

LEGISLATIVE COUNCIL

Tuesday 12 June 2012

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.

ASSENT TO BILLS

Assent to the following bills reported:

Constitution Amendment (Restoration of Oaths of Allegiance) Bill 2012
 Firearms Amendment (Ammunition Control) Bill 2012
 Electricity Generator Assets (Authorised Transactions) Bill 2012

ADMINISTRATION OF THE GOVERNMENT OF THE STATE

The PRESIDENT: I report the receipt of the following message from Her Excellency the Governor:

Office of the Governor
 Sydney 2000

Marie Bashir
 GOVERNOR

Professor Marie Bashir, Governor of New South Wales, has the honour to inform the Legislative Council that she re-assumed the administration of the Government of the State at 5.10 a.m. on Wednesday 6 June 2012.

6 June 2012

Pursuant to sessional orders Formal Business Notices of Motions proceeded with.

HEPATITIS C

Motion by the Hon. NATASHA MACLAREN-JONES agreed to:

1. That this House notes:
 - (a) an estimated 291,000 Australians have been exposed to the hepatitis C virus and an estimated 224,000 Australians are living with chronic hepatitis C, costing over \$9 billion to our health care system,
 - (b) an estimated 9,700 new hepatitis C cases occur annually, adding an additional \$452 million in lifetime costs to our health budget,
 - (c) 65 per cent of people with hepatitis C are aged between 20 and 29 years,
 - (d) around 89 per cent of new infections are a result of sharing equipment used for injecting illicit drugs,
 - (e) around 7 per cent of people with hepatitis C are immigrants to Australia who contracted the virus through medical procedures and other transmission routes in their countries of origin, and
 - (f) around 4 per cent of cases involve other blood-to-blood contact such as unsterile tattooing and accidental needle stick injuries.

2. That this House notes:
 - (a) that health statistics show that 35 per cent of prisoners across Australia are hepatitis C positive and 37 per cent of the total prison population is located in New South Wales, and
 - (b) the high prevalence of hepatitis C within prisons provides a challenge to controlling hepatitis C in the community.

3. That this House acknowledges:
 - (a) around one in four with chronic hepatitis C will eventually develop cirrhosis, liver failure or cancer,
 - (b) there is no vaccination for hepatitis C and the best course of treatment involves combination therapy of two drugs that reduce inflammation of the liver,
 - (c) combination therapy can have serious side effects and takes six to 12 months to complete, and
 - (d) treatment is successful in 50 to 80 per cent of cases depending on the virus strain.
4. That this House congratulates Hepatitis NSW on celebrating 20 years of providing information, support, advice and advocacy for people affected by hepatitis C.

TRIBUTE TO VINCE LOVEGROVE

Motion by the Hon. JAN BARHAM agreed to:

1. That this House notes the tragic death of Mr Vince Lovegrove on 24 March 2012 at the age of 65.
2. That this House notes Vince Lovegrove's:
 - (a) significant contribution to the Australian music industry, as a performer, journalist, broadcaster and manager,
 - (b) his dedication to supporting and promoting Australian music, and
 - (c) his achievements in raising awareness about HIV/AIDS by sharing his own personal experience about the disease following the tragic deaths of his wife, Suzi and his son, Troy, and seeking to eradicate fear and ignorance about the issue.

TABLED PAPERS NOT ORDERED TO BE PRINTED

The Hon. Greg Pearce tabled, pursuant to Standing Order 59, a list of all papers tabled in the previous month and not ordered to be printed.

LEGISLATION REVIEW COMMITTEE

Report

The Hon. Dr Peter Phelps tabled a report entitled "Legislation Review Digest 19/55", dated 12 June 2012.

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

BOOZ AND COMPANY (AUST) PTY LTD

Production of Documents: Return to Order

The Clerk tabled, pursuant to resolution of the House of Thursday 24 May 2012, documents relating to an order for papers regarding Booz and Company (Aust) Pty Ltd received on 7 June 2012 from the Director General of the Department of Premier and Cabinet, together with an indexed list of the documents.

PETITIONS

Hunting on Public Land

Petition noting a proposal to allow children as young as 12 to hunt animals on public land and requesting that the House condemn a proposal allowing children to hunt unsupervised on public land in New South Wales as reckless and dangerous and disallow regulations in relation to such a proposal, received from **Mr David Shoebridge**.

IRREGULAR PETITION

Leave granted for the suspension of standing orders to allow the Hon. Walt Secord to present an irregular petition.

Cabarita-Pottsville High School

Petition requesting the Department of Education complete a thorough investigation into the need for a high school in the Cabarita and Pottsville school catchment area, taking into account the 2011 school census data, accurate high school and primary school enrolment figures and population growth forecasts, received from the **Hon. Walt Secord**.

BUSINESS OF THE HOUSE**Withdrawal of Business**

Private Members' Business item No. 98 outside the Order of Precedence withdrawn by Reverend the Hon. Fred Nile.

BUSINESS OF THE HOUSE**Postponement of Business**

Business of the House Notice of Motion No. 1 postponed on motion by the Hon. Duncan Gay.

Government Business Orders of the Day Nos 1 to 8 postponed on motion by the Hon. Duncan Gay.

BUDGET ESTIMATES AND RELATED PAPERS**Financial Year 2012-2013**

Copies of Budget Speech—Budget Paper No. 1, Budget Statement—Budget Paper No. 2, Budget Estimates—Budget Paper No. 3, Infrastructure Statement—Budget Paper No. 4, Budget Overview, Building the State, and NSW 2021: 2012-13 Performance Report, tabled.

Ordered to be printed on motion by the Hon. Greg Pearce.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [2.48 p.m.], by leave: I move:

That the House take note of the Budget Estimates and related papers for the financial year 2012-13.

I seek leave to have the Treasurer's speech incorporated in *Hansard*.

Leave granted.

BUDGET SPEECH

This budget builds for the future of New South Wales.

It builds on the results delivered in the first year of this Government.

This budget shows we are getting on with the job of building a stronger New South Wales.

We have laid the foundations.

Now we take the next steps in rebuilding a stronger New South Wales.

At the heart of this budget is an innovative new package to revitalise the housing and construction sector.

The people of this State want to see New South Wales recover.

They want to see the path to a prosperous future.

They want a government that acts in their best interests and delivers for them.

Today we are taking the decisions for a stronger tomorrow.

This budget is set against the backdrop of a highly volatile global economy.

It comes at a time when indecision and policy paralysis in Canberra is creating uncertainty.

We have taken many difficult decisions, some will not be popular, but they are the right decisions for challenging economic times.

We need to set a clear direction. We cannot afford to stand still.

Failing to act now will jeopardise the future prospects of this State.

This Government will not let that happen.

We on this side of the Chamber stand for smaller government.

We stand for fairer taxes.

We believe in spending taxpayers' dollars wisely.

We believe that government must get out of the way of peoples' daily lives, and

We believe being responsible with our finances today provides opportunities for the future.

Expense growth now under control

The Liberal-National Government has delivered as promised in our first year in office.

The Commission of Audit clearly articulated that a lack of expenditure control had put New South Wales on an unsustainable financial future. We committed to bring government spending under control and we have delivered.

In 2011-12 expenses are expected to grow almost two percentage points less than was forecast.

For the first time since 1995, the New South Wales Government recorded expense growth lower than forecast. This is the key to our fiscal future.

Expenses growth has fallen from 8 per cent in 2009-10 to a forecast 3 per cent in 2013-14.

Over the four years to 2015-16, forecast expense growth will average 3.3 per cent—below the expected average revenue growth for the same period of 3.9 per cent.

We will continue to rein in expenses.

This is a monumental turnaround that has brought many challenges.

The best predictor of future performance is to look at past performance. Our track record shows we can achieve our expense forecasts. It is imperative that we do.

This is sustainable fiscal policy.

In addition to this fiscal restraint, we have outlined our strategic priorities in NSW 2021.

Over the past year we have undertaken much needed reform.

We have acted to restore fiscal responsibility, through many measures. We have:

- introduced the new Fiscal Responsibility Bill, with the key aim of retaining the State's triple-A credit rating
- legislated a wages policy limiting the cost of public sector wage increases to 2.5 per cent
- reformed the police death and disability scheme to make it sustainable, while supporting injured officers returning to work
- reformed New South Wales electricity distribution networks to put downward pressure on prices
- abolished non-essential government programs to give taxpayers value for money
- closed idle prisons rather than waste taxpayers' dollars on empty prison cells
- signed a long-term lease for Sydney's desalination plant freeing up vital funds for infrastructure, and
- passed legislation to allow the sale of the State's electricity generators.

We have also acted to reform services:

- we have localised the public health services to give more say to those on the ground in the running of local hospitals
- we have begun the 'local schools, local decisions' reform in education, which empowers local principals and communities to implement the education resources they need in improving the opportunities of our kids, and

- we have launched long overdue reform of RailCorp and franchising Sydney Ferries, putting customers at the front of all we do in transport.

It is a record that is changing the State. It is a record of which we can be proud.

We will now drive those savings even harder and get government out of programs and services where other providers can do it better.

This Government will be fiscally responsible and ensure there is not a return to the fiscal betrayal of the past.

We will make the decisions needed, not those that are easiest.

We will continue to live within our means and employ sound financial management to ensure a bright long-term outlook for the people of New South Wales.

We face many challenges, but we will continue to build a stronger New South Wales.

2011-12 Budget Result

As reported in our last budget, this Government faced a fiscal trajectory that projected a loss of the triple-A credit rating. The turnaround is underway and this budget continues this transformation.

The 2011-12 budget result is an estimated deficit of \$337 million compared with last year's budget forecast of a \$718 million deficit.

This is a remarkable turnaround given the \$936 million lost in GST revenue this year. However rather than allow a \$1.6 billion deficit that could have resulted, we immediately acted to further tighten expenditure control.

In addition, the 2011-12 result has also been impacted by the Federal Government's actions to bring forward \$690 million of road payments to New South Wales to help engineer its promised 2012-13 surplus.

Whilst the accounting shuffle benefits New South Wales this year, we lose this amount of revenue next year. It is a manoeuvre more about fiscal gymnastics from the Federal Government, rather than transparent reporting.

The public deserve to know the true position of their Government's finances.

Economic Outlook

This budget is set against the backdrop of a highly volatile and uncertain global economic climate.

The global economy slowed significantly in the second half of 2011 amid concerns about the Euro zone debt crisis. The start of 2012 has not seen conditions improve. Global shocks to markets and confidence remain while the political uncertainty in the Euro zone is unresolved.

These harsh economic headwinds from Europe have buffeted our national economy. Globally there is an air of uncertainty and fragility about the economic climate.

New South Wales is not immune.

There is diminished confidence and a downturn in retail conditions.

More savings, means less consumption. Since the budget last September, New South Wales has suffered a sharp decline in GST revenues.

Recent cuts to official interest rates are welcome, but economic indicators remain volatile.

What this budget delivers are the necessary actions to restore strength to our finances so we can be prepared and have the capacity to act further if needed.

We need to build the capacity to weather the incoming storms.

We need to invest for the future and lead with hope, when headlines suggest despair.

2012-13 Budget Result

The Government is committed to returning the State's finances to a sustainable surplus.

The 2012-13 budget contains measures to restrain expense growth, return the budget to surplus and slow the growth in State net debt. Success from these measures will then allow the Government to spend in areas to grow and reform the economy.

In just nine months since September last year, the Commonwealth GST projections have collapsed, reducing New South Wales GST revenue by \$5.2 billion over four years to 2014-15.

Notwithstanding the difficult decisions we took in the last budget, we now need to address this additional challenge.

On top of the GST falling, the Federal Government's accounting shuffles have reduced 2012-13 revenue by \$690 million.

A further \$234 million in Commonwealth funding allocated to infrastructure has been delayed beyond 2012-13.

Both these impacts weaken our 2012-13 result.

Notwithstanding many of the factors that have affected our bottom line are not of our own making, we as a Government will not sit idly by and do nothing.

Our actions since coming to office have delivered a \$10 billion turnaround in the State's bottom line.

We must take our medicine today if we are to be healthy tomorrow.

The forecast deficit in 2012-13 of \$824 million is a result of significant expenditure reduction to meet the challenge we face, but I believe it balances the need to retain government spending in a fragile economy.

Once past these shocks the return on our difficult decisions becomes apparent, with budget surpluses forecast for the next three years averaging \$674 million.

I am pleased to confirm that in 2015-16 our projected surplus will be above \$1 billion.

Fiscal Responsibility

This budget contains many difficult, tough decisions.

For too long New South Wales has lived beyond its means.

We have seen excessive public sector expenses growth.

We have seen money wasted on programs that fail to deliver outcomes.

Under this Government we have put an end to that reckless approach.

This Government has restored openness and transparency to the budget.

Today we build on that approach.

We will not allow a return to the days of hidden deficits, poor disclosure and expenditure spiralling out of control.

This budget builds on the efficiencies and savings already identified and then delivered by this Government in our first budget. We will continue to show restraint and spend taxpayers' money with the care they would expect.

In Australia, Queensland and South Australia have paid the price for fiscal negligence and lost their triple-A ratings.

This Government will not stand by and risk that happening here.

Losing the triple-A for 10 years is estimated to cost New South Wales \$3.75 billion—a cost this State can ill afford.

The deterioration in the State's revenue position due to the write-down in the GST requires urgent and serious action. A further \$2.4 billion in savings is identified in this budget, building on those savings measures announced last year.

At a time when households are tightening their belts, this Government will do the same.

A labour expense cap will be introduced as a new savings measure across the public sector.

We have a target of a 1.2 per cent per annum reduction in labour costs growth. This is a decision not taken easily but a decision that needed to be made.

Election commitments have been protected. Nurses, police officers and teachers in schools have been quarantined from this measure.

Directors General will be given as much flexibility as possible to achieve the savings in the most appropriate way to meet the service requirements of their agencies. If it was solely achieved through headcount this would equate to up to 10,000 jobs over four years.

This is in addition to the Government's 2011-12 program of voluntary redundancies, which remains on track to reach its goal of 5,000 positions.

The application of the 2.5 per cent wages policy to State-owned corporations will deliver savings of approximately \$100 million per year.

Public sector annual leave balances will be generally brought into line with the private sector.

Addressing the loss of GST Revenue

To help address the loss of GST revenue, the abolition of mortgage duty on business transactions, unquoted marketable securities duty and transfer duties on non-real business assets will be delayed by one year. Speeding fines will be brought into line with other States.

We give this commitment to the people of New South Wales: we will live within our means.

We have identified more than \$1.24 billion in cuts to existing programs and will engage business to help deliver services better, while ensuring value for money is achieved.

These decisions are being taken to ensure Government can continue to fund critical infrastructure, spend on much-needed programs and services, protect our triple-A credit rating and maintain support for the vulnerable.

Having sustainable finances is the only way to achieve these aims.

Future surpluses will increasingly replace debt financing of infrastructure and provide a buffer for future economic shocks.

Ongoing Tax Reform

As part of the Standing Council on Federal Financial Relations, New South Wales is working with South Australia to develop proposals for the reform of State taxes.

There is general agreement that the current system of Commonwealth-State arrangements is unfair and needs to be made more efficient.

The key areas of reform being addressed with the other States are: harmonisation of taxes, a single portal for tax lodgement and broader tax reform.

New South Wales is also examining the efficiency of its own taxes and is reviewing the funding arrangements for fire and emergency services. The current levy is one of the most inefficient taxes in the State.

Today we confirm that we will release a discussion paper on new funding arrangements for this levy.

Consultation with the community will be a key part of any reform and a full discussion will be undertaken with the community before it is finalised.

Infrastructure

The hard decisions in this budget will enable the O'Farrell Government to invest in the economic drivers of this great State.

This State's infrastructure needs were neglected for more than a decade.

Poor decisions were made.

Money was wasted on projects without proper analysis.

The Liberal-National Government will not go down this path.

Over the four years to 2015-16, the New South Wales Government will spend on average \$1 billion more a year on infrastructure than over the past four years—this is in spite of a decline in Commonwealth capital funding.

When Federal Government stimulus spending is excluded, this average increases to \$2.2 billion a year—an increase of 17 per cent over the past four years.

This is the right thing to do given this State's infrastructure deficit and the need for government action.

It will also provide a shot in the arm of the economy at a time it needs a boost.

We will spend this money responsibly.

We will spend it on the projects that the experts recommend to be the most important and most beneficial to this State's needs.

This budget builds on our track record.

We remain committed to the North West and South West Rail Links, new Sydney Convention Centre, the Inner West Light Rail, widening of the M5 west, upgrades to the Princes and Pacific Highways, and the Northern Sydney Freight Corridor.

The O'Farrell Government has established Infrastructure NSW—a body that will highlight the infrastructure needs of this great State on the basis of economic benefits, not political outcomes.

I am proud to announce in this budget that \$30 million has been set aside to commence preparations for a new Sydney Motorway, in the knowledge that Infrastructure NSW will include upgrading Sydney motorways in the State Infrastructure Strategy.

When Infrastructure NSW announces its priorities, the additional funding is in place and we are ready to go.

Sydney has been at a standstill for too long. It is time to get this great city moving again.

Funding New South Wales's Infrastructure Needs

As our needs for more infrastructure grow, the Government is considering new and innovative ways to fund its infrastructure needs without raising the State's debt burden and within the context of maintaining the State's triple-A credit rating.

New South Wales has massive infrastructure needs after years of neglect and we face significant funding challenges.

We have successfully signed a long-term lease of the Sydney Desalination plant for \$2.3 billion and have launched a scoping study into the long-term lease of Port Botany to release capital, improve competition and drive efficiencies on the waterfront.

Today I can confirm we will extend that scoping study to include a long-term lease of Port Kembla as our advisers indicate that leasing this port could add substantial value to the Port Botany transaction.

From the proceeds, we will invest up to \$100 million in infrastructure in the Illawarra as determined by Infrastructure NSW.

Today I can also confirm we are investigating the potential to securitise part of the future lottery revenue duties—a move to bring forward future revenues for today's infrastructure.

Additionally, the Board of State Super, one of the largest superannuation schemes in Australia, has indicated a willingness to look for opportunities to potentially increase its exposure to domestic infrastructure assets.

Collectively these new approaches could provide hundreds of millions of dollars for infrastructure and we will pursue them with vigour.

Building the State

The centrepiece of this budget is the most significant overhaul of arrangements and incentives for the New South Wales housing and construction sector in decades.

When the Liberals and Nationals last left office in 1995 more than 55,000 new homes were approved in that year. In the last five years private housing approvals averaged just 30,000. New South Wales housing has not kept up with demand.

More Land, More Resources, More Infrastructure, More Support

We are committed to kickstart housing and construction activity across this great State.

We will deliver more land, more resources, more infrastructure and more support to the housing industry and to the economy.

The Building the State package will:

- fast-track approvals for State-significant projects,
- clear the backlog of stalled approvals,
- build vital infrastructure to unlock new housing, and
- redirect financial incentives to new housing.

The package will fast-track large-scale housing proposals which demonstrate private sector readiness and local government endorsement.

Funding will be boosted to clear the backlog of stalled development applications on major projects which have the potential to contribute over \$55 billion to the New South Wales economy, and support over 100,000 jobs.

We must clear the gridlock and get building.

Building the State also delivers \$561 million to boost housing supply and get new homes onto the market more quickly.

Almost \$500 million will target critical infrastructure, particularly in greenfield areas, to fast-track new and upgraded roads, power, water and sewerage connections—projects that provide value for money and accelerate the release of up to 76,000 new properties across New South Wales.

Additionally, the existing Local Infrastructure Renewal Scheme will be expanded to facilitate up to \$1 billion in local infrastructure.

A further \$50 million will be spent encouraging local councils with incentive payments to boost housing supply.

In simple terms, we are acting to encourage and reward faster approvals across the State.

For first home buyers of new homes, Building the State is the most generous scheme in Australia.

This scheme targets incentives where they are needed most, by shifting incentives to new homes.

From 1 October 2012, the First Home Owners Grant will more than double to \$15,000 and then continue at \$10,000 from 2014 for first time buyers of new properties.

The existing first home buyer stamp duty concessions will apply to new properties up to \$650,000.

This budget also introduces a new measure, the New Home Grant, providing \$5,000 to all non-first homebuyers of new properties up to \$650,000.

By better targeting incentives, by funding infrastructure and by clearing roadblocks to development, we will stimulate the housing and construction sector which forms such a critical part of the State's economy.

These measures will complement the responsible and prudent decisions taken in this budget to deliver essential programs and services and infrastructure for the people of this State.

Budget Measures

There are many highlights in this Government's commitment to essential programs and services.

Health

In Health, we are delivering:

- a record \$1.16 billion in capital works
- 500 new nurses
- resources for an extra 50,000 emergency department visits
- 30,000 additional acute inpatient services, and
- funding for major new hospital works at Blacktown-Mt Druitt, Bega, Tamworth, Hornsby Ku-ring-gai, Parkes and Forbes hospitals.

Education

In Education, I am proud to announce this budget invests in the education and schooling needs of our children.

- six new schools
- a 22 per cent increase in maintenance, and
- \$98 million is allocated for early childhood education and care.

Police, Law and Order

In Policing and Justice, the O'Farrell Government is resourcing a stronger and better equipped police force.

- 400 more police, taking numbers to 16,356 by June 2014
- 610 transport command police officers, and
- new court facilities, including \$94 million for the Newcastle Justice Precinct.

Transport and Roads

We are getting on with the job of investing in transport and roads.

- a further \$3.3 billion over four years for the North West Rail Link
- a further \$1.4 billion over four years for the South West Rail Link
- \$148 million next year for improved access to railway stations, ferry wharves and transport interchanges
- \$1.5 billion to meet our commitment to complete the duplication of the Pacific Highway, and
- we will ease congestion and increase capacity in Sydney, widening the M2 and M5 motorways and upgrading roads such as Camden Valley Way and Richmond Road to support housing and employment growth.

Tourism and Major Events

This Government will restore New South Wales as the events capital of Australia.

- around \$125 million per year to support tourism and major events, and
- funding for upgrades to the Opera House, the Sydney Cricket Ground and the State Library.

Regional New South Wales

The Liberal-Nationals Government will not forget the people of regional New South Wales.

- more than \$1 billion for primary industries to help communities deliver natural resource management priorities, improve water and sewerage supply and sewerage for towns and communities across this great State
- we make our first payment under the Resources for Regions program, for projects in Singleton and Muswellbrook. This Government acknowledges the need to support those communities who support our broad economy, and
- funding for key regional highways including the Princes, Great Western and Hume highways, as well as for roads across the South Coast and Central Coast.

Cost of Living

Households across New South Wales are continuing to do it tough as higher-cost-of-living pressures impact their daily lives.

For low income households this budget provides \$83 million for a new Family Energy Rebate, as well as delivering \$180 million for the Low Income Household Rebate.

Additionally, \$76 million is allocated for the pensioner council rates rebate scheme.

Reforms to the State's electricity and water companies will maintain reliability, but put downward pressure on electricity and water prices.

As well, operating and capital efficiencies driven by the integration of electricity distribution networks will deliver more than \$400 million in savings.

Business confidence

In these tough economic times, the O'Farrell Government is by the side of small business.

Small business is the engine room of the economy and deserves the full support of government.

We want to roll out the red carpet for small business and roll up the red tape.

Our Jobs Action Plan has helped New South Wales weather the storms and we will continue to support targeted financial help to employers who create jobs and economic activity.

This Government is also committed to attracting business to New South Wales in key industries like financial services, manufacturing, defence procurement, health, education, construction, agriculture, mining and retail. And we will fund programs to attract and develop regional job opportunities.

We will build on our reforms to the WorkCover system, helping injured workers back to work and driving down costs for businesses across New South Wales.

Today I can confirm we will boost support for small business through a 50 per cent increase to funding for assistance programs.

We are also establishing experts and resources in the Office of the Small Business Commissioner that will work with small business to help ease the regulatory burden and cut red tape.

We are also raising the threshold for payroll tax to \$689,000.

Supporting the Vulnerable

The true mark of a society is how we support the most vulnerable and this year our fiscal discipline enables us to continue to deliver that support.

This budget will continue to support the vulnerable with over \$700 million over four years in new money for programs to help the vulnerable and those who help them.

We will expand disability services with \$336 million delivering 9,125 new places as part of Stronger Together Two, as well as provide funding for out-of-home care to protect vulnerable children and young people who cannot live with their parents.

\$134 million has been allocated for specialist homelessness services, such as refuge and crisis accommodation for 65,400 people to help break the cycle of dependence.

There is a boost to funding for mental health services including \$40 million for the new Mental Health Commission and more money for cochlear implants to help children with hearing difficulties.

