LEGISLATIVE COUNCIL

Tuesday 28 May 2013

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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.

LEGISLATIVE COUNCIL VACANCY

Election of Ernest Kwok Chung Wong

The PRESIDENT: At a joint sitting held on 23 May 2013 Ernest Kwok Chung Wong was elected to fill the vacancy in the Legislative Council caused by the resignation of the Hon. Eric Michael Roozendaal.

PLEDGE OF LOYALTY

The Hon. Ernest Kwok Chung Wong took and subscribed the pledge of loyalty and signed the roll.

STATUTORY AND OTHER OFFICES REMUNERATION AMENDMENT (JUDICIAL AND OTHER OFFICE HOLDERS) BILL 2013

Protest

The PRESIDENT: I report the receipt of the following communication from the Official Secretary and Chief of Staff to Her Excellency the Governor to the Clerk of the Parliaments:

Office of the Governor
Sydney 2000

Thursday, 23 May 2013

Mr David Blunt
Clerk of the Parliaments
Legislative Council
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Mr Blunt,

On behalf of Her Excellency the Governor, I acknowledge receipt of your letter dated 22 May 2013, enclosing from the President, in accordance with Standing Order 161 of the Legislative Council, a copy of the Protest made by the Honourable Adam Searle, MLC, against the Statutory and Other Offices Remuneration Amendment (Judicial and Other Office Holders) Bill, as entered in the Minutes of Proceedings of the House on 22 May 2013.

Yours sincerely,

Brian L Davies Esq LVO
Official Secretary and Chief of Staff

ASSENT TO BILLS

Assent to the following bills reported:

Bail Bill 2013
Baptist Churches of New South Wales Property Trust Amendment Bill 2013
Crimes (Domestic and Personal Violence) Amendment (Information Sharing) Bill 2013
Statutory and Other Offices Remuneration Amendment (Judicial and Other Office Holders) Bill 2013

NSW SELF INSURANCE CORPORATION AMENDMENT BILL 2013

Bill received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Duncan Gay, on behalf of the Hon. Greg Pearce.

Motion by the Hon. Duncan Gay 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.

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

NSW WOMEN OF THE YEAR AWARDS

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

1. That this House notes that:

   (a) the 2013 NSW Women of the Year Awards were announced on Thursday 7 March 2013 by the Premier of New South Wales, the Hon. Barry O'Farrell, MP, and the Minister for Women, the Hon. Pru Goward, MP, and

   (b) the awards cover three categories:

      (i) the Premiers' Award for Woman of the Year recognises inspirational women who have accomplished significant achievements in New South Wales,

      (ii) the People's Choice Community Hero Award is nominated and chosen by the New South Wales community, which recognises local heroes and volunteers who contribute to their local communities, and

      (iii) the Local Women of the Year Award recognises women who have made wonderful contributions and achieved great things for their local communities.

2. That this House congratulates:

   (a) Dr Cathy Foley for winning the Premiers' Award for Woman of the Year, noting that:

      (i) Dr Cathy Foley is one Australia's foremost scientists,

      (ii) as Chief of the CSIRO's Materials Science and Engineering Division, she is leading the way for women in science and inspiring a generation of young girls to follow in her footsteps,

      (iii) Cathy is one of a handful of women to hold a very senior position in science, and

      (iv) for the last 28 years, Cathy has been actively promoting the role of women in physics and science,

   (b) Jessica Brown for winning the People's Choice Community Hero Award, noting that:

      (i) Jessica Brown is the founder and Chief Executive Officer of Life Changing Experiences Foundation and its SISTER2Sister mentoring program,

      (ii) Jessica is committed to assisting disadvantaged and underprivileged young girls by giving them the chance to break the cycle of destitution and abuse,

      (iii) the SISTER2Sister mentoring and risk management program is designed to empower "at risk" teenage girls to make positive choices for a better future,

      (iv) each girl, or Little Sister, is matched with a stable role model, or Big Sister, who is a professional woman from the community,

      (v) Jessica oversees up to 50 Big and Little Sisters each year, along with a team of leaders and volunteer psychologists, and

   (c) the Local Women of the Year Award recipients.

PREMIER'S MULTICULTURAL MEDIA AWARDS

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

1. That this House notes that:

   (a) the inaugural Premier's Multicultural Media Awards were held on Thursday 28 February 2013 to acknowledge the important role of ethnic media in our culturally diverse society, and

   (b) the awards recognise excellence amongst journalists, photographers, editors and publishers in print, radio, television and new media across 11 different award categories.

2. That this House congratulate:

   (a) SBS Radio Hindi Program's Executive Producer, Kumud Merani, for winning Best Radio Report for two stories, the "Picnic that turned to Disaster" and "Pride of Sindh",

   (b) "Picnic that turned to disaster" is a story of two Punjabi friends who drowned while swimming in Byron Bay told by a survivor, and highlights the ocean's dangers for many new migrants and visitors,

   (c) "Pride of Sindh" is the story of Hindu girls in Pakistan whom were kidnapped, forced to convert to Islam and married against their will, and focuses on the case of 19 year old Rinkle Kumari, political corruption and women's rights,

   (d) *Indian Link's* Editor-in-Chief, Rajni Anand Luthra, and Publisher, Pawan Luthra, for winning Best News Report for "Literature of Anguish", a four-part report on the first India-Australia Literature Forum held in western Sydney,

   (e) *El Telegraph's* General Manager, Remy Wehbe, and writer Hani El Turk, for winning Best Editorial/Commentary of the Year, for "Female Genital Mutilation", a report on police warnings about the illegal practice of female circumcision or genital mutilation in New South Wales, detailing the health dangers and psychological consequences of such surgery,

   (f) *Indian Link's* Editor-in-Chief, Rajni Anand Luthra, for winning Best Online Publication of the Year for *India Link*,

   (g) *Zaman Australia* Newspaper's Chief Editor, Enes Cansever, for winning Best Print Publication of the Year,

   (h) *Ang Kalatas Australia's* Publisher, Millie Marcial-Phillips, for winning Best Use of Online and Digital Media,

   (i) *Indian Link's* Editor-in-Chief, Rajni Anand Luthra and Publisher, Pawan Luthra, for Best Image of the Year for "Aussie Kid Ghandi" taken by Mala Mehta, the image for which featured in a story on primary school children from Sydney learning about Indian culture through the Department of Education and Training program called India Calling,

   (j) joint winners, SBS Radio Turkish Program's Executive Producer, Tanju Yenisey and SBS Radio German Program's Senior Producer, Oliver Heuthe, for winning Best Article on Multiculturalism of the Year for "Has multiculturalism failed?", a three-part joint report that looked at the different experiences of ethnic Turks in Germany and Australia,

   (k) joint winners of the Best Feature of the Year, awarded to Write About Me's author Naomi Tsvirko for "Meet Me Under the Fig Tree: A tale of love and war" and *El Telegraph's* Editor-in-Chief Antoine Kazzi for "Behind the Riot", noting that:

      (i) "Meet Me Under the Fig Tree: A tale of love and war" is a story of Naomi's grandmother's experiences in the Lebanese civil war, and

      (ii) "Behind the Riot" is a story on the Sydney's Muslim riots of September 2012,

   (l) SBS World News Australia's Katrina Yu, for winning Best Investigative Story of the Year for "Female Genital Mutilation", an interview with Somali migrant Faduma Salah Musse, and

   (m) joint winners of the Lifetime Contribution of the Year Award, Anwar Harb and Simon Ko, noting that:

      (i) Anwar Harb is Editor-in-Chief of *An Nahar*, a Bankstown based bi-weekly paper operating since 1978, focusing on news from Arab nations and covers Australian current affairs, community news and sports,

      (ii) Simon Ko is Chief Executive Officer of *Sing Tao Daily*, and with a long career in broadcasting, advertising, media and executive management Simon migrated to Australia from Hong Kong in 1998 and built *Sing Tao Daily* into the largest Chinese-language newspaper in Australia.

BUSINESS OF THE HOUSE

Formal Business Notices of Motions

Private Members' Business item No. 1255 outside the Order of Precedence objected to as being taken as formal business.

SOUTH COAST WINTER SWIMMING ASSOCIATION

Motion by the Hon. LYNDA VOLTZ agreed to:

1. That this House notes that:

   (a) six of the eight clubs in the South Coast Winter Swimming Association have voted against women becoming members,

   (b) as a result of this exclusion women are unable to compete in winter swimming championships despite being members of South Coast Winter Swimming Association Clubs, and

   (c) women have been competing in the Australian Winter Swimming Championships since 2008.

2. That this House:

   (a) condemns those associations that continue to exclude women, and

   (b) calls on the Minister for Sport to refuse any applications for grants for capital assistance to Winter Swimming Association Clubs whose pools and competitions continue to exclude women.

BUSINESS OF THE HOUSE

Formal Business Notices of Motions

Private Members' Business item No. 1313 outside the Order of Precedence objected to as being taken as formal business.

BUSINESS OF THE HOUSE

Formal Business Notices of Motions

The PRESIDENT: I now call on Private Members' Business item No. 1334 outside the Order of Precedence standing in the name of the Hon. Jeremy Buckingham. Is there any objection to this being taken as formal business? There being no objection—

The Hon. Dr Peter Phelps: I object.

The Hon. Amanda Fazio: Point of order: My point of order is that the time for objecting to the moving of the motion had passed. The President said, "There being no objection". The Hon. Dr Peter Phelps was too late in his objection to the moving of the motion.

The PRESIDENT: Order! It was lineball. I had not given the Hon. Jeremy Buckingham the right to proceed. I will now put the question again.

The Hon. Dr Peter Phelps: I object.

Private Members' Business item No. 1334 outside the Order of Precedence objected to as being taken as formal business.

BUSINESS OF THE HOUSE

Formal Business Notices of Motions

Private Members' Business item No. 1336 outside the Order of Precedence objected to as being taken as formal business.

DR STEPAN KERKYASHARIAN, AO

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:

   (a) in May 2013, the long-serving Chairperson of the New South Wales Community Relations Commission, Dr Stepan Kerkyasharian, AO, announced that he would be retiring from the role after 24 years of service, and

   (b) Dr Kerkyasharian's term will conclude in September 2013.

2. That this House acknowledges that:

   (a) Dr Kerkyasharian was born in 1943 to Manuel and Zarouhi Kerkyasharian, survivors of the Armenian genocide during the First World War,

   (b) Dr Kerkyasharian became Chairperson of the Ethnic Affairs Council in 1988, and

   (c) Dr Kerkyasharian has significantly contributed to the positive growth of multiculturalism in New South Wales during his tenure as chairman of the New South Wales Community Relations Commission.

3. That this House commends Dr Kerkyasharian for his outstanding efforts in promoting and overseeing the growth of multiculturalism, social cohesion and inter-cultural dialogue in New South Wales in his role as Chairperson of the New South Wales Community Relations Commission.

LEGISLATION REVIEW COMMITTEE

Report

The Hon. Dr Peter Phelps tabled the report of the Legislation Review Committee entitled "Legislation Review Digest No. 38/55", dated 28 May 2013.

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

AUDITOR-GENERAL'S REPORT

The Clerk announced the receipt, pursuant to the Public Finance and Audit Act, of a financial audit report of the Auditor-General entitled "Volume Two 2013, Focusing on Universities", dated May 2013, received and authorised to be printed this day.

BUSINESS OF THE HOUSE

Postponement of Business

Business of the House Order of the Day No. 1 postponed on motion by the Hon. Duncan Gay.

Government Business Order of the Day No. 1 postponed on motion by the Hon. Duncan Gay.

Committee Reports Order of the Day No. 3 postponed on motion by the Hon. Robert Borsak.

PRIVACY AND PERSONAL INFORMATION PROTECTION ACT 1998: DISALLOWANCE OF PRIVACY AND PERSONAL INFORMATION PROTECTION AMENDMENT (CCTV) REGULATION 2013

The PRESIDENT: Pursuant to standing order the question is: That Business of the House Notice of Motion No. 1, standing in the name of Mr David Shoebridge, proceed as business of the House.

Question put.

Division called for.

Call for a division, by leave, withdrawn.

Question resolved in the affirmative.

Motion by Mr David Shoebridge agreed to:

That the matter proceed forthwith.

Mr DAVID SHOEBRIDGE [3.06 p.m.]: I move:

That, under section 41 of the Interpretation Act 1987, this House disallows the Privacy and Personal Information Protection Amendment (CCTV) Regulation 2013, published on the NSW Legislation website on 10 May 2013.

The regulation that was passed, after some agitation from particularly a local member from the south of the State, Mr Gareth Ward, was titled the "Privacy and Personal Information Protection Amendment (CCTV) Regulation 2013". Clause 3 of that regulation provided for the insertion in the Act of a new section 9, titled "Exemption for local councils in relation to CCTV cameras". Subsection (1) of the new section provides:

(1) A local council is exempt from section 11 of the Act with respect to the collection of personal information by using a CCTV camera that the council has installed for the purpose of filming a public place if the camera is positioned so no other land is filmed (unless it is not reasonably practicable to avoid filming the other land when filming the public place).

(2) The local council is also exempt from section 18 of the Act with respect to the disclosure to the NSW Police Force of personal information by way of live transmission from such a CCTV camera.

The regulation also defined "public place" to have the same meaning as in the Local Government Act 1993. The effect of that new section was to utterly exempt local councils from one of the key provisions of the Privacy and Personal Information Protection Act 1998, and that is section 11. Section 11 is a core check and balance to stop the Government endlessly expanding the personal information that it collects about individuals; in particular, it is a direction to any government agency to ensure that if the agency collects personal information it does so for a proper purpose and with at least a base line of competency. Section 11 provides:

If a public sector agency collects personal information from an individual, the agency must take such steps as are reasonable in the circumstances (having regarding to the purposes for which the information is collected) to ensure that:

(a) the information collected is relevant to that purpose, is not excessive, and is accurate, up to date and complete, and

(b) the collection of the information does not intrude to an unreasonable extent on the personal affairs of the individual to whom the information relates.

So this is a statutory requirement that the information be relevant and up to date, that it be collected with a basic level of competence, and that it not unreasonably intrude on the personal affairs of the individual to whom the information relates. There is no reason at all that an even half competent local council, if it wants to roll out closed-circuit television cameras in particular areas, cannot comply with section 11 of this Act. The problem was that Shoalhaven City Council rolled out in Nowra closed-circuit television cameras which comprehensively failed to comply with those basic provisions. The closed-circuit television program of that council was challenged in the Administrative Decisions Tribunal. In a decision dated 2 May 2013, after a full hearing of evidence, the Administrative Decisions Tribunal made an order that the council refrain from any conduct or action in contravention of an Information Protection Principle or a Privacy Code of Practice. In other words, it directed that the council no longer breach section 11 of the Privacy and Personal Information Protection Act in its operation of the closed-circuit television.

