than deny the reality of climate change, the conference's participants foresee exciting and wide-ranging opportunities to capitalise on the billions of dollars that very soon will begin flowing through the carbon trading sector. In December this year we will have carbon trading in Australia and we will be at the forefront of innovations in Australian agricultural history.

On 23 August 2011 carbon farming initiative legislation was passed by Federal Parliament and became the world's first national scheme that regulates the creation and trade of carbon credits from farming and forestry—a truly historic event and truly historic legislation. It is legislation that a Coalition Government would be unwise to undo because it has overwhelming support from people in the bush.

**The Hon. Marie Ficarra:** Just watch us.

**The Hon. Dr Peter Phelps:** Seventy-one per cent say you are wrong.

**The Hon. JEREMY BUCKINGHAM:** We will see. Times change. The carbon farming initiative, which is fully supported by The Greens and championed by The Greens Senator Christine Milne, is the precursor to the carbon price that currently is before the Senate. Government climate adviser, Ross Garnaut, believes that once carbon farming is part of an emissions trading scheme it will be worth \$2.25 billion a year to the agricultural sector—the equivalent of another wool industry.

**The Hon. Dr Peter Phelps:** Except that the wool industry produces something.

**The Hon. JEREMY BUCKINGHAM:** Carbon farming produces something—productivity in our agricultural sector. The Hon. Rick Colless would know that carbon is a fundamental driver of productivity and that more soil carbon is essential to the output of agriculture. A carbon offset is a reduction in greenhouse gases to compensate for emissions generated elsewhere. For example, an electricity company can compensate for its emissions by buying offsets from a farmer or land manager who has planted native vegetation or by implementing a grazing management system that increases soils carbon, or by initiating a fire management regime that increases biodiversity and vegetation cover. In those ways the carbon farming initiative is not only a boost to farmers and regional communities but also will be an opportunity to increase employment in remote Aboriginal communities in the management of our extensive savannah and grasslands.

## CLARENCE BY-ELECTION

**The Hon. RICK COLLESS** [10.46 p.m.]: This evening I acknowledge the recent preselection of an outstanding candidate—Chris Gulaptis—to represent the New South Wales Nationals in the forthcoming Clarence by-election. As The Nationals duty member of the Legislative Council for the Clarence electorate I had the pleasure on Sunday 16 October of presiding over a fiercely contested preselection fought by an exceptional field of seven nominees. Each candidate brought to the table a wealth of real world experience. Many had extensive local government experience, such as the Mayor of Clarence Valley, Richie Williamson, Clarence

Valley councillor, Karen Toms, and Richmond Valley councillor and former Deputy Mayor, Stuart George. Others entered the preselection process boasting a range of small business experience, including Grafton-based solicitor Paul O'Connor, Alummy Creek farmer Fiona Leviny, and Maclean restaurant owner Jason Cleary.

While some had enjoyed a long association with The Nationals, others who put their hand up for preselection were either reconnecting with the party or had become members more recently—showing a willingness to bring new vitality and fresh ideas to an electorate that already boasts a healthy Nationals presence. But the nominee who won the day in an incredibly tight tussle for preselection, with the eventual win coming down to an allocation of preferences, was Chris Gulaptis. Chris has lived in the Clarence Valley for 31 years and has served the community for many years in local government as a councillor and Mayor of Maclean Shire and as a councillor for the combined Clarence Valley Shire Council. A surveyor by trade, Chris also brings a solid grounding in small business experience to the role.

Chris is no stranger to the political sphere, having fought hard but ultimately unsuccessfully, to secure the seat of Page for The Nationals in the 2007 Federal election. He won the majority of first preference votes but lost on The Greens preferences. I reiterate the sentiments of Deputy Premier Andrew Stoner and my many Nationals colleagues, who already have publicly congratulated Chris on this outstanding result. I know he brings great dedication and skill to the task ahead. Chris has been widely recognised for his efforts in championing causes of importance to local residents. Indeed, among those who heaped praise on him during the lead-up to the 2007 Federal election was the then editor of Grafton's *Daily Examiner*, Peter Ellem, who used the pages of that publication to give Chris such a ringing endorsement that he used it extensively in his campaign material.

Members opposite will recognise the name Peter Ellem as the recently announced Labor candidate to contest the upcoming Clarence by-election. While I usually am wary of siding with a Labor candidate, on this occasion I support Mr Ellem's assessment of Chris Gulaptis as a true champion of his community. Since the March 2011 State election, the New South Wales Liberal-Nationals Government has been committed to delivering for the people of the Clarence electorate. The recent O'Farrell Government budget allocated \$4.5 billion for roads, including more than \$1 billion for the upgrade of the Pacific Highway to dual carriageway. This demonstrates that after 16 years of neglect at the hands of the former Labor Government we are serious about meeting the needs of the Clarence electorate.

In government we have delivered also on a range of health issues important to the people of the Clarence as part of the more than \$500 million committed for regional hospital infrastructure, including \$2.8 million for 39 more nurses in the northern New South Wales local health district, increasing the budget for shift management at the MacLean District Hospital and allocating \$625,000 to improve hospital waiting times on the North Coast. We have introduced local health districts so that decision-making and local resource allocation are returned to regional communities. We are busy delivering our Jobs Action Plan providing 100,000 payroll tax-free jobs, of which 40,000 are for regional New South Wales in places such as Grafton and Casino.

These achievements form part of the State Government's efforts to redress 16 years of Labor neglect and also result from the hard work and tireless efforts of the former member for Clarence, Steve Cansdell. The people of the Clarence electorate can rest assured that in Chris Gulaptis they have a passionate local campaigner equally committed to fighting for the issues of local importance. I look forward to continuing my work as the duty member of the Legislative Council in the Clarence electorate and seeing Chris Gulaptis join The Nationals parliamentary team—a team sharing the commitment to look out for the best interests of country New South Wales and getting on with the task of making this State number one again.

#### TRIBUTE TO KEITH HOLMAN

**The Hon. LYNDIA VOLTZ** [10.51 p.m.]: I pay tribute to rugby league legend Keith "Yappy" Holman, who passed away from a heart attack on 11 October aged 86. Holman is one of our nation's and this State's sporting greats. He played halfback for the Australian national side, the Kangaroos, in 32 rugby league tests. He also did us proud in New South Wales playing for the Blues from 1950 to 1955. For his home club, the Western Suburbs Magpies, he played 200 first-grade games between 1948 and 1961, which included playing the grand final games of 1958 and 1961. Unfortunately, he missed the Magpies premiership victory in 1952 when they defeated South Sydney 22 to 12 as he had been selected for the Kangaroos tour.

After retiring as a player, Holman went on to become coach of the Magpies, taking the team to its Amco Cup title in 1977. He became also one of the leading top-level referees of the game, refereeing

155 first-grade games from 1965 to 1974, as well as international games as part of the 1972 New Zealand's tour of Australia. Holman is the only man in the history of the sport to play in a grand final and referee a test match. He also achieved the rare trifecta of being a player and referee at international level as well as being a first-grade coach.

*[Time for debate expired.]*

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

**Motion agreed to.**

**The House adjourned at 10.53 p.m. until Wednesday 19 October 2011 at 11.00 a.m.**

---

---