To help those impacted by natural disasters, storms and floods, an extra \$96 million will be spent to help the State Emergency Service prepare for and respond to flood and storm events.

As I said earlier, the hard decisions in this budget will enable the O'Farrell Government to invest in the economic drivers of this great State.

There is a fiscal link to supporting the vulnerable, building the infrastructure and building a stronger economy—you must live within your means.

You must make sure your finances are sustainable.

You must make sure your finances are responsible.

Conclusion

This Government is getting on with the job of building a stronger New South Wales.

This budget builds on our first year in office.

This budget builds for the future of this great State.

In this budget we have taken tough and difficult decisions.

We have taken our medicine today, so we can have a healthy future.

We have not taken this action lightly.

We have done this in the interests of the people, communities and economy of this State.

We have taken control of our finances.

We will lead by example, spending taxpayers' money wisely.

We will be financially responsible and end waste in Government programs, and

We will target our spending to the economic drivers of this State.

Unlike our predecessors, we have been open and transparent in this budget.

This is not just what the community expects from its Government, but what it deserves.

The people of this State want to see a strong, prosperous and resilient New South Wales.

They want a Government that takes decisions in their best interests and delivers for them.

Today we deliver on that and make decisions for a stronger tomorrow.

In an uncertain world, these are the right decisions for difficult economic times.

I commend these bills to the House.

Debate adjourned on motion by the Hon. Greg Pearce and set down as an order of the day for a future day.

CHAMBER BROADCAST SYSTEM UPGRADE

The PRESIDENT: I inform members that the new Chamber broadcast system is now operational. The new cameras are able to show improved coverage of the Chamber proceedings with a clearer high-definition digital picture and improved camera angles to capture the back bench and crossbench. Members should be aware that the eight microphones they see on the table are, however, temporary for the next two weeks as the final microphones are still being delivered. The microphones on the table will allow improved pick-up of sound, even if the person speaking in debate moves away from the microphone. Members will not need to lean into the microphones to be heard.

As with the previous system, the microphone being used by the member speaking can be turned off at the lectern. Members should also be aware that the microphones adjacent to where the Black Rod sits replace the microphones that formerly hung from the ceiling and will remain active whenever the House is sitting. Members are reminded that conversations in the vicinity of those microphones therefore may be picked up and may be broadcast. Sound levels and other settings for each microphone are being monitored and will be adjusted over the next two weeks to ensure that they meet the needs of the House. An email has been sent to all members and staff advising them in detail about the new system. I refer members to that document for any further information they require.

STANDING ORDERS

Cut-off Date for Government Bills

The Hon. MICK VEITCH [2.52 p.m.]: I move:

1. That this House agrees to and adopts the following standing order for procedures to apply to the passage of Government bills:
 1. at the beginning of each year the House must adopt dates for each sitting period by which Government bills are to be received from the Legislative Assembly, or introduced in the Legislative Council.
 2. Where a bill is received from the Legislative Assembly or introduced by a Minister after the deadline, debate on the motion for the second reading is to be adjourned at the conclusion of the speech of the Minister moving the motion, and the resumption of the debate is to be made an order of the day for the first sitting day in the next sitting period.
 3. However, if after the first reading, a Minister declares a bill to be an urgent bill and copies have been circulated to members, the question "That the bill be considered an urgent bill" is to be decided without amendment or debate, except a statement not exceeding 10 minutes each by a Minister and the Leader of the Opposition, or a member nominated by the Leader of the Opposition, and one crossbench member. If that question is agreed to, the second reading debate and subsequent stages may proceed forthwith or at any time during any sitting of the House.
 4. For the purposes of this standing order, a "sitting period" means a period of sittings during which the House adjourns for no more than four weeks.
2. That this House authorises the President to present this standing order to Her Excellency the Governor for approval.

The motion is self-explanatory. It intends to put in place permanent arrangements that we have been following for some time by way of sessional order, and it will be noted that Business of the House Notice of Motion No. 3 is a sessional order. I understand that the Government will be moving an amendment so that this matter is referred to the Procedure Committee for further in-depth consideration. The Opposition agrees to such an amendment.

The Hon. DUNCAN GAY (Minister for Roads and Ports) [2.55 p.m.]: The Hon. Mick Veitch is prescient as usual. I move:

That the question be amended by omitting all words after "That" and inserting instead "the Procedure Committee inquire into and report on whether there should be a standing order for the cut-off date of Government bills".

Question—That the amendment of the Hon. Duncan Gay be agreed to—put and resolved in the affirmative.

Amendment of the Hon. Duncan Gay agreed to.

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

Motion as amended agreed to.

SESSIONAL ORDERS

Cut-off Date for Government Bills

The Hon. MICK VEITCH [2.56 p.m.]: I move:

That, during the present session and notwithstanding anything contained in the standing or sessional orders, and unless otherwise ordered, the following procedures apply to the passage of Government bills:

1. Where a bill is introduced by a Minister, or is received from the Legislative Assembly after Thursday 25 October 2012, debate on the motion for the second reading is to be adjourned at the conclusion of the speech of the Minister moving the motion, and the resumption of the debate is to be made an order of the day for the first sitting day of 2013.
2. However, if after the first reading, a Minister declares a bill to be an urgent bill and copies have been circulated to members, the question "That the bill be considered an urgent bill" is to be decided without amendment or debate, except a statement not exceeding 10 minutes each by a Minister and the Leader of the Opposition, or a member nominated by the Leader of the Opposition, and one crossbench member. If that question is agreed to, the second reading debate and subsequent stages may proceed forthwith or at any time during any sitting of the House.

It is usual practice in this Chamber to establish a sessional order for the cut-off date for Government business for the next session. The motion is self-explanatory. I commend the motion to the House.

The Hon. DUNCAN GAY (Minister for Roads and Ports) [2.57 p.m.]: The Government supports the motion.

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

Motion agreed to.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2011-2012

Debate resumed from 10 November 2011.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [2.58 p.m.], in reply: I thank members for their contributions to the debate on budget estimates and related papers for the financial year 2011-2012. I compliment the Treasurer on the administration of the budget. The deficit that was projected in last year's budget has been significantly reduced as a result of the fine financial management of this Government and the tough decisions it has made. The State is far better placed to continue to deliver the services the people of New South Wales require and to make a renewed investment in infrastructure, contrary to what the previous Government did over 16 years. I commend the 2011-12 budget to the House.

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

Motion agreed to.

HEALTH SERVICES AMENDMENT (NATIONAL HEALTH REFORM AGREEMENT) BILL 2012

Second Reading

The Hon. MELINDA PAVEY (Parliamentary Secretary) [3.00 p.m.], on behalf of the Hon. Michael Gallacher: I move:

That this bill be now read a second time.

The Health Services Amendment (National Health Reform Agreement) Bill 2012 implements a major component of the National Health Reform Agreement agreed by the Council of Australian Governments in August 2011 and will establish the legislative framework for new national funding arrangements which are scheduled to commence on 1 July 2012. The agreement requires significant health reform action including the establishment of improved local accountability and responsiveness of public hospital health services through devolved local governance and management, improved and transparent performance reporting and accountability measures, major changes to improve the transparency of public hospital funding through a national health funding pool, and a nationally consistent approach to activity-based funding as a means of improving patient access to services and public hospital efficiency. These key elements of the agreement complement and reinforce directions and strategies already being pursued by the New South Wales Government for a more devolved and accountable health system.

The Government has already implemented important local government changes through the Health Services Amendment (Local Health Districts and Boards) Act 2011, which created local health districts and district health boards with devolved responsibility for managing public hospitals and health services. The Government has also been working closely with the Commonwealth and other jurisdictions to establish the framework and governance arrangements for the new Independent Hospital Pricing Authority and the National Health Performance Authority. The bill before the House today supports the next major plank of the national health reform agenda. It will provide for the implementation of the new health funding arrangements agreed by all Australian governments to promote greater transparency, accountability and efficiency in relation to the funding of hospital and health services in Australia.

The key elements of these new national health funding arrangements include: the establishment of a single national health funding pool comprising separate State pool accounts; the payment of all Commonwealth and State activity-based funding for public hospitals into the pool; the establishment of a national system of activity based funding to commence from 1 July 2012; transparent accounting, reporting and auditing of pool

accounts; the appointment of a single administrator of the pool as an independent statutory office holder by all health Ministers under the procedures set out in the agreement; provision that payments from the pool shall only be made by the administrator at the direction of the responsible State Minister and in accordance with the service agreement with the local health district; and the establishment of State managed funds to receive funding for block grants, teaching, training and research.

In New South Wales, in addition to local health districts, these new funding arrangements will also apply to health service networks that will receive activity based funding through the national health funding pool. This will include the Sydney Children's Hospitals network and the St Vincent's health network. Under the agreement all jurisdictions must pass legislation to implement these new funding arrangements. To maximise national consistency, jurisdictions have agreed on a set of common legislative provisions prepared on behalf of all jurisdictions by the Australasian Parliamentary Counsel's Committee recognising that additional jurisdiction specific provisions may also be required.

I now turn to the specific provisions of the bill. The bill incorporates the agreed national common provisions to be included in a new schedule 6A of the Health Services Act 1997 as well as additional New South Wales specific provisions which are also consistent with the National Health Reform Agreement. Under part 2 of schedule 6A the office of the administrator will be separately created under each jurisdiction's legislation, though a single individual will be appointed to the office. The administrator is independent but accountable to all jurisdictions. Under clause 3 of part 2 the administrator is to be separately appointed by the Minister in each jurisdiction, who is a member of the Council of Australian Governments Standing Council on Health. Before the appointment is made the Chair of the Standing Council on Health is to seek nominations from each member of the council. The proposed administrator is to be unanimously agreed upon by all members of the council prior to his or her appointment as administrator.

The administrator may be appointed for a period not exceeding five years, but will be eligible for reappointment. The functions of the administrator, which are set out in clause 8 of part 2, are: to calculate and advise the Commonwealth Treasurer of the contributions the Commonwealth is required to pay into the State pool account for each State and Territory; to monitor payments into each State pool account; to make payments from the State pool account in accordance only with the directions of the State and to report publicly on the payments made into and from each State pool account, and other matters the administrator is required to report on under the proposed amendments.

Under clause 7 the administrator is to be assisted in carrying out his or her functions by the national health funding body. The funding body will be established under Commonwealth legislation. The administrator cannot delegate his or her functions but is to be assisted by the staff of the funding body. In practice this will mean that, whilst funding body staff can undertake calculations and prepare documentation for approval by the administrator, ultimately all calculations, payments out of State pool accounts and reports must be approved personally by the administrator. In clause 8 the bill explicitly provides that all money in State pool accounts is State money and that neither the administrator nor the staff of the national health funding body is subject to the control or direction of the Commonwealth in relation to the exercise of the administrator's functions. Under clause 8 (3) the Council of Australian Governments is able to issue directions in relation to the manner in which the administrator exercises his or her functions. The purpose of this provision is to ensure consistency in relation to the way the administrator carries out his or her functions for all jurisdictions. It is anticipated that any directions may address such matters as the development of uniform requirements in relation to the preparation of reports and financial statements by the administrator, and common procedures relating to payments by the administrator out of State pool accounts.

In accordance with the National Health Reform Agreement, the costs of the administrator and funding body are to be borne by the Commonwealth. I note that the Commonwealth has allocated funding for this purpose in its recent 2012-13 budget. The bill contains provisions for the suspension and removal of the administrator. Given that the administrator will be appointed by all nine jurisdictions, it has been necessary to take some care in the drafting of these provisions. Under clause 4 of the proposed new schedule 6A the administrator is to be suspended by the chair of the Standing Council on Health if the chair is requested to do so by either three State health Ministers or the Commonwealth health Minister. The bill specifies the grounds on which the administrator may be suspended. These grounds include failure by the administrator to comply with his or her obligations or duties, physical or mental incapacity, being accused or convicted of a criminal offence and bankruptcy.

In addition, safeguards have been included to ensure that the Commonwealth Minister acting alone may not repeatedly request the suspension of the administrator. To address this concern paragraph (5) of clause 4 requires that where there is a repeated request to suspend the administrator within 90 days of an earlier period of suspension the suspension must be agreed to by a majority of members of the Standing Council on Health. Under clause 5 the Standing Council on Health has the power, by majority decision, to remove the administrator from office. In that event all health Ministers must take steps to terminate the administrator's appointment in their jurisdictions by the date determined by the standing council. The provisions also allow the administrator to resign from the office.

Clause 6 permits the chair of the standing council to appoint an acting administrator during any period when the office is vacant or the holder of the office is suspended or absent from duty. The appointment of an acting administrator may only be made from a panel of persons previously agreed to by the Standing Council on Health. Part 3 of the proposed new schedule 6A contains provisions for the establishment of a State pool account and State managed fund in New South Wales.

In accordance with the National Health Reform Agreement, under clause 9 the New South Wales State pool account will be established as a separate bank account held with the Reserve Bank of Australia. All Commonwealth funding to the State for hospitals under the National Health Reform Agreement will be paid by the Commonwealth directly into the State pool account. The State contribution for activity-based funding for New South Wales hospitals also will be paid into the account. Other State payments will be made to the State managed fund or direct to local health districts. Under these new arrangements the administrator will make payments directly to local health districts from the State pool account in accordance with the directions of the State in its role as system manager.

Under the agreement these payments are to be made in accordance with service agreements that are agreed between the State and each local health district. These agreements will set out the volume of services to be provided by each local health district, as well as the price to be paid for those services. The Ministry of Health is currently managing an overall implementation program to commence these new funding arrangements on a statewide basis and in local health districts from 1 July 2012. A key principle of the proposed arrangements is that the administrator will be subject only to directions of the State Minister, or his or her delegate, and is not subject to the control or direction of the Commonwealth in relation to the exercise of the administrator's functions under the provisions of this bill.

The bill also acknowledges that, given the critical role of the administrator in making payments to the health system in New South Wales, it is necessary for there to be a mechanism to facilitate the making of payments in the event the administrator is unavailable to make payments at a particular time—for example, due to illness or misadventure. The power to appoint an acting administrator by the chair of the standing council partially addresses this risk; however, it does not sufficiently address the risks when time-critical payment is required to maintain public hospital services. Accordingly, under clause 11 (8) of part 3 the Minister may direct a New South Wales State official to make payments from the State pool account in circumstances when the administrator is not available to make a payment at the time it is required to be made. It is intended this power would be used in exceptional circumstances only.

The National Health Reform Agreement also requires States to establish State managed funds for the purpose of receiving both Commonwealth and State block funding for small public hospitals and other block-funded services, as well as funding for teaching training and research. Clause 12 requires the Director General of the Ministry of Health to establish a State managed fund, which may be established either as a separate fund or a separate bank account. In either case, the funding that is paid through the State managed fund will be reported on by the administrator in the same way as the administrator reports on funding through State pool accounts. Under part 4 of the proposed schedule 6A the administrator is required to establish appropriate financial management and record-keeping systems in relation to the administration of the State pool accounts. A key component of the National Health Reform Agreement is that the administrator will provide regular reporting on all funding flows through the State pool accounts and State managed funds of all jurisdictions.

Under clauses 15 and 16 the reporting will be both monthly and annual, and will include reporting on the amounts paid in by the Commonwealth and States and Territories, payments out to each local health district and the basis on which they were made, and the number of public hospital services funded. Both the monthly and annual reports by the administrator must be made publicly available. In addition, a copy of the annual report for each jurisdiction must be tabled in that jurisdiction's Parliament. These arrangements will ensure complete transparency and accountability in relation to funding provided by all levels of government for local health

districts and other health services covered by the National Health Reform Agreement. Under clause 17 the administrator must also prepare an annual special purpose financial statement in relation to each State pool account and an annual combined financial statement for all State pool accounts.

Clause 18 provides that the Auditor-General of each State or Territory will audit the special purpose financial statement prepared by the administrator for their State or Territory's pool account. Clause 19 also provides for State and Territory Auditors-General to have the power to conduct a performance audit of the administrator in relation to their jurisdiction under their existing legislation. However, they will be required to provide notice to other Auditors-General of a proposed performance audit, so as to provide Auditors-General with an opportunity to collaborate and minimise the potential impact on the administrator. Part 5 of proposed new schedule 6A contains a number of miscellaneous provisions. These include provisions applying Commonwealth oversight and government information legislation to the administrator, including archives, freedom of information, Ombudsman and privacy legislation.

The equivalent New South Wales legislation will be disapplied from the administrator. The purpose of this approach, which is stipulated by the National Health Reform Agreement, is to avoid imposing an excessive regulatory burden on the administrator, who will be exercising statutory functions in nine jurisdictions. The application of Commonwealth oversight legislation will be modified, as appropriate, by way of regulations made under the Commonwealth National Health Reform Act 2011 with the agreement of the Standing Council on Health. Commonwealth regulations currently are being developed by an inter-jurisdictional working group. As the regulations may not be completed by 1 July 2012 the bill includes a transitional provision that will delay the application of the Commonwealth oversight and government information legislation and the disapplication of New South Wales legislation to the administrator until the agreed regulations have commenced.

The miscellaneous provisions of the bill also include provisions that will allow the appointment of the initial administrator with the agreement of all jurisdictions' health Ministers and the commencement of the new national funding pool, even if all jurisdictions have not commenced their legislation on time. I am advised that legislation to implement the new funding arrangements has been introduced by the Commonwealth, Queensland, Victoria, South Australia, Tasmania and the Northern Territory. These transitional provisions will ensure that the national funding scheme can commence in the event that any particular jurisdiction has not commenced its legislation. The bill also contains a small number of other amendments to the provisions of the Health Services Act to accommodate the new national health funding pool arrangements: specifically, items [3] and [4] of schedule 1 to the bill amend section 127 of the Act, which deals with the funding of public health organisations in New South Wales.

Item [3] provides that the Minister is to have regard to the National Health Reform Agreement in determining the amount of subsidy paid from the Consolidated Fund to fund public health organisations under the existing financial provisions of the Health Services Act. Item [4] makes it clear that the provisions contained in section 127, relating to the determination of funding to public health organisations, do not affect the operation of the provisions in the new schedule 6A that relate to health funding arrangements under the National Health Reform Agreement. The bill implements common national legislative provisions to establish a more transparent, accountable and efficient system of funding of hospital services in Australia.

Under the national health funding arrangements New South Wales will continue to provide the majority of funding for New South Wales health services; have responsibility, as the system manager, for the integrated public health system, and will be responsible for ensuring local health districts' and networks' performance; set the price, funding rules and overall level of funding received by local health districts for service delivery, and purchase services from local health districts under service agreements; and bear the residual risk and meet the costs of service delivery in the public healthcare system.

The proposals contained in the bill support and complement this Government's policies for a more devolved and responsive health system where key decisions about patient care are made locally in the context of transparent governance and funding arrangements. It would be remiss of me, as the Parliamentary Secretary for Regional Health, not to mention that provision has been made for small rural hospitals. The new funding model under the national health reforms incorporates activity-based funding. As we know, funding for public hospitals was moved to a nationally consistent model from 1 July 2012. In accordance with the National Health Reform Agreement, a phased implementation of activity-based funding in New South Wales has been planned, with acute admitted emergency and non-admitted services to be funded on an activity basis from 1 July 2012.

Mental health and subacute services will be phased in from 1 July 2013, with shadow funding allocation planned from 1 July 2012. However, as we know, not all services are suitable for activity-based funding. This includes services provided by rural and remote hospitals. The lower volumes and relatively high fixed costs of smaller hospitals make it impractical to implement activity-based funding in those services, and they will continue to be block funded where appropriate. The bill provides the legislative basis for further health reform opportunities throughout New South Wales and Australia. I commend the bill to the House.

[Business interrupted.]

DISTINGUISHED VISITORS

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): I acknowledge the presence in the gallery of a former Leader of the House, Mr Ted Pickering, and welcome him to the Legislative Council.

HEALTH SERVICES AMENDMENT (NATIONAL HEALTH REFORM AGREEMENT) BILL 2012

Second Reading

[Business resumed.]

The Hon. PENNY SHARPE [3.18 p.m.]: I lead for the Opposition on the Health Services Amendment (National Health Reform Agreement) Bill 2012. The object of the bill is to amend the Health Services Act 1997 to make provision for the funding of health services in accordance with the National Health Reform Agreement between the Commonwealth and the States and Territories that was agreed to by Council of Australian Governments on 2 August 2011. The bill contains certain common provisions that are to be enacted by the Commonwealth and the States and Territories. This bill will implement the Council of Australian Governments agreement, establish a health funding pool and codify the new nationally consistent approach to activity-based funding.

The Opposition notes that since March 2011 only about 150 new beds have been added to the approximately 24,000 beds in the New South Wales health system. In New South Wales 65 per cent of hospitals have fewer than 50 beds, accounting for approximately 17 per cent of the total number of beds. Even simple information such as that—information as basic as the number of beds in New South Wales—is carefully guarded by the Minister and the Government. Reliance on spin about bed numbers rather than substantive changes in the system has been the *modus operandi* of the Government to date. However, this is vital legislation because the health system that the Minister now champions is the same one that many who were in opposition but are now in government said for the past 16 years was a basket case and in a state of crisis. The staff are the same, the structure is the same and the challenge is the same.

However, as Commissioner Garling stated, in New South Wales we have one of the world's better health systems. Despite the still present social grading in health outcomes, a child born in New South Wales today can expect to have the second-longest life span in the world, and most of those years will be healthy and productive. Australia spends 9.3 per cent of its gross domestic product on health. That is mid-range expenditure. Some countries spend more and some spend less, but none has better health outcomes for less expenditure than New South Wales. However, the Australian health system is now at tipping point, and the Opposition believes the changes in this legislation are necessary. Every State-based health system has its challenges, and the New South Wales health system is as good as any—better in some areas and not as good in others. But the differences in health care in terms of access, equity and facilities within each State are much greater than interstate variations, despite this Government's spin. That is why this agreement is so vital to the future of health care for every person in every State of Australia.

Most of the heavy lifting for the agreement that is the basis of this legislation was done by State and Federal Labor governments. This bill builds on that work; it establishes the legislative framework for the national funding agreement. All States have agreed on a set of common legislative provisions prepared by the Commonwealth. The major change will be a change to activity-based funding from 1 July this year whereby hospitals will be paid an efficient price for each activity that is covered by activity-based funding. The gap between the efficient price and the actual price of the service delivered will be paid for by the New South Wales Government.

Areas able to do procedures more efficiently than the efficient price will gain money. Those that are unable to do procedures at the efficient price will need to put in extra funding. This is an evolutionary change but, in the words of my colleague the shadow Minister for Health, it is a game changer in the way health is funded. Even though demand is rising by approximately 3 per cent a year, funding continues to increase above the level of demand as we live longer and do more with our healthcare system. If the average wages increase of 2.5 per cent to 4 per cent is added, true health costs increased at approximately the Australian Medical Association—

The Hon. Catherine Cusack: It is not making a lot of sense. Sorry.

The Hon. PENNY SHARPE: Thank you, Catherine. The Australian Medical Association estimates that the true health cost is 9 per cent a year. That outstrips funding that State-based services are usually able to provide, which is in the order of 6 per cent a year. Even that 6 per cent means that in every State jurisdiction the rate of funding of State health services continues to take money away in the State budget from other services provided by other governments. Something has to change; hence this agreement and this legislation.

New schedule 6A to the bill creates the Office of the Administrator of the National Health Funding Pool. The administrator will be created separately in each jurisdiction, although only a single individual will be appointed after being chosen by consensus among members of the Council of Australian Governments. New part 3 will establish the State pool account into which payments will be made from the national health funding pool. Part 4 outlines the financial management and reporting duties of the administrator, which include monthly reports to the Minister that outline the sum deposited in each State pool account and for which purpose. The monthly and annual reports will be made public.

While those measures are designed to ensure at least some funding transparency, the Opposition is concerned that individual hospital budgets will not become public. We are concerned that the Government is hiding the true information of how much a local hospital will receive, and we believe this should be made public. The Government has consistently refused to release individual hospital budgets, even though the Minister stated on 15 June 2009 that she would publish information about health services management, including budget allocations. Every member of Parliament would want to know exactly how much their hospital gets and how much is being spent. If we change the way that health is delivered the public has a right to know the figures, but under this Government we believe we will never receive them.

New part 5 has some miscellaneous provisions only. The main changes are the establishment of an independent health pricing authority, which will pay 60 per cent of the efficient price for each service and funding that will go into a national pool and then be distributed by the administrator. Every major change in the Federal-State relationship for the delivery of health care has been introduced by a Federal Labor Government, and this is no different. Despite the fact that the Labor Party has spent 74 of the past 110 years in opposition, the major changes have been introduced by Labor governments.