How did the Administrative Decisions Tribunal conclude that the council breached clause 11 of the Act? I will read onto the record the key findings of the Administrative Decisions Tribunal, which were found after a fully contested case. The council and its team of lawyers put together its best case for why the closed-circuit television should operate and a single individual challenged them and pointed out why the closed-circuit television program operated by the council was so ineffective and not fit for purpose that it did not comply with the Privacy and Personal Information Protection Act. In paragraph 162 of the Administrative Decisions Tribunal decision, the judicial member stated:

In my opinion, the vast majority of the information collected under the Council's CCTV program is "collateral information" and is not relevant to the "crime prevention" purpose. All of the Applicant's personal information is "collateral information" and is not relevant to the "crime prevention" purpose. Further, there is no suggestion that Police made any use of the collected information for law enforcement purposes.

At paragraph 163:

In my view, the evidence is clear that the images and footage collected in relation to the application are of such poor quality that, in any event, the information would be of little assistance for law enforcement purposes. Because of the poor quality of the footage it cannot be said that the information collected is complete. A high proportion of the frames were omitted giving the false impression that the Applicant was skipping rather than walking.

At paragraph 164:

> The expert evidence suggests that CCTV does little to prevent crime. The data available for the Nowra CBD suggests supports the Applicant's argument that the Council has not demonstrated that filming people in the Nowra CBD is reasonably necessary to prevent crime. In fact, available data suggests that since the Council's CCTV program was implemented crime has increased in the Nowra CBD in the categories of assaults, break and enters and malicious damage.
>
> It seems to me that, at least at the time the Applicant's personal information was collected, the equipment used in the Council's CCTV program was unable to provide any meaningful data that would be able to assist in a general "law enforcement" context.
>
> In my view, the Applicant's information that has been collected is not relevant to the purpose of crime prevention, and is excessive, inaccurate and incomplete. In the circumstances, I agree with the Applicant that the Council has not complied with the obligation imposed on it by section 11 of the PPIP Act.

Inaccurate, excessive and incomplete is the conclusion of the Administrative Decisions Tribunal. If we are going to be rolling out closed-circuit television by local councils or anybody else, then the closed-circuit television needs to be vaguely fit for purpose. Residents in Nowra might have some view that the closed-circuit television installed by the council was useful. It is not. The very clear conclusion of the Administrative Decisions Tribunal is that it is absolutely useless. The statistics show that it does not prevent crime. It is useless for the purpose of identifying miscreants, which is also identified from the conclusion of the Administrative Decisions Tribunal, yet it costs ratepayers hundreds of thousands of dollars. The ongoing operation of the closed-circuit television costs even more money for councils.

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): Order! There is a lot of noise in the Chamber. I ask members to keep noise to a minimum.

Mr DAVID SHOEBRIDGE: Do not take my word, or the conclusion of a court that heard the evidence, or the word of the experts who support closed-circuit television. I also draw members' attention to the comments of the Parliamentary Secretary to the Attorney General that were reported in the *South Coast Register* on 15 May:

> In the wake of the shutdown of the Nowra CCTV the government announced it would introduce regulations to enable the system to be used.
>
> But a letter from Parliamentary Secretary for Justice, David Clarke MLC, who wrote on behalf of the Attorney General Greg Smith, to member for Wagga Daryl McGuire revealed that the government had refused to fund cameras because "there is limited evidence to support CCTV as an effective crime prevention tool".

In this instance, the Hon. Parliamentary Secretary is dead right, not as his colleague Gareth Ward is reported as having said, "David Clarke is wrong, wrong, wrong." It seems that the Government cannot get its ducks in a row about the uselessness or usefulness of closed-circuit television. Of course there are circumstances where closed-circuit television is useful. For example, out the front of a licensed hotel where there have been instances of assault is a great spot to put high-quality closed-circuit television to identify miscreants. If people know they are going to be recorded closed-circuit television can be a deterrent but it can also assist police to gather evidence to nail people for crimes of violence in particular. It is also entirely appropriate to have them out the front of automatic teller machines if there has been a spate of violence or a robbery. High-quality closed-circuit television monitoring hotspots can have a valid use in fighting crime.

Its use would also be entirely appropriate in cases such as surveillance inside police cells and surveillance inside police stations where footage can be used to protect police from false claims and also to protect people from excessive violence by police. There are clearly cases where closed-circuit television has a valid use, but it is not valid to install second-rate closed-circuit television cameras to cover public streets and effectively use them as a very poor sieve of people who go about their ordinary business. This issue is not about stopping councils from using closed-circuit television where it is appropriate, fit for purpose and where it serves a legitimate purpose. It is about making sure that local councils comply with the Privacy and Personal Information Protection Act, that if they roll out closed-circuit television and spend thousands and thousands of ratepayers' money, that it is fit for purpose, competent and addresses one of the core issues of local council.

A merits hearing in the Administrative Decisions Tribunal determined that the cameras used by the Shoalhaven Council did none of that. Rather than improving the operation of the closed-circuit television cameras in Nowra, the Government moved to exempt all closed-circuit television operations from the Privacy and Personal Information Protection Act, which is poor public administration. It is a matter of not agreeing with the umpire's call and then changing the rules afterwards. The Greens amendment would reinstate the privacy

protections and the requirements under the Privacy and Personal Information Protection Act for closed-circuit television by local councils. It is about good governance and responsible use of ratepayers' money. I commend the motion to the House.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [3.18 p.m.]: The New South Wales Government has a responsibility to ensure that the safety and wellbeing of the New South Wales community is protected. Closed-circuit television cameras are a vital tool for ensuring this protection. Closed-circuit television systems operated by councils help the NSW Police to monitor, detect and investigate crime. Their use deters criminal activity and has widespread community support. Footage from these cameras has proven invaluable in assisting police. One has only to look at the most recent events in Boston where the bombers were identified and tracked through various cameras, including closed-circuit television cameras, or the person responsible for the brutal rape and murder of Melbourne woman Jill Meagher, who was also identified as a result of the use of cameras, or the death of Thomas Kelly in Kings Cross, which was another regrettable and tragic event.

The Hon. Dr Peter Phelps: Roberto Curti.

The Hon. GREG PEARCE: Indeed, there are too many of them. The Administrative Decisions Tribunal found that councils were infringing certain provisions of the privacy legislation when operating their closed-circuit television systems, particularly when collecting and storing personal information. Accordingly, the Government has acted swiftly to address this issue to ensure that councils can continue to operate their closed-circuit television systems in public spaces, and obviously Nowra in the Shoalhaven City Council is an excellent example of the use of these implements to keep the community safe.

In this response the Government has carefully balanced the rights of the individual with the rights of the community as a whole to stay safe. For example, the Government has not exempted councils from the data protection or signage principles in the legislation. It has also acted to ensure that the exemption covers only monitoring of public lands. Unlike the disallowance motion, the Government's response puts the safety of communities ahead of protecting criminals. It has listened to the community and acted to ensure that councils continue to operate closed-circuit television systems to help people feel safe in their community.

The Hon. PAUL GREEN [3.20 p.m.]: I speak—

The Hon. Mick Veitch: You look as though it is your birthday.

The Hon. Jan Barham: I thought he looked good.

The Hon. PAUL GREEN: Yes, I do look good today despite all the legislation we are getting through. I thank members for their wishes on my forty-seventh birthday.

The Hon. Helen Westwood: That is not the sort of humility we expect to hear from a Christian leader.

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): Order! I remind members that interjections are disorderly at all times.

The Hon. PAUL GREEN: I believe that the scriptures encourage us to love God like we love ourselves. However, within that self there is obviously great humility.

The Hon. Dr Peter Phelps: Moving right along.

The Hon. PAUL GREEN: Yes, I should move along or I will be 50 before I finish. The Christian Democratic Party will not support this motion. I was the mayor of Shoalhaven during this debacle, so I can provide some background to this extraordinary situation. The council received a Federal Government grant to install the cameras, which were necessary because we did not have enough police officers to service the local area. We had to work smarter, not harder. One way to do that was to focus on the hotspots. I was pleased to hear Mr David Shoebridge acknowledge that there is a place for closed-circuit television cameras; and that is in hotspots. The council placed 18 high-quality cameras strategically around the Nowra central business district. The quality of the cameras was debated by the person who objected to their installation, but having a video-television background I know that they were extremely good. That was endorsed by Superintendent Wayne Starling and Superintendent Kyle Stewart—

The Hon. Trevor Khan: Kyle is a great officer.

The Hon. PAUL GREEN: They are both great officers. If the police had told the council that the cameras were ineffective, inefficient and a waste of money they would not have been installed. That did not happen; we were told that they were extremely helpful in gathering intelligence. They may not solve a crime, but they certainly provide the police with information that assists them in apprehending culprits who commit crimes in those hotspots from Thursday night until early Sunday morning. The police determined the hotspots around the city, one of which was the central business district. Instead of having police officers patrolling that area throughout the night from Thursday to Sunday morning, it could be monitored from the police station. Officers could multitask by manning the front desk and also monitoring what was happening in the central business district. If something happened and they were needed, they could quickly assess the situation and prioritise their limited resources.

I point out to Mr David Shoebridge that if people are not doing the wrong thing they have nothing to worry about. There are closed-circuit television cameras at McDonalds, Coles, Woolworths, Aldi and the railway station. In fact, there were about 6,000 closed-circuit television cameras on the rail network when the cameras were installed in the Shoalhaven central business district. I appreciate that the person who objected to the installation of the cameras believes that they are ineffective. I am glad that the Minister mentioned Jill Meagher, the Boston marathon and Thomas Kelly. The purpose of these cameras is to hold to account those who do the wrong thing and to assist the police in gathering evidence to solve crimes. I ask members to put themselves in the shoes of the parents of a victim. The first thing they would want to know after their loved one had been hurt or killed would be what had happened. They would want to piece together their loved one's last moments to assist in the grieving process, and cameras assist the police in providing that information. People who do not do the wrong thing have nothing to worry about.

This is the first time that the installation of closed-circuit television cameras in a public place has been contested. It was a shock to Shoalhaven City Council because they had been installed without objection elsewhere in Australia. It is fantastic that an individual in this country can take on the system and have his voice heard. However, this was not a great victory; in fact, it was a loss for the ratepayers of the Shoalhaven, for the police—

The Hon. Adam Searle: Declare your interest, Paul.

The Hon. PAUL GREEN: I have already done that, but the Hon. Adam Searle was not in the Chamber when I did. If he had been here he would also have heard that it is my birthday. Given that, he should be nice. We hear constantly from The Greens about grassroots views. I know that the overwhelming majority of people in the Shoalhaven wanted the cameras installed.

The Hon. Jan Barham: It was 50 people.

The Hon. PAUL GREEN: Is the member saying that 50 people did not want them?

The Hon. Jan Barham: No, 50 people were asked.

The Hon. PAUL GREEN: That is because the people wanted them. Most councillors have a feeling about what is happening in their local area. We sense the vibe and if the people do not support a strategy it is not pursued. The community was sick and tired of what was happening in the central business district from Thursday night until Sunday morning. The police could not get the intelligence that they needed to solve crimes and assisting them to do that far outweighed one individual's concerns about his image being captured. The Christian Democratic Party cannot support this disallowance motion. It makes a mockery of what we are trying to do; that is, to keep the people of New South Wales safe and secure.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [3.28 p.m.]: I lead for the Opposition in this debate. The Opposition will not support this motion. This is a matter of both public safety and common sense. Of course, while I acknowledge the contribution of Mr David Shoebridge about the legality of the matter and the contested merit case, it is important to look at it in context.

Mr David Shoebridge: Through the lens of the *Daily Telegraph*.

The Hon. ADAM SEARLE: No, not through the lens of any tabloid media. Judicial member of the Administrative Decisions Tribunal Montgomery held that Shoalhaven City Council had breached several of the

information protection principles in the Privacy and Personal Information Protection Act relating to the use of the closed-circuit television cameras in the Nowra town centre. He also held that it was not lawful for the council to collect personal information indiscriminately. The council argued that local government authorities have an expressed statutory power to develop local crime prevention plans that make provision for crime prevention and open-space planning and management.

In fact, section 24 of the Local Government Act provides that a council may provide goods, services and facilities and carry out activities appropriate to the current future needs within its local community and the wider public, subject to the Act, regulations and any other law. Of course, a threshold issue in that case was determined in council's favour: The council was allowed to install and operate closed-circuit television cameras in public places for the purposes of crime prevention if the process outlined in the NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed Circuit Television (CCTV) in Public Places, released in 2000, was followed.

The issue before the tribunal was whether, as a matter of fact, the closed-circuit television camera program achieved the crime prevention objectives. I think the cameras were installed, courtesy of a crime prevention grant from the Commonwealth Attorney-General's Department, for that object. The tribunal did not find that section 24 of the Local Government Act allowed the council to install and operate closed-circuit television cameras in public places for law enforcement reasons. It was held that the operation of council was not for the exempted law enforcement purposes. The NSW Police Force is exempt from compliance with any of the information protection principles in respect of all its functions, other than its educative and administrative functions.

Arguably, if the NSW Police Force operated the closed-circuit television cameras instead of the council then it would be entirely permissible under the legislation. The issue in this case arose because the council operated the program and the council's cameras recorded the images. Even though those images were retained on a computer hard drive located at Nowra Police Station and officers were able to view live-feed footage captured by the cameras, the cameras and the computer equipment were owned by council. The real matter of contest in the proceedings was the fact that council could not operate the camera system for exempted law enforcement purposes; it was not the police. The council's reason for installing the cameras was crime prevention, which is perfectly lawful and permitted. However, council's program fell down on the merits of the case.

I accept entirely the finding on the facts that this particular council operating this particular set of closed-circuit television cameras did not comply with the information protection principles. But looking beyond the breach of the law found by the tribunal, we have to consider what the council was doing. In fact, council was recording events in a public place. I am not talking about council infringing on people's personal space or on their liberty or human rights in any substantive fashion. I will put it this way: The breaches found by the tribunal were of a technical nature. That is not to downplay the importance of the information protection principles but to acknowledge that no-one was done any harm because recording occurred in a public place. Clearly, council's policy in having the cameras there was to enhance crime prevention.

Mr David Shoebridge: It did not work.