The change to activity-based funding must be made. However, the major difficulty with activity-based funding is how to quantify care. One hip replacement is not the same as another because the major compounding variable is comorbidity. Activity-based funding does not make allowance for block contracts. Smaller hospitals will never have the economies of scale. Understanding variation in the cost of health care is the key to activity-based funding and the greatest challenge this Government will have is distributing resources to areas that have fewer natural advantages to allow them to provide cost-effective health care. In the central part of the city there are many nurses and doctors and they are able to be employed relatively inexpensively compared with in western Sydney. The smaller rural hospitals will never be able to match the economies of scale of the larger hospitals, which is why block funding for them is vital.

Under this system the States will remain the majority funders and the system managers, and about 40 per cent of all work that goes into the State hospital system will have to be block funded. Mental health, teaching and community care will all remain block funded. Drug and alcohol services and dental services will always stay with the State and activity-based funding will be used mainly for acute care, emergency departments and outpatients. The State will play the primary role in determining the overall funding for local health districts and bear the residual risks if local health districts need increased funds to meet their service needs. That is the crux of the bill: What is going to happen to those local health districts that are unable to meet their service needs? The Opposition would like to hear from the Parliamentary Secretary as to what the plan is if this occurs and what mechanism will be used to increase the funding to these local health districts. To keep the system safe and operating during these major evolutionary changes will be a challenge for the Government.

Quality health care worldwide depends on two things: funding and staffing. If the unit you come to as a patient is not funded properly and staffed with enough suitably trained and supported clinicians to meet your health needs, things will—and do—go wrong. There will be winners and losers in this funding change. This major change to funding has the potential to alter significantly service delivery to individual patients. The onus is on this Minister and this Government, despite their rhetoric and spin, to provide safe and equitable patient care. As Professor John Dwyer says, hospitals are like a string of pearls. Every hospital will need to develop things that it is good at and systems of care that work well, and under this agreement there will be significant changes to the way in which each hospital delivers services to each patient. This will require the Government to respond to these demands and provide safe and equitable patient care.

Under the Westminster system—and the people of New South Wales know this—the Minister for Health is responsible for the provision of safe patient care to every person admitted to every public hospital in the State. To be health Minister—to be in government—you must take responsibility for the safe and equitable health care of every patient in the State. To date, the Government has been big on talking the talk in health care. It will now have to walk the walk. From 1 July 2012 and over the following years the results of these changes in service delivery to individual patients will be there for everyone to see. The Opposition supports the bill but we will be watching the changes closely.

The Hon. JENNIFER GARDINER [3.27 p.m.]: Obviously the Hon. Penny Sharpe has not yet read today's budget—or, at least, the part of it about health funding—that was brought down today. It is interesting to examine the genesis of this bill at a time when there is quite a lot of speculation about the activities of Mr Kevin Rudd, the instability in the Federal Labor Government and how he may reappear as Prime Minister. Nicola Roxon, the current Attorney-General but former Minister for Health, has given us a wonderful insight into Mr Rudd's activities in relation to reforming Australia's health system.

The Hon. Amanda Fazio: Point of order: The Hon. Jennifer Gardiner should be speaking to the bill before the House and not talking about irrelevant matters. If the member has nothing positive to say about her Government's bill, she should not bother speaking. If she has a positive contribution to make about the bill she should do so.

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): Order! Second reading debates are wide ranging. Therefore, I do not uphold the point of order.

The Hon. JENNIFER GARDINER: I did not realise so many of Mr Rudd's colleagues would be so sensitive about his activities following his excruciatingly painful prime ministership—including, obviously, many of his New South Wales Labor caucus colleagues. Talking about national health reform—which is what this bill is about—the former health Minister gave us much insight into how Mr Rudd conceived the idea of, for example, having a referendum to take over the health system, which he wanted to hold at the same time as the 2010 election. Nicola Roxon said that Mr Rudd was told that the referendum would not succeed but, nevertheless, "thought it would be a good tool to be able to win the election." She said, "Mr Rudd sat with Karl Bitar, the then National Secretary of the Australian Labor Party, and everybody else and said, 'Look, this is a really popular thing to do. We would win the election.' I said"—that is, Nicola Roxon—"Yeah, but we wouldn't win the referendum. Look at the history of referendums. The States do not agree with us. The campaign would be very heavily opposed to us."

Ms Roxon also rejected Mr Rudd's assertion earlier this year that the watered-down health reform deal that was eventually struck between the current Prime Minister, Julia Gillard, and the States did not go through a proper Cabinet process. She said that Mr Rudd's claim was a complete joke. She went on to say, "But many of those things, including the biggest proposals that Kevin wanted to act on, he wanted with four days' notice on one occasion that I can recollect to take over the entire health system. Didn't have any materials for Cabinet and didn't have any legal advice." Nicola Roxon described that as a "ludicrous" way to run a government. She said, "We didn't do that because we were able to talk some sense into Kevin."

Often on the day before Ms Roxon would be visiting a hospital with Mr Rudd she said, "We couldn't get confirmation from the Prime Minister which hospital or which city he was going to be in." Obviously her general theme was that his running of the Government was chaotic. She added that often on the day before she was due to visit a hospital with Mr Rudd "we didn't know where he was going." Of course, before Mr Rudd's last leadership challenge Ms Roxon said famously that if he were elected Labor leader she would not work with him again. She stated, "I doubt I would be asked but I absolutely wouldn't accept if I was. If Kevin succeeds I won't want to serve in his ministry, but I wish him and the Government the best of luck."

Of course, time has moved on and many of the iterations of the Council of Australian Governments agreement that eventually came to pass took into account the very real problems that States such as Western Australia, Victoria and New South Wales had with Mr Rudd's plans. A lot of hard work was done because the consensus was that electors were sick of the buck-passing between the Commonwealth and States on health issues. That consensus emerged after quite a long time and is at the core of this bill. The Health Services Amendment (National Health Reform Agreement) Bill 2012, agreed to by the Council of Australian Governments nearly one year ago, creates a new national health funding pool that will be overseen by an independent administrator and is aimed at establishing a more transparent, accountable and efficient funding system of hospital services in Australia. The bill's provisions are scheduled to commence in a few weeks' time.

The bill contains common legislative provisions to give effect to the agreement, which, as I have said, took quite a long time to be reached. As far as New South Wales is concerned, the issues have been resolved, as is the case in other jurisdictions—a number of which have introduced complementary legislation. A new national health funding pool will be set up by the common legislative provisions. This will involve all States and Territories having State pool accounts with the Reserve Bank, to be known as the national health funding pool, into which will be deposited Commonwealth and State activity-based funding for local health districts. All payments out of the State pool accounts to local health districts and other providers will be made by an independent administrator, who may make payments only at the direction of the relevant State.

Each health Minister must agree to the appointment of the administrator, with the unanimous agreement of members of the Standing Council on Health. The bill provides for the suspension and removal of an administrator as well as the appointment of an acting administrator from a panel of persons agreed to by the Standing Council on Health. The administrator will undertake public monthly and annual reporting on all funding flows into and out of the State pool accounts. Audited financial statements for State pool accounts will be available for everyone to see how and where the funding is flowing. The administrator will be assisted by a national health funding body established by the Federal Parliament. Both the administrator and the funding body will be funded by the Commonwealth but may not be directed by the Commonwealth, which was not something Mr Rudd envisaged.

The administrator will be subject to a single set of financial management and accountability requirements under the common provisions as well as Commonwealth administrative oversight laws regarding privacy, freedom of information and similar matters. Consistent with the National Health Reform Agreement, the common provisions contain transitional measures that allow the appointment of the administrator by all health Ministers and provide for the commencement of the pool on 1 July. The bill contains the machinery that allows New South Wales to participate in the national funding scheme. An interjurisdictional process is underway to appoint an interim administrator designate to enable the transition to proceed smoothly.

After a rocky start because of the irrational and chaotic leadership of Kevin Rudd—who may reappear as leader of the Federal parliamentary Labor Party at any minute—if this new health reform agreement and the legislation being enacted throughout the Commonwealth, including in this Parliament, bring about greater transparency among the various jurisdictions regarding health funding and provide fewer opportunities to get away with confusing the issue by buck-passing on health and hospitals funding, it will be a good outcome for the electors of New South Wales. For that reason I have pleasure in supporting the bill.

The Hon. PAUL GREEN [3.37 p.m.]: I speak on behalf of the Christian Democratic Party in debate on the Health Services Amendment (National Health Reform Agreement) Bill 2012. The object of the bill is to amend the Health Services Act 1997 to make provision for the funding of health services in accordance with the National Health Reform Agreement between the Commonwealth, States and Territories that was agreed to by the Council of Australian Governments on 2 August 2011. The agreement requires significant health reform action, including improved local accountability and responsiveness by public hospitals and health services. This bill will create a nationally consistent approach, which aims to improve public hospital efficiency and patient access to services.

This will be achieved through improved local governance and management, transparent performance reporting and accountability measures. As the Minister in the other place noted, New South Wales will continue to provide the majority of funding for its health services and will manage local health districts and their performances. No doubt the opportunity for health reform is long overdue. It is a credit to the Commonwealth and the States that they are at least talking and getting on the same page. For too long the patient has borne the brunt of bad management on many occasions or lack of resourcing. Transparency will make the Federal and State governments accountable for cost-shifting mechanisms that often remained hidden.

The proposed change in the funding model makes it far more sustainable—knowing who pays and who is carrying the burden of responsibility will allow better management of the process. One of the challenges that this State, and the nation, faces is an ageing population. Health reform that takes account of that fact is very important. By the year 2050 there will be seven million people over the age of 65. The proposed reform will mean that a bigger chunk from national and State gross domestic product will be spent on health services. The bill proposes that 9.3 per cent of State gross domestic product will go to health services. It is expected that that figure will increase by 2050. With an ageing population, the present resourcing is unsustainable. Health services need to be managed effectively and the harmonisation of State and Federal health reform will be very helpful. I note that the provisions are to commence on 1 July 2012.

Some South Coast hospitals have racked up substantial debt and do not have the capacity to pay their bills. Several suppliers to those hospitals are withholding services while awaiting government payments, which is embarrassing. This reform will provide pool funding, giving access to funds and allowing payments to be made to suppliers of goods and services. That is important. This reform will ensure that local hospitals do not have to suffer the embarrassment of not paying their bills on time. Service delivery will be far more efficient. I conclude with a quote from the Minister's speech in the other place. The Minister stated:

The proposals contained in the bill support and complement this Government's policies for a more devolved and responsive health system where key decisions about patient care are made locally in the context of transparent governance and funding arrangements. The bill provides the legislative basis for further health reform opportunities.

That is important. The reforms do not stop here; this is just the beginning. Buck-passing is not good enough. When someone is in a hospital bed, in agony and frustrated, they want to get back to their family, job or whatever it was they were doing before falling ill. People want to resume their lives. It is not good when efficient health services delivery is complicated by bad management. Buck-passing does not help to achieve a good outcome. These reforms will resolve that situation. At the end of the day, the health system is for the sick. It should aid people's recovery so that they can leave the system and enjoy their former quality of life. The Christian Democratic Party believes the Health Services Amendment (National Health Reform Agreement) Bill 2012 is a step towards national consistency and commends it to the House.

The Hon. CHARLIE LYNN (Parliamentary Secretary) [3.43 p.m.]: I support the Health Services Amendment (National Health Reform Agreement) Bill 2012. The bill amends the Health Services Act 1997. It provides funding of health services in accordance with the National Health Reform Agreement between the Commonwealth and the States and Territories that was agreed to on 2 August 2011 by the Council of Australian Governments. The bill implements a major component of the National Health Reform Agreement that was struck in August 2011 by the Council of Australian Governments. The bill will establish the legislative framework for new national funding arrangements, scheduled to commence on 1 July 2012. Those arrangements relate to: the establishment of a single national health funding pool comprising separate State pool accounts; the payment into the pool of all Commonwealth and State activity-based funding for public hospitals; the establishment of a national system of activity-based funding; transparent accounting, reporting and auditing of pool accounts; the appointment of a single administrator; and other miscellaneous items.

Major provisions within the national health funding pool to be established by the common legislative Acts include the following. All States and Territories will establish State pool accounts with the Reserve Bank of Australia, to be collectively known as the national health funding pool, for the purpose of receiving Commonwealth and State activity-based funding for local health districts. All payments out of the State pool accounts to local health districts and other providers will be made by an independent administrator, who may make payments out of the accounts only at the direction of the State. The administrator must be appointed separately by all health Ministers following the unanimous agreement of the members of the Council of Australian Governments Standing Council on Health. Provision will be made for the suspension and removal of the administrator, as well as the appointment of an acting administrator from a panel of persons agreed to by the Council of Australian Governments Standing Council on Health.

The administrator will undertake public monthly and annual reporting on all funding flows into and out of the State pool accounts as well as the preparation of audited financial statements for State pool accounts to ensure complete transparency of funding flows. The administrator will be tested by a national health funding body established by the Commonwealth legislation, and both the administrator and the funding body will be funded by the Commonwealth but may not be directed by the Commonwealth. The administrator will be subject to a single set of financial management and accountability requirements under the provisions as well as Commonwealth administrative oversight laws such as privacy, freedom of information and the Ombudsman.

New South Wales will receive additional guaranteed efficient growth funds of approximately \$3 billion between 2014 and 2020. A further \$2.16 billion is achievable by New South Wales from the national package. Separate funding under the Improving Public Hospital Services National Partnership Agreement of \$186.2 million for 2011-12 is being provided to New South Wales for emergency departments, elective surgery and subacute care. To prepare for 1 July 2012, work is underway ensuring that health reform implementation and State funding policies and mechanisms are in place. Work in a number of areas is in the final stages of completion. That work includes: finalisation of a State price and funding model; passage of the national health funding legislation in New South Wales; the approval and issue of local health district budgets and associated service agreements; and the establishment of a New South Wales State pool account.

One question that has been asked in relation to the legislation is: Who will control and be accountable for the funds held in the State pool account? Consistent with the nationally agreed common provisions, the money held in State pool accounts will remain money under the control of the State. Under new part 3 of schedule 6A, the New South Wales State pool account will be established as an account within the special deposits account for the purposes of the New South Wales Public Finance and Audit Act 1983. This will ensure appropriate reporting and accountability in relation to funds held in the State pool account in accordance with the New South Wales legislation. It is intended that annual financial reporting on the State pool account required by the Public Finance and Audit Act will be carried out by the New South Wales Ministry of Health. This legislation shows that the O'Farrell Government is getting on with the job and providing health services to all of New South Wales, including the regions. I commend the bill to the House.

The Hon. MELINDA PAVEY (Parliamentary Secretary) [3.47 p.m.], in reply: I thank all honourable members who contributed to debate on the Health Services Amendment (National Health Reform Agreement) Bill 2012. I will address some of the concerns raised by the Hon. Penny Sharpe in relation to hospital budgets, what the legislation means for hospitals, and how this Government will respond to individual needs. Local health districts will be responsible for allocating funds to hospitals subject to the conditions under the service agreements with the Ministry of Health. A lot of time and energy has been spent addressing those issues over the past few months. Local health district budgets will comprise both activity-based funding and separate block funding, as appropriate, which will be negotiated as part of a service agreement with each local health district. This is consistent with greater devolution of responsibility to local health districts.

In addition, during the first two transition years of introducing the new funding model and activity-based reforms across New South Wales the Government's key priority and goal is keeping the system safe while introducing new funding drivers. The Government will get the reform right and at the same time ensure the safety of all patients. Accordingly, over the next two years the Government will introduce appropriate transitional arrangements and implement appropriate governance to manage the change process that will ensure health system and local health district readiness to implement the required changes. A major readiness assessment across all local health districts was completed recently and local health district action plans are being implemented. Further initiatives are planned following the readiness assessment.

The bill implements in New South Wales the National Health Reform Agreement, agreed to by the Council of Australian Governments in 2011. I acknowledge the comments of the Hon. Paul Green: yes, there has been a lot of goodwill, following the first flurry of activity announced by former Prime Minister Kevin Rudd, to ensure that all levels of government, State and Federal, deliver services appropriate to the needs of local communities. We should always acknowledge that we have one of the best public health systems in the world. Of course, it could be better, particularly to address the many and varied challenges posed by an ageing population and an exponential growth in health services. But we must do that in a manner that is safe and provides the best level of care to patients. This reform process is part of that.

The bill complements and reinforces a number of measures already introduced by the Government. Those include the devolution of responsibility for providing hospital services to clinicians and local hospital managers through appropriate localised governance and management structures for local health districts. This bill is a big part of that change, giving communities ownership of their hospitals and the services delivered within their district. Measures already introduced include greater transparency and accountability for the community in relation to health service performance and operations, as well as a more accountable and efficient system of funding for public hospital services.

The new National Health Funding Pool, with an independent administrator and increased reporting and accountability, will result in an unprecedented level of visibility for the people of New South Wales. I acknowledge the comments of the Hon. Penny Sharpe. Accountability is vital, particularly in many of our

regional communities. We must have a fair and transparent system, so that we know what funding is going into the system and how it is being spent. It is equally important in some city areas to ensure transparency and a fair distribution of funding. In relation to the level of health and hospital funding provided by both levels of government, it is vital to have transparency in relation to where the funding is allocated. The new funding pool, which is scheduled to commence on 1 July 2012, implements a new era in funding of health and hospital services in Australia and across this State. 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. Melinda Pavey, on behalf of 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.

[The Deputy-President (The Hon. Natasha Maclaren-Jones) left the chair at 3.55 p.m. The House resumed at 4.00 p.m.]

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

QUESTIONS WITHOUT NOTICE

PUBLIC SECTOR EMPLOYMENT

The Hon. LUKE FOLEY: My question is directed to the Minister for Finance and Services. Given that at the last election the Coalition promised the people of New South Wales more public servants, not less, why has the Coalition cut more than 15,000 public service jobs in its first two budgets?

The Hon. GREG PEARCE: What a great budget. The Treasurer has excelled himself with a great budget. Building New South Wales and building for the future is what this budget is all about. This Government fulfils its promises, and that is why we are delivering more teachers, more nurses and more police officers—hundreds of extra teachers, hundreds of extra police officers and thousands of extra nurses. But what does the mob opposite do? Not content with driving this State into the ground for 16 years, not content with trying to destroy the economy of New South Wales, not content with the removal of services from all over New South Wales and not content with their failure to build necessary infrastructure all around New South Wales, the members opposite continue to misrepresent, they continue their spin and they continue playing to their ever-diminishing audience of union mates. I saw something interesting the other day: Labor ran an election to select its candidate for the City of Sydney local council election and it admitted that in an electorate of 90,000 people only 400 people voted.

The Hon. Melinda Pavey: We had more than that in Tamworth.

The Hon. Luke Foley: Point of order: My point of order relates to relevance. To a question regarding public service job numbers an answer concerning City of Sydney preselection cannot possibly be relevant.

The PRESIDENT: Order! I uphold the point of order.

The Hon. GREG PEARCE: The relevance is that that mob cannot count; they just make up numbers to suit their purpose. The Opposition talks about 15,000 job losses. There are not 15,000 job losses—these people make up the numbers; they make up whatever suits them. I agree with the Hon. Melinda Pavey: at the Tamworth selection process run by The Nationals more than 4,000 people voted.

The Hon. Luke Foley: Point of order: I refer to your earlier ruling. Discussion of any party's preselection process cannot be relevant to a very specific question about public service job cuts in the budget.

The PRESIDENT: Order! I refer the Minister to my earlier ruling. Has the Minister concluded his answer?

The Hon. GREG PEARCE: They are embarrassed about their lies about the budget, they are embarrassed about their lies about public sector employment, and how embarrassed would any party be to have a preselection process as disastrous as the one Labor held in Sydney?

NEW SOUTH WALES CRIME COMMISSION

The Hon. SARAH MITCHELL: My question is directed to the Minister for Police and Emergency Services. Will the Minister update the House on what initiatives he will be implementing to ensure that the New South Wales Crime Commission is held more accountable, and what are the budget implications of those initiatives?

The Hon. MICHAEL GALLACHER: I thank the member for her question.

The Hon. Amanda Fazio: To make a ministerial statement.

The Hon. MICHAEL GALLACHER: If you would like me not to talk about the Crime Commission I am quite happy not to, but members on this side of the Chamber are most certainly very interested in the Crime Commission. Members on this side of the Chamber recognise that the New South Wales Crime Commission is a very important tool used by law enforcement agencies to go after people involved in organised crime. This is a very important question indeed, and in the coming days I will have more to say about the New South Wales Crime Commission. What is in the budget is an important lesson for those involved in organised crime: this Government is serious about ensuring that the structure and the finances are right to ensure that the Crime Commission can get on with its job of tackling organised crime in this State.

For far too long the previous Government ignored the concerns that were being raised by those from within the Crime Commission and by those within the NSW Police Force that the structure of the organisation had not kept pace with change and that changes that have occurred in the NSW Police Force and, indeed, in any other government department since the 1990s, were not being replicated in the Crime Commission. The Crime Commission needed to refocus itself and it needed to look at where its strengths and weaknesses were in terms of its structure but it also needed some consideration from government to address the issues raised in the Cook matter, of which many members in this House, particularly on this side, would be aware. It had a significant impact on the ability of the Crime Commission to go after the assets of those involved in organised crime.

This Liberals-Nationals budget indicates to the Crime Commission that the Government is supportive of the work it is doing and that we are providing it with the necessary financial support. Shortly I will make announcements regarding structural reforms in the Crime Commission that will give it the necessary tools to get on with the job. It will send a message to those involved in organised crime that we are serious about ensuring that those to whom we entrust the special powers and resources that the Crime Commission has will also have the full support of this Parliament and, indeed, the people of New South Wales in targeting organised crime.

I thank the member for her question; it has given me an opportunity to send a clear message to those involved in organised crime. I believe that our future reforms in relation to the Crime Commission, which I will be talking about in the not too distant future, will have the support even of The Greens, who have been very vocal about scrutiny of the Crime Commission. I hope that this strong and robust piece of legislation on law enforcement, which targets organised crime, will receive the support of every member of this House.

JOBS GROWTH

The Hon. MICK VEITCH: My question is directed to the Minister for Finance and Services. I refer to the Government's election commitment to create 100,000 jobs in New South Wales. Why does today's budget indicate that the unemployment rate will rise to more than 5.5 per cent in 2014, and does this mean that the Government has walked away from its job creation commitment?

The Hon. GREG PEARCE: That question was a bit of a mumble jumble. First of all, I know that the Hon. Mick Veitch is not economically literate.

The Hon. Greg Donnelly: Point of order—

The Hon. Michael Gallacher: Have you apologised to the people of the Central Coast yet for misleading them?

The Hon. Greg Donnelly: No. My point of order is that what the Minister said was clearly a sledge aimed at an honourable member on this side of the Chamber, and I ask for it to be withdrawn.

The Hon. Catherine Cusack: To the point of order: The Minister's statement is a badge of honour and a great compliment to the Labor Party. I ask that you rule that it is in order. It is a fair comment made in answer to a question asked by a member from that side of the Chamber.

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

The Hon. GREG PEARCE: The first point the Hon. Mick Veitch raised was the election commitment to provide payroll tax rebates to allow for the creation of up to 100,000 new jobs in New South Wales. I am proud of that election commitment. I know all Government members are proud of that commitment. That is what we are doing. The Government has policies to create jobs, and a significant number of those jobs are targeted for rural and regional New South Wales. What did members opposite do in rural and regional New South Wales?

The Hon. Rick Colless: Nothing.

The Hon. GREG PEARCE: For 16 years they did nothing but chop jobs in rural and regional New South Wales.

The Hon. Robert Brown: There were 230 in the river red gum forests.

The Hon. GREG PEARCE: There you go. Today the Government has introduced a responsible budget that is designed to ensure that we retain the State's triple-A credit rating and that we create circumstances that will allow for the ongoing prosperity of this State. That stands in stark contrast to the performance of members opposite, who had 16 years of expenses exceeding budgets. They also had 16 years of unbudgeted revenues and they wasted the lot. As one of their parting gifts, members opposite did their electricity gentrader deal, which was conceived by Joe Tripodi on the \$508,000 world trip that he took with his best friend and his handmaidens. It was conceived by Joe Tripodi but delivered by Kristina Keneally and the Hon. Eric Roozendaal. Who could forget that gift to the people of New South Wales? The Hon. Eric Roozendaal is still here and he is making a significant contribution to the Opposition's efforts.