The Hon. ADAM SEARLE: I acknowledge that interjection. The fact that it did not work, or was found not to address that purpose, does not derogate from the lawfulness of council's objective. This is a matter for the ratepayers and residents of the Shoalhaven to determine locally through their council; it is not for Parliament to intervene in this manner. I have read the decision of the Administrative Decisions Tribunal and I am mystified as to its ultimate reasoning simply because it is clear that this was about enhancing public safety. The mere fact that an individual felt that his rights were being infringed by being recorded in a public place, I find a little mystifying. I think this might be an example of Parliament acting when courts or tribunals have made a decision that is not in keeping with community spirit, policy or information.

I do not think there has been a serious infringement of someone's liberty or rights in this case that requires the Parliament to act in the way that is proposed by Mr David Shoebridge. In fact, I think the actions proposed by Mr David Shoebridge would do more harm than good. If the circumstances were different—for example, if it were about recording people in a more private setting where they thought they were not being observed, or it were not in an explicitly public place—I would have sympathy with his views. But, as I understand it, the cameras were in the main thoroughfare in the Nowra town centre.

The Hon. John Ajaka: And everyone knows it.

The Hon. ADAM SEARLE: I acknowledge the interjection that everybody knows that. Having read the decision, it is clear that in most, but not all, of the locations the fact of the cameras and their location was displayed publicly. So no-one was being recorded without their knowledge. If they had such a fundamental objection—

Mr David Shoebridge: They just don't go to Nowra any more.

The Hon. ADAM SEARLE: I acknowledge that interjection because it does Mr David Shoebridge no credit. In this case a tribunal found a technical breach of the legislation; it fell down not because of its illegality but because the way in which council proceeded was not correct. That means the council must fix the matter and have the cameras operate properly.

Mr David Shoebridge: You haven't read the decision; you said you have but you haven't.

The Hon. ADAM SEARLE: I acknowledge the interjection; that is not correct. Mr David Shoebridge's petulant attitude does him no credit. This disallowance is not appropriate, and the Opposition will not support the motion.

The Hon. JAN BARHAM [3.36 p.m.]: I support the motion for disallowance moved by Mr David Shoebridge. In my former role as Mayor of Byron Shire I was very much in favour of crime prevention. For 13 years I worked to establish the appropriate mechanisms to prevent crime in my local community. This involved a number of procedural processes developed by council in accordance with guidelines for safe community planning created by the Attorney General's Department. That is where I come from in relation to crime prevention, the determination by the Administrative Decisions Tribunal and the Government's intervention, which I believe has been expressed wrongly and misunderstood.

Paragraph 157 of the Administrative Decisions Tribunal determination found that the exemption that applies under the Privacy and Protection Act, section 23 (3), cannot apply in this case because the applicant's personal information was not collected for law enforcement purposes. In the circumstances, it is doubtful that the applicant's personal information was collected for crime prevention purposes given that the applicant was a private citizen going about his private business in a lawful manner. That raises a core issue about the use of closed-circuit television cameras, which has been debated for some time. It is covered by the Attorney General's guidelines, which were introduced in 2000. The introduction to the guidelines states:

> In recent years a combination of perceptions and fears of increased street crime and advances in technology have seen an upsurge in the use of closed circuit television (CCTV) as a tool in tackling crime in public places. Many private companies and a number of local government authorities have initiated trials in the use of CCTV, and the technology is also being used in a number of ways in the public transport system.
>
> Because CCTV is relatively new, it is still not clear how effective it is in deterring or reducing crime. Research evidence so far suggests that it can be an effective strategy in situational crime prevention at a local level, but only as one of a range of crime prevention strategies. It appears from the research that CCTV may be effective in addressing property crime and some types of assault and robbery. Evidence also suggests that the benefits of CCTV surveillance fade after a period of time, and that displacement may occur, that is, the crime may simply move to other areas away from the CCTV surveillance, or there may be a shift to different sorts of crime which are less susceptible to CCTV surveillance.

That is why this debate is so important. Even though crime rates are reducing, the level of fear in the community is rising. The media and the political process, particularly near election time, are hyping it up. The Government is responsible for the safety of our communities and it should provide a fair and just system of crime prevention management. Since the guidelines were introduced numerous studies have been undertaken that continue to inform debate around closed-circuit television usage. Closed-circuit television cameras are not crime prevention measures but they may offer some level of deterrence. Indeed, closed-circuit television cameras may not only displace crime but they may also detect it—usually after the fact.

I am concerned about what is not being done in support of crime prevention in the local community. For instance, as a general rule violence and crime in a central business district are alcohol related. Licensed alcohol outlets should strive to be safer and more crime resistant. Local government should not be responsible for the negligence of the commercial sector. But that often happens—and it was certainly the case in my local area. Not enough is being done to address the real pressures of crime. When local government at Nowra took on the crime prevention role—because money was on offer in the pre-election period—some guidelines were not

adhered to. Cameras are not a panacea. People in our streets—women and children—should not think that because there are cameras they will be safe. There are closed-circuit television cameras in Nowra and crime has not reduced.

I am concerned that the Government's intervention sends a poor message about the individual's right to privacy. The Administrative Decisions Tribunal determined that an acceptable crime prevention measure was being used wrongly. It found that closed-circuit television cameras were not being used for the best purpose and that the privacy rights of individuals were being disregarded under the Privacy and Personal Information Protection Act. There must be more focus on the drivers of crime and its consequences. The Government is not supporting local government crime prevention planning with funding. Councils should not be giving their local communities a false sense of safety and security. Those who should carry the cost of implementing crime prevention measures are being let off the hook. It costs local government money to install closed-circuit television camera and for them to be effective they must be monitored. How long can we keep loading local government with these costs and cost-shifting from local businesses?

It is my understanding that best practice was not followed in Nowra. People were not employed to monitor and advise either security officers or the police if something was of concern. The footage was mainlined to the local police station; it was open slather and everyone's information was going to the police. Society is meant to have controls in place. If this disallowance motion is passed, councils that follow the correct procedures will be allowed to keep their closed-circuit television cameras. But they will have to comply with the 19-step process defined by the office of the Attorney General, which is designed to protect local communities, before they will be allowed to have closed-circuit television cameras.

Not enough emphasis is placed on community consultation. It is my understanding that the consultation process in Nowra involved speaking with 50 people. That is not broad consultation. It does not allow for the correct conclusions to be drawn, nor does it inform people what else could be done to protect them in the community. The determination of the Administrative Decisions Tribunal was correct. This sad move by the Government does not support the rights of individuals to privacy and does not empower communities to examine more closely the real issues around crime and crime prevention.

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): I call Dr John Kaye.

The Hon. Trevor Khan: Oh no!

Dr JOHN KAYE [3.45 p.m.]: I thank the House for its enthusiastic support of my right to free speech. I was going to be brief but, as I now understand the enthusiasm of those opposite for my views is so great, I will probably talk a little longer. I make it absolutely clear that in moving this disallowance motion The Greens are not saying that closed-circuit television cameras should not be used as a public safety device. Nothing in what Mr David Shoebridge or the Hon. Jan Barham said in any way suggests a need to eradicate all closed-circuit television cameras. They made two points. First, privacy legislation serves a purpose and should be respected—to ride roughshod over it without evidence that there is any benefit to public safety is to treat important laws with cavalier disregard. The second issue is the effectiveness of closed-circuit television cameras.

Some members gave examples of the capacity to identify people and charge them on the basis of evidence derived from closed-circuit television camera footage. The problem is that no-one identified any preventative benefits from its use. Communities like closed-circuit television cameras because they believe they make their streets safer. However, there is no evidence whatsoever that that will happen. By installing closed-circuit television cameras, State and local governments are merely creating the idea that our streets are safer without delivering greater safety. Indeed, if we were serious about making our streets safer we would talk about issues to do with alcohol abuse and violence, and we would find ways of addressing those problems. We would talk about issues such as poor lighting in our streets and poor urban design. We would address the sources of street violence rather than going on a populist binge and violating civil liberties by placing cameras everywhere.

The disallowance of this regulation will begin a debate about how we can make our streets safer. If that is the only effect of this motion then it is a positive step. But to give in to a kind of moral panic and say, "We need closed-circuit television cameras everywhere" with no evidence that they work and to locate cameras in places where we know they will be ineffective in reducing crime is not good public policy. It is a waste of public funds and, as the Hon. Jan Barham said, it imposes an unnecessary financial burden on local government. To that extent, I support the motion before the House.

The Hon. LUKE FOLEY (Leader of the Opposition) [3.49 p.m.]: I oppose the motion moved by Mr David Shoebridge. I support the comments of the Deputy Leader of the Opposition, who made the important point that the closed-circuit television cameras in Nowra enable surveillance of public places. I refer to a sensible submission regarding surveillance that was made in the context of a review of another part of the New South Wales body of legislation—a submission on the review of the native vegetation regulation. The submission stated:

> … what is of paramount importance is for landholders to know that the Government is dedicating significant resources for a vigilant monitoring and compliance regime through satellite imagery and aerial photography and on ground site inspections.

The Hon. Dr Peter Phelps: Which submission?

The Hon. LUKE FOLEY: The Hon. Cate Faehrmann made that submission to the review of the native vegetation regulation. So we have The Greens saying that it is unacceptable for closed-circuit television cameras to be used in public places but the Government should enforce the native vegetation laws with more aerial surveillance of private property. I happen to agree with the Hon. Cate Faehrmann on that point. When we consider that more than 60 per cent of the State's native vegetation has been cleared since 1788, there is a great public interest in ensuring that broadscale land clearing ends. I support calls for a greater compliance regime, including aerial surveillance and satellite imagery, when it comes to enforcing the vital native vegetation laws of this State. However, there is a great inconsistency for a party to argue for greater surveillance in terms of native vegetation—which involves quite intrusive surveillance over farms and private property—but at the same time to oppose a legitimate role for closed-circuit television surveillance in public places.

I note that Mr David Shoebridge questioned whether there is a parallel between the surveillance role of closed-circuit television cameras and the closed-circuit television role of satellites when it comes to the native vegetation laws. I think there is a clear parallel. Both are involved in surveillance; both capture images for the purposes of government—whether it be local government or the State Government—to ensure compliance with the law. So there is a clear parallel. It is inconsistent for a party to argue that intrusive surveillance is acceptable and should be stepped up to monitor one group of citizens but that another form of surveillance is unacceptable and should not be implemented to monitor another group of citizens or another place. I support having closed-circuit television cameras in Nowra, and I support surveillance to enforce the State's native vegetation laws.

Mr DAVID SHOEBRIDGE [3.54 p.m.], in reply: I thank members for their contributions to the debate. It is good to have a discussion of the merits, or otherwise, of untrammelled closed-circuit television operations on the streets of New South Wales. A number of Government members and the Hon. Paul Green harped on about community safety and how essential the closed-circuit television program is for community safety. Yet not one contribution referred to a research paper, an academic piece or a finding that supported their argument that closed-circuit television cameras are effective in reducing crime. Indeed, it is interesting to note the way the rhetoric in support of closed-circuit television technology has changed over the past 10 years. Initially, the rhetoric in support of the installation of closed-circuit television cameras was all about crime prevention—that installing the cameras would prevent crime. Under that guise we saw a large rollout of closed-circuit television cameras, particularly in places such as the United Kingdom.

Now that closed-circuit television cameras have been in operation for the better part of a decade, and the statistics are fundamentally clear that they have no impact at all over the medium to long term in reducing crime, the proponents have moved their position and now say that they now want cameras to detect crimes. They are not preventing crime but detecting crime. Again, no empirical evidence has been produced by the Government, the Opposition or the crossbench to show how the poor-quality, poorly performing cameras in Nowra in any way support the detection of crime. Indeed, in the Administrative Decisions Tribunal proceedings, where they were given carte blanche to put material before the tribunal about how or if they supported crime, there was no evidence at all about a single prosecution that was assisted by closed-circuit television surveillance. The contribution from the Hon. Paul Green was to the effect that if one is doing nothing wrong one has nothing to hide.

The Hon. Dr Peter Phelps: Then get rid of speed cameras.

Mr DAVID SHOEBRIDGE: That is a constant argument of those who want to remove all our civil liberties and privacy rights and have us move, effectively, towards a Big Brother surveillance State. Indeed, the contributions of the Deputy Leader of the Opposition and the Leader of the Opposition made it clear that they support and endorse the concept of a Big Brother society, where people have their actions and movements recorded constantly by closed-circuit television cameras. People are followed during their daily movements

about our cities, towns and suburbs by closed-circuit television cameras that are rolled out by councils and other arms of government without any controls. That is what the motion is about; it is about putting in place those important privacy controls.

The Deputy Leader of the Opposition said that his position was about both public safety and common sense. It is a pity that his personal version of common sense was in no way supported even by his reading of the Administrative Decisions Tribunal judgement. A reason judgement on the basis of evidence was against him on both public safety and common-sense grounds. The findings of the Administrative Decisions Tribunal were that crime increased in areas where closed-circuit television cameras were installed, and that the footage of the closed-circuit television cameras was useless for the purpose of crime prevention. So platitudes and bare statements about public safety and common sense should have a limited role in this kind of policymaking, which should be informed by the best evidence and the findings of the Administrative Decisions Tribunal. I thank members for their contributions, and I commend the motion to the House.

Question—That the motion be agreed—put.

The House divided.

Ayes, 5

Ms Barham
Mr Buckingham
Ms Faehrmann

Tellers,
Dr Kaye
Mr Shoebridge

Noes, 32

Mr Ajaka	Mr Gay	Mr Primrose
Mr Blair	Mr Green	Mr Searle
Mr Borsak	Mr Khan	Mr Secord
Mr Clarke	Mr MacDonald	Mr Veitch
Ms Cotsis	Mrs Maclaren-Jones	Ms Voltz
Ms Cusack	Mr Mason-Cox	Ms Westwood
Mr Donnelly	Mrs Mitchell	Mr Whan
Ms Ficarra	Mr Moselmane	Mr Wong
Mr Foley	Reverend Nile	*Tellers,*
Mr Gallacher	Mrs Pavey	Ms Fazio
Miss Gardiner	Mr Pearce	Dr Phelps

Question resolved in the negative.

Motion negatived.

Pursuant to sessional orders business interrupted for questions.

QUESTIONS WITHOUT NOTICE

INFRASTRUCTURE NSW FORMER EMPLOYEE PAUL BROAD

The Hon. LUKE FOLEY: My question is directed to the Minister for Roads and Ports, representing the Minister for Primary Industries. Will the Minister confirm that Paul Broad, the former Chief Executive Officer of Infrastructure NSW, has been appointed as Chief Executive Officer of Snowy Hydro, a position with a remuneration package of over $2 million?