The Hon. Mick Veitch: Point of order: I know the Minister was waiting for a point of order because he had nothing else to say. My point of order relates to relevance. The question was about the 100,000 jobs that were promised by the Coalition.

The PRESIDENT: Order! The Hon. Mick Veitch knows better than to make debating points under the guise of a point of order. There is no point of order. Has the Minister completed his answer?

The Hon. GREG PEARCE: Yes.

HUNTING IN NATIONAL PARKS

The Hon. CATE FAEHRMANN: My question without notice is directed to the Minister for Finance and Services, representing the Minister for the Environment. What assessment was undertaken by the Minister's department to determine that recreational hunting would be an effective and appropriate form of feral animal control in the 79 national parks, nature reserves and State conservation areas that are soon to be open to recreational hunting as a result of the Government's recent deal with the Shooters and Fishers Party? What criteria did the Government use as part of this assessment?

The Hon. GREG PEARCE: Notwithstanding that the question was full of argument and assertion and was probably out of order, I will take it on notice and provide an answer.

ROADS FUNDING

The Hon. JOHN AJAKA: My question is directed to the Minister for Roads and Ports. Will the Minister update the House on funding for roads in New South Wales?

The Hon. DUNCAN GAY: I have been waiting for a question on roads. I have got nothing but wall-to-wall good news to give but I have not had one question from the Opposition. I have had to wait for the best Parliamentary Secretary I have ever had to give me an opportunity to impart this news. I am pleased that as part of the 2012-13 State Budget the New South Wales Liberal-Nationals Government will invest \$5 billion to build and maintain critical road and maritime infrastructure across New South Wales.

[Interruption]

The Hon. Sophie Cotsis should be quiet.

The PRESIDENT: Order! I call the Hon. Sophie Cotsis to order for the first time.

The Hon. DUNCAN GAY: This level of investment is more than any State Labor Government ever delivered and it is a great achievement in such a difficult economic climate. Members opposite will not acknowledge that the Government has delivered \$5 billion for roads and that it is the most money that any New South Wales Government has ever delivered for roads. Members opposite will not acknowledge that because they hate good news. The Government is helping infrastructure in the city and in rural and regional New South Wales. This is good news and all Opposition members want to do is whinge and carp. The Government is continuing its significant investment in rural and regional communities, with major commitments to the Pacific, Princes, Hume and Great Western highways.

The Hon. Luke Foley: Speed cameras on every building.

The Hon. DUNCAN GAY: Still not up to the Hon. Eric Roozendaal's level yet.

The Hon. Mick Veitch: Yet? There are still more to come?

The Hon. DUNCAN GAY: And will not ever be. Enhancing Sydney's motorway network is a major focus of this year's budget, with \$30 million allocated to plan for a future motorway project in anticipation of the State infrastructure strategy being released by Infrastructure NSW later this year. In addition, widening of the M5 will commence this year and the M2 widening between Windsor Road and Lane Cove Road will be completed this financial year.

This year's roads budget puts a strong focus also on delivering the road infrastructure needed to support housing and employment growth, especially in western Sydney. That is why there is \$99 million of additional funding for projects such as the widening of Camden Valley Way and Richmond Road, building new sections of Schofield's Road and continuing to deliver the Erskine Park Link Road. The New South Wales Government is determined to ease congestion in Sydney, and that is why it is delivering \$17.5 million in 2012-13 for the first year of a five-year pinch point strategy. The Government is delivering \$67 million this year to continue the rollout of the \$200 million package across four years to tackle congestion and safety on key routes. This is a key election promise which we are delivering on.

It is clear that the New South Wales Government is making a massive investment in building for the future and maintaining the State's 20,000 kilometre road network. Importantly, of the \$5 billion, \$3.8 million is earmarked for rural and regional roads across the State. An amount of \$941 million in funding has been allocated for crucial Pacific Highway upgrades this year, and that is more than any State Labor Government spent on the Pacific Highway in any one year. In addition, the Government has committed more than \$1.5 billion towards the \$7.7 billion of future funding needed to complete the Pacific Highway duplication, and that represents New South Wales 20 per cent share.

The Hon. JOHN AJAKA: I ask a supplementary question: Will the Minister elucidate his answer?

The Hon. DUNCAN GAY: An amount of \$187 million has been allocated for the Princes Highway, including \$100 million budgeted this year for the Gerringong to Bomaderry upgrade. For the Great Western Highway, \$134 million has been allocated. The Hume Highway has received \$151 million, including

\$100 million to complete the Holbrook bypass as the final stage of the Hume Highway duplication between Sydney and Melbourne. That project was State and federally funded. The New South Wales Liberal-Nationals Government has made investments in the regions. In the Hunter \$870 million has been allocated to projects, and on the Central Coast \$96 million has been budgeted.

The Hon. Penny Sharpe: How long is this answer?

The Hon. DUNCAN GAY: There is so much good news that it takes a little bit of time. We know that Labor members do not like it. We are delivering more than Labor ever did in its 16 years of gross incompetence and mismanagement. It is a pity that the Federal Government could not make the same sort of commitment to the people of New South Wales as we have. This budget delivers vital roads infrastructure for the people of New South Wales. Labor members hate good news. I can hear them whingeing, carping and carrying on. That is because, in their black hearts and in their hard-hearted nastiness, they hate the fact that we are delivering on roads.

COASTAL MANAGEMENT

The Hon. PAUL GREEN: My question is addressed to the Minister for Finance and Services, representing the Minister for the Environment. Will the Minister advise the House of the stage the ministerial coastal task force has reached? Who is on it, or when will membership and its terms of reference be announced? Has the Local Government Association been consulted about the Government's proposed legislative changes to coastal management?

The Hon. GREG PEARCE: It is a big day for the Minister for the Environment. It is a big day for the entire Government. It is a great day, is it not? It is a fantastic budget. It is a big day for the State and it is an excellent day for the environment Minister. I will obtain a detailed answer for the Hon. Paul Green. I do not have that material with me because my head is just so full of our marvellous budget that I do not have the capacity today to handle all of the Environment portfolio at the same time as mine. Normally, of course, I do.

[*Interruption*]

Did the Opposition benches see our budget papers? They are so big. It is good exercise just lifting them up and down.

The Hon. Steve Whan: Point of order: Mr President, my point of order relates to relevance. This is the longest I-cannot-answer-the-question response I have ever heard. Could you please draw the Minister back to the leave of the question?

The PRESIDENT: Order! The Minister has concluded his answer.

SPEED CAMERAS

The Hon. PENNY SHARPE: My question is directed to the Minister for Roads and Ports. Given that Barry O'Farrell went to the last election describing the speed cameras as "cash cows", why has he decided to increase speed camera fines by more than four times the rate of inflation?

The Hon. DUNCAN GAY: What Barry O'Farrell said was absolutely correct. Speed cameras should be about road safety. As far as I am concerned, if I do not make a dollar out of speed cameras I will be happy.

The Hon. Walt Secord: Well then, issue warnings.

The Hon. DUNCAN GAY: It will mean that the Hon. Walt Secord is sticking to the speed limit; it will mean that all members opposite are sticking to the speed limit; and, of course, I hope it will mean that all Coalition members are sticking to the speed limit, including me. I hope I am too.

The Hon. Walt Secord: I hope we are.

The Hon. DUNCAN GAY: I am certainly trying very hard. I thank the honourable member for her question. When Opposition members ask a question, they should always look first at what went on in the past. I am sure that had the member asked the former Treasurer, he would have told her, "Don't ask this question.

Don't even go anywhere near it. Stay right away from it because we've got form in this area. We certainly have form." And do they have form? According to the budget papers of the previous Government, the Hon. Eric Roozendaal and the Hon. Kristina Keneally forecast that fines revenue for 2012-13 would be \$509 million, as against our budget papers estimate of \$424 million. Under the former Labor Government of the hypocrites on the losers lounge, fines revenue would have been \$85 million more.

The other thing that they totally ignored is that it is 12.5 per cent on fines across government. It was not just on speeding fines, but on all fines. It is a government issue. The next important thing to note is that for the vast majority of speeding infringement notices that are issued, which are for offences of exceeding the speed limit by less than 20 kilometres an hour, the fines in New South Wales still will be lower than the number issued in Victoria. To me, the most important point to make is the very simple fact that people will not be fined if they do the right thing. The message is, "Don't speed, and you won't be fined."

The Hon. Walt Secord: Are you reading the wrong speech again?

The Hon. DUNCAN GAY: Walt, it is a good message for you to listen to. Obviously, you were not hearing what I was saying—"Don't speed, and you won't be fined." Given the increased signage at mobile speed camera sites and the new big signs to be rolled out at the previously poorly named safety camera sites, which now will be clearly marked as "Red Light—Speed Cameras", motorists are getting more warning than ever before to do the right thing. If someone gets caught, they must be doing the wrong thing. To be honest, as indicated earlier, I do not want motorists to be paying fines; I want them to slow down. The key to the whole matter, as the noise and hypocrisy finally subsides, is that what we introduced in relation to speed cameras is 40 per cent less than what Labor intended. When the Hon. Steve Whan and the Hon. Eric Roozendaal were in Cabinet and in the caucus room, they wanted to increase fines by 40 per cent more than we have increased them. [*Time expired.*]

INDEPENDENT WATER ADVISORY PANEL

The Hon. MATTHEW MASON-COX: My question is addressed to the Minister for Finance and Services. Will the Minister update the House on the Independent Water Advisory Panel?

The Hon. GREG PEARCE: I thank the Hon. Matthew Mason-Cox for his question. On 5 June I announced the appointment of the Independent Water Advisory Panel, which has been established to provide expert advice on a new plan to secure long-term water supplies for the Lower Hunter. The advisory panel combines local knowledge with leading industry expertise and experience that will support the development of the Lower Hunter Water Plan. The Independent Water Advisory Panel is a strong group of industry experts who will put the interests of the Hunter first. The Lower Hunter Water Plan is a vital planning project that will help to ensure water security for the more than 500,000 people who live in the region. The panel will draw on its considerable and diverse expertise to provide guidance on critical water planning issues for the region.

The panel members include Mr Chris Davies, who will chair the panel and who has extensive experience in water management and as the National Water Commissioner; Professor George Kuczera, who is a leading expert in hydrology and water engineering; Dr Wej Paradise, who has an extensive background in natural resource management and river health; Ms Kylie Cochrane, who has expertise in communication and community engagement, including in the urban water sector; Mr Ross Chapman, who has extensive experience in water resource economics; Professor Cynthia Mitchell, who has broad experience in water planning and decentralised water systems; and Dr Tony Church, who has a strong background in environmental flows and water quality. The panel includes two Hunter-based members, Professor George Kuczera and Dr Wej Paradise, whose regional expertise and insights will ensure that representation of local knowledge on this high-level advisory body is achieved.

The Metropolitan Water Directorate will lead the process of developing the Lower Hunter Water Plan having demonstrated experience in water planning for major urban centres, including the Sydney Metropolitan Water Plan, which has secured water supplies until 2025 and beyond. The panel's first task will be to provide advice on the proposed planning framework and oversee finalisation of a comprehensive community engagement strategy. The Government is progressing the development of the Lower Hunter Water Plan to meet the needs of this growing region's population and to manage drought in the region.

In line with the Council of Australian Governments' national urban water planning principles, the panel will consider all options, except the New South Wales Government has ruled out the former New South Wales Labor Government's Tillegra Dam proposal. The Government will work with government agencies and, most

importantly, the community on the development of the plan. I look forward to working with the panel members and congratulate them on their selection to this important panel, which will provide guidance on critical water planning issues for the Hunter region.

INFRASTRUCTURE FUNDING

Mr DAVID SHOEBRIDGE: My question without notice is directed to the Minister for Finance and Services, representing the Treasurer. Will the Minister explain how his Government, which says it is focused on infrastructure, has underspent on infrastructure in its first year in office by \$1.6 billion? Having budgeted to spend \$15 billion on infrastructure in the 2011-12 budget it managed to deliver \$13.4 billion, as disclosed in the revised 2011-12 budget figures released today.

The Hon. GREG PEARCE: That is a good question from Mr David Shoebridge. Whilst the figures he has cited are not correct, there is an underspend on infrastructure projects. That is primarily as a result of two things: the first being the completely messed up planning system that the Labor Party left us—another one of its legacies to the New South Wales people. It is such a mess that we had to abolish part 3A. It is such a mess that we had to undertake a complete review of the planning system to get projects advanced.

The PRESIDENT: Order! I call the Hon. Lynda Voltz to order for the first time.

The Hon. GREG PEARCE: One of the items I am sure Mr David Shoebridge has noted is a \$20 million commitment to speed up the planning approval process over the next year or two. The system left to us by the Labor Party is completely blocked and simply does not work. The second thing Mr David Shoebridge might not have noticed is that it has been raining. Many years ago I was astonished when I went to a shopping centre that was under construction. That shopping centre had a roof and I said to somebody, "Why is nobody working?" They said, "It is raining." I said, "It is raining outside. Why aren't they working inside?" Of course, it is because the union has all of these con jobs and convenient rules to make sure they do not work and that they get paid bonuses and allowances. That is why our infrastructure spend is behind what we would have liked to have achieved.

Mr DAVID SHOEBRIDGE: I ask a supplementary question. Will the Minister elucidate his answer by naming one project that has been delayed due to rain or planning failure?

The Hon. GREG PEARCE: One of the key projects is the Pacific Highway.

The Hon. Duncan Gay: The Great Western Highway and the Newell Highway.

The Hon. GREG PEARCE: I acknowledge that interjection. Let us not forget the current role of the Federal Labor Party in preventing work on the Pacific Highway. The Federal Labor Party—the Gillard Government—has refused to fund the Pacific Highway in accordance with the agreement that the Federal Government would provide 80 per cent of the cost. It is as a result of Labor in Canberra—and I know The Greens coalition in Canberra supports Labor. Mr David Shoebridge should go to the Senate and get the Federal Government to pay up on the Pacific Highway.

SPEED CAMERAS

The Hon. PETER PRIMROSE: My question is directed to the Minister for Roads and Ports. Given that the Minister personally promised the people of New South Wales that there would be fewer speed cameras in the State, why has he now decided to more than double the number of cameras in New South Wales? Was his earlier promise a mistake?

The Hon. DUNCAN GAY: No, my earlier promise was not as it was detailed to the House. I promised to remove speed cameras that were predominantly raising revenue. I have never stated we would remove speed cameras, because we believe that speed cameras play a role in road safety.

The PRESIDENT: Order! I call the Hon. Greg Donnelly to order for the first time.

The Hon. DUNCAN GAY: At the start of the year I unveiled the New South Wales Government's speed camera strategy, which will see the money raised from camera-detected speeding, red light and a point-to-point camera offences being hypothecated for road safety programs. Last year the New South Wales Auditor-

General asked the New South Wales Government to develop an overarching speed camera strategy to generate greater transparency and public confidence in this important program. I am pleased to report that the Government, for the first time, will ensure that money raised from speed, red light and a point-to-point cameras will go directly towards improving road safety. This money will go to the soon-to-be established New South Wales Community Road Safety Fund, which will be used to fund road safety initiatives such as enhanced high-visibility police enforcement operations, engineering works and road safety education.

The Auditor-General's inquiry found a speed camera in the right location can save lives and prevent serious injury. More than 170 people die and 4,100 people are injured in speed-related crashes each year. We have a responsibility to reduce death and injury on New South Wales roads by getting motorists to slow down. The new strategy will expand the mobile speed camera program but also will improve signage to make mobile speed cameras more visible. The number of warning signs will double; they will be raised from the ground and motorists will get up to 250 metres advanced warning of a mobile speed camera rather than the current 50 metres. In addition, mobile speed camera vans will have more identifiable markings.

By July next year the number of mobile speed cameras will be increased to 45 vehicles operating at about 2,500 locations for 7,000 hours per month. The former Government wanted to increase that figure to 12,500 hours per month. What we have introduced is a 40 per cent reduction. I cannot believe that those opposite have had the gall to ask a question about speed cameras. They have absolutely no shame at all. We have the blabbering village person here carrying on.

The Hon. Michael Gallacher: There's a village out there that would love that person.

The Hon. DUNCAN GAY: There is a village that is missing that person. Those opposite do not understand that when they ask these sorts of questions they lead with their chin. We said we would remove cameras where the prime role they seemed to be doing was raising—

[Interruption]

The PRESIDENT: Order!

The Hon. DUNCAN GAY: Be quiet just for a moment. In a perfect world the President would shut you up.

The Hon. Greg Donnelly: Point of order: The Minister is reflecting on the President. I ask that he withdraw that.

The Hon. DUNCAN GAY: I withdraw, Mr President. I accept it is not a perfect world.

The PRESIDENT: Order! No offence was taken.

[Interruption]

The Hon. DUNCAN GAY: What was that? Do you want to repeat that?

The PRESIDENT: Order! I call the Hon. Walt Secord to order for the first time.

POLICE PROPERTIES HAZARDOUS MATERIALS REMEDIATION

The Hon. TREVOR KHAN: My question is addressed to the Minister for Police and Emergency Services. Will the Minister advise the House of the Government's investment in remediating hazardous materials in NSW Police Force properties?

The Hon. MICHAEL GALLACHER: I thank the member for his question. If there is one area within the Police portfolio about which those opposite should hang their heads in shame, it is the way in which they failed to address asbestos, lead-based paint and other hazards for the men, women and families of the New South Wales Police Force. I was made aware of the full extent of the—

The Hon. Steve Whan: You're telling lies.

The PRESIDENT: Order! It is unparliamentary, even by way of interjection, for a member to say that the member with the call is telling lies or is a liar. I ask the Hon. Steve Whan to withdraw his statement.

The Hon. Steve Whan: Mr President, I withdraw.

The Hon. MICHAEL GALLACHER: In the time I have been the Minister those opposite have not asked me one question about asbestos—

The Hon. Greg Donnelly: Point of order: The Minister is misleading the House. I have put various questions on notice in regard to lead-based paint.

The PRESIDENT: Order! The Hon. Greg Donnelly will resume his seat. I call the Hon. Greg Donnelly to order for the second time.

The Hon. MICHAEL GALLACHER: That reinforces that those opposite have not had the guts to stand up in this House, in front of the glare of the media and their comrades, and ask questions about asbestos in police properties. When they were in government we heard them talk about asbestos, but this one is on all of their watches. Those who were part of the former Government should hang their heads in shame. We are getting on with the job of fixing the environment of our police and their families. With an investment of \$61 million, the Liberal-Nationals budget has made sure that we will help remediate hazardous building materials such as lead-based paint and asbestos in police properties.

The Police Force has a portfolio of nearly 1,500 properties, which includes police stations, residences, offices, laboratories, holding yards, training facilities, sheds and paddocks. I am advised that roughly 50 per cent of all police stations and residences are over 40 years old and roughly a quarter are over 90 years old. With a portfolio of properties this age, it is inevitable that many will have been built or renovated with hazardous building materials such as lead-based paint or asbestos. Between 2008 and 2010 inspections were conducted at 1,200 police properties and hazardous materials were located in the majority. I fully understand the alarm and distress of Police Force members who have discovered that they may have been living or working in close proximity to such materials.

I remind the House that I have invited the independent Ombudsman to review the NSW Police Force's management of this issue. The Ombudsman will report on this issue in the near future, after issuing an interim report to the NSW Police Force. Even before receiving the report, for this current financial year the Government has allocated an initial \$8 million to investigate and rectify the most urgent problems. The Government now has allocated a further \$53 million to be spent as follows: \$15.8 million in 2012-13, \$22.1 million in 2013-14 and \$14.9 million in 2014-15. [*Time expired.*]

The Hon. TREVOR KHAN: I ask a supplementary question. Could the Minister elucidate his answer in respect to the remediation of hazardous materials in police properties?

The Hon. MICHAEL GALLACHER: The reports from 2008 and 2012 set out proposed management actions and the priority levels for works that will guide future remediation and management. As noted, the most urgent works have been addressed already. With the new funding, the NSW Police Force will remove the highest risk hazardous materials, and enclose, encapsulate and seal lower risk materials and remove them during regular refurbishments or maintenance. This Government recognises its duty of care to its employees, their families and the public. The situation in which the NSW Police Force has found itself is a direct result of the underinvestment of the former Government in the Police Force's capital program.

We know now that the former Government was starving maintenance budgets to help fund the building of new high-profile police stations, many of them in Government or marginal seats. This Government has taken the responsible approach and funded a \$61 million program to address the backlog of hazardous material works in police properties. Those opposite should not buy into this issue; it was all completely and totally under their watch since 2008. They should sit and say nothing on this issue because they knew about it and did nothing. They have been exposed as frauds. Members of the Police Force and the public can now be assured that they have the confidence and support of a government that is committed to reducing risk to police officers. Those opposite should continue to hang their heads in shame.

M5 WEST WIDENING PROJECT

Reverend the Hon. FRED NILE: I ask the Minister for Roads and Ports a question without notice. Is it a fact that \$400 million has been allocated in the 2012-13 budget for the M5 West widening? What will be the total cost of the widening? In view of the massive pollution and other problems in the lengthy M5 tunnel, has the Government investigated the health and economic advantages of extra lanes above ground for the M5 West motorway?

The Hon. DUNCAN GAY: I thank the member for his important question. It reflects on work we did earlier in the year in finally signing off on an agreement with Transurban on the M5 widening, something the previous Government was not able to do. If one looks at the infrastructure statement on page 4-23 of the budget papers, one will see, as the member correctly indicated, that the total cost is \$400 million for completion by 2014, of which \$23.4 million will be expended by the end of June 2012 and \$30 million in 2012-13. That is more than \$50 million being spent by the State Government and it will deal with issues such as noise mitigation, environmental factors, et cetera.

The total cost of the project is around \$400 million, of which \$50 million will come from the State Government to enhance the area for the local community. We allocated this extra money to make sure it happened. It is a good project. By far the largest percentage of people who use the M5 leave or join it beyond King Georges Road, ring road 3. However, the awful situation that the previous Government left us with remains: the M5 East. We all know the stories of what the previous Government should have done, what it was offered and what it could have done. The real problem is that we know what it did not do. The pollution problem, mentioned in the final part of the question of Reverend the Hon. Fred Nile, is a detailed issue and I will obtain a detailed answer for him.

PORTS PRIVATISATION

The Hon. SOPHIE COTSIS: My question is directed to the Minister for Roads and Ports. I refer to statements the Minister made to this House on 4 August 2011 and 13 September 2011 respectively, "I have no plans to privatise New South Wales ports" and "There are no plans before me to privatise Newcastle or Port Kembla." Given that the Minister now has announced his intention to privatise both Port Botany and Port Kembla, in direct contradiction to these statements, how does he justify these actions to local residents and the port employees?

The Hon. DUNCAN GAY: Can I simply say that my comments to the House were accurate at the time and at no stage have I misled the House on this matter.

The PRESIDENT: Order! The Hon. Amanda Fazio will cease interjecting. I call the Hon. Amanda Fazio to order for the first time.

The Hon. Amanda Fazio: I was lecturing him.

The Hon. Matthew Mason-Cox: She is ranting.

The Hon. DUNCAN GAY: There are some people you accept a lecture from and others where it is a waste of time. It is interesting that members on the Opposition benches rant on day after day when this Government exposes the fact that the Federal Government has duded this State by \$2.31 million on Pacific Highway funding. It is an entirely different matter when this Government quite properly goes about raising funds in this State to put infrastructure in place. There is a bit of nitpicking and trying to indicate—

The Hon. Amanda Fazio: Nitpicking? Lying to the public.

The Hon. DUNCAN GAY: I take offence.

The PRESIDENT: Order! The Minister took offence to the comment as I was about to require the member to withdraw it. As I said earlier, it is disorderly for members to refer to the member with the call as in any way lying, even by way of interjection.

The Hon. Amanda Fazio: Mr President, in light of your suggestion I will withdraw my comments— but I still believe them.

The Hon. DUNCAN GAY: I take further offence at that comment.

The PRESIDENT: Order! I did not hear the comment. Would the Minister mind clarifying the comment to which he took offence?

The Hon. DUNCAN GAY: Quite clearly the member said, "But I still believe it."

The PRESIDENT: Order! It is difficult to see the comments of the Hon. Amanda Fazio as anything other than a qualified withdrawal. I ask the member to make an unqualified withdrawal, as is required under the standing orders.

The Hon. Amanda Fazio: I withdraw the comments about the Hon. Duncan Gay in an unqualified manner.

The Hon. DUNCAN GAY: My mind takes me back to when those opposite asked the question of me for the first time in the House. The Government was considering plans for Port Botany, but the question at the time was about Port Kembla and the Government did not have any plans for Port Kembla. It is not my fault if those opposite ask me the wrong question and I give the correct answer to the wrong question. It is quaint and it is cute that now the Opposition want to make an imputation that I misled the House. I did not mislead the House; I answered the question asked accurately and honestly. The question at the time was, "Do you have any plans to privatise Port Kembla?"