The Hon. DUNCAN GAY: I thank the member for his question. No, I cannot confirm that Mr Broad has been appointed to that position or receives that salary. However, I have to say that wherever he goes and

whatever he does he deserves every penny. His performance was outstanding. He did a terrific job at Infrastructure NSW—as did Nick Greiner. They had a plan. It was a little different from the plan Luke had—as Robbo said—when he said that there will be no coalmining. But Luke has got a plan. I would not say too much if I were the former Minister—

The Hon. Amanda Fazio: Point of order: My point of order is that the Minister again is not referring to a member on this side of the Chamber by the member's proper title. I ask that the Minister be directed to refer to members by their correct titles.

The Hon. DUNCAN GAY: To the point of order: I had been referring to members by their proper title. But then I quoted directly the Leader of the Opposition. He did not say "the Hon. Luke Foley has a plan"; he said, "Luke's got a plan." And we all know about Luke's plan.

The PRESIDENT: Order! I uphold the point of order. I remind all members that they should always refer to members of this House and the other place by their correct titles, and that they not make debating points in their points of order or their responses to points of order.

The Hon. DUNCAN GAY: Mr President, I thank you for that advice. It is welcome, as usual. It is interesting though that when the Leader of the Opposition in the other place was talking about the Hon. Luke Foley he said, "Luke's got a plan." I do not know what that plan was, because the rumour was that the Hon. Luke Foley flew to Armidale and stayed at the airport.

The Hon. Steve Whan: Point of order: My point of order is relevance. The Minister has strayed a long way from the original question. I ask you to bring the Minister back to the question.

The PRESIDENT: Order! The Minister should be generally relevant. Has the Minister concluded his answer?

The Hon. DUNCAN GAY: Yes, Mr President.

NSW POLICE FORCE FORENSIC EVIDENCE MANAGEMENT

The Hon. CATHERINE CUSACK: My question is directed to the Minister for Police and Emergency Services. Will the Minister inform the House about forensic evidence management and Operation Sledgehammer?

The Hon. MICHAEL GALLACHER: I thank the honourable member for her question. While I am on the subject of forensic services, I would like to place on record my congratulation of Assistant Commissioner Jeff Loy, the Commander of Forensic Services, who last week was appointed by the Commissioner of Police as the new commander for the northern region of the NSW Police Force—an area that many members on this side of the Chamber know very well indeed. Jeff has made significant contributions to the communities that he has served as a member of the NSW Police Force for over 30 years. In particular, the significantly improved performance and improved turnaround times for DNA analysis are in large part due to the hard work of Jeff, as commander of the Forensic Services Group, and his team.

The House may be aware that the demand for DNA analysis has grown by nearly 40 per cent in the past seven years. Due to the considerable increase in the demand for DNA analysis, excessive turnaround times of up to two years, in the worst case scenario, have occurred. Those delays were obviously very frustrating for police investigators, the courts and the victims of crime. While in opposition we continued to enunciate and push the case for the then Government to focus on DNA; but, sadly, it was not interested. It is now plain for all to see that the O'Farrell Government is investing $25 million to support DNA and forensics over four years. This investment ensures that forensic samples are processed quickly—unlike their treatment under Labor, when thousands of samples were left untested for months, or, sadly and shamefully, even years. This funding includes $10 million pursuant to our election commitment as well as a further $15 million to support DNA analysis, and is ensuring that police have the best resources possible to have the evidence they need to charge offenders and charge them sooner.

In 2011, Operation Sledgehammer was launched with a mandate to eliminate the backlog and create more efficient processes for the analysis of DNA in New South Wales. Operation Sledgehammer is a strategic collaboration between the NSW Police Force and NSW Health that saw a massive reduction of more than 5,603

unstarted backlog items to zero, within weeks. The combined team ploughed through more than 2,800 items in just two weeks. This hard work generated nearly 3,000 DNA samples for analysis, and that is an extraordinary achievement for this unprecedented partnership.

Complementing the success of Operation Sledgehammer was the introduction of sub-sampling crime scene exhibits in the field. This new triaging system revolutionised the management of biological exhibits. Now, crime scene personnel convert exhibits into robot acceptable tubes and dispatch them by couriers for analysis by robotics technology. This technology allows analysis to commence within just one business day of receipt. The triaging of exhibits means that only evidence of a probative value is submitted for analysis, eliminating unnecessary testing and any duplication of effort by both agencies. This has allowed the return of front-line police to core policing by eliminating their involvement in exhibit handling and transporting samples across the State. I again congratulate Assistant Commissioner Jeff Loy and his team who make up Operation Sledgehammer on the successful construction of a sustainable service delivery model—a model that has created more efficient processes and at the end of the day will result in better turnaround times for DNA analysis in New South Wales, and in turn better results for victims.

SNOWY HYDRO LIMITED

The Hon. ADAM SEARLE: My question is directed to the Minister for Finance and Services. Can the Minister assure the House that the New South Wales Government will not be part of any agreement with other governments to privatise the Snowy Hydro Scheme?

The Hon. GREG PEARCE: It is obvious that the Deputy Leader of the Opposition has been talking to the Federal Labor Party and that they have a plan, through Mike Kelly, to privatise Snowy Hydro. Well, we are not having a bar of it. That is Mike Kelly's plan; that is Federal Labor's plan. The fact that they have been party to it just discloses how untrustworthy they are. The Hon. Steve Whan was very keen to privatise Snowy Hydro when he was a Minister and a member, and they threw him out. There he is, on the losers lounge, because he was determined to sell Snowy Hydro.

The Hon. Luke Foley: Point of order: The Minister is reflecting on the Hon. Steve Whan and speaking untruths about him. If the Minister wants to give notice of a motion about the Hon. Steve Whan and his conduct about any matter, I would invite the Minister to do so.

The PRESIDENT: Order! It is disorderly at all times to make reflections on or imputations about honourable members. The comments that the Minister was making were open to several different possible interpretations, which *Hansard* will have difficulty reflecting. I would caution the Minister that reflections are always disorderly.

The Hon. GREG PEARCE: I apologise to the Hon. Steve Whan if he took offence because the Hon. Steve Whan is a very hardworking man. On Saturday he stood all day at a polling booth at a place called Bundarra. Do members know what his outcome for the day was? It was 25 votes to Labor out of 359 votes cast.

The Hon. Luke Foley: Point of order: My point of order is relevance.

The PRESIDENT: Order! It was not immediately apparent that the Minister's remark was generally relevant, but I will give the Minister the benefit of the doubt.

The Hon. GREG PEARCE: Thank you, Mr President. What those opposite try to do all the time is create scare campaigns. The question that was put to me was purely designed to be either a reflection of a secret Labor plan or part of a scare campaign. I am not quite sure which it was. It probably is a secret Labor plan, because it makes no sense. But when they were tested in the field, they got 25 Labor votes out of 359 cast—and that is just at the booth at which the Hon. Steve Whan stood all day. That equates to two Labor votes an hour.

FEDERAL POLICY IMPACTS

The Hon. ROBERT BORSAK: My question without notice is directed to the Minister for Roads and Ports, representing the Minister for Resources and Energy. Is the Minister aware of claims that Australia is missing out on a $100 billion surge in resources boom because the Federal Government policies that promise productivity gains are leading to exorbitant costs and forcing global companies to reconsider their investment plans? What projects, if any, are at risk in New South Wales because of the Federal Government's policies and what is the State Government doing to ensure none are lost?

The Hon. DUNCAN GAY: I thank the honourable member for his important question. It is one for which my colleague and the hardworking Deputy Premier of this State would have a comprehensive answer. I know the honourable member would share the concern of the Leader of the Opposition in the other place that when he went to Armidale it was indicated that coalmines were going to shut down in New South Wales.

The Hon. Mick Veitch: That was not Armidale. The Hon. Duncan Gay is misleading the House.

The Hon. DUNCAN GAY: Where was it then?

The Hon. Mick Veitch: Kurri Kurri.

The Hon. DUNCAN GAY: It is north of Sydney. That is further than the Hon. Walt Secord got. I congratulate the Hon. Walt Secord on picking the swing that was not going to happen and for setting himself up for leadership of the Labor Party. He is untarnished because everyone in the Labor Party warned them about the Hon. Walt Secord going to the Northern Tablelands. Had he gone, 9.7 per cent would have become 3.7 per cent, and the Hon. Walt Secord would have been fighting with The Greens. Well done to the Hon. Walt Secord. He has left the rest of them, and I notice that a couple of his colleagues in the other place have leadership aspirations.

The Leader of the Opposition in the other place stated that the Hon. Luke Foley has a plan. He must have several plans. He indicated that one of those plans was to close down coalmining in New South Wales. It would have been of great interest to the people of Kurri Kurri, Cessnock, and the people of New South Wales how the New England and the Hunter would continue to exist. It would be like living with The Greens in North Korea. We would be living in the dark because there would be no coal for power stations. But that is the Labor Party's plan; it is just politics.

The Hon. Amanda Fazio: That's rubbish.

The Hon. DUNCAN GAY: It is interesting to hear from one of the frontbenchers on that side of the Chamber who has already separated herself from her lower House leader and upper House leader. After this record-low vote, there are splits starting to happen in the Labor Party.

The Hon. Michael Gallacher: Newcastle was once their heartland. They turned it into a wasteland.

The PRESIDENT: Order! If the Hon. Duncan Gay wants to have a conversation with the Hon. Michael Gallacher he should do so after question time.

RURAL ROADS UPGRADE

The Hon. SARAH MITCHELL: My question without notice is directed to the Deputy Leader of the Government and the Minister for Roads and Ports. Will the Minister please update the House on roads upgrades in country New South Wales and the work of the Government in the Northern Tablelands?

[*Interruption*]

The Hon. DUNCAN GAY: This is important. I note that the former member for Monaro, who is sitting on the losers lounge, said that this question is a week late. I also note that the people of Bundarra rejected the Labor Party, and that was probably because of the member's hectoring at the polling booths: "Don't you know that Katrina Hodgkinson is hopeless. I was the best Minister for Primary Industries ever. Vote for us." But they did not.

The Hon. Lynda Voltz: Point of order: My point of order is relevance. The question asked was about roads in the Northern Tablelands. I ask that the Minister be brought back to the question that he was asked.

The PRESIDENT: Order! I remind the Minister that while some generality may be permitted the majority of his answer should be relevant to the question asked.

The Hon. DUNCAN GAY: Earlier this month, the New South Wales Government committed $3.5 million to build a new bridge at Emu Crossing in the Northern Tablelands. Records indicate that the community has been asking for a new bridge at Emu Crossing since mid-1930. Emu Crossing is about four

kilometres south of Bundarra on Thunderbolts Way. As I mentioned earlier, the Hon. Steve Whan worked there all day to extract 25 votes. On 8 May the Leader of the Opposition in the other House was reported in the *Armidale Express* to say:

> By-elections are a fantastic opportunity for people to send an encumbered Government a message.

The message has been received loudly and clearly: less than 10 per cent for the Labor Party. That is the worst result for any major party at a by-election since 1988. But Labor did even worse than that. In Mingoola, near Tenterfield, they received absolutely zero votes.

The Hon. Amanda Fazio: Point of order: My point of order is on relevance. The Minister was asked about road funding in the Northern Tablelands. He is now straying to other things. He might be excited about them, but he can share them with members in his private time, not during question time.

The PRESIDENT: Order! I remind all Ministers of the need for them to be generally relevant in their responses. The Minister has the call.

The Hon. DUNCAN GAY: If members of the Opposition had been listening, they would know that I was being completely relevant in my response to the question. In 2011-12, $3.7 million was spent on rural and regional roads, while approximately $3.8 million has been committed this financial year. These are record levels of funding. In stark comparison, between 2001-02 and 2010-11 the average annual funding for country roads under so-called Country Labor was $2.4 billion. Members opposite should hang their heads in shame. In the 2012-13 budget the New South Wales Government committed $300,000 to upgrade Waterfall Way at Douglas Street in Armidale. Interestingly, Labor was beaten by The Greens at the polling booth at the Armidale Town Hall. The challenge has been going on all year, and they were beaten by The Greens. [*Time expired.*]

The Hon. SARAH MITCHELL: Mr President—

The Hon. Lynda Voltz: I refer to Standing Order 64 (4) that supplementary questions are at the discretion of the President and that a Minister may seek leave to extend the time for an answer by one minute. When a Minister has been largely irrelevant to the question and responding to interjections—

The PRESIDENT: Order! The member will resume her seat. No such request has been received.

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

The Hon. DUNCAN GAY: That funding was so important and the people understood that a genuine government was going about its day-to-day work in the State. This is the biggest swing in a by-election in the State's history. It is even more important because it is a swing to a government; mostly swings are away from a government. It damns the leadership and the principles of the Australian Labor Party. In comparison to Labor being beaten by The Greens, Adam Marshall won every booth in the Northern Tablelands on primary votes.

The Hon. Lynda Voltz: Point of order: The Minister has been asked to elucidate his answer to a question on roads funding in the Northern Tablelands. He has received a supplementary question but he has continued to answer—

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

The Hon. DUNCAN GAY: The Greens, led by their leader in waiting the Hon. Jeremy Buckingham, canned coal seam gas across the Northern Tablelands and they received a result of 4.1 per cent, which was less than their statewide average at the State election. It was their worst result at a by-election since 2004 in Dubbo. Put that in your pipe, Corncob, and smoke it.

The Hon. Greg Donnelly: Did you write that?

The Hon. DUNCAN GAY: No, I made it up. I congratulate The Nationals team and our new young member. The Coalition now has the biggest— [*Time expired.*]

UNPAID FINES

The Hon. MATTHEW MASON-COX: I direct my question to the Minister for Finance and Services. Will the Minister update the House on what strategies the Office of State Revenue has in place to improve the recovery of overdue fines?

The Hon. GREG PEARCE: The Office of State Revenue has made a number of significant advancements in the recovery of overdue fines. It recovers an average of $1 million in overdue fines debt every day, which is an increase of 25 per cent from 18 months ago. Importantly, the office has reduced overdue fines debt by $231 million since March 2011. Its work is returning more money to the taxpayers of New South Wales. Part of its success has resulted from a decision made in March 2012 to engage four private sector debt collection agents. Those agents have assisted in the recovery of an extra $18 million in overdue fines and a further $16.2 million that will be repaid under negotiated arrangements.

A moratorium was put in place in mid-2012 to encourage people to pay their overdue fines. For those who opted for the moratorium, late fees associated with their overdue fines were waived. More than 61,000 people took advantage of that offer, promising to pay almost 321,000 fines worth $67 million. As a result of those proactive measures, the overdue fines debt was $909 million as at the end of March this year. That is a decrease in historic debt levels and indicates that the Government has been right to take a more business-like approach to managing money that is owed to the people of New South Wales.

The Office of State Revenue pursues overdue debt using enforcement sanctions available under the Fines Act. They include licence and vehicle sanctions, property seizure orders and garnishee orders. In addition to engaging private debt collection agents, the office has introduced other strategies to reduce overdue fines debt in New South Wales. It has centralised debt management functions overseen by a chief recovery officer managing a dedicated debt recovery unit, implemented enhancements to systems that improve data quality and data matching capabilities, and improved the sharing of information between government agencies. It has also been making more effective use of enforcement sanctions. For example, it has doubled the number of property seizure orders from 50,000 in 2011-12 to 100,000 in 2012-13, and tripled the number of bank garnishee orders from 7,000 a month to 24,000 a month. It is regrettable that these measures must be taken. The majority of people in New South Wales do the right thing and pay their fines and the Government will not allow others to refuse to do so.

Again, the point of all of this is to recover money owed to New South Wales taxpayers, and it is working. The Government has given the Office of State Revenue the help it needed to improve its performance. The Fines Act was amended in September 2012—and I thank honourable members for supporting that legislation—to give the office more options to track down fine defaulters. That legislation allowed the office to collect information about fine defaulters from government agencies and credit reporting bodies, which is essential in improving debt recovery action. It now also has the authority to serve garnishee orders on corporations and orders can now be served electronically, making the process more efficient and cost-effective. All of these strategies are working and there is a simple message to anyone who incurs a fine and chooses not to pay: The Office of State Revenue is on the job and you will hear from it.

DOMESTIC GAS RESERVATION POLICY

The Hon. JEREMY BUCKINGHAM: I direct my question to the Minister for Roads and Ports, representing the Minister for Resources and Energy. Is the Minister aware of the comment made by Manufacturing Australia on Sunday that the tripling of gas exports by 2017 will lead to price spikes and shortages that could cost 200,000 jobs and wipe $28 billion annually from gross domestic product? In light of this, will the Government advocate for a gas reservation policy or will it send manufacturers packing?

The Hon. DUNCAN GAY: I thank the honourable member for his question. Before we can export it we have to be able to extract it. The Greens are campaigning to prohibit all gas extraction in New South Wales. The only gas we will get from The Greens will come out of the Hon. Jeremy Buckingham.

NEWCASTLE PORT CORPORATION

The Hon. PETER PRIMROSE: I direct my question to the Minister for Roads and Ports—

The PRESIDENT: Order! I call the Hon. Peter Phelps to order. I call the Hon. Jeremy Buckingham to order.

The Hon. PETER PRIMROSE: Will the Minister rule out selling the Newcastle Port Corporation in the forthcoming budget?

The Hon. DUNCAN GAY: If I go down their track of ruling in—

The Hon. Melinda Pavey: Do you mean the goat track?

The Hon. DUNCAN GAY: It would be a silly track to take. I will not fall for ruling things in and out of the budget on a daily basis. Will I rule anything in or out of the budget? Members opposite will have to wait for the good news. If the honourable member were to ask me whether I have a plan to do anything like that with the Newcastle Port Corporation, I would have to answer "No."

INDIGENOUS HEALTH

The Hon. JAN BARHAM: I direct my question to the Minister for Police and Emergency Services, representing the Minister for Aboriginal Affairs. Given the announcement made by the Commonwealth Government in April that it would commit $777 million to a new national partnership agreement on Closing the Gap on Indigenous Health Outcomes, what contribution is the New South Wales Government making to address Indigenous health disadvantage and inequality when the current agreement expires in July 2013?

The Hon. MICHAEL GALLACHER: I thank the honourable member for her question and, as requested, I will refer it to the Minister in the other place for an answer.

JASON PLUM CORONER'S INQUEST

The Hon. MICK VEITCH: I direct my question the Minister Police and Emergency Services. Given that Coroner Hugh Dillon found that the shooting death of 37-year-old Jason Plum in Wagga Wagga could have been averted if he had been searched on arrest, what is the timetable for the review and implementation of the coroner's recommendations?

The Hon. MICHAEL GALLACHER: I will seek advice from the New South Wales Commissioner of Police about that issue.

FIRE AND RESCUE NSW OPEN DAY

The Hon. NIALL BLAIR: I direct my question to the Minister for Police and Emergency Services. Will the Minister inform the House about this year's Fire Station Open Day?

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

The Hon. Steve Whan: I will seek some advice and come back to you.

The Hon. MICHAEL GALLACHER: Surprisingly, that will not be the case in regard to this question. On Saturday 18 May Fire and Rescue NSW held its annual open day to coincide with the launch of the winter fire safety campaign and to mark the end of Fire Prevention Week. It was Fire and Rescue's biggest ever open day and close to 270 fire stations across the State threw open their doors. More than 80,000 people—families and children—visited their local fire station to speak to firefighters about any fire safety concerns they may have had, to board a fire truck, to see firefighting equipment and to build trust and confidence in their firies.

Open day is also a great way for Fire and Rescue NSW to promote the important work that it does in protecting our local communities and to send key fire safety messages as we enter the winter period, which is the worst time of year for home fires, fire deaths and injuries. Firefighters love open day because it enables them to showcase their professionalism and the critical roles that they play in protecting life, property and the environment. However, more importantly, they are fervent about warning people about the dangers of fire and giving them information that will help to keep them safe. Many stations ran safety demonstrations and gave talks on how to prevent kitchen fires, electrical fires and fires involving heaters and other appliances.

Commissioner Mullins from Fire and Rescue NSW informed me that a lot of work, effort and planning goes into hosting open day, and there are good reasons for that. For example, the winter fire season has already started and it usually lasts into September. Statistics from Fire and Rescue NSW reveal that 43 per cent of all

fire deaths typically peak in the winter months. The fact is it can happen to anyone. People should not leave their fire safety and that of their family to chance this winter. People should assess the risks in their home and take the precautions needed to prevent a fire. If they have not yet done so, they should go online today and assess the fire risks in their home by doing a home fire safety audit. People should stop and listen to the fire safety messages our firefighters are delivering to them not just in winter but throughout the year.

NSW POLICE FORCE AND ROBERTO CURTI

Mr DAVID SHOEBRIDGE: My question is directed to the Minister for Police and Emergency Services. What is the Minister doing to ensure that the public can have confidence in the police given that despite damning findings by both the Ombudsman and the Coroner, and now recommendations of the Police Integrity Commission of charges against officers involved in the tragic death of Roberto Curti, not a single officer involved has been suspended—indeed, at least one has been promoted—since that tragic event?

The Hon. MICHAEL GALLACHER: We all know that the Police Integrity Commission has recommended that the Director of Public Prosecutions consider certain matters. The Police Integrity Commission does not fall under my responsibility as Minister for Police and Emergency Services. In fairness, the Director of Public Prosecutions should be given an opportunity to consider the evidence that has been put to it by the Police Integrity Commission. It is also appropriate for me to put on to the record that despite The Greens not being great supporters of the police, none of the police officers have been charged. They are not facing criminal charges at this stage. Therefore, it would be premature to suggest—as The Greens have in this question—that officers should be suspended before they are charged with a criminal offence that may well proceed to court. These matters are currently being considered. The information was distributed early this week by the Police Integrity Commission to the Director of Public Prosecutions and it is being considered.

The Hon. Trevor Khan: It is a double standard.

The Hon. MICHAEL GALLACHER: As the member rightly draws to my attention, it is a double standard by The Greens. It is important that all people recognise that in relation to this matter a due process needs to be followed. The so-called great advocates of due process, The Greens, herald it at every opportunity they have in this place and outside but they have a double standard in relation to the NSW Police Force. We all understand the sensitivities of this matter and the need for transparencies. That is why the Government has supported full examination of these matters through a coronial process and with the Ombudsman. The NSW Police Force has responded to the comprehensive report by the Ombudsman in relation to this matter and has put in place, if not already adopted, all of the recommendations. A number of processes have been adopted by the NSW Police Force but, of course, that does not satisfy The Greens and their position in this matter.

Let the record show that The Greens want police officers suspended before they are even charged in relation to this matter. The Director of Public Prosecutions will decide whether to prefer charges against these officers, but The Greens want to pre-empt that process by having police officers suspended from their duties. That is a remarkable position taken by The Greens on this matter given their so-called advocacy in relation to due process in the past.

Mr DAVID SHOEBRIDGE: I ask a supplementary question. Will the Minister elucidate his answer by informing the House whether he had any discussion with the Commissioner of Police about the prospect of suspending officers, given the findings, and given the fact that the allegations extend to serious crimes, such as assault, affray and perjury?

The Hon. Dr Peter Phelps: Point of order: That is a new question. It asks for information that was not sought in the original question. In other words, Mr David Shoebridge is asking for details of any conversations the Minister may or may not have had with the Commissioner of Police.

The PRESIDENT: Order! A supplementary question must seek to elucidate an aspect of the Minister's answer. Mr David Shoebridge asked a substantially new question.

LOWER CLARENCE VALLEY WATER QUALITY

The Hon. WALT SECORD: My question is directed to the Minister for Roads and Ports, representing the Minister for Primary Industries. Given that earlier this month families in the Lower Clarence Valley were instructed by NSW Health to boil their water for a week after Escherichia coli—e.coli—was found in their drinking water, what is the Government doing to prevent further breakouts in regional New South Wales?

The Hon. DUNCAN GAY: I am not aware of this matter. I imagine that my colleague the Minister for Primary Industries has done a terrific job. I will take the question on notice and provide an answer at a later time.

SCHOOL ZONE FLASHING LIGHTS

The Hon. JOHN AJAKA: My question is addressed to the Minister for Roads and Ports. Will the Minister update the House on the roll-out of school zone flashing lights in New South Wales?

The Hon. Marie Ficarra: More good news.

The Hon. DUNCAN GAY: Yes, more good news. The only people in the House who do not like it are The Greens. When the Liberals and The Nationals came into government in New South Wales they promised to direct any savings in the budget to frontline services. And this is more proof. In March we announced we would install an additional 101 school flashing lights this financial year, on top of the schedule previously announced. The $2.5 million cost of installing the lights is being met from within the road safety budget. Last week those flashing lights started going into the ground at schools across Sydney and New South Wales. From Oatley to Coogee, Blacktown to Riverstone, school communities are welcoming this accelerated installation program.

Next month the rollout will continue in regional New South Wales, with schools in Lismore, Dubbo, Cessnock and the Upper Hunter amongst those that will benefit. I know The Greens are not happy with the Government putting money into road safety for young people but we are going to keep doing it. This is about helping to keep our children safe, because flashing lights are proven to be effective in slowing down drivers and saving lives. Studies have found flashing lights cut motorists' speed by approximately seven kilometres when they enter a school zone.

The sites are chosen based on assessments using the School Pedestrian Risk Model. The risk model considers a range of factors including traffic, approaching speed, pedestrian volumes, the road environment and visibility. However, flashing lights are just one component of the Government's school road safety program. Other measures include marked foot crossings, dragon's teeth markings, pedestrian refuges and an extensive school road safety education program. For those opposite who have been playing rats and mice with the media, trying to allege this is not a Government committed to road safety, they cannot argue with the cold hard facts. By the end of this June 280 flashing lights will have been installed, bringing the total to 1,340 schools. That is the largest number ever rolled out in a single financial year.

I want every family in New South Wales to know that this Government is installing flashing lights at nearly three times of the rate of the former Labor Government. The Government has committed more than $19.5 million to deliver flashing lights to an additional 800 school zones across four years. This is more than a third of all the schools in New South Wales. It is a job well done, but there is more to do. I know it is supported by the Leader of the Opposition and the Deputy Leader of the Opposition.

DECLARED PESTS CONTROL

The Hon. JEREMY BUCKINGHAM: My question without notice is directed to the Minister for Roads and Ports, representing the Minister for Primary Industries. Why are fox and wild deer not declared pests under the Rural Lands Protection Act in New South Wales?

The Hon. DUNCAN GAY: I do not know the answer to that question but—

The Hon. Jeremy Buckingham: The friend of the farmers does not even know why fox and wild deer are not declared pests.

The PRESIDENT: Order! I call the Hon. Jeremy Buckingham to order for the second time.

The Hon. DUNCAN GAY: Unlike the Hon. Jeremy Buckingham, who would know more about ferals than anyone else in this Chamber, if I do not know something I admit it.

The Hon. Michael Gallacher: He just makes it up.

The Hon. DUNCAN GAY: The Hon. Jeremy Buckingham has a habit of making things up as he goes. This is a probably a worthwhile question—although the member's track record indicates that it will not be—so I will give him the benefit of the doubt. I will obtain a detailed answer to the question from the Minister.

CARAVAN REGISTRATION COSTS

The Hon. LYNDA VOLTZ: I direct my question to the Minister for Roads and Ports. Given it has been two months since the Minister promised to introduce a new regime for caravan registration charges, when can New South Wales motorists, who are paying up to seven times more than Victorian motorists, expect some relief?

The Hon. DUNCAN GAY: I thank the honourable member for her question and for reminding me of that important announcement.

The Hon. Melinda Pavey: Which they did nothing about for 16 years.

The Hon. DUNCAN GAY: Exactly. The Government will be making an important announcement soon. My learned colleague's comparison with Victoria was the rate that those opposite held for 16 years in government. If the member wants to be critical of anyone she should be critical of people in the former Labor Government and the current shadow Minister for Roads who worked in the Minister's office and the department at the time.

GOVERNMENT PROCUREMENT

The Hon. MELINDA PAVEY: I address my question to the Minister for Finance and Services. Will the Minister advise how the conversion of legacy New South Wales government panel contracts into prequalification schemes will deliver benefits to the people of New South Wales?

The Hon. GREG PEARCE: That is a very good question from the honourable member and my colleague from The Nationals. I congratulate The Nationals on their excellent victory in the Northern Tablelands last Saturday.

The Hon. Duncan Gay: We did it with our friends.