The PRESIDENT: Order! I call the Hon. Amanda Fazio to order for the second time.

The Hon. DUNCAN GAY: I add that the funds raised from leasing Port Botany are to go to the Princes Highway and to the Pacific Highway upgrades. It is an important revenue base for New South Wales. New South Wales is doing it tough; it was left with a mess— [*Time expired.*]

PACIFIC HIGHWAY UPGRADE

The Hon. JENNIFER GARDINER: My question is directed to the Minister for Roads and Ports. Can the Minister for Roads and Ports update the House on funding for the Pacific Highway?

The Hon. DUNCAN GAY: I thank the honourable member for the question. It is an important question. The New South Wales Liberals and Nationals Government is making a strong \$941 million investment in the Pacific Highway as part of the 2012-13 State budget.

The Hon. Amanda Fazio: Oh, you duded the people of the North Coast again.

The Hon. DUNCAN GAY: If I was on two calls to order, I would be careful. The 2012-13 funding provides for crucial Pacific Highway upgrades, including completing the Kempsey bypass, Bulahdelah duplication and the Herons Creek to Stills Road upgrade. Funding will also allow construction this year of the following sections of the Pacific Highway: Tintenbar and Ewingsdale and Sapphire to Woolgoolga and Devils Pulpit. In 2012-13 funding has also been committed to the planning, design and early work stages for other Pacific Highway upgrades between Woolgoolga and Ballina, Oxley Highway and Kempsey, Nambucca Heads and Urunga, Frederickton and Eungai, Warrell Creek and Urunga and Warrell Creek and Nambucca Heads.

As I have said previously, the New South Wales Government committed to working with the Federal Government to complete the upgrade of the Pacific Highway as soon as possible. An additional \$7.7 million is required to complete the duplication of the Pacific highway by the end of 2016. Unfortunately, the Federal Government announced as part of its budget that it would reduce its funding commitment from the current 80 per cent to 50 per cent of additional funding required to complete the duplication.

The PRESIDENT: Order! I call the Hon. Steve Whan to order for the first time.

The Hon. DUNCAN GAY: In real terms this means the Federal Government has cut its share of future funding for the Pacific Highway by \$2.31 billion. As part of the State budget, and in line with the State-Federal funding split, this Government confirms its commitment to an additional \$1.54 billion towards the completion of the Pacific Highway duplication. That \$1.54 billion represents 20 per cent of the remaining funding needed to complete the duplication. Given the difficult economic climate I had to shake the tree pretty darn hard to come

up with \$1.54 billion in additional funding. Any member on the Expenditure Review Committee can attest to that. It was a tough task, especially after New South Wales lost more than \$5 billion in goods and services tax revenue. Interestingly, our additional funding means that between 2011-12 and 2016-17 the New South Wales Liberals and Nationals Government will have spent approximately \$2.4 billion on the Pacific Highway duplication in just six years. That is roughly the same amount of money that State Labor spent during 16 years in government—six years for us and 16 years for the Opposition.

The additional funding commitment means procurement of the construction contract for the Warrell Creek to Nambucca Heads upgrade will now proceed. Coupled with the State's \$1.54 billion, the 50 per cent funding commitment from the Federal Government, if provided, will allow for substantial progress on the highway duplication. It will include completing the upgrade between Port Macquarie and Coffs Harbour and the major sections of highway in need of improvement between Woolgoolga and Ballina. It is now time for the Federal Government to confirm the availability of all the funding it announced as part of the May 2012 Federal budget so this Government can get on with delivering the Pacific Highway upgrade— [*Time expired.*]

The Hon. JENNIFER GARDINER: I ask a supplementary question. Could the Minister elucidate his answer?

The Hon. DUNCAN GAY: I thank the honourable member for that. It is important. It would be terribly disappointing if the Federal Government decided to rip out a further \$2.3 billion in funding allocated for the Pacific Highway because New South Wales could not afford Federal Labor's cost shifting in this difficult economic environment. If that happened the State Government would have another \$2.31 billion that the Federal Government has not contributed. When those opposite are talking to their Federal Labor colleagues they should ensure the Federal Government leaves the current funding in place and contributes the further \$2.31 billion of funding.

The Hon. Steve Whan: How much did you get out of the Howard Government? About half what State Labor did.

The PRESIDENT: Order! I call the Hon. Steve Whan to order for the second time.

The Hon. DUNCAN GAY: The former member for Monaro, sitting there on the losers lounge, does not want the Federal Government to put funding into New South Wales.

The Hon. Greg Donnelly: Point of order: The Minister knows not to refer to this side of the House as the "losers lounge".

The PRESIDENT: Order! I refer members to my previous rulings on this matter. There is no point of order.

The Hon. DUNCAN GAY: The Liberal-National Government wants to see this upgrade completed as quickly as possible and it wants to make sure that Federal Labor does not cut any more funding from this vital stretch of road.

STATE BUDGET AND OVERSIGHT BODIES

Mr DAVID SHOEBRIDGE: My question is to the Minister for Police in his capacity representing the Premier. Can the Minister explain to the House how given the Government has promised increased scrutiny and openness it has cut funding to two of the State's key oversight bodies in the form of budget cuts in today's State budget to the Police Integrity Commission and the Independent Commission Against Corruption?

The Hon. MICHAEL GALLACHER: The member can be assured that the Government will continue to support those organisations. However, they are like any other part of government, and there is an expectation that during tough times they will join with the rest of the community in continuing to do their fine work knowing that there are difficulties, not just here in New South Wales but indeed nationally and internationally. We are doing the best we can given the more than \$5 billion taken from New South Wales by the Federal Government. The fact is that the money is no longer there.

Of course, we are doing the best we can to provide the infrastructure and services that the community expects. As I have indicated, we will continue to govern on behalf of all—not on behalf of sectional interests, as those opposite did. They were party to an organisation, the Australian Labor Party, that was prepared to cut

\$5 billion from a State that needs support, and for that they should hang their heads in shame. That is an absolute disgrace. Opposition members are in coalition with their colleagues The Greens. We have seen the crocodile tears from those opposite on a raft of issues when their Federal colleagues have taken the sword to the budget.

The Hon. Steve Whan: Point of order: My point of order relates to relevance. The Minister's response strays a long way from the question.

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

The Hon. MICHAEL GALLACHER: I thank the member for giving me the chance to collect my thoughts. I make the point that Opposition members and The Greens are hand-in-hand in a coalition that sees New South Wales worse off than it has been in the past. If this is the attitude that we will see in the dying days of the Federal Government then bring on the Federal election as quickly as possible and return to office a Federal government that understands that the powerhouse of the Australian economy, New South Wales, needs to be firing. This State needs financial support to put in place not only the services provided by organisations throughout the State but also the oversight bodies and the police, nurses, doctors and road infrastructure authorities.

All are hit by the \$5 billion reduction in the New South Wales budget. The burden of that load has to be shared across the State, and that is exactly what the Government is intending to do—and to do so fairly, equitably—at the same time making sure we provide the best services that we possibly can to the people of New South Wales, without playing to the sectional interests, as those opposite would. Question time has expired. I know that the Hon. Steve Whan had a question to ask but by concluding question time I am probably saving him from being called to order three times before the end of the day.

If members have further questions they should place them on notice.

NATIONAL PARTNERSHIP AGREEMENT ON SKILLS REFORMS

The Hon. DUNCAN GAY: On 8 May 2012 Dr John Kaye asked me, representing the Minister for Education, a question relating to the National Partnership Agreement on Skills Reforms. The Minister for Education has provided the following response:

The National Partnership Agreement does not define fee arrangements. Fee and concession arrangements will be determined as part of the Smart and Skilled reforms and are subject to Cabinet consideration. The Council of Australian Governments Agreement provides jurisdictions an option to trial the introduction of Income Contingent loans at Certificate IV; and is subject to negotiation of the National Partnership Implementation Plan with the Commonwealth.

DEFERRED ANSWERS

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

COALMINING PROTESTS

On 1 May 2012 the Hon. Robert Borsak asked the Minister for Police and Emergency Services, representing the Attorney General, a question without notice regarding coalmining protests. The Attorney General provided the following response:

The Environmental Defender's Office [EDO] is a community legal centre specialising in public interest environmental law. It has an active legal advice and case work program which receives funding as set out in my answer to the Question Without Notice asked by the Hon. Robert Brown on 14 March 2012.

In March 2012, media reports indicated that the Environmental Defender's Office attended meetings of the first Australian National Coal Convergence in the Blue Mountains in October 2011.

In a letter to the Premier dated 21 March 2012, the Environmental Defender's Office confirmed it attended the meeting and describes its involvement in the meeting as follows:

the Environmental Defender's Office attended the meeting as an observer at the request of clients ... In fact, I am advised that up to 16 of our clients were present at the Blue Mountains meeting.

According to that same letter from the Environmental Defender's Office:

the Environmental Defender's Office routinely attends Environment Liaison Office [ELO] meetings but does not sign onto campaigning letters.

I am further advised that the Environmental Defender's Office was acknowledged for its contribution by the authors of a campaign proposal entitled "Funding proposal for the Australian anti-coal movement" and proposes a strategy "to 'disrupt and delay' key projects and infrastructure while gradually eroding public and political support for the [coal] industry and continually building the power of the movement to win more".

I have requested that the Environmental Defender's Office advise about whether it has had any involvement in the preparation of the campaign document and for further information about the meeting of the Australian National Coal Convergence in the Blue Mountains in October 2011.

DENTAL HEALTH TASKFORCE

On 1 May 2012 the Hon. Paul Green asked the Minister for Police and Emergency Services, representing the Minister for Healthy Lifestyles, a question without notice regarding the New South Wales ministerial dental health taskforce. The Minister for Healthy Lifestyles provided the following response:

I refer the member to my response to Mr Paul Lynch's Question on Notice No. 1741 in the Legislative Assembly of 17 April 2012.

CYSTIC FIBROSIS SERVICES

On 2 May 2012 Dr John Kaye asked the Minister for Police and Emergency Services, representing the Minister for Health and Minister for Medical Research, a question without notice regarding the departmental review of the State's cystic fibrosis services. The Minister for Health and Minister for Medical Research provided the following response:

I refer the member to my response to a question taken on notice during the Health budget estimates hearing on 24 October 2011.

The New South Wales Ministry of Health is not undertaking a review of cystic fibrosis services in New South Wales.

The ministry canvassed the local health districts as to the current strategies and considerations for cystic fibrosis services. Some local health districts indicated that a range of outreach services are provided for patients living outside of the metropolitan centres. Local health districts also indicated that they have considered cystic fibrosis services to ensure the delivery of high-quality, accessible and efficient services will continue to meet demand into the future.

FIREWEED

On 2 May 2012 the Hon. Paul Green asked the Minister for Roads and Ports, representing the Minister for Primary Industries, a question without notice regarding the spread of fireweed. The Minister for Primary Industries has provided the following response:

Fireweed is a declared Class 4 noxious weed in parts of New South Wales where it is problematic. Local control authorities enforce the control measure that "the growth of the plant must be managed in a manner that reduces its numbers, spread and incidence and continuously inhibits its reproduction".

The State Government provides weeds funding through the New South Wales Weeds Action Program. This funding is used at the discretion of regional stakeholders.

The State Government continues to fund a research and education project which develops "best practice" land management approaches for fireweed and other widespread weeds. This information is delivered to landowners by district agronomists and weed officers at local field days and through media outlets.

New South Wales will host the new National Fireweed Weeds of National Significance [WoNS] Coordinator. The coordinator will be working with key stakeholders to develop a draft national strategy. Key outcomes of the Weeds of National Significance national strategy may include:

- the establishment of national education and awareness programs that target high risk pathways and vectors of spread,
- identifying and delivering research initiatives to increase management options, including in:
 - pasture management,
 - biological control,
 - grazing management, and
 - chemical control techniques.
- strategic eradication of outlying populations of fireweed, and
- cross-agency liaison on coordinating control measures

SPECIALIST TEACHERS

On 1 May 2012 Dr John Kaye asked the Minister for Roads and Ports, representing the Minister for Education, a question without notice regarding specialist teachers. The Minister for Education provided the following response:

Every Student, Every School is an integrated strategy to build the capacity of all New South Wales public schools to better meet the needs of students with disability and obligations under the Commonwealth Disability Standards for Education 2005.

More than 1,800 existing specialist teacher positions have been allocated directly to schools, to commence from the start of term 3 2012. This includes more than 1,300 specialist teachers positions already allocated directly to schools and an additional 600 specialist positions that are not currently available in every school. Known as learning and support teachers, these specialist teachers will provide additional support in the school for students with disability who have lower level additional needs, and their classroom teachers, where and when it is needed.

Following the announcement of Every Student, Every School late in term 1 2012, regional implementation teams, led by school education directors, have been progressively providing school communities, including specialist teachers who may be affected by changes to resources allocated directly to schools, with detailed briefings about the implementation of the initiative in every school. This includes information about the role of the learning and support teacher, how the positions are allocated to schools and planning for local implementation during term 2. Most regions have offered to meet with individual staff where requested. The information used for these briefings is publicly available on the department's website at www.det.nsw.edu.au/every-student-every-school.

Regional teams are currently facilitating the process for assigning teachers to learning and support teacher positions in schools taking into account the school allocations, the personnel and the needs of the school. This includes the confirmation of permanent staff in existing specialist teacher positions and assigning staff according to the school allocations in close consultation with principals and the affected staff. Existing standard departmental staffing procedures apply where individual specialist teachers wish to access their transfer options.

WILD DOG CONTROL

On 3 May 2012 the Hon. Robert Borsak asked the Minister for Roads and Ports, representing the Minister for Primary Industries, a question without notice regarding wild dog control. The Minister for Primary Industries has provided the following response:

Yes. However, with a recent further increase in wild dog activity and requests from landholders in the Upper Hunter, an aerial baiting program is being arranged.

Yes.

NATIVE VEGETATION LEGISLATION PROSECUTIONS

On 1 May 2012 the Hon. Robert Brown asked the Minister for Roads and Ports, representing the Minister for Primary Industries, a question without notice regarding the prosecution of farmers under native vegetation laws while the regulations are under review. The Minister for Primary Industries provided the following response:

The question raised by the Hon. Robert Brown falls under the administration of the Hon. Robyn Parker, Minister for the Environment and Minister for Heritage, and should be directed accordingly for response.

HOMELESS PERSONS PROTOCOL

On 10 May 2012 the Hon. Jan Barham asked the Minister for Finance and Services, representing the Minister for Family and Community Services, a question without notice regarding the progress of the revised Protocol for Homeless Persons. The Minister for Family and Community Services provided the following response:

The Protocol for Homeless Persons underwent a comprehensive review process which included written submissions and consultations with key stakeholders, including government and non-government organisations, councils and those who are homeless or were formerly homeless. It is anticipated that the protocol will be published and implemented in the near future once finalised.

NATIONAL PARTNERSHIP AGREEMENT ON REMOTE INDIGENOUS HOUSING

On 1 May 2012 the Hon. Jan Barham asked the Minister for Finance and Services a question without notice regarding the National Partnership Agreement on Remote Indigenous Housing and fund allocation to local Indigenous employment and/or training. The Minister provided the following response:

I have been advised that Aboriginal employment and training outcomes are achieved through the inclusion of Aboriginal employment targets in contracts for projects delivered under the Remote Indigenous Housing National Partnership Agreement.

Companies tendering for new construction projects must employ a minimum of 20 per cent of Aboriginal people. This target was exceeded with nearly 30 per cent being employed. In relation to the refurbishment of properties, over 80 per cent of the workforce were Aboriginal people.

Projects were undertaken in over 10 rural and remote areas and a high proportion of Aboriginal apprentices were also engaged.

WORKCOVER

On 10 May 2012 Mr David Shoebridge asked the Minister for Finance and Services a question without notice regarding the cost to the WorkCover scheme of journey claims. The Minister provided the following response:

I refer Mr David Shoebridge to the detailed answer provided by independent scheme actuary, PricewaterhouseCoopers, to the parliamentary committee inquiring into the New South Wales workers compensation scheme.

Mr David Shoebridge will find the response on the parliamentary website in WorkCover's response to the supplementary questions and questions on notice provided following the first hearing day.

HORSERIDING IN NATIONAL PARKS

On 3 May 2012 the Hon. Robert Brown asked the Minister for Finance and Services, representing the Minister for the Environment, a question without notice regarding the pilot program to trial horseriding in national parks. The Minister for the Environment provided the following response:

I am advised as follows:

The New South Wales Government is currently undertaking consultation on the Draft Strategic Directions for Horse Riding in NSW National Parks and Reserves. The draft strategy is on public exhibition until 30 June 2012 and is available on the Office of Environment and Heritage website. The National Parks and Wildlife Service is also undertaking targeted consultation with key stakeholders including horse riders, conservation groups and the National Parks and Wildlife Advisory Council.

Questions without notice concluded.

Pursuant to sessional orders debate on committee reports proceeded with.

STANDING COMMITTEE ON SOCIAL ISSUES

Report: Transition Support for Students with Additional or Complex Needs and Their Families

Debate resumed from 29 May 2012.

The Hon. HELEN WESTWOOD [5.05 p.m.]: I begin by acknowledging the great work of the members of the Standing Committee on Social Issues. I particularly acknowledge the work of the committee chair, the Hon. Niall Blair. I am not sure whether it was by choice or selection that the Hon. Niall Blair was appointed chair of the Standing Committee on Social Issues, but he is an excellent chair and is doing a very fine job. It has been a real pleasure to work with him on a number of inquiries that the committee has undertaken, but particularly the inquiry into transition support for students with additional or complex needs and their families.

As other members have acknowledged in their contributions to the take-note debate on this report, the committee had hearings in Sydney and other parts of the State. That was very useful for our purposes, and assisted committee members in their understanding of the issues faced by students with complex needs and their parents, especially the decisions that parents need to make for their children where there are gaps in services and programs for students with additional or complex needs that inhibit those students in realising their full potential under our education systems. What struck me is that since my experience of making those choices for my daughter, who was profoundly deaf—

The Hon. Lynda Voltz: Point of order: It is very difficult to follow the debate when there is so much noise in the Chamber.

DEPUTY-PRESIDENT (The Hon. Cate Faehrmann): Order! Members and those in the President's gallery will listen to the member with the call in silence.

The Hon. HELEN WESTWOOD: I do not mind if they do not listen; so long as they do not talk so loudly that I have difficulty concentrating on what I want to say. I should note that last sitting week many members spoke in the take-note debate on this report; I was delighted that so many members who did not take part in the inquiries spoke about the report. But then I learned the reason for that was that they were delaying the rest of the afternoon's proceedings while Barry had a chat to Robert about the deal to permit hunting in national parks in return for the sale of our electricity assets. I was amazed how many members spoke to take up the time of the House while Robert was meeting with Barry. For those interested in this very important issue, I would like to say—

The Hon. Duncan Gay: Were you one of them?

The Hon. HELEN WESTWOOD: I was not, actually; I was in the chair, so I know exactly what was happening. It is astounding that over a long period of time support for students with additional or complex needs has been a very daunting experience for parents. The fact is that from the first contact parents of children with a disability or area of specialist need are faced with making significant decisions about their children's education—about the sorts of programs they should be enrolled in, the sorts of resources they will need, and the schools and institutions best able to provide the necessary resources and programs for their children. In that respect things have not come as far as I would have expected in the time since I faced the same issues.

I think the recommendations reflect well the issues that parents raised with the committee. I am disappointed that I do not see in this year's budget—although I have not had sufficient time to really study it—the additional funding required to meet a number of the recommendations that the committee made. I am sure the families and witnesses who gave evidence to the committee also will be disappointed. I hope the Government will look seriously at the committee's recommendations. To be fair, it was the Minister who referred this inquiry to the committee, and he was quite specific about the terms of reference. I hope the Minister will genuinely look at the recommendations that the committee made and be willing to act upon them.

Very important was the need for information, particularly a central online access point for information. All the families talked about how useful it was to share information and to be able to talk to other families that have been through similar experiences. They said they had been making decisions in isolation and they often thought they were the only ones facing a particular set of circumstances or the need for a particular specialist service. The families said that upon meeting other parents and being involved in networks and other support groups they found that information sharing invaluable and that it assisted them in making better informed decisions for their children.

Another important point we heard made time and again was the frustration parents felt with placement panels: submitting information, putting in applications to the department and then finding that panels made decisions that often parents could not understand—they could not reconcile the information they had given the panels with the decisions that had been made about whether or not their child could be placed in a specialist school or a specialist program. That was the reason for making our recommendation about local decisions, which I heard Dr John Kaye criticise. At the time a trial was being conducted in the Illawarra and we did not have a final model presented to us upon which we could make a decision, but we were hearing from parents that they thought decisions made locally by schools either within their region or within their local neighbourhood would have better outcomes for their children. Parents thought that they could then also access the people making those decisions.

The other frustration of parents that we heard about time and again was how they have to repeat their stories: they have to give the same information again and again to various professionals before the parents felt any confidence about where their children were going to be placed or felt any confidence about the type of service, resource or specialist they were being referred to. The parents have to tell the same story and give the same information to different groups of people or different professions, and that was a great source of frustration for them. We are all aware that information should be shared in a sensitive way and that it is not directed to inappropriate places, but surely in 2012 we can find a way of sharing information among the professionals who are going to act in the best interests of the child. I urge the Government to implement that recommendation.

Another important aspect was the need for transition planning and the acknowledgement that a transition plan may need to be amended along the way or reviewed depending on the child's progress and whether or not the child has responded to various programs or treatments or if the nature of their disability changes. We heard from parents of infants, of primary school children and of students going into tertiary education or into the workplace how important it is to have a transition plan that gives the parents and the student an understanding of and some confidence in what is going to happen to them throughout their education or career.

They are the main areas I hope the Government considers and I hope the Government implements our recommendations. I thank the secretariat staff, who, as usual, have done an absolutely excellent job of putting together the evidence we heard and the various documents and data that we received that has assisted the committee to make its recommendations to the House. I also thank my fellow committee members for their hard work and dedication in getting the report to this point. I commend the report to the House.

Debate adjourned on motion by the Hon. Dr Peter Phelps and set down as an order of the day for a future day.

GENERAL PURPOSE STANDING COMMITTEE NO. 3**Report: Rail Infrastructure Project Costing in New South Wales****Debate resumed from 8 March 2012.**

The Hon. NATASHA MACLAREN-JONES [5.15 p.m.]: It is with pleasure that I speak on the inquiry conducted by General Purpose Standing Committee No. 3 and the report entitled "Rail Infrastructure Project Costing in New South Wales". I am grateful to have been appointed as chair of this committee to conduct inquiries such as these. But inquiries and reports cannot be done without the support of the committee members, secretariat and witnesses. I will begin by thanking the deputy chair, the Hon Niall Blair, and fellow committee members: the Hon. John Ajaka, the Hon. Cate Faehrmann, the Hon. Paul Green, the Hon. Penny Sharpe and the Hon. Mick Veitch. Furthermore, on behalf of the committee members I thank the committee secretariat: Beverly Duffy, Stewart Smith and Lynn Race, who all provided invaluable advice and support during the inquiry. The terms of reference for the inquiry were referred to the committee by the House on 5 August 2011, and they included the following:

1. That General Purpose Standing Committee No 3 inquire into and report on rail infrastructure project costing in New South Wales and in particular:
 - (a) methodologies used by the Transport Construction Authority, New South Wales Treasury and other government agencies to cost rail projects,
 - (b) "concept estimates" for rail project costs,
 - (c) the differences between rail and road project costs methodologies,
 - (d) cost estimate methodologies applied in other Australian states, by the Australian Rail Track Corporation and internationally,
 - (e) tendering processes, and
 - (f) any other related matter.
2. That the Committee report by Friday 9 March 2012.

In conducting this inquiry the committee needed to be focused and the recommendations concise as they deal with a number of complex issues. The committee received 23 submissions and evidence was given by 18 witnesses across two days. The committee is extremely grateful to individuals, advocacy organisations and academics for their valuable contributions in shaping our nine recommendations. Whilst there was a strong perception among some inquiry participants that the cost of rail projects in New South Wales is significantly higher than in other jurisdictions in Australia, this view is not supported by the available quantitative data. The committee found the cost to build new railway infrastructure in New South Wales is slightly more when compared with other jurisdictions in Australia.

Estimating the cost of transport infrastructure is a complex task. The time frame to plan and build major transport infrastructure can span 10 years or more and projected budgets can sometimes amount to hundreds of millions of dollars. Across the globe the issue of how to reliably estimate the cost of major projects is a matter of debate amongst infrastructure proponents. Nevertheless, building rail infrastructure is an expensive exercise and governments should strive to contain costs where possible. However, the committee would not like to see any reduction of the excellent safety record of Transport for NSW in an effort to reduce costs and believes that the recommendation from the inquiry, if implemented, would assist in reducing costs.

In 2008 the Australian Government sponsored the development of an industry best practice cost estimating standard for estimating the cost of transport infrastructure, which has since been implemented across most jurisdictions, including here in New South Wales. Whilst the merits of the standard were debated by witnesses, including the best method to estimate contingent risks of a project and the appropriate level of risk, the committee supports the implementation of the standard. Most of the inquiry participants welcomed the introduction of the best-practice standards.

The concerns raised were around using the probabilistic cost curves to estimate the cost of a project rather than a deterministic approach. It was acknowledged by the committee that limited evidence was received to allow it to declare one method more accurate than or superior to the other. Therefore, the committee

recommended Transport for NSW undertake further research on the performance of actual versus budgeted outcomes under both probabilistic and deterministic contingency estimation approaches for major road and rail infrastructure, with a view to standardising approaches to produce a more accurate cost estimate.

Chapter 4 of the report examines the issue of whether it costs more to build rail infrastructure in New South Wales compared with other States of Australia and overseas. One of the challenges the committee found in conducting the inquiry was the lack of available data, particularly in regard to budget breakdowns for specific projects. A number of witnesses stated that often the information is tightly held by agencies for commercial-in-confidence reasons, making it difficult to access data publically. The committee felt that once a project had been fully tendered a breakdown of the estimated cost of the project should be made public. Furthermore, the committee recommended that during the life cycle of the project Transport for NSW should publish reasons for any significant changes in the budget, enabling examination of why the change occurred rather than what the change was.

As I have stated before, comparing the costs of building road and rail infrastructure across Australia can be difficult. In 2010 NSW Transport commissioned an independent consultant to conduct Australia's first benchmarking study of road and rail cost data. This is the first step in understanding the challenging process of costing major transport infrastructure across jurisdictions. The committee commends and supports NSW Transport for its initiative and recommends that another benchmark report is commissioned and published within four years. Furthermore, the committee recommended the use of a consistent work breakdown structure, as suggested by Ernst and Young, to ensure meaningful comparisons, review and benchmarking.

In addition, Ernst and Young raised concerns regarding variations in the ways agencies captured and allocated corporate overhead expenses to specific projects. To facilitate this, the committee has recommended that the department promote the use of consistent cost categories in its projects so that project costings can be easily compared and benchmarked. Furthermore, the committee recommended Transport for NSW investigate corporate costs, rail client administrative costs and other costs incurred for rail projects, as defined in the Ernst and Young report, and that any findings and recommendations be made public.

The committee acknowledged that major infrastructure projects may cost several hundreds of millions to billions of dollars and can carry significant risk of delay and cost overrun. The allocation of risk between project owner and contractor can have a significant impact on the final price. Therefore, Evans and Peck suggested that appropriate risk allocation would reduce cost and provide better competition. In its report the committee acknowledged the limited evidence on the allocation of risk in tender documents. However, concerns were raised by the industry about inappropriate risk allocation, particularly for things that were beyond its control. To address these concerns, the committee recommended that Transport for NSW establish guidelines for effective risk allocation and procurement models that support the allocation of risk where it is managed most effectively.

Some inquiry participants expressed concern about the level of competition in relation to tendering of infrastructure projects. These concerns were largely focused around three areas. The first concern was the large size of infrastructure projects, which limits the number of companies able to bid for them. For major contracts, the transport projects division will advertise for registration of interest by companies wishing to tender. Evidence from Ernst and Young noted that the size and scope of a project and whether the construction company had the skill and financial capacity to deliver the project was the key deciding factor for whether it submitted a registration of interest in a tender. Evidence was given that projects are often so big that only the major companies have the resources to tender for them. However, if projects were split into smaller work packages more companies would be able to tender. An example was given of a \$3 billion to \$4 billion rail project in Victoria that would have attracted only two tenders had it been tendered as one package. Instead, the project was split into smaller packages, which resulted in 12 companies being involved in the project.

The second concern raised by industry was the onerous hurdle criteria that companies must pass before being invited to tender for a project. The hurdle criteria are the tools used by the department to select a short list of contractors, who are then invited to tender. The committee was told it is used to ensure companies do not go to the expense of tendering for a project that they do not have the expertise to deliver. The committee heard contrasting views regarding the impact of pre-qualification and hurdle criteria. Support for the criteria was based on the need to maintain an efficient tendering process.

However, concerns were raised of a perception that it was difficult for new entrants to enter the market in New South Wales and the criterion that a company must have had some experience in rail project work in this State was too onerous. Mr Lock from Transport for NSW explained that this criterion was used much less now than for previous projects; however, it was still a criterion that people employed by a company working on the tender project needed to have experience in the New South Wales rail system.

The final concern was the concentration of ownership of construction companies. Several submissions noted that Australia is a small market with limited transport infrastructure projects and this has an effect on competition in the industry. In addition, one submission noted that the New South Wales rail market is dominated by two companies. With this in mind, the committee noted that the concentration of ownership of construction companies may reduce competition. Transport for NSW advised that to overcome this and increase competition the department had implemented a number of steps including separation of tender deeds for related party tenders and prevention of related parties being on the short list.

Furthermore, the department is conducting more industry briefings and providing longer lead times for tendering to encourage competition. To encourage greater competitive tendering and value for money for taxpayers the committee has recommended that Transport for NSW review its tendering strategies with the aim of ensuring that infrastructure projects are broken down into appropriate-sized packages to increase competition between tenderers and lower barriers to provide opportunities for local businesses.

In conclusion, I again thank the committee members, secretariat staff and those who participated in the inquiry. The construction of major transport infrastructure is complex, involving multidisciplinary teams operating over a long period and can cost hundreds of millions or billions of dollars. Estimating the cost of projects is challenging but it is imperative that we provide value for money for the taxpayers of New South Wales. The recommendations from this inquiry will provide greater transparency and competition. I commend the report to the House.

The Hon. JOHN AJAKA (Parliamentary Secretary) [5.28 p.m.]: After hearing from infrastructure delivery public sector agencies, private industry organisations and transport interest groups, General Purpose Standing Committee No. 3 released its final report on the inquiry, which is entitled "Rail infrastructure project costing in New South Wales". The report recommends a number of steps to ensure that this Government, and future governments, provide customers with value for money. The committee put customers first in delivering its recommendations. It is therefore unfortunate that one of our committee members seeks to disregard certain representations from various agencies and independent bodies. This Parliament welcomes healthy debate on any issue: it is the only way we can deliver the best policy solutions for New South Wales. However, debate must be based on reasonable policy positions. I will now focus my discussion on the dissenting statement of the Hon. Cate Faehrmann. The honourable member's first recommendation states:

It is recommended that during the lifecycle of a transport infrastructure project Transport for NSW publish a breakdown of the estimated costs of the project including the final outturn costs.

The Hon. Cate Faehrmann's first recommendation suggests that a breakdown of project costs should be published throughout a project's life cycle. Transport for NSW already publishes the value of contracts it awards, and this practice will continue. Sometimes project scopes change in response to engineering complications, safety considerations or customer feedback. If there is significant cost involved these factors do need explaining. I think we all agree that it is necessary to provide taxpayers with some level of comfort that public money is being spent properly. That is why the committee recommended that Transport for NSW publish any significant changes in project costs.

In combination with the ongoing release of contract award amounts, this recommendation is a much more sensible way to track project costs rather than the suggestion made by the Hon. Cate Faehrmann. First of all, it is inappropriate to publish cost estimates of a project before tenders have been called for. As the Hon. Cate Faehrmann noted, this would do little to encourage price competitive tenders. Further, cost breakdowns do not convey the complexities facing rail projects. They do not convey the specific work undertaken by government agencies and delivery partners. They do not convey changes to safety standards or technology that was incorporated in project delivery. Additionally, many of the costs the Hon. Cate Faehrmann has asked for cannot be released because they are contract costs.

No-one can reasonably expect our private sector delivery partners to release commercially sensitive information, particularly if we are to encourage industry competition. The Hon. Cate Faehrmann asserts that publishing the cost breakdowns will lead to a decrease in private sector costs. The truth is that producing cost

breakdowns may in fact have the opposite effect. Publication of the cost breakdowns of contractors—in other words, organisations that have successfully gained a government tender—may be viewed by other potential tenderers as a prescriptive guide for success in their future bids, consequently reducing incentives to provide innovation and to lower costs.

The Hon. Cate Faehrmann's goal is aligned with the committee's in wanting cost estimation to be more transparent. That is why the committee recommended that Transport for NSW promote greater consistency in development project costs for the purposes of comparison, review and benchmarking. A specific and explicit recommendation was the adoption of a standardised work breakdown structure when developing project costs. Under the direction of the Minister for Transport, the Hon. Gladys Berejiklian, Transport for NSW has already taken steps towards adopting this practice as well as other measures, including the development of a cost-estimating standard, development of a cost-benchmarking database and ongoing relationships with infrastructure bodies to share best practice. The Hon. Cate Faehrmann's second recommendation states:

Recommendation: The use of the P90 methodology in allowing for contingencies and cost over-runs is not supported as it contributes to over-inflated rail costings.

Developing cost estimates for rail projects must involve allocating for budget uncertainties that will arise during project delivery. This amount, referred to as the "contingency", is developed following a thorough risk assessment. Infrastructure projects are delivered over a number of years. While there may be a high level of certainty around the scope and objectives of a project, no-one can state with any certainty the conditions that will apply many years down the track when a project is being delivered. Overly conservative contingency allowances may lead to budget overruns while unnecessarily high levels of contingency allowances may lead to underspending and potential waste of valuable funding. Therefore, it is paramount to ensure that there is enough budget capacity to continue to achieve infrastructure project outcomes in the face of risk and uncertainty.

A P90 cost estimate provides for 90 per cent likelihood that the project's cost estimates, including contingency, will not be exceeded. To put that another way, it implies a 10 per cent possibility that the project costs may exceed the estimated budget. That is the reason Transport for NSW, along with many other government delivery agencies, uses P90 estimates in rail projects. P90 estimates are not only internationally recognised but also recommended in the Federal Department of Infrastructure, Transport, Regional Development and Local Government 2008 best practice standards for cost estimation for road and rail construction as being a statistically reliable measure and, as is noted in the committee's report, are supported by the New South Wales Treasury and the Auditor-General. As the New South Wales Treasury explained to the inquiry, P90 is preferred in planning for budget allocations for infrastructure projects as Treasury is better able to protect the budget if there is a cost overrun than if a P50 estimate is used.

My understanding is that if a budget is allocated using P50 standards, tender responses potentially will be higher than the allocated budgeted amount. While the committee found that the use of this estimate was a reasonable method, it recommended that further review be undertaken to ensure it is still best practice. While Transport for NSW prepares pre-tender P90 estimates based on tender documents, the tender process is managed independently from the estimating process. I am informed that Transport for NSW P90 estimates are internal and confidential and will not form part of requests for tenders. Pre-tender estimates, along with measures such as independent external benchmarking, are used internally as a tool to ensure the appropriateness and competitiveness of commercial bids of the tender returns.

Furthermore, P90 estimates are not the cause of the Hon. Cate Faehrmann's incorrect statement that infrastructure projects in New South Wales cost significantly more than those in other areas of Australia. While the committee found that projects can cost slightly more to construct in New South Wales than in other jurisdictions, this is due to circumstances specific to this State that may not apply in other States, including restricted access to worksites and demanding worksite safety protection. Those factors have nothing to do with whether a P90 estimate is used. I take this opportunity to thank the chair and other committee members as well as of course the secretariat staff for all the assistance provided. I also thank the witnesses who appeared before the committee and those who made submissions.

The Hon. CATE FAEHRMANN [5.36 p.m.]: On behalf of The Greens, I participate in discussion of the report of General Purpose Standing Committee No. 3 entitled "Rail infrastructure project costing in New South Wales." The final report—the result of a lot of work and much negotiation—is not perfect in the opinion of The Greens, given that it was very difficult to engage the private sector on this issue. It raised some very

important issues nonetheless. The cost of rail projects in New South Wales was found to be some 15 per cent higher than in the rest of Australia. This is a significant amount. When multibillion-dollar projects are involved, the difference can amount to hundreds of millions of dollars that could be redirected elsewhere to other public transport projects, if the money could be saved.

It is important to remember that investment in public and active transport bears dividends for decades and beyond. The cost of a project may well be written off by Treasury in a matter of years but the impact on the economy as a whole, the wellbeing of the community and the environment lasts for longer than the lifetime of its citizens. The investment by governments in rail projects should not be either/or with roads. Many people and businesses have no other option other than to get to their destination by road. So it is not a question of either roads or rail; it is about how we make the best use of the money we have. This is what the inquiry was about—making sure that the State, through the New South Wales Government, is making the best use of the money it has to spend on rail projects. It is imperative that government provides services with taxpayer dollars as efficiently as possible. To pay some 15 per cent more for rail projects in New South Wales than in other States is quite disgraceful.

The taxpayers of New South Wales should be able to assess whether they are getting value for money from the infrastructure projects for which they pay. A breakdown of costs at some point during the life cycle of a project should be publicly available. The lack of transparency and inaccessibility of information, such as detailed costings of individual rail projects, was a source of frustration for this inquiry. Not being able to make meaningful comparisons meant sole reliance on other research, which is not ideal for a committee wishing to undertake its own detailed analysis of the costs of recent rail projects in New South Wales. For example, Ernst and Young gave evidence and revealed that corporate overhead costs for rail projects are significantly higher in New South Wales than in other States—some 25 per cent more. Not only were these costs higher, but due to staff minimisation we found a situation where government bodies, which are charged with delivering rail projects, were no longer able to make the government an informed buyer. There has also been overreliance on outsourcing work to expensive consultants.

Roads authorities, on the other hand, were much better organised and did not charge those overheads back to projects. They treated those costs as general running costs of their agency. The Ernst and Young evidence also showed that rail alliance client costs were significantly higher in New South Wales than in the rest of Australia—18 per cent compared with 13 per cent. When design costs were excluded, this became 15 per cent for New South Wales versus 10 per cent for the rest of Australia. Rail fixed-price contracts in New South Wales showed similar cost breakdowns in client costs compared with the rest of Australia, but with rail alliance contracts it showed that client costs were widely different in New South Wales compared with the rest of Australia, with corporate overheads and "other costs" being significantly different.

It seems that additional difficulties occur with how projects are costed. Not only is there a lack of skilled cost estimators in Australia, which the committee noted, but the methodology of how projects are costed is fraught. A cost estimator can calculate contingency costs for rail projects by probabilistic methods or by deterministic methods, or by a combination of the two, and it seems that this area warrants further investigation. The New South Wales Government has favoured the probabilistic method and is using the P90 figure to ensure that it can be 90 per cent sure that the cost of a project, as determined by this method, is not exceeded. All the risk is placed on the contractor, who then necessarily needs to increase the tender price to cover that risk rather than the risk being absorbed by the Government. The result is further inflating of costs.

Due to government announcements, this P90 figure is widely known prior to the tendering process. It seems that actual costs paid by government are now following these very high estimated P90 contingency costs. We are seeing that with the North West Rail Link. Evans and Peck was commissioned by the Federal Government to do a study on contingency cost methods and my understanding is that this was never peer reviewed. Yet it has been adopted by the State Government, the Federal Government and other governments, without sufficient analysis in the opinion of The Greens. Analysis published in international journals suggests that this methodology is now being questioned and the Government should consider whether it provides the best value for the long-suffering New South Wales taxpayers and transport users. Along with this method for contingency cost calculations, the committee recommended that project escalation costs in New South Wales required further work to determine the most appropriate approach.

Mr Brian Nye from the Australasian Railways Association pointed to problems with the tendering process that were causing prices to be driven up. He also referred to contracting arrangements for projects and the need to bring in interested parties early to establish clear competitive guidelines prior to the beginning of the

tendering process. Mr Nye also pointed out that a lack of consistent regulation means that each jurisdiction in Australia has unique standards, which means that savings from bulk purchasing are not possible. He gave the example of different thicknesses of glass in carriages as just one of 652 differences in rail car design within Australia. It was noted that if technical standards were altered during the life of a project it could have a considerable impact on design changes, and hence costs. It was suggested the standards that apply on day one of a project should apply for the life of the project. There was some evidence to suggest that many design elements were over-engineered, and this contributes to higher cost.

Scope creep for a project is a significant contributor to cost blowouts. The scope of a project should be fully determined and as much risk as possible removed via full investigation of each item to ensure the project is fully scoped before cost estimations are made. At this point I refer to the evidence of the Western Australian expert who worked on the Perth to Mandurah line, who informed the committee as to how that project was scoped and how much work was undertaken by Mr Peter Martinovich from Western Australia. He undertook a lot of detailed work before calling for public tenders and before going public with costs. I thought his evidence was compelling as to how rail projects can be costed quite differently from how they are costed in New South Wales. The Greens urge the New South Wales Government to take a leaf or two out of the Western Australian book because it seems to be delivering far cheaper rail projects than we can in this State.

The integration of land use planning and transport will assist with the development of long-term planning for rail projects. The lack of a long-term plan, of project certainty and of a pipeline of projects were all felt to be cause and effect for staff minimisation and necessitated the outsourcing of work to consultants. The fact that rail corridors had not been reserved for projects was also found to contribute to higher costs in the long term. This also drives up contingency costs when private companies and consultants are expecting governments to cancel projects. Therefore, they add more contingencies because there is a greater risk. For a long time the Labor Government, through delay after delay, probably drove up the cost of rail projects in New South Wales to a good degree because ultimately companies were not getting work.

The committee found there were many reasons that rail projects cost more in New South Wales, and the Government must be held to account to ensure these problems are rectified. The Greens recommend that an independent body such as the Audit Office of New South Wales conduct a forensic examination of the problems I have noted to provide factual information from which lessons may be learned and guidance for the future provided. A body such as the Audit Office needs to undertake an investigation of these issues.

As I said at the outset, the committee did not have the resources, the expertise, the time, the knowledge or the information provided to it by the consultants and relevant government agencies, including Treasury, to really get a handle on what was driving more expensive rail costings in New South Wales. We clearly found that costings were more expensive, that projects were more expensive, but it was difficult to determine why. In closing, I thank the Hon. Natasha Maclaren-Jones, chair of the committee, all members who served on the committee and of course the committee secretariat, particularly Stewart Smith and others who pulled together a good report considering we did not have much detail to work with.

Debate adjourned on motion by the Hon. Lynda Voltz and set down as an order of the day for a future day.

JOINT STANDING COMMITTEE ON ROAD SAFETY

Report: Inquiry into School Zone Safety

Debate resumed from 29 May 2012.

The Hon. CATE FAEHRMANN [5.46 p.m.]: I was pleased to be part of the very important Staysafe committee inquiry into the effectiveness of school zones in reducing pedestrian casualties. As we all know, this is a serious issue and we must do all we can to ensure the effectiveness of our traffic regulations in protecting pedestrians, particularly children. At the outset, I congratulate Bjarne Nordin and the committee staff on their ongoing hard work behind the scenes, the committee chair, Greg Aplin, and other members. Since the introduction of school zones in 1992 there has been a 45 per cent decrease in pedestrian casualties across the 10,000 school zones that operate around 3,154 schools in New South Wales. This is a considerable achievement, bearing in mind that in the 20 years since the introduction of school zones the population of New South Wales has grown by almost 1.5 million and there is more traffic on the roads than ever before.

Added to that, the number of cars dropping off children at schools has increased markedly over that time. Now more than two-thirds of primary age children are driven to school compared with less than half that number 20 years ago, when walking to school was more commonplace. This has had the effect of increasing vehicle hazards around school precincts. The Greens are mindful of protecting vulnerable children—as I know all members are—from the risk of collision with vehicles. This committee has done valuable work making recommendations to improve the regulation of school zones. Not only are children better protected than they were before the introduction of school safety zones but many families are spared the anxiety, anguish and costs associated with terrible accidents around schools.

Even though it is 20 years since the introduction of school zones, many drivers are still confused about which days are school days. This is especially so on those days when drivers know their children's school has no designated classes and their children are absent from school but it might be different for the school just across the road. The recommendation regarding flashing light technology, which has been shown to be the most effective warning for drivers, should be implemented. Their introduction in school zones will help considerably to alert drivers of the operation of school zones. It is pleasing to note that in the next four years the Government will be rolling out flashing light signage to highlight 700 school safety zones, particularly in country areas.

The Hon. Robert Brown: Hear, hear!

The Hon. CATE FAEHRMANN: But more than 9,000 still need attention. Not only should flashing light technology be introduced but, as per recommendation 8 of the committee, it is important that signage is kept in good condition and any degradation or obscuration should be remediated promptly. Education is vital to improve pedestrian safety in school zones. The committee has recommended that there be a strong focus on road safety in school education programs and that this be compulsory for students as they progress through school, from kindergarten onwards. It will be important to provide greater support for these programs and to ensure that there are sufficient educators employed to teach these programs.

The committee's recommendation 9, to expand the availability of road safety education consultants in schools, is essential, as is recommendation 11, to augment the services of classroom teachers in delivering the teaching of road safety as part of the syllabus with appropriately qualified and experienced road safety practitioners. Recommendation 12, that mandatory road safety education for all students be included as part of the proposed national curriculum—that is, when New South Wales adopts the national curriculum—will ensure that road safety continues to be part of every student's education for years to come.

Recommendation 10 refers to additional research to determine the effectiveness of road safety education programs. This is essential to determine the best way forward to improve education services. The Greens support the recommendation. Drivers also need their awareness and understanding of school zone safety reinforced. This is particularly applicable to parents and carers who sometimes fail to adhere to the rules when they are within a school zone: double-parking and stopping in no-stopping zones are notable problems, which I am sure everyone has seen but, of course, I do not suggest any member has done. Parents and carers must be educated about the rules within and around school zones. Despite the efforts of staff at many schools to encourage better practices, a more concerted effort is required to educate drivers and aggressive education campaigns need to be implemented.

The Greens are pleased that the committee made recommendation 15 and urges the Government to investigate methods of improving education for parents, carers and other motorists who utilise school zones, which, of course, is everyone. Given the annual turnover of parents at any school, ongoing education campaigns will be needed. Encouraging children to walk to school and carpooling amongst families also will help to reduce the number of cars visiting a school daily. If the Government chose to promote these options, it would help to reduce road traffic congestion, which leads to double-parking and other transgressions. A number of fantastic programs and initiatives of local councils and non-government organisations are in place. For example, I refer to the walking school buses, where families and different community members get together and take turns each day to escort groups of children to ensure they reach school safely. It would be wonderful to have a concerted push from the Government for more walking school buses in our communities.

Confusion can occur because of varying conditions between schools. For example, some parents can be picking up and dropping off children at four different schools each day and the conditions at each school can be quite different. Standardisation of rules amongst schools has been recommended. Flashing light signage would greatly assist. The Greens recommend standardisation of school safety zones wherever possible and where practicable. To cater for drivers with no connections to a school, Roads and Maritime Services will need to

ensure there is an ongoing campaign to educate people about the success of school zones and what we all should do to maintain road safety in these zones. These rules should be highlighted in driver education programs for licensing requirements, but it will be necessary also to educate those who have held a licence for many years and may not be aware of the latest regulations.

The Government does not do enough to continue educating drivers when road rules change. Perhaps the Staysafe committee could inquire into that matter, but the New South Wales Government should consider education more broadly. Because road traffic congestion increases yearly and the trip times for motorists increase also, some drivers are reluctant to slow down in school zones. Greater efforts must be made to educate all drivers about the importance of adherence to the road rules and to continue to run education programs yearly for drivers of all ages. Recommendation 17 recommends that drivers are regularly given up-to-date information about the road rules, but we should do more to encourage people to use public transport as much as possible. Obviously, that was not the scope of the inquiry, but using a train is 10 times safer than travelling in a car. Using public transport helps to reduce traffic congestion and car accident statistics, but enormous health benefits are gained if children are able to walk to school.