The Hon. GREG PEARCE: That is right. The Government is committed to procurement reform objectives because they reduce red tape and make it easier for industry to do business with government. In line with this commitment, the Government has converted a number of important whole-of-government panel contracts to open, flexible prequalification schemes. So far this year it has already introduced four prequalification schemes to replace closed panel contracts. These are for contingent labour, information, communications and technology services, motor vehicles and financial assessment services. Through increased supplier participation prequalification schemes promote greater competition for government work, and that is great for the New South Wales taxpayer.

As at early May 2013 there are 560 suppliers on these four prequalification schemes compared to 281 on the panels they have replaced. The prequalification schemes increase opportunities for regional and small to medium enterprises to supply to government. Of the 560 suppliers prequalified on these new schemes, 458 are small to medium enterprises—82 per cent. That is a terrific result for small and medium businesses in New South Wales. The Contingent Workforce Scheme has 66 suppliers compared to 16 on the previous Contract 100—72 per cent are small to medium enterprises. The ICT Services Scheme has 468 suppliers compared to 246 on the previous Contract 2020—86 per cent are small to medium enterprises. The Financial Assessment Services Scheme has six suppliers compared to two on the previous contract—66 per cent are small to medium enterprises. The Motor Vehicles Scheme, which focuses on locally manufactured suppliers, has 20 suppliers compared to 17 on the previous Contract 653.

Prequalification schemes have the advantage of opening up a market. Suppliers can apply for inclusion on the Contingent Workforce, ICT Services and Financial Assessment Services schemes at any time, and they can apply to the Motor Vehicles Scheme, as part of an annual refresh. This is another way in which the Government is improving access to government business for suppliers. The "always open" policy is especially beneficial in the fast-changing information, communications and technology services category as it gives New South Wales government agencies continual access to new suppliers and emerging technologies. The prequalification schemes introduce simplified terms and conditions, and simplified application processes. The end result is that it is easier and cheaper to do business with government. For example, with the introduction of the Contingent Workforce Scheme the professional indemnity and public liability insurance requirements for non-transport suppliers have been reduced from $20 million to $5 million. In transport, of course, specific insurances apply.

The self-service, online application processes introduced for the Contingent Workforce and ICT Services schemes will further streamline applications. The ICT Services and the Financial Assessment Services schemes include supplier listings that are tiered. Agencies select suppliers from the appropriate listing based on project risk and value. The lower tier of the ICT Services Scheme—the registered supplier list—has less rigorous criteria and uses a new short-form contract with simplified terms and lower insurance requirements. Those changes are improving opportunities for regional and small to medium enterprises to compete for Government business.

The prequalification schemes remove the management fee that was previously levied on panel contracts. The levy, which was inherited from the previous Government, increased prices paid by government agencies. Again, the Government has taken real action to reduce unnecessary expense for New South Wales taxpayers. The prequalification schemes encourage agencies to use a wider range of suppliers and the Department of Finance and Services has developed the eQuote system to support this. The eQuote system gives agencies access to simplified, quick, online quoting under the ICT Services and Contingent Workforce schemes. The Government is serious about delivering continuous improvements to the State's procurement system. [*Time expired*.]

BUS LANE TRAFFIC MANAGEMENT

The Hon. PAUL GREEN: Mr President—

The Hon. Mick Veitch: Happy birthday, Paul.

The Hon. PAUL GREEN: Thank you. I address my question without notice to the Minister for Roads and Ports. Given recent comments made on Radio 2GB about the use of bus lanes for three or more people travelling in a car, and given that the Minister acknowledged that the idea has merit for consideration, will the Minister inform the House when he intends to have an answer on this initiative? Further, will the Minister inform the House whether such an initiative will incur a fee to be used in funding further road infrastructure?

The Hon. DUNCAN GAY: I thank the honourable member for his question. As I have quite generously said, it is rare to hear anything positive at all from those opposite. The Opposition deserves some encouragement for putting an idea out there—although some have unkindly said that it was an idea that might have been killed off whilst those opposite were in charge under the former Government. It is worth looking at this. I do not want to put the bloke down for coming up with a positive idea after so much negativity. I have to encourage a little bit of good news out of those opposite because they are very sulky and sad. But I can understand why they are sad after such a horrible result for Country Labor over the weekend. The Hon. Walt Secord was very wise to be nowhere near the Northern Tablelands. I would leave those Hush Puppies in the wardrobe for a long time—

The Hon. Walt Secord: Point of order: My point of order is relevance. I am very worried about the Minister's obsession with footwear. This is the thirteenth time in a week—

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

The Hon. DUNCAN GAY: You are going to be a big boy when they drop. The Labor Party has a long and proud history on bus lanes and those views are known from previous roads Ministers. If this adds up we will call it the Eric way as the best way to use bus lanes. The direct question was: Has the Government examined it yet? The answer is no. I asked our congestion people to look at it, but to make sure we get it right we also have to refer it to those who oversee buses. The suggestion of a fee is interesting. We could have a little ticket on the window that says, "This is an Eric lane. If you pay a fee and have three people in the car you can travel in the bus lane."

The Hon. Michael Gallacher: That is too nice; it would have to be nastier than that.

The Hon. DUNCAN GAY: What could we call it?

The PRESIDENT: Order! As I said earlier, if the Leader of the Government and the Deputy Leader of the Government want to have a conversation they should do so after question time. The Minister has the call.

The Hon. DUNCAN GAY: I will come back to the member with a detailed answer on timing.

HEAVY VEHICLE ROAD SAFETY

The Hon. HELEN WESTWOOD: My question is directed to the Minister for Roads and Ports. Given that the intelligent access program for heavy vehicles has been in operation for several years, why have no infringements been issued for heavy vehicle operators for failure to use designated routes?

The Hon. DUNCAN GAY: I would have thought the answer is "because it is working".

BARTON HIGHWAY HEAVY VEHICLE ROAD SAFETY

The Hon. TREVOR KHAN: My question is addressed to the Minister for Police and Emergency Services. Will the Minister advise the House what is being done to improve heavy vehicle safety on the Barton Highway?

The Hon. MICHAEL GALLACHER: Operation Barton was a two-day multi-agency operation conducted earlier this month by New South Wales and Australian Capital Territory highway patrol officers. It focused on heavy vehicle compliance along the Barton Highway in southern New South Wales. The operation commenced on Wednesday 15 May and concluded on Thursday 16 May. Highway patrol officers from New South Wales and the Australian Capital Territory were involved, together with officers from Roads and Maritime Services and the Office of Environment and Heritage. During the two-day operation police conducted a total of 297 breath tests and 239 drug tests. Of these, five drivers tested positive at the roadside for the presence of prescribed illicit drugs.

A total of 45 heavy vehicles were inspected, resulting in 44 defect notices, 27 infringement notices, two vehicle searches, two drug detections, four vehicles with improperly secured loads and 47 dangerous goods and 17 waste inspections carried out by environment officers. During the operation police and Roads and Maritime Services inspectors conducted 40 downloads of heavy vehicle electronic control modules. This identified evidence of nine vehicles having their speed limiters tampered with. A driver was arrested and charged by police after it was discovered that he was disqualified from driving until 2038. He was also allegedly found to be in possession of a quantity of amphetamines.

Police will allege the man had been using a number of aliases and was also in possession of a fake drivers licence that he used to try to avoid detection. He has been charged with not carrying a work diary, driving whilst disqualified, possessing a fraudulent licence and possession of a prohibited drug. This operation follows on from Operation Herculean 7, which was conducted at the beginning of May and also concentrated on the Barton Highway. It also dovetails nicely with Operation Austrans, which is an annual month-long national heavy vehicle operation, which commenced on Monday 20 May.

The Minister for Roads and Ports and I continue to talk about cooperation between government agencies, the likes of which the travelling public has not seen before. Not only are people seeing a visible presence of highway patrol and police on our streets but they are also seeing this cooperative and collaborative approach and the sharing of information between government agencies, be it Roads and Maritime Services with its expertise in terms of vehicle inspections and compliance or the Office of Environment and Heritage with its trained professionals dealing with environmental standards that are set to ensure that heavy vehicles and, indeed, motor vehicles comply with them. I congratulate all those involved in these ongoing operations. As I have said in the past, there are still more to come.

ANTIVENENE SUPPLIES

The Hon. AMANDA FAZIO: My question is addressed to the Minister for Police and Emergency Services, representing the Minister for Health. As Australia is home to the most toxic land snakes in the world and there have been five deaths this year, and New South Wales paramedics have responded to 424 incidents where people have been bitten by snakes and spiders, does NSW Health have adequate supplies of antivenene in its various rural and regional hospitals, particularly in the Hunter region?

The Hon. MICHAEL GALLACHER: As the member has requested, I will refer the matter to the Minister for Health for her response, and get an answer in due course.

As the time for questions has expired, if members have further questions they should put them on the notice paper and they will be answered in the normal course of events.

Questions without notice concluded.

Pursuant to sessional orders debate on committee reports proceeded with.

SELECT COMMITTEE ON THE PARTIAL DEFENCE OF PROVOCATION

Report: The Partial Defence of Provocation

Debate resumed from 21 May 2013.

Reverend the Hon. FRED NILE [5.05 p.m.], in reply: I thank members, particularly those on the committee, who participated in the debate and made many constructive comments. I am pleased that the Government has advised me that it is progressing our report and recommendations with a view to introducing legislation. It is a challenge to put into legislation the recommendations in our report, which is one reason we asked the Premier for his approval for the committee to draft a bill as part of its report. The Premier advised us that he did not wish to agree with that line of action and preferred us to table our report and recommendations and then have a bill drafted. It would have been much simpler if we had obtained authority to draft the bill; then we would have had a clear presentation of what was in the minds of committee members. We will now have to see how the Government progresses with its legislation. The Government has asked to consult with me and I will seek the views of other committee members as well to ensure that the bill, when it finally comes before the House, reflects the wishes of committee members.

I am pleased that all the various stakeholders, particularly the women's organisations, have been complimentary about the report. The committee has recommended that any legislation include "gross provocation" for those exceptional cases where a woman may be driven to the point of despair where she has taken the life of her husband, partner or de facto. We felt that it was necessary to keep that provision in legislation and not remove it totally. That is why we used the words "gross provocation" and have recommended that any legislation make it difficult to apply. Under the law in the future it will only apply in exceptional cases.

We are also pleased with the positive response to the report from the media. I do not believe there were any negative news reports about the provocation committee's report and recommendations. I thank Rachel and Vanessa who worked in the secretariat and did a great deal of preparation for the report and assisted us in our committee meetings as we progressed through many complicated legal questions. The professionalism of the report is partly due to Rachel and Vanessa for their professional input as our secretariat. I look forward to the bill coming before the House in due course and hope that this will create a better situation in the future for both men and women who are involved in these situations. I thank all members for their participation in the debate.

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

Motion agreed to.

JOINT STANDING COMMITTEE ON THE OFFICE OF THE VALUER GENERAL

Report: Report on the Inquiry into the Land Valuation System and Eighth General Meeting with the Valuer General

Mr SCOT MacDONALD [5.10 p.m.]: I move:

That the House take note of the report.

I thank the Chair of the committee, the member for Hornsby, Mr Matt Kean, and the other members of the committee, the member for Cessnock, Mr Clayton Barr, the Hon. Adam Searle, and the member for Port Macquarie, Ms Lesley Williams. I note that the report was unanimous. The issue was treated in a bipartisan fashion and the committee produced a good report that all members were happy with, without wanting to score political points. It was a reflection of the dissatisfaction with the valuation system and the desire to ensure that the Office of the Valuer General should serve the people of New South Wales and the State and local governments, fairly and efficiently.

It is acknowledged that the Office of the Valuer General in New South Wales deals with a high volume of valuations and generally reports accurately on unimproved property values—or true property values, in the case of compulsory acquisitions. The public can be confident that the valuation system has integrity and performs its function. However, the committee also uncovered some weaknesses and found a strong case for reform. The core of the problem is that the Office of the Valuer General is both poacher and gamekeeper. The Valuer General issues valuations, takes objections and rules on disputes. For the vast majority of landholders, valuations do not give cause for disputes and council rates are paid without much pain.

However, the committee did identify volatility and there were some inexplicable valuations, particularly in the mid-western region of New South Wales. I want to acknowledge the hardworking members of the Orange and Bathurst electorates, Mr Andrew Gee and Mr Paul Toole for their representations on these issues. For this reason the inquiry made Recommendation 5, that it consider rates be determined "on an average of the last three years' land valuations" to address this volatility conundrum. Recommendations 14, 15, 16 and 17 go to disputes arising out of valuations.

The feedback received by the inquiry was that people felt helpless. The Valuer General makes the determination on a dispute about a valuation that has arisen out of his own office. Many people are left to wonder about the equity and robustness of the system. The committee recommended that other avenues be opened up for the hearing of merit-based objections. It is suggested that the Administrative Decisions Tribunal or the new NSW Civil and Administrative Tribunal, due to commence in 2014, may serve such a purpose. The object is to make objections accessible, affordable and, most importantly, at arm's length from the valuation system.

Issues which led to the committee recommending that the Office of the Valuer General be reformed were: the opaque objection process, the complexity of the system, errors in data collation and in reporting to the committee and the vulnerable organisational structure. Recommendation 1 suggests the establishment of a Valuation Commission headed by a Chief Valuation Commissioner, who will be responsible for the land valuation functions which are undertaken by the Office of the Valuer General and Land and Property Information. This commission will also support the implementation of the rules-based approach to valuation methodologies and new valuation review and compulsory acquisition systems.

In Recommendations 18, 19, 20, 21 and 22, the proposed roles of the chief commissioner and two subordinate commissioners are outlined. Recommendation 20 is that one valuation commissioner will be responsible for the management of the original land valuations for rating and taxation purposes and another will be responsible for the management of valuation reviews in compulsory acquisition valuations. The intention is to build some robustness into the objection process that goes beyond mere Chinese walls. Recommendation 23 calls for a greater role by the Ombudsman in the oversight of the proposed Valuation Commission. It calls for a bi-annual report of the valuation system.

I thank the 132 people and organisations that made submissions and those who took time to appear as a witness in the hearings here in Parliament House and in Broken Hill. The committee also visited Mudgee and met with farmers and the local council regarding valuation issues. Once again, the NSW Farmers Association effectively represented the challenges facing landholders and had a bearing on the committee's recommendations. Recommendation 13 states:

> That landholders be entitled to a valuation review based on the comparison of statutory values of surrounding properties or the rate of change of the land value for their own property, in addition to the existing grounds for objection.

The NSW Farmers Association raised the impact of mining on property values. The market is the market but properties adjoining mines can be and have been acquired at premium to normal values. There is nothing wrong with that but it can impact on values across the district and I hope that the new valuation system turns its mind to that problem.

It is fair to say that the committee and inquiries into the Office of the Valuer General prior to the change of Government have been less than vigorous. The function of the Valuer General is vitally important to local government, State Government, those whose properties are compulsorily acquired and every landholder in New South Wales. The system needs to be transparent, fair, accessible, cost effective, accurate and responsive. The evidence taken by the committee and the analysis of valuation data provided by the Valuer General have shown that there is considerable room for improvement. The Office of the Valuer General has not kept abreast with community expectations of its important function. There is a case for reform. The Liberal-Nationals Government is determined to govern to ensure an efficient administration of a modern economy. An optimal valuation system is an integral part of that revenue and acquisitions system. 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.

BUSINESS OF THE HOUSE

Postponement of Business

Committee Reports Order of the Day No. 4 postponed on motion by the Hon. Dr Peter Phelps, on behalf of the Hon. Robert Brown.

Committee Reports Order of the Day No. 5 postponed on motion by the Hon. Dr Peter Phelps, on behalf of the Hon. Sarah Mitchell.

Pursuant to sessional orders Government business proceeded with.

EDUCATION AMENDMENT (SCHOOL PROVIDERS FOR OVERSEAS STUDENTS) BILL 2013

Second Reading

The Hon. JOHN AJAKA (Parliamentary Secretary) [5.19 p.m.], on behalf of the Hon. Duncan Gay: I move:

That this bill be now read a second time.

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

Leave granted.

The object of the Education Amendment (School Providers for Overseas Students) Bill 2013 is to amend the Education Act 1990 to enable the Board of Studies NSW to maintain the current system of regulating school providers of courses to overseas students upon the repeal of the transitional arrangement under which the board currently carries out these functions. I emphasise that this bill is not intended to change current arrangements; it will simply put provisions currently in a transitional regulation into principal legislation. Historically, both school and non-school providers of courses to overseas students in New South Wales were regulated by the former Vocational Education and Training Accreditation Board.

The relevant provisions were provided for in the now repealed Vocational Education and Training Act 2005. In February 2010 the former Labor Government's response to the findings of the NSW Ministerial Taskforce on International Education included a recommendation that the Board of Studies NSW be given the delegation to regulate schools seeking to deliver courses to international students. This role complemented the board's existing regulatory role in relation to schools. Consequently, from October 2010 the Board of Studies became the designated authority under the Vocational Education and Training Act regarding the approval of school providers to deliver courses to overseas students.

As the designated authority, the Board of Studies is responsible for the oversight of compliance with the requirements set out in legislation, regulations and guidelines regarding overseas students as defined under the Commonwealth Education Services for Overseas Students Act 2000 and the Commonwealth Register of Institutions and Courses for Overseas Students, referred to as CRICOS. The board's approval of the providers concerned forms the basis for the Secretary of the Commonwealth Department of Education, Employment and Workplace Relations to register those providers under the Commonwealth Act and place them on the register. The change to regulation of school providers coincided with the establishment of a new national vocational education and training framework. This included the enactment of the National Vocational Education and Training Regulator Act 2011 and establishment of a national regulator, the Australian Skills Quality Authority.

On and from 30 June 2011, New South Wales referred its powers regarding non-school providers of courses to overseas students to the Commonwealth. In New South Wales, this involved the repeal of the Vocational Education and Training Act. Following that repeal, and to preserve the board's functions, the board continued to approve and regulate the providers under transitional arrangements set out in the New South Wales Vocational Education and Training (Commonwealth Powers) (Transitional) Regulation 2011. That regulation is to be repealed at the end of June 2013. While the transitional provisions were appropriate during the interim period when the non-school provider functions were transferred to the Commonwealth, the function that the Board of Studies retains is not transitional in nature and should be situated in principal legislation. Hence, I present this bill today.

I turn now to the specific provisions contained in schedule 1 to the bill. The schedule initially makes some housekeeping amendments relating to the change of name to the Department of Education and Communities. The majority of the new provisions in the schedule are contained in a new part 7A—Approval to provide courses to overseas students—to be inserted in the Education Act. The new part 7A inserts sections 83A to 83H, which set out the main provisions relating to approval of providers of courses to overseas students as defined under the Commonwealth Act. These provisions relate to powers of the Board of Studies in relation to the approval to provide courses to overseas students and the inspection of premises, and the amendment, suspension or cancellation of approval.

The bill also amends existing provisions of the Education Act in order to add the approval of providers of courses to overseas students to the existing functions and rule-making powers of the Board of Studies, an avenue of appeal in relation to decisions of the board in this regard to the existing decisions of the board that may be appealed to the Administrative Decisions Tribunal, and the requisite powers of inspection and entry to premises to allow the board to monitor compliance with requirements for approval. The bill finally provides for consequential and transitional provisions, the latter as a consequence of the repeal of the Vocational Education and Training (Commonwealth Powers) (Transitional) Regulation 2011 and the enactment of the proposed amendments to the Education Act.

Relevant key stakeholders have been engaged in consultation on both the current and proposed form of these provisions. The Board of Studies has consulted with the Catholic Education Commission of NSW, the Association of Independent Schools, and the Department of Education and Communities—both when these powers were originally conferred on the board and in respect of these proposed changes. They remain satisfied with the arrangements and confident that the board will uphold appropriate standards. While the bill will amend the Education Act to continue current practice, it has the benefit of consolidating the functions of the Board of Studies in one statute and facilitating the better integration of the board's regulatory role in relation to schools. I commend the bill to the House.

The Hon. MICK VEITCH [5.20 p.m.]: I lead for the Opposition on the Education Amendment (School Providers for Overseas Students) Bill 2013. I state from the outset that the Opposition will not oppose this bill. The object of the bill is to amend the Education Act 1990 to transfer the powers of the Board of Studies to approve and regulate school providers that deliver courses for overseas students from a transitional regulation to principal legislation. The bill also enables a person to apply to the Administrative Decisions Tribunal for a review of certain decisions of the board pertaining to the new arrangements. Until 2010, all New South Wales school and non-school providers of courses to overseas students were regulated by the Vocational Education and Training Accreditation Board. In 2010 the then Labor Government transferred this authority relating to school providers to the Board of Studies in response to the findings of the Ministerial Taskforce on International Education.

The board's role in approving schools delivering such courses strengthened the board's authority to regulate such schools. It was also seen to streamline the registration and approval processes and provide increased mechanisms by which the board might monitor the quality of educational programs being delivered to international students. The board is responsible for the oversight of compliance with the requirements set out in State and Commonwealth legislation, regulations and guidelines. This coincided with the establishment of the new national vocational educational and training framework; and, from 30 June 2011, New South Wales referred its powers to the Commonwealth regarding non-school providers of courses to overseas students.

This involved the repeal of the Vocational Education and Training Act and Vocational Education and Training Accreditation Board. Since then, the Board of Studies has relied on a transitional regulation, but this will expire on 30 June 2013. The function of the Board of Studies to regulate courses to overseas students is not transitional in nature and should be moved into primary legislation. I note the Minister's confirmation that it does not change the current role or powers of the Board of Studies and that appropriate consultation has taken place with all key stakeholders. As stated earlier, the Opposition will not be opposing this legislation.

Dr JOHN KAYE [5.23 p.m.]: I rise on behalf of The Greens to address the Education Amendment (School Providers for Overseas Students) Bill 2013. I state from the outset that The Greens will not be opposing this piece of legislation. As the Opposition spokesperson said very clearly, this legislation transitions existing regulations that control the registration of school providers for overseas students into legislation under the Education Act 1990. As I understand it, the bill makes no changes to the authority of the Board of Studies over these school providers, and it makes no changes to how those schools are regulated. The regulations exist because some years ago the New South Wales Parliament repealed the Vocational Education and Training Act 2005, when regulation of vocational education training providers passed to the Commonwealth Government, at which point that Act was no longer needed. The residuum was the school provisions for overseas students, which are now being transitioned back into the Act.

There are 305 non-government schools that are registered as school providers for overseas students. Every New South Wales government school is also registered. An overseas student is defined as a person who holds a student visa as defined under the Federal Education Services for Overseas Students Act 2000. The New South Wales Board of Studies is a designated authority for the Commonwealth Government to approve and regulate school providers for overseas students. A school provider seeking to deliver a course or courses of study to overseas students must be listed on the Commonwealth Register of Institutions and Courses for Overseas Students—the well-known CRICOS—prior to enrolling an overseas student. The Board of Studies guidelines seemed appropriate and effective. However, there have been a number of examples of the Board of Studies identifying unscrupulous private providers that were taking advantage of overseas students and their families, and it cracked down on those providers. In fact, the board received more than 100 complaints, and was expecting that number to rise quite significantly.

One of the key issues is that this is the interface between education and markets. It is always at this point that the really nasty things begin to happen. Markets are pretty good for tomatoes because consumer choice reflects quality fairly accurately. The average consumer can pick up a tomato, have a good look at it, and, based on experience of having bought tomatoes last week, know whether this tomato will taste good, be nutritious and will not have worms in it. The same cannot be said of education. Whereas markets work well for

short-term goods whose quality is easy to determine, when it comes to education, markets do not work well. Inevitably, markets will produce providers who are prepared to operate in an unscrupulous fashion, and will exploit the lack of knowledge and understanding of some of their clients. There have been a number of appalling examples of individuals who have come here from overseas and been savagely ripped off. In 2011 PAL College repeatedly breached its registration requirements. To its great credit the Board of Studies came down on PAL College like a tonne of bricks, and PAL College has been closed.

During the period before PAL College was closed a large number of complaints were coming to me. I deflected those to the Board of Studies. Those complaints were about the quality of instruction, about the way money was being taken, and about the way students were being dealt with. PAL College is gone, and that is a good thing. But a large volume of anecdotal evidence suggests that many students are still experiencing poor standards of tuition and poor standards of treatment, and that fees are far and away above the standard fees that overseas students would be paying at public schools. Profit opportunities are created among a relatively uninformed market of overseas students. When these students are of a young school age, but particularly when they come from nations where English is not the first language, there are enormous opportunities for unscrupulous school providers; and they do indeed move into the system, and they do indeed exploit the outcomes.

It is interesting to draw a comparison between the private sector providers and public education. Public education in this State has a really enviable track record of provision of educational outcomes to students from overseas, particularly students who come from non-English speaking backgrounds. English as a second language has been a skill of public education in New South Wales for many decades. Public education has very successfully provided opportunities for both students who come from refugee and asylum seeker backgrounds and students who come from overseas and pay fees at public schools. It is really interesting to contrast the work of public education in this regard and the dedication of public school teachers who do not discriminate between individuals who are citizens and individuals who are here from overseas, and who try hard for all their students, and the comprehensive exploitation that has occurred with some private providers. This, yet again, reminds us why we would be deeply foolish to undermine the prime position of public education, not just in provision of services to overseas students but also in educating our own communities here in Australia.

The provisions of the bill and the current regulatory powers are adequate for their purpose. Ideally, private providers would not be able to operate without achieving and maintaining excellent student services. We have a framework that will largely work. The Greens do not oppose the legislation. However, we raise concerns about the ongoing presence of a number of private providers of vocational education and training whose track record is less than perfect, whose behaviour towards their students has been less than ideal and whose collection of fees has been nothing short of exploitation. Under this legislation the Board of Studies will maintain its power to approve or reject courses for overseas students, to inspect premises, and to amend, suspend or cancel their approval. The president of the board has enormous education experience and has fulfilled his role admirably. We have a lot of faith in the board, and the staff are well aware of the task ahead of them. On behalf of The Greens I wish them the best of luck. I commend the legislation to the House.

Reverend the Hon. FRED NILE [5.31 p.m.]: The Christian Democratic Party supports the Education Amendment (School Providers for Overseas Students) Bill 2013. The bill amends the Education Act 1990 to consolidate the regulation of school providers that deliver courses to overseas students. We are pleased to support the bill because there has been a great deal of confusion over the courses that have been provided for overseas students. Some individuals appear to have tried to exploit this market for financial purposes. It needs to be regulated carefully, and hopefully that will be achieved with this legislation.

From 1 October 2010 the Board of Studies became the designated authority regarding the regulation of school providers that deliver courses to overseas students. As the designated authority, the Board of Studies is responsible for the oversight of compliance with the requirements set out in the State and Commonwealth legislation, regulations and guidelines for overseas students. This change to regulation of school providers coincided with the establishment of a new national vocational education and training and accreditation framework. This included the enactment of the National Vocational Education and Training Regulator Act 2011 and establishment of a national regulator, the Australian Skills Quality Authority.

We are pleased that the emphasis is on Australian schools. There has been a shortage of skilled workers in Australia, which is why hundreds of workers have been brought in from overseas on special visas to work in our industries. Ideally, we should be providing those skills from our own population and education system. The fact that we need to import hundreds of individuals from overseas on special visas highlights that our education

system is not producing sufficient numbers of people with the skills needed to work in various Australian industries. As with the regulation of overseas students, we must ensure that we have the quality in our own education system to meet those needs.

The bill will amend the Education Act 1990 to transfer the current powers of the Board of Studies NSW, as the designated authority for school providers, to deliver courses to overseas students from a transitional regulation to principal legislation. This will consolidate the function of the Board of Studies NSW in one statute and facilitate compliance. However, it will not change the current role or powers of the Board of Studies NSW because they already exist under the transitional regulation. The bill also amends the Education Act 1990 to enable a person to apply to the Administrative Decisions Tribunal for review of certain decisions of the board pertaining to the new amendments. It is a practical piece of legislation that will assist overseas students and ensure that they receive quality education in Australia.

The Hon. JOHN AJAKA (Parliamentary Secretary) [5.34 p.m.] in reply: I thank the Hon. Mick Veitch, Dr John Kaye and Reverend the Hon. Fred Nile for their contribution to debate on the Education Amendment (School Providers for Overseas Students) Bill 2013. I note that all members support the bill, which facilitates a simple transfer of the current powers of the Board of Studies NSW from a transitional regulation to principal legislation. The Board of Studies already carries out these functions. The functions are not transitional in nature so it is appropriate to put them in the principal regulation. The transitional regulation expires on 30 June 2013 and it is an appropriate time for Parliament to amend the Education Act.

The bill will consolidate the board's function into one statute and will facilitate better integration of the board's regulatory role in relation to schools. The Minister in the other place thanked the hardworking staff of the Board of Studies and the staff of the New South Wales Parliamentary Counsel's office. I further note that the Minister is confident that the board will uphold appropriate standards regarding the regulation of schools in seeking to deliver courses to international students. 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. John Ajaka, on behalf of the Hon. Duncan Gay, agreed to:

That this bill be now read a third time.