The location of new schools should take transport issues into consideration. Locating schools close to public transport is essential, as is ensuring not locating them on main roads. Regardless of how much space is allocated off road for kiss and ride facilities, it is never enough. Encouraging children to walk to school or to use public transport will make a big difference to the current congestion around school zones. It will be most important for the relevant government departments, including the Department of Planning and Infrastructure, Roads and Maritime Services, the Department of Education and Communities, and local government to work together to ensure schools are located most efficiently and appropriately to reduce transport-related problems. While it is comforting to know that since the introduction of school safety zones the rate of related traffic accidents has declined markedly, obviously, as the committee found, much more work remains to be done to ensure the safety of children going to school. I commend, and The Greens support, the findings of the committee. We look forward, hopefully, to the speedy implementation of its recommendations.

The Hon. NATASHA MACLAREN-JONES [5.54 p.m.]: It is with pleasure that I speak on the report into school zone safety. This is the first report of the Joint Standing Committee on Road Safety for this Parliament. I thank the Minister for Roads and Ports for initiating the inquiry and thank Greg Aplin in his role as chair of the committee as well as the Hon. Rick Colless as deputy chair for their work. The inquiry arose following concerns about the lack of consistency and lack of clarity across the State in the operation and use of school zones. In 1994, 1998 and 2001 a number of inquiries into school zone safety were held and the related reports published. All were beneficial to improving safety policies and procedures in and around schools. However, the inquiry into school zone safety was different as it focused on evaluating the current system and identifying areas for improvement. The findings of this important inquiry will help to rest the concerns of countless parents who worry about the safety of their children at schools.

I shall not go into the detail of the success of school zones following their introduction in July 1992, but I note the significant decline in casualties. During the inquiry the New South Wales Government highlighted the report of the New South Wales Auditor-General into improving road safety school zones and found that from 1998 to 2008, 117 child pedestrian casualties were reported, representing a decline of 46 per cent. Although casualties have declined, there remains room for improvement in how school zones are managed. The report made a series of recommendations to improve the level of road safety infrastructure, to enhance road safety education programs and to more effectively target road safety messages. It is no surprise that all students are at risk, but the nature of the risk varies with the age of the student. Younger students are physically smaller and less experienced in the traffic environment, therefore requiring greater supervision and education about safely crossing roads.

Older children can be more prone to taking risks around roads due to peer pressure from friends or fellow students and from experimenting with newfound independence. This highlights why a strategy to make school zones safer needs to involve education and necessary infrastructure. I should like to focus mainly on the recommendations about education. Road safety education programs are provided to all schools. I note that they also provide professional development for teachers. Education on road safety is vital as it is provided as part of the compulsory syllabus to children from kindergarten through to the end of secondary school. The rollout of this program is supported by road safety education consultants, who provide an invaluable service. Unfortunately, only 10 such consultants cover New South Wales and increasing this service would be beneficial.

The report recommends evaluating the current adequacy of road safety education consultants in schools with the possibility of expanding the program and consultants to all regions of New South Wales. In order to have effective school education programs, high standards must be maintained and regularly accessed to ensure they are being met. The report notes that a common complaint amongst stakeholders was lack of available information on the assessment of teaching materials and practices or the claim that assessment may need to take place. The New South Wales Auditor-General suggested that further evaluations or evaluation with a different focus would be beneficial.

However, as education and learning are not limited to the classroom, the wider community needs to be involved in educating students about the merits of road safety. I acknowledge organisations such as the NSW Police Force, the NRMA, the Rural Fire Service, Rotary groups and scouts, who already provide road safety education for young people. This helps to reinforce what is learnt in school but without the stigma of school. Non-school programs help to make learning about road safety more relevant, interesting and fun. Teaching students something they enjoy and find interesting is far more likely to have a lasting effect on them. As I have said, this is a good report that contains sound recommendations. I commend the report to the House.

The Hon. RICK COLLESS [5.59 p.m.], in reply: I thank all members who contributed to the debate: the Hon. Walt Secord, the Hon. John Ajaka, the Hon. Scot MacDonald, the Hon. Cate Faehrmann and the Hon. Natasha Maclaren-Jones. I will respond briefly to the comments made by the Hon. Walt Secord. The member said that he did not support 24-hour school zones. One must wonder why the media was advised that the report contained a recommendation endorsing 24-hour school zones. I note that the Hon. Walt Secord embarked on a political tirade, which does not necessarily reflect the collegiate nature under which the Staysafe committee normally operates. It was an unnecessary comment. The Hon. Walt Secord pointed out that the Premier's comments related to a leak stating that the report contained a recommendation that 24-hour school zones were to be introduced. The report did not state that and the Premier's comments were appropriate in that regard.

The Hon. Walt Secord said that the Government had allocated a paltry \$4 million for flashing lights in school zones. The Hon. John Ajaka pointed out that the Minister's timetable included the installation of flashing lights in an extra 82 school zones, with funding totalling \$17 million. It is, in fact, 700 school zones over the term of the Parliament. The Hon. Walt Secord had it completely wrong, and I thank the Hon. John Ajaka for pointing that out to the House. The Hon. John Ajaka highlighted the failure of the previous Government to fund the installation of flashing lights in school zones. This Government is taking that on board and implementing the timetable. I thank the Hon. Scot MacDonald for pointing out the flaws in the Hon. Walt Secord's argument.

The Hon. Matthew Mason-Cox: He destroyed it.

The Hon. RICK COLLESS: He destroyed it. Opposition members took points of order on the Hon. Scot MacDonald a couple of times. I thank the member for his contribution. The Hon. Cate Faehrmann acknowledged the good work of the Staysafe committee over many years. The member made appropriate comments in relation to flashing lights and pointed out the importance of education. I endorse those comments. I made the point in my speech that education is of the utmost importance in relation to school safety zones. The Hon. Natasha Maclaren-Jones pointed out the importance of education and infrastructure in relation to school safety zones. I thank all members for their contributions to the debate. I am pleased with the way that this report has been finalised. The report contains good recommendations. I look forward to the responsible Ministers taking on board the issues noted in the report. I commend the report to the House.

Question—That the House take note of the report—put and resolved in the affirmative.

Motion agreed to.

STANDING COMMITTEE ON LAW AND JUSTICE

Report: Opportunities to Consolidate Tribunals in New South Wales

Debate resumed from 27 March 2012.

The Hon. DAVID CLARKE (Parliamentary Secretary) [6.03 p.m.]: As chairman of the Standing Committee on Law and Justice it gives me great pleasure to speak to the report entitled "Opportunities to Consolidate Tribunals in New South Wales." The committee's report arises as a result of terms of reference

referred to it jointly by the Minister for Finance and Services, the Attorney General and the Minister for Fair Trading. The terms of reference asked the committee to inquire into and report on opportunities to consolidate tribunals in New South Wales. The committee was to have regard to the 2002 report of the Committee on the Ombudsman and Police Integrity Commission into the Administrative Decisions Tribunal and arrangements that are in place in other jurisdictions such as the Victorian Civil and Administrative Tribunal. Specifically, the committee was asked to consider opportunities to reform, consolidate or transfer functions between tribunals to increase efficiency and effectiveness.

In pursuing the task it was given the committee was guided by one overriding purpose, and that was to recommend what is in the best interests of the people of New South Wales. The committee's intention was to put forward recommendations that would most improve the delivery of justice for all those with matters before tribunals and to do so in a way that brings equity and justice expeditiously, inexpensively and in the most uncomplicated way as is practical and possible in all the circumstances. It was intent on doing this in a way that achieved consistency and fairness in decision-making and outcomes. Tribunals need to provide justice in a manner easily comprehended by the community. Justice needs to be delivered and that justice needs to be seen to be delivered.

The committee conducted a number of public hearings during which it received evidence from a representative range of stakeholders that included tribunals, bodies representing the legal profession, employer organisations and unions, and consumer and community groups. It received a wide array of written submissions. It attended hearings of tribunals in New South Wales and Victoria to observe their operation and effectiveness. I am well satisfied that the committee has used the time available to it by its terms of reference effectively, productively and in the best interest of the people of New South Wales. I do not propose to regurgitate everything contained in the report because it speaks for itself.

In essence, the report puts forward some 16 recommendations. The first recommendation is that the Government pursue the establishment of a new tribunal to consolidate and incorporate existing tribunals, where appropriate, and which will provide access to justice. No recommendations are made as to which tribunals should be included in such a process. Instead the committee recommends the appointment of an expert panel of stakeholders, including senior legal professionals and senior members of existing tribunals, to prepare a detailed plan on the method of formulation, the appropriate structure of a consolidated tribunal and the issues and factors to be considered by it. The committee did not believe it was within its ambit to undertake an examination of technical and complex matters that would more properly and effectively be dealt with by a panel of experts such as it has recommended be appointed. The committee suggests that any newly created consolidated tribunal have a user-friendly approach for the filing and serving of forms and documents and operates by easily understood and uncomplicated practices and procedures.

In this regard the committee suggests the possible use of more comprehensive and accessible online services, including online access to court files. It suggests a consolidation of back-end services within one department and those users in regional areas be more adequately provided for through single points of contact. In no way should regional areas be disadvantaged as against metropolitan areas. The committee's view was that those affected by tribunal decisions should be provided with reasons for the decision to a quality and extent commensurate with the issue in dispute. Importantly, there also needs to be a consistency in decision-making and outcomes. A strong view was held by the committee that there should be a mechanism for internal appeals with appropriate thresholds in place and a requirement to establish an error in fact or law to found an appeal.

I conclude by thanking all members of the committee. Whilst the committee comprises representatives of the Government, Opposition and the crossbench, I can confirm to the House that each member of the committee worked productively and collaboratively in the formulation of this report. The primary motivation was to produce positive recommendations for the benefit of the people of New South Wales. With that motivation and with this report as the end result I believe that the Standing Committee on Law and Justice has been successful. I give special thanks to the staff of the committee secretariat. Once again, they have excelled in their assistance to the committee, and their professionalism and hard work has been of pivotal importance. This report, dealing with opportunities to consolidate tribunals in New South Wales, is one of substance and importance for New South Wales. I have great pleasure in commending its adoption to the House.

The Hon. SARAH MITCHELL [6.10 p.m.]: I shall make a brief contribution in debate on the Standing Committee on Law and Justice report entitled "Opportunities to consolidate tribunals in NSW". I would like to start where my colleague the Hon. David Clarke left off; that is, by thanking the committee staff. I have noted that members tend to do that when speaking to committee reports, and I think that is important. On

this inquiry the staff did a great job, given that the committee received a relatively large number of submissions and had a relatively short time frame in which to deliver the report. The staff did a wonderful job in organising the hearings, as well as site visits in Sydney at the Consumer, Trading and Tenancy Tribunal and in Melbourne at the Victorian Civil and Administrative Tribunal, and compiled an informative report. So they are to be commended, and I would like to thank them for their assistance with this inquiry. I would also like to thank the staff at the Consumer, Trading and Tenancy Tribunal and the Victorian Civil and Administrative Tribunal for accommodating us on our respective visits.

I enjoyed being a part of this inquiry. I had not really had much to do with tribunals prior to this: I had never had cause to appear before a tribunal or to utilise the services of a tribunal. So I learnt quite a bit about how they operate. As the chair, the Hon. David Clarke, said, the report contained 16 recommendations, all of which are very worthwhile. I will not speak to all of those now, but I would like to mention a few. It became clear early in the committee's deliberations that there is room for consolidation of tribunals in New South Wales. That is reflected in the first recommendation of the committee: that the Government pursue the establishment of a new tribunal that consolidates existing tribunals where it is appropriate and where that promotes access to justice. I am pleased it mentions consolidation where appropriate, and that the focus should be on promoting access to justice, as that was the clear message the committee received from the various witnesses and from the submissions. Access to justice should be the highest priority of any consolidated tribunal, and it is fitting that that is the first recommendation.

It also became clear early that there are a wide range of tribunals across the State with very specific purposes, and that any attempt to consolidate would need to be done by suitably qualified experts. This is covered in recommendation 2, which is that the Government appoint an expert panel to pursue the consolidation, formulation and appropriate structure of any consolidated tribunal. This is a key recommendation as it will ensure that any consolidation will be carried out by those qualified to do so. The final point I would like to touch on is access to justice in regional areas. This is mentioned in three of the recommendations. The first part of the recommendation is that consolidation of tribunals must ensure improved access to justice, in conjunction with approved efficiencies, particularly in regional areas. It is great that regional areas get a special mention in that recommendation. Also, recommendation 6 is that the Government examine the possibility of providing more accessible online services. As we all know, in some regional and remote areas residents would benefit from the ability to use online filing and online court files. That would make it a lot easier for them to access the same services utilised by their city cousins.

The final recommendation I would like to mention is recommendation 13, which relates to regional areas. It recommends that, where appropriate, facilities—including office space, registries, court and tribunal rooms—should be established in one-stop shops in metropolitan and regional centres. The idea of having a one-stop shop would be of benefit to people living in regional communities, so I am pleased that also was mentioned as part of this inquiry report. In closing, I would like to thank the committee chair, the Hon. David Clarke, and fellow committee members, two of whom are present in the Chamber at the moment, the Hon. Shaoquett Moselmane and the Hon. Scot MacDonald. I agree with the comments made by the chair that it was a productive committee, and I enjoyed being part of the inquiry.

The Hon. SHAOQUETT MOSELMANE [6.13 p.m.]: I speak on this report entitled "Opportunities to consolidate tribunals in NSW." This inquiry was sought by the New South Wales Coalition Government to investigate possible efficiencies and cost reductions, and to rationalise tribunals with integrated civil and administrative tribunals, or super tribunals, as now exist in Victoria, Western Australia, Queensland, the Australian Capital Territory and the United Kingdom. The Standing Committee on Law and Justice was asked to conduct the inquiry and to determine whether there were similar opportunities available to us in New South Wales.

The committee was given the task of considering what opportunities were available to rationalise those various tribunals to increase overall efficiency and effectiveness. Particular consideration was given to the jurisdiction and workload of the Industrial Relations Commission, the Consumer, Trading and Tenancy Tribunal, the Administrative Decisions Tribunal and various health disciplinary tribunals, to determine whether any, or some, or parts of those tribunals could be merged. The committee was provided with three options for consolidation, presented in the Ministerial Issues Paper. Option 1 proposed renaming the Industrial Relations Commission the Employment and Professional Services Commission, and expanding its jurisdiction to include the Equal Opportunity Division of the Administrative Decisions Tribunal and the health professional tribunals.

Option 2A proposed adding to the jurisdiction of the Administrative Decisions Tribunal and renaming it the NSW Administrative and Employment Tribunal. All functions of the Industrial Relations Commission would transfer to the Administrative Decisions Tribunal, in effect closing down the Industrial Relations Commission. All the functions of the Industrial Court would transfer to the Supreme Court. Option 2B is the same as option 2A but it would create a single Employment and Professional Discipline Division within the NSW Administrative and Employment Tribunal. Option 3 involves creating a comprehensive New South Wales Civil and Administrative Tribunal, which would consolidate the Consumer, Trading and Tenancy Tribunal, the Administrative Decisions Tribunal, the Guardianship Tribunal, the Mental Health Review Tribunal, health professional tribunals and employment functions of the Industrial Relations Commission.

In a nutshell, there was general but significantly qualified support for option 1 as a more acceptable choice than options 2A, 2B or 3. Some stakeholders were simply against the Industrial Relations Commission being changed in any way. For instance, Richard Downie, Branch Secretary of the Australian Workers Union, Central Coast and Northern Regions Branch, maintained on page 2 of the union's submission:

The Branch opposes the suggestion to merge the IRC and another tribunal/s, or to transfer the IRC's arbitral powers to any other entity. The Branch fears the skills and expertise demonstrated by the IRC members would be diluted if they are required to devote their attention to other matters, or members are not drawn from an employment law background are required to determine these matters. Resolution of employment dispute centres on alternative dispute resolution mechanisms, and this requires a particular skillset from arbitrators/members.

Mr Richard Downie said in conclusion:

Any outcome that results in decentralisation of facilities in Sydney will be at the severe detriment of workers in greater New South Wales.

John Cahill, General Secretary of the Public Service Association, mounts a similar argument, noting:

The Industrial Relations Commission has existed as a separate entity since 1901. It is widely considered as an "independent umpire" able to achieve a fair and reasonable result. Its members have extensive experience in the wide range of alternative dispute resolutions practices. In particular its members have developed the skills necessary to assist employers and employees (and their unions) to resolve their differences through conciliation and, where necessary, arbitration. It provides an effective means for resolving disputes without the need to take industrial action.

He concluded:

The PSA is a strong advocate for the retention of the arbitral functions of the Industrial Relations Commission.

A number of others were of the view that other jurisdictions could be effectively incorporated into the Industrial Relations Commission but were critical of any merger that would dilute the specialisation or the expertise that the Industrial Relations Commission has historically provided. The Industrial Relations Society of New South Wales maintained:

Regardless of what options are preferred in that regard, the Society believes it is important that there remains a body that is either stand-alone or an identified Division of a "super-tribunal" that retains as far as possible the current structure of the IRC, and that includes the current Judges of the IRC who have the specialised conciliation and arbitration skills to carry out the important role of conciliation and arbitration of industrial disputes.

There was very little support for option 3, with significant reservations as some stakeholders raised concerns about the potential impacts of this level of consolidation. Concern was particularly expressed over consolidation of the tribunals as it could create a tribunal so large that some issues handled by the Industrial Relations Commission would be drowned out or overwhelmed by claims in the Consumer, Trader and Tenancy Tribunal, which I believe handles more than 60,000 cases per year. Other concerns included that consolidation on a large scale might lead to a loss of specialist expertise in the various areas of law that each of the current tribunals cover. For instance, at point 38 on page 16 of its submission Unions NSW states:

Unions NSW believes Option 3 seeks to create a single Tribunal with little or no specialisation and seeking to provide all things to all people. It is inconceivable how such an eclectic "mix and match" approach of jurisdictions, responsibilities and activities could lead to a more efficient and effective framework for making timely decisions. A significant difference exists between disciplinary and industrial relations matters and many of the other matters dealt with by many of the tribunals which are intended to be consolidated into Option 3.

At point 39 Unions NSW states:

Further, there is a significant and justifiable concern that the specialised skill and knowledge of the judges, non-judicial members and Commissioners of the Commission and Industrial Court will be, over the longer term, lost in such a structure.

A similar view was expressed by the Law Society of New South Wales at point 1.1.2, which stated:

The Committees that expressed caution in relation to Option 3 have done so due to concern that consolidation would take place at the expense of the high level of expertise that many specialist Tribunals, or divisions of Tribunals, currently possess.

A more blunt view was taken by the Australian Medical Association, which argued on page 3 of its submission:

Over the period of its operation, both the Medical Tribunal and the Industrial Relations Commission have developed expertise in their respective jurisdictions. It is the view of AMA (NSW) that this expertise should not be lost, as may be the case if the various Tribunals are consolidated. If industrial relations matters and medical practitioner disciplinary matters became part of a broader range of areas that a consolidated Tribunal considered, it would be more difficult for expertise to be developed in a particular area.

AMA (NSW) submits that the functions of both the Industrial Relations Commission and the Medical Tribunal perform well currently. AMA (NSW) would be opposed to any reform that meant expertise in either jurisdiction was lost.

I am conscious of the time and I just note the dissenting report on page 72 not to include additional commentary reflective of the evidence before the committee regarding the unique jurisdiction of the Industrial Relations Commission. In conclusion, I acknowledge the role of the Chair, the hard work of the members of the committee and the significant contribution of the participants to the inquiry through submissions, hearings and the provision of additional information that helped us formulate our decisions and ultimately put together this report which we hope will guide any future attempts at possible consolidation. I thank my colleagues for their engagement in this inquiry. I have personally learnt a lot and benefited significantly from the volumes of submissions and arguments presented at the inquiry. I join members and the chair in thanking the staff of the committee secretariat for their ongoing professional support.

The Hon. SCOT MacDONALD [6.23 p.m.]: It was a pleasure to be a member of the Standing Committee on Law and Justice. The inquiry was called at very short notice by the three Ministers, nevertheless, with that short time line over the Christmas-New Year period, the committee and the staff did a sterling job. I thank Rebecca Mayne and Rachel Callahan, who assisted us admirably through the hearings, the witnesses and the trip. I commend the recommendations of the committee, particularly recommendation 1, which suggests that the Government pursue the establishment of a new tribunal. The recommendations are left, I believe appropriately, fairly broad. We did not prescribe a particular tribunal, but we recognise that within New South Wales there is a wide range of tribunals and that there are tribunals that are barely known to exist, which meet once or twice a year—

The Hon. Dr Peter Phelps: Name them.

The Hon. SCOT MacDONALD: The podiatrist tribunal is one that comes to mind. I will not curry favour with them.

The Hon. Lynda Voltz: Don't respond to his interjections.

The Hon. SCOT MacDONALD: Especially the Whip. The chair led us through the 16 recommendations—there were 16 recommendations and not 15, as referred to earlier. We left the recommendations suitably broad and I believe that gives the Government and the Ministers an incentive to spend a bit of time to get this right. One of the most constructive parts of the inquiry for me was the visit to the Victorian consumer tribunal. The day we spent there was probably the best contribution made to the inquiry. We heard from many good witnesses and there were 89 submissions.

The president of the tribunal in Victoria gave us hours of his time, as did the chief executive officer, and what sticks in my mind is their experience from 1998. That State has been down the path we are considering going and the message from the Hon. Justice Iain Ross and the chief executive officer, Andrew Tenni—I think they were both there from the beginning—is that if you are going to establish a super tribunal the objects of the tribunal must be clear from the beginning and, in the words of the report, you need a strategic plan for implementation and ensuring adequate funding and the development of an internal or merits appeal mechanism.

We had the benefit of hearing their experience in Victoria. They said it was very difficult and that at the beginning people were very territorial: they thought that they knew best and that no-one could replicate their functions, particularly the smaller tribunals. They addressed one of the key issues that we came up against in these myriad tribunals: that no-one else knows what we do, no-one else can handle their particular task and that it could not be absorbed into a super tribunal. I believe the Victorian Civil and Administrative Tribunal debunked that myth, and that should give this Government a lot of heart.

The inquiry into the possible consolidation of tribunals was triggered by a change in workload of the Industrial Relations Commission, and it is a fact that many of those responsibilities have now been moved to Fair Work Australia. The dissenting report—which moves into the territory of saying that everything should stay the same, that those bodies should not be merged in any way, shape or form, that they have got corporate knowledge that cannot be replicated by anybody—I believe was debunked very comprehensively in Victoria. I hope when the Ministers come to consider this matter that they do it with a fresh sheet of paper and that if all those factors are taken into consideration we get the best super tribunal.

I stress one issue that came up for a couple of the members, which the Hon. Sarah Mitchell mentioned—access to justice. The consolidation of tribunals should be a plus for regional New South Wales as there are already Consumer, Trader and Tenancy Tribunal officers in the major centres in regional New South Wales. It can only be a good thing if they are assuming more responsibility. It will be for the benefit of everybody if it turns into a one-stop shop.

A point was continually made about justice, but the point that was underdone was about timeliness of matters before the Consumer, Trader and Tenancy Tribunal. Everybody said we must get matters resolved, but justice is not done unless the matters are dealt with not only fairly but also in a timely manner. Super tribunals have to be resourced to allow timeliness to continue to be a benchmark. Any matter that is put before the new Consumer, Trader and Tenancy Tribunal, or whatever it may be called, must be resolved in a reasonable amount of time.

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

The House continued to sit.

Item of business set down as an order of the day for a future day.

Pursuant to sessional orders Government business proceeded with.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL 2012

Bill received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Michael Gallacher.

Motion by the Hon. Michael Gallacher agreed to:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

Second reading set down as an order of the day for a later hour.

ADJOURNMENT

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [6.33 p.m.]: I move:

That this House do now adjourn.

HOMELESSNESS

The Hon. CATHERINE CUSACK [6.33 p.m.]: More than 46,000 Australian women are homeless every night, with an estimated 40 per cent, or 18,400 women, sleeping rough. These women are of all ages and backgrounds. Many have young children. While the causes and symptoms of homelessness are complex and different in every case, the common barrier they have to overcoming their circumstances is financial: they lack the means to re-establish their lives and sustain those youngsters who depend on them.

I have recently been introduced to an innovative social enterprise called The Big Issue which creates financial opportunity for homeless people who choose to participate. Many Sydney-based members of Parliament are already familiar with *The Big Issue*. It is a fabulous lifestyle magazine which is great value at \$5 per copy. *The Big Issue* magazine attracts more than 208,000 readers per fortnight and it is easy to see why.

With an editorial team headed by Walkley Award winning journalist and author Alan Attwood, the magazine is timely and topical, featuring arts and entertainment, current affairs, lifestyle, personal stories and its own particular brand of irreverence. Homeless people are eligible for employment as vendors. They receive \$2.50 per copy that is sold for \$5. The remaining \$2.50 covers costs. The enterprise itself is not for profit.