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

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Orders of the Day Nos 3 to 5 postponed on motion by the Hon. Greg Pearce.

STATE OWNED CORPORATIONS LEGISLATION AMENDMENT (STAFF DIRECTORS) BILL 2013

Second Reading

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [5.38 p.m.]: I move:

That this bill be now read a second time.

The State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013 seeks to facilitate transparent board director appointments on State-owned corporation boards by removing the mandatory requirement for

directors to be appointed to fill staff and union positions. Currently, the State Owned Corporations Act 1989 requires each board to have a staff director. This requirement is removed in some corporations legislation and modified by others. The Energy Services Corporation Act 1995, the Hunter Water Act 1991, the State Water Corporation Act 2004 and the Superannuation Administration Authority Corporatisation Act 1999 require that the staff director be selected from a panel nominated by Unions NSW. The Ports and Maritime Administration Act 1995 requires that the staff director be elected by employees of the port corporation.

This Government has made a commitment to improve the efficiency and management of State-owned corporations. These are economically and socially significant businesses that are vital to this State and to the people of New South Wales. We must ensure that the boards making these management and operational decisions are best placed to drive the performance of the businesses and ensure the provision of quality, cost effective services. Ensuring that State-owned corporations have effective, accountable and suitably experienced boards is a key component to improving the performance of State-owned corporations, which is an important commitment that this Government made in "NSW 2021: A Plan to Make NSW Number One". This bill ensures that the Government has the ability to make skills-based appointments to our State-owned corporation boards. Under the current process, the chair and board have little influence on prospective union- and staff-elected directors.

There is no skills-based process for the appointment of staff and union directors. This Government has reformed that process to bring it into line with board governance best practice. Chairs and directors are selected through a skills-based appointment process that ensures boards have the right balance of professional and industry skills and member interaction to meet the current and emerging needs of the individual business. In addition, directors will generally be appointed for a maximum of three terms. Without the removal of constraints on the appointment of staff and union directors, we cannot guarantee that we will have the best possible board for each of our State-owned corporations.

This Government said that it would improve the director recruitment process for State-owned corporation boards, and it has done that. However, more must be done. This bill is a further step in ensuring that the Government has control over those individuals who are put in these responsible positions. It will ensure that we have individuals of high quality with professional skills and industry experience appropriate to the business. The removal from legislation of the requirement to appoint directors to staff and union positions addresses the potential for misunderstanding around the role of these directors, who are not there to represent the interests of staff but have a fiduciary duty to the State-owned corporation. These directors have a difficult task in balancing their duties as directors with the expectations of staff and representative bodies, and that is addressed by the amendments.

This bill addresses inconsistencies between the State Owned Corporations Act 1989 and the enabling legislation covering individual corporations. That legislation has differing requirements about whether a staff- or union-nominated director is required, and variations in the mechanism for their selection and appointment. While this bill will remove the legislative requirement to have union or staff directors on State-owned corporation boards, the total number of director positions will be unchanged. The bill provides for existing union and staff directors to continue in their role until a date determined by the Governor or the voting shareholders. Merit-based appointments will be made as roles become vacant.

Our State-owned corporations operate according to the principles of clear commercial objectives, managerial authority and autonomy, and rewards and sanctions for performance. These are compromised by a requirement to include a staff or union director on the boards when those roles are filled without a skills-based appointment process and input by the board's chair or nomination committee, and without reference to the requirements of the board. This Government is committed to having a corporate governance framework that is independent and robust, not one that is blurred by the requirement to appoint staff-elected and union-nominated directors. Those roles do not serve any social, regulatory or commercial objective. I commend the bill to the House.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [5.42 p.m.]: I lead for the Opposition in debate on the State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013. The Opposition does not oppose this legislation. The State Owned Corporations Act 1989 requires each board to have a staff director. This bill removes that requirement in the legislation applying to some corporations and modifies other pieces of legislation. The Energy Services Corporations Act 1995, the Hunter Water Act 1991, the State Water Corporation Act 2004 and the Superannuation Administration Authority Corporatisation Act 1999 require that a staff director be selected from a panel nominated by Unions NSW. The Ports and Maritime Administration Act

1995 requires that the staff director be elected by employees of the ports corporations. This bill will remove those requirements, which I believe date back to the Greiner Government. It is interesting that this Government is undoing that legacy.

There is a case for the State-owned corporations legislation to be simplified and streamlined, and for improvements to be made that may assist in the making of transparent and merit-based appointments. These corporations do not act in the service of private commercial interests; rather, they operate in the wider service of the people of New South Wales. I note the argument advanced by the Government in support of the legislation that staff-elected or union-nominated directors have a difficult task in balancing their duties as directors with the expectations of staff and representative bodies. However, I note that the Government has not made the case that those who have fulfilled those roles have not conscientiously fulfilled the fiduciary duties that repose in them as directors. It would be hard to make that case because in my view they have adhered to those requirements irrespective of how they became directors of those boards.

There is no guarantee in this legislation that a skills-based selection process will be implemented. In his second reading speech in the other place, the Treasurer said that the bill ensures the Government has the ability to make skills-based appointments to State-owned corporation boards and that its goal is to ensure that all appointments are merit based. I note that that is also the view advanced by the Minister for Finance and Services. Of course, this goes back to the Treasurer's September 2012 announcement in which he said that prospective directors of State-owned corporations would be assessed by an independent panel, including the Chairman of the Public Service Commission, Peter Shergold, and the Director General of the Department of Premier and Cabinet, Chris Eccles. He said that under previous New South Wales governments the appointment of directors of State-owned corporations was sometimes about Ministers appointing whomever they liked. He also said that the Government was determined to make the process much more rigorous, transparent and merit based. I note that none of those requirements is embedded in this legislation. It is about removing from existing legislation the provisions relating to union-nominated or staff-appointed directors. Nothing requiring merit-based selection has been included to replace those provisions.

The Opposition assumes that the September 2012 policy announced by the Government will be the guiding light. However, the Government has made a number of appointments that call into question its commitment to that transparency. It was revealed during budget estimates committee hearings last year that Mr Massy-Greene, who was appointed chairman of Networks NSW, was a donor to the Liberal Party and that no executive search was undertaken prior to his appointment. It was also revealed that the Government had appointed Liberal Party donor Chum Darvall as the chairman of TransGrid. Of course, the Treasurer has refused to confirm whether he was subjected to the independent selection process about which we heard so much in September 2012. Last year the *Sydney Morning Herald* revealed that the Treasurer had appointed former ABC chairman Maurice Newman to the board of Port Kembla Port Corporation without any independent selection process having been followed, but that appointment did not proceed.

Members of the Opposition support merit-based and transparent appointments to State-owned corporation boards. However, the examples that I have cited do not demonstrate any intention on the Government's part to adhere to that process. It is unfortunate that the legislation does not mandate skills- and merit-based appointments. It simply strips existing provisions without replacing them. It is correct to say that the Government has taken unto itself the ability to make whatever appointments it wants to make, but the proof of the pudding will be in the eating. The examples I have cited raise serious questions about the Government's commitment to independent, merit-based selection. We will have to see what other appointments it makes—and, of course, we will criticise them where warranted.

Reverend the Hon. FRED NILE [5.48 p.m.]: The Christian Democratic Party supports the State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013. The bill amends the State Owned Corporations Act 1989 and other legislation to remove the requirement with regard to staff-elected and Unions NSW nominated directors. It will improve governance by allowing for the skills-based appointment of all directors of State-owned corporations. This is a long overdue change and will lead only to improvements. Employees obviously love having a staff-elected director on the board because they believe such a person will represent their interests. However, boards must ensure that the corporation is effective, efficient and financially sound. Only appropriate directors can achieve that.

When this legislation is enacted, improvements will follow in due course. A similar debate is occurring in the Commonwealth sphere in relation to a staff member of the ABC being on its board and whether that leads to conflict and erodes confidentiality at meetings about many delicate matters—for example, the efficiency of

the operation, its financial basis, salaries and strategies to be adopted by the corporation. Having a member who is not a director adds confusion to the operation of a board. This legislation reforms the State-owned corporation director appointment process to bring it into line with board governance best practice. Chairs and directors are selected through a skills-based appointment process that rightly ensures they are appointed on the basis of merit, their skills and the expertise required for the job.

The Deputy Leader of the Opposition said that the Government was required act so that directors are appointed on the basis of merit and their skills and expertise. Corporations will have to follow the letter of the law, as set out in this legislation. The Christian Democratic Party believes this legislation will improve the recruitment process for directors of State-owned boards, and if all the appointments are merit based and approved by Cabinet this will happen as a matter of course. The Government puts these individuals in responsible positions by making certain that they are of high quality, with the requisite skills and industry experience matched to the business. The Christian Democratic Party supports this legislation.

The legislation will also clarify the roles of directors, removing the potential for misunderstanding that the staff-elected or unions-nominated directors serve as representatives of the staff of the entity—which, as I have said, has caused some confusion in the past. The changes are consistent with the board structure for Forests NSW, which was established by legislation in 2012 without a staff-elected or Unions NSW nominated director. Sydney Water and Landcom also do not have a staff-elected or Unions NSW nominated director. This legislation is bringing all corporations under consistent operation for the appointment of directors. The Christian Democratic Party supports the bill.

Dr JOHN KAYE [5.52 p.m.]: I lead for The Greens in debate on the State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013. In doing so, I express The Greens' complete and total opposition to this legislation. The legislation is an extraordinary attack on public sector workers, it is a predictable but depressing attack on the union movement that represents them and it is a disgraceful attack on the communities that depend upon the services of State-owned corporations. The legislation is based on a disgraceful desire by the O'Farrell Government to purge the boards of the 13 State-owned corporations of the representatives of those people who work for the corporations, or the representatives of those unions that represent the people who work for the corporations.

The arguments put forward by the O'Farrell Government are not only weak but also transparently false. They display an ideological dislike of the public sector, a particular disdain for people who work in the public sector and an even greater disdain for the union movement that represents public sector workers. The first argument put forward by the Treasurer when he spoke to this legislation in the lower House was that the corporations require the best people for the job—they must be chosen on the basis of merit. Of course, the neoliberals like to talk about merit but they rely on an entirely bankrupt philosophy. They like to rely on the simple things, such as, "Let's get the best people; let's have merit there. Let it not be a staff representative because that will get in the way of merit."

That would be true only if there were no benefit in the experience of a corporation's workforce; if there were no merit in the thousands of accumulated years of coalface experience on the part of individuals who have seen these corporations operate. For example, TransGrid operates one of the largest transmission systems in the Southern Hemisphere. It has a number of workers who work with bare hands on high voltage and who have a great deal of understanding and knowledge of the equipment that TransGrid operates. As a young man I worked for a transmission company so I know some of the complexities involved. The people who work for TransGrid, day in, day out, maintaining wires, transformers, insulators and the towers have a unique knowledge base. They have a great understanding of the particular challenges associated with a large infrastructure undertaking that is exposed to the randomness of the elements, what is and is not achievable, the skills base that is required to maintain and operate such an intricate and difficult technological system, and the heart and the pulse of a transmission system.

Yet what is said of that experience? We do not need that experience; it is not important. The Coalition wants to replace that experience with generic business experience—with managers of any old business, it does not really matter. Anybody can manage any business. It is the Harvard Business School model of business management and it has led to some of the great engineering catastrophes of the twentieth and twenty-first centuries. It undermines and ignores the important work and intricate understanding of the corporation that the people at the coalface have—the people on the ground who do the maintenance and keep the call centres running. The Treasurer's claim, and that of the Minister for Finance and Services, is the opposite of the truth. There is a wealth of knowledge in the workforce that can inform the strategic decisions of a corporation in a way that guarantees that that corporation makes better decisions, not worse decisions.

The value of such a wealth of knowledge to State-owned corporations was recognised not by the Government of Neville Wran or the Labor Government that succeeded it but by the Liberal-Nationals Government of Nick Greiner, which understood the importance of capturing that wealth of knowledge—the benefits and the merit of experience—and applying it to the strategic decision-making of State-owned corporations. But today, in the name of ideology and in order to deliver favours to Liberal Party mates in the boardrooms around New South Wales, that expertise and knowledge is to be dumped and lost. The second argument that the Treasurer and the Minister for Services and Finance put forward—

The Hon. Matthew Mason-Cox: Finance and Services.

Dr JOHN KAYE: I acknowledge that interjection as it is probably the only useful interjection that the Parliamentary Secretary has made in the past year. The Ministers argue that union-appointed board members or those elected by their peers face an inherent conflict of interest with regard to their fiduciary responsibilities as members of the board. Let us explore that idea for a minute. If it were true that one's fiduciary responsibilities as a board member were compromised by the nature of one's appointment, then surely those people appointed directly by the Government would have a primary responsibility to the Government and not a fiduciary responsibility to the board, and would be equally conflicted.

If one were to say that people with peers working in that enterprise are conflicted, then surely board members with peers on the boards of private corporations—many of which are circling our State-owned corporations trying to get their hands on their business, workforce and balance sheets—would be conflicted because their peers are the strategic decision-makers of other corporations. The argument of conflict is ridiculous and not borne out by experience. I recall Tony Maher, President, Mining and Energy Division, Construction, Forestry, Mining and Energy Union [CFMEU]—

The Hon. Lynda Voltz: A good bloke.

Dr JOHN KAYE: I acknowledge the interjection of the Hon. Lynda Voltz. I too have a lot of respect for Tony Maher. He served on the board of Macquarie Generation with great expertise and knowledge of the coalmining and energy industries. He served in the best interests of that corporation. He even stood up to Eric Roozendaal, who succeeded in forcing the absolutely appalling gentrader model—

The Hon. Michael Gallacher: And none of the Australian Labor Party came to his defence.

Dr JOHN KAYE: The interjection of the Leader of the Government is absolutely untrue and he is misleading the House. Two members of this Chamber stood in his defence. One is no longer present in this Chamber but that member gave an honourable presentation to the Independent Commission Against Corruption. The argument of conflict of interest is not true and Tony Maher proved that. He stood up for the best interests of the corporation against the pressure put on him by the—

Mr Scot MacDonald: Point of order: I seek a clarification on conflicts of interest. The Greens have accepted a donation from the Construction, Forestry, Mining and Energy Union. Should that be declared at this point?

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): Order! There is no point of order.

Dr JOHN KAYE: As a point of fact I have no recollection