As an aside, members may be aware that I recently wrote an article dealing with an aspect of homelessness for the *Sunday Telegraph* and called for an outreach dental service for homeless folk. Emma O'Halloran of The Big Issue told me an inspiring story of a vendor in Sydney who has been selling his magazines to a local dentist for years. They formed one of those commuter-type relationships that transient populations have in the central business district. One day the dentist told this man to come to his surgery. The dentist removed all of the man's teeth and supplied him with dentures at no cost. This was simply life changing for the vendor. The Big Issue has a thousand wonderful stories like this.

However, it became clear that homeless women are not as comfortable working as vendors, who are overwhelmingly male. To create alternative employment opportunities for women a project has been established in Redfern based on a subscription edition of *The Big Issue*. A six-month subscription can be purchased for \$78; a year costs \$155 for 12 copies. Homeless women process the magazines for mail-out. Every task possible is turned into a job. Dispatch assistants seal the magazines in plastic, other women perform tasks related to printing, applying the labels and so on. Women are paid the minimum wage and there is flexibility if they cannot or do not show up. Every 100 subscriptions sold creates a job for a homeless person. Their pay is of course the key to gaining self-respect and financial empowerment.

My initial meeting with Emma was in Ballina on International Women's Day. I acknowledge that the women of Ballina are having a subscription drive to achieve 100 subscriptions to create a job on behalf of our town. We followed up in Sydney with Suzanne Schuitman. As a result of their efforts, and with the support of the Hon. Lynda Voltz, we are asking all New South Wales members of Parliament to purchase a subscription to *The Big Issue* for their electoral and parliamentary offices. I know many members are already buying from vendors but I urge them to do both. Members have an opportunity not only to assist directly with purchases of *The Big Issue* but also with displaying the magazine and raising public awareness in their offices and during their daily activities. Instead of donating a book to a local school library, what about giving as a gift to someone a 12-month subscription to *The Big Issue*? Imagine raising awareness of an important social issue and doing direct good at the same time.

The Women's Subscription Enterprise works to give these women financial independence and hope for a brighter future. Already 92 women are employed, but many more are on the waiting list and so every subscription sold has a big impact. I will share with members the story of Kellie, a mother of three. After enduring a difficult start to adulthood and motherhood Kellie has blossomed since joining the Women's Subscription Enterprise and is making exciting plans for the future. Initially a vendor in Melbourne, Kellie much prefers the safety and camaraderie of working as a dispatch assistant for the Women's Subscription Enterprise. She says, "We aren't pressured to sell magazines and we enjoy working together and having a laugh." Keen to give back to others, Kellie hopes to this year start a business and communications course as well as a home nursing and aged care course. Kellie says, "By the time my youngest is at school, I want to be a fully qualified nurse." For more information, I urge members to subscribe via the form that will be circulated or visit The Big Issue website at www.thebigissue.org.au.

BALMAIN DEVELOPMENT

The Hon. LYNDA VOLTZ [6.37 p.m.]: On 7 June Elizabeth Farrelly wrote an article entitled "Developers show their stripes all over town" in which she lamented the "truly outrageous applications" that will be approved. As an example she singled out the Balmain Tigers redevelopment. According to Farrelly:

Rozelle Village started at 10 storeys, linked to the then metro-to-be. By 2010, when it was first refused, it was 13 storeys. Now, though the metro is long-dead, the proposal has been accepted as "state significant" under Part 3A.

To keep Ms Farrelly in the loop, the Rozelle Village did not start out as a 10-storey development linked to the metro-to-be. I first saw the plans for this site in late 2006 after the Tigers had been in extensive consultation with Leichhardt council for over two years. The Tigers approached Leichhardt council as the first step of the redevelopment to get the advice and opinion of the council as the elected representatives of their local community. The Tigers were advised by Leichhardt council that they would need to purchase more land and to purchase adjoining properties around the club then submit a development that essentially encompassed almost the entire block.

When I first saw the plans for the redevelopment I was attending a lunch at Balmain Tigers, alongside Jamie Parker, who then was Mayor of Leichhardt and is now the member for Balmain. On seeing the plan I expressed my doubts to the Tigers that Leichhardt council would ever pass the designs, not because they were bad but because Leichhardt council is a serial offender in regard to rejecting just about any development for the most spurious of reasons. My fears were based on a long association of dealing with the council over State issues.

One site in particular sticks out—the new Water Police site. Despite the site being industrial, the State Government spent millions on redesigning the site, outsourcing maintenance, and converting two-thirds of the site to parklands, all at great expense to the taxpayers of New South Wales, in consultation with the council. That was only to see the plans rejected by council on the basis, as quoted to me by one councillor at the time, "The local government elections are two months away and everyone is voting against it because we know the State Government can call it in".

Tigers representatives informed me of their ongoing consultations with the council and how they had followed the advice of the council in regards to the development. They pointed out that they had purchased properties at the recommendation of the council, and the club followed a very engaged, consultative approach with the council. This represented the club's philosophy that it is part of the community. As Jamie Parker was present during this conversation I put it to him that the minute he had a couple of complaints he and his ilk would do a runner and knock back the development. He reassured me that the plans were fine and they just needed some tweaking. At the time Jamie Parker's reassurance made me think that I may perhaps be wrong and that because the Tigers had so engaged the council and were such a part of the community the miracle may happen. However, some time later it came as no surprise to me that, true to form, after four years of consultations the Leichhardt Municipal Council rejected the Tigers redevelopment.

And there we have it in a nutshell: anything that is a bit difficult will never be decided by the Leichhardt council because it relies on the State Government to make the hard decisions. The Leichhardt councillors are the Pontius Pilates of the local government system. The Tigers development had nothing to do with the metro-to-be. The development predates the metro considerably. The club had undergone extensive public consultation and actively sought the advice of the council. As a result the club carried huge debts that ended up threatening the viability of a foundation rugby league club and one of the last bastions of working-class culture on the Balmain peninsula. The Tigers set about redesigning the site, which by that time had to go before a joint regional planning panel.

The club had its plans ready to go again when the New South Wales Government announced the CBD Metro. Faced with a choice between compulsory acquisition of the Tigers site, which the club needed, or working with the government, the Tigers had to work with the State Government to accommodate the metro. The metro, which has been consigned to the dustbin of history, never happened and the Tigers were left high and dry with a redesigned plan, after another 12-months delay, and had to begin yet again. Finally a plan was to be put to the joint regional planning panel. And what did Jamie Parker and the Leichhardt council do? They presented a new road traffic plan to the joint regional planning panel one day before the decision was taken without informing the Tigers of the new traffic plan or having the decency to allow the Tigers to see it. Apparently the idea of community consultation is a one-way street at Leichhardt.

If Elizabeth Farrelly wants to know why the Tigers site seems to be one "where developments once considered dead—have lately bounced back", I advise her to seek out Jamie Parker and the Leichhardt council and ask them some hard questions about their original advice to the Tigers and their actions since.

ENERGY-EFFICIENT TRANSPORT

The Hon. PAUL GREEN [6.42 p.m.]: Technology has provided us with many benefits. Some things make our lives easier and faster. Technological efficiency also can be a source of financial savings. For example, over the past couple of decades cars generally have become lighter, faster and more fuel-efficient. Aeroplanes also have become generally faster, more fuel-efficient and have larger carrying capacities. All forms of transport have one thing in common: they nearly all use petroleum fuels, which unfortunately are becoming more and more expensive. The situation is not helped by the volatile political climate in the Middle East. Also, oil supplies will not last forever.

It is prudent to be on the lookout for cheaper and more cost-efficient ways to run our transportation system. Hybrid vehicles have two or more power sources to make them run and they have been the first step to reducing dependency on petroleum fuels. In contrast to popular opinion, hybrid vehicles that use two or more

power sources are not a novel concept. The use of two power sources, such as diesel and electricity, was first pioneered in 1929 by the United States Navy in its S-3, S-6 and S-7 submarines. In that case it was not done so much for fuel efficiency or environmental reasons but to allow a submarine engine to run without any external source of air. However, in modern times hybrid engines are most notably found in cars that use a petrol-electric engine. One of the primary marketing attractions is reduced running costs of the vehicles, which tend to have much lower overall fuel consumption.

We are still some distance from having completely electric vehicles becoming mainstream. They still have a number of limitations that have not been dealt with on a commercial scale including a limited range before the need to recharge, and long recharge times. Alternative energy sources for transportation need to be safe and, importantly, cost-efficient to purchase, maintain and run. Australia always has been at the forefront of scientific and engineering discovery. For example, on Sydney Harbour we have a vessel, *Solar Sailor*, whose technology, unlike most hybrid technology, does not place all of its eggs in one basket. For example, wind-powered devices are useless if the wind stops blowing. The *Solar Sailor* uses solar electricity, wind and liquefied petroleum gas [LPG] as power sources. In 2006 *New Scientist* magazine described the pioneering technology on this 100-passenger vessel:

The Solar Sailor sailed into Sydney Harbour in June 2000, just in time for the Olympics.

The ferry has been serving the charter and cruise trade in the harbour ever since. Moored at Pier 6 at Circular Quay, the Sydney ferry terminal between the Harbour Bridge and the Opera House, the Solar Sailor is a beauty, a rectangular white fibreglass catamaran studded all over with solar panels. Four solid wings stretch out on each side, ready to be raised to catch the breeze. The sails can be used in winds of anywhere between 6 and 35 knots, which is fine for Sydney harbour. A computer system factors in prevailing conditions to control the positioning of the sails and the way the solar cells track the sun and the batteries charge up, as well as the best mix of energy given the weather and the demands of the journey. Wind can provide 3 to 6 knots, and adds between 1 and 3 knots when the boat is travelling at 6 to 10 knots. Solar power can provide 100 per cent of power at 5 knots, and 20 per cent of power at 10 knots: the rest comes from a liquid petroleum gas-powered engine—and, of course, the wind. Manoeuvring around the harbour, the vessel uses only wind and solar power to keep pollution to a minimum.

The Hon. Dr Peter Phelps: Why not coal seam gas?

The Hon. PAUL GREEN: It probably runs on E10. Interestingly, I note that the company behind this vessel has built four ferries for the Hong Kong market. The company claims to have reduced the purchaser's fuel bill by 50 per cent. The *Solar Sailor* provides an example of how technology can be used to save running costs and taxpayers' dollars that could be put to other uses. Ultimately, alternative energy sources need to be not only energy-efficient and cost-effective but, under a free market, also affordable and adopted on a large scale.

OPERATION ANGEL

NEXTGEN LEADERS

The Hon. MELINDA PAVEY (Parliamentary Secretary) [6.47 p.m.]: It gives me pleasure to inform the House of two events I attended last month in my role as Parliamentary Secretary for Regional Health. One was the Operation Angel awards ceremony at the Royal Prince Alfred Hospital. Operation Angel is a national awards program recognising the unsung heroes of the kidney sector—the carers, the people with a kidney medical condition, and the doctors and nurses who work tirelessly to support those with kidney disease and to increase awareness of the need to reduce the burden of kidney disease. One in nine Australians over the age of 25, or 1.7 million Australians, has chronic kidney disease. More than 50 Australians die each day as a result of kidney-related disease.

Kidney Health Australia, which manages the awards, understandably is proud of the work in the kidney sector contributed by all of the angels and is grateful to have such wonderful people helping. Judith O'Brien was one of the nominees and received an award. She was the full-time carer of her husband, Noel "Joe" O'Brien, who had end-stage renal disease and died following Judith's nomination. Other award recipients were Con and Pauline Constantinou. A year after marriage Con was diagnosed with advanced chronic kidney disease and immediately commenced renal replacement therapy. The Constantinous recognised a need to show "real" people at home dialysing, and so they made a DVD in their own home, with Con as the patient. The local renal unit at the Princess Alexandra Hospital now uses their DVD as an educational resource. Pauline has set up an online support group for carers, family members and patients with chronic kidney disease that currently has 75 members. The couple speak regularly on the topic of chronic kidney disease.

Meagan Pike is a registered nurse for Muswellbrook District Hospital and is another award recipient. Meagan served as an inspiration to fellow registered and dialysis nurses at Muswellbrook haemodialysis. Denise O'Shaughnessy, who is a senior social worker and manager of the Renal Resource Centre, also received an angel award. Denise's work has been significant in the local renal care unit. Over many years her extensive, kind and wonderful assistance has aided hundreds of dialysis and post-transplant patients. Mary Allen is absolutely wonderful and also received an award. I met Mary and her husband as well as her mum and dad. She is from the Tamworth Base Hospital and has been serving as the nursing unit manager of Tamworth's renal unit for approximately 15 years. Her outstanding qualities are reflected in the dialysis unit itself, which emphasises professional expertise, dedication, warmth, empathy and genuine care, often under great duress with limited space, staff shortages, floods and challenging medical complexities. Mary very proudly told me that since her time working in the unit, she has seen renal dialysis extend to Armidale, Moree and Inverell.

Fidye Westgarth was nominated for her dedication and expertise in improving renal care in New South Wales through her role as manager of the NSW Renal Services Network within the Agency for Clinical Innovation, NSW Ministry of Health, since 2006. I think the most inspiring person I spoke to was Simone Eyles from Wagga Wagga. Simone's young son, Joshua, has kidney disease and will require a kidney transplant sometime in the near future. Despite this, she has put in the effort to find out more about the disease and living with the condition. Simone devoted two years to writing a book, *Kidney Kidnections*, which compiles the stories of other Australian families with children living with kidney disease, so there is some support and information available for people who face the same trauma.

On Thursday 31 May I attended the launch at the Coffs Harbour Surf Life Saving Club of an exciting, regionally based initiative by the Coffs Harbour Chamber of Commerce—an initiative that board members Andrea Caldwell, Gary Innes and Leah Ray had told me about very proudly months before. Nextgen Leaders is a non-profit organisation based in Coffs Harbour whose aim is to provide under 40-year-olds with professional development and networking opportunities in an open and social environment. There were 200 people at the club, and it was an amazing night. The group is the first of its kind in the region and is run by gen Y and gen X professionals—the next generation of leaders. The Nextgen Leaders committee is made up of a broad range of business people, including Sam Wardman, chairperson and a Coffs Harbour local with more than 10 years experience in marketing and business development. Her father used to work for the Legislative Council as a lawyer many years ago.

The committee also includes Cherie Parik, deputy chair sponsorship and chamber board member. Cherie was raised in rural New South Wales and moved to Brisbane to complete a Bachelor of Applied Science (Property Economics) degree and to consolidate her professional career. Cherie has since moved back to regional New South Wales, where she has the opportunity to share her knowledge and experience. Simon O'Dell is treasurer. He too has returned to Coffs Harbour after a stint of travelling and working locally and overseas, honing his skills in film production, hospitality management and insurance broking. Alice Williams is a beautiful young woman, whose parents I know extremely well. She is the events coordinator. Alice was born in Sydney and schooled in Coffs Harbour. She spent many years living in Japan and London, and has now returned home. Megan Atkins is marketing guru of the region. She moved to Coffs Harbour to study business at Southern Cross University, and never left.

Melissa Crossland handles membership. Melissa grew up in Coffs Harbour and returned after spending some time in Sydney. Anthony McNab looks after sponsorship and business development. Anthony is a successful business coach based in Coffs Harbour who is passionate about helping develop economies on the mid North Coast to grow and prosper. Michael Crossland was emcee and also looks after sponsorship. Michael is an accomplished businessman, a Camp Quality ambassador, an Australian of the Year finalist, an Australia Day ambassador and an International Hall of Fame inductee. His parents taught me how to play softball. The Nextgen Leaders values are centred around networking, development, impact and openness. The group sees itself as encouraging an open and collaborative culture where ideas generation, innovation and progression are core aims. Nextgen Leaders promotes networking through Facebook, Twitter, emails, monthly newsletters and monthly gatherings at venues throughout Coffs Harbour. Membership is available to employers, employees and business owners in all age groups. [*Time expired.*]

RURAL AND REGIONAL NEW SOUTH WALES

The Hon. MICK VEITCH [6.52 p.m.]: Tonight I wish to talk about three issues that are causing concern in rural New South Wales, particularly those areas west of the Dividing Range. Last week I, along with a number of members from all sides of this place, had the pleasure of interacting with attendees at the Shires

Association of New South Wales conference. It may well be the last of the association's 104 conferences as later this year members will vote on joining the Local Government Association to form a single organisation. It is always a good conference because you get the chance to catch up on an informal basis with a number of local community representatives. Last week I discussed with several councillors from southern New South Wales the reduction in the number of employees at the Crown Lands Office in Goulburn. Apparently five employees were advised last week that their jobs would no longer continue. It was reported in the *Goulburn Post* that they were advised of this via a videoconference. I hope that is not the case because conveying that news by videoconference is pretty poor form—no matter which side is in government. I hope it did not happen that way.

The news caused consternation—and not just in Goulburn. People often forget that the Crown Lands Office in Goulburn provides a service to people as far west as Young and as far south as Cooma and Bombala. The office does not serve just Goulburn; it is a regional office. The Crown Lands Office job cuts come hot on the heels of the closure of the Trade and Investment Office in Goulburn—four more jobs—and a reduction in the number of employees at Goulburn jail. Clearly we should have taken greater notice of the member for Goulburn, who, immediately after the 2011 State election, closed her office in Goulburn and moved it to the Southern Highlands, at Bowral. It would appear that the Government no longer considers Goulburn to be a regional centre or a centre of importance.

Councillors also spoke to me about the Government's Resources for Regions policy. There was a fair bit of interest in this policy and some chatter amongst councillors that there would be an announcement in today's budget. Communities such as Blayney, Mudgee and Broken Hill were of the belief that under this policy they would receive funding for infrastructure promised at the 2011 election. The general consensus last week was that the assessment conducted by the Government earlier in the year to determine what is a mining-affected community was used to restrict which communities would receive funding under the program. In today's budget we find that Muswellbrook and Singleton councils have received funding under the Resources for Regions policy—good luck to them—but nothing was announced for Blayney, Mudgee and Broken Hill. I believe those communities have every right to feel let down by the Government, and particularly by their local members. They seriously believed at the election that the Resources for Regions policy would provide funding for local infrastructure using royalties obtained from their regions.

That brings me to the third issue discussed last week—the Regional Relocation Grant. In answer to my recent question on notice, the Minister for Finance and Services provided some details about where people are moving to under this scheme. Members will recall that during last year's budget estimates hearings it was revealed that a little over 6,000 people were already migrating from Sydney to country New South Wales without the assistance of the scheme each year. So how many people had taken up the scheme as of 30 April? There were 636. The program budgeted for 7,000 places this financial year and a measly 636 have taken it up. Most grant recipients are moving to the mid North Coast or further north; not many at all are moving west of the Dividing Range. The scheme requires tweaking or abolishing. The Government would be better getting rid of the Regional Relocation Grant scheme and putting that money—it set aside \$50 million for the program this year—towards job creation and job maintenance projects in rural and regional New South Wales.

NATURE CONSERVATION

The Hon. CATE FAEHRMANN [6.57 p.m.]: Every one of us in this House, in this State and indeed in our world needs a healthy, intact and diverse natural environment. The reason is simple: We need it for our very survival and the survival of our grandchildren. The conservation of nature and natural resources is essential for every sphere of our lives. Conserving nature is essential for maintaining healthy ecosystems that support natural cycles, such as the water cycle. These same healthy ecosystems and rich biodiversity ensure we have food, a clean water supply, clean air, medicines, protection from the impacts of natural disasters and—most importantly now—a buffer against the worst ravages of climate change. We need to ensure that these systems survive the onslaught of development and urbanisation. We also need to protect nature for nature's sake—to conserve the incredible diversity of species that have called this land home for a lot longer than we have.

This is why we need national parks and wilderness areas, and why governments need to take responsible stewardship of our valuable protected areas. This is why national parks need to be managed in a way that ensures their intrinsic value is maintained in perpetuity. If members wish to know more I direct them to the hashtag *#cate@nationalparks*. Preserving a diverse natural environment is now one of the most fundamental ways of tackling the challenges of climate change. It has been estimated that the global network of protected areas stores at least 15 per cent of terrestrial carbon. The CSIRO has estimated the value of Australia's ecosystems—its air, water, forests, flora and fauna—at more than \$1,300 billion per year. Recreation and

tourism, on which a huge part of our economy relies, depend on our extensive national parks and wilderness areas. Aboriginal and non-Aboriginal Australians place cultural, aesthetic, social, spiritual and recreational values on natural areas. Many writers, musicians and visual artists have gained inspiration from Australia's unique natural landscapes.

At least in the terrestrial sphere the Government understands that the declaration of new national parks is popular and understands their value to local economies. There are some recent additions: Dharawal in the southern Sydney region and soon-to-be Berowra, just north of Sydney. However, the commitment to maintaining protection within parks, let alone complying with the 1974 National Parks and Wildlife Act, looks doubtful. Signs are emerging that this Government is weakening the integrity of national park management. Last month the Government caved in to the Shooters and Fishers Party, allowing hunting with high-powered weapons in 79 national parks, nature reserves and State conservation areas in New South Wales.

This move opens a dangerous Pandora's box of public safety, animal welfare and enforcement issues. The plan to expand horseriding in national parks, including trials in wilderness areas, is another sign that this Government does not understand its management responsibilities. Horses introduce weeds to parks through seeds excreted in their manure. Their hooves cause soil erosion and the weeds erode the biodiversity of native plants and animals. The National Parks and Wildlife Service refers to horses as pest animals on its website. If horseriding is defined as a self-reliant activity and is therefore permitted in wilderness areas, a dangerous precedent is set that no doubt other user groups will seek to exploit. Where does it stop?

The Hon. Dr Peter Phelps: Four-wheel drives.

The Hon. CATE FAEHRMANN: Are four-wheel drives and motor bikes self-reliant? Dr Peter Phelps wants four-wheel drives in national parks, as his interjection clearly indicates. We have international obligations to protect the integrity of our national parks. In 1993 Australia became a party to the Convention on Biological Diversity, promising to sustain the rich diversity of life on Earth, to conserve biological diversity and to ensure the sustainable use of natural resources. It is not as though we do not have the scientific knowledge, advice and practical know-how. The International Union for the Conservation of Nature [IUCN] offers expert scientific advice and has put in place hundreds of conservation projects all over the world. Within the union 11,000 experts have drawn up the International Union for the Conservation of Nature Red List of Threatened Species.

We then have our national obligations. The Federal Government's National Reserve System works to increase the amount of land under conservation by identifying suitable land under the Interim Biographic Regionalisation for Australia framework that was developed in the early 1990s. The National Reserve System is underpinned by a scientific framework to ensure that Australia progressively extends protection to all our ecosystems. The scientific framework has a clear objective: to develop a comprehensive, adequate and representative system of protected areas—commonly referred to as the CAR reserve system. The goal of a comprehensive, adequate and representative system of reserves for Australia was reaffirmed by all Australian governments as signatories to the National Strategy for Conservation of Australia's Biological Diversity in 2010.

Marine parks and sanctuaries protect key ecosystems such as coral reefs, act as safe breeding grounds for fish, and generate tourism and jobs. By declaring a moratorium on establishing any new marine parks or sanctuaries in New South Wales, this Government, once again, has lost its nerve and caved in to the shooters and fishers—a tiny minority whose interests should not dictate the long-term health of our marine environment. The moratorium should be lifted. Our obligations under the National Parks and Wildlife Act, international obligations, national obligations and scientific work all provide evidence that we should be increasing the amount of land and oceans under conservation to protect our precious ecosystems and biodiversity for future generations. It has taken many years and enormous political expenditure to build the conservation estate of national parks, wilderness areas and nature reserves in New South Wales. This conservation estate is highly valued by the New South Wales public. The Greens and the community believe this work must continue. The Government appears to be doing the opposite.

GUJARAT NRE NO. 1 COLLIERY VISIT

The Hon. Dr PETER PHELPS [7.02 p.m.]: In the brief time remaining I wish to thank the people who allowed me to go down into their coalmine last week.

The Hon. Cate Faehrmann: Where? I've been down a coalmine.

The Hon. Dr PETER PHELPS: Gujarat NRE No. 1 Colliery in Russell Vale kindly allowed us to visit their magnificent longwall operation. The smell of coal evokes for me fond memories of times past: the Zig Zag Railway, the Thirlmere rail museum, burning coal at St Paul's College in open grates. It was a wonderful time. Thank you to Gujarat NRE and to BHP. Their coal operations—

[Time for debate expired.]

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

Motion agreed to.

The House adjourned at 7.03 p.m. until Wednesday 13 June 2012 at 11.00 a.m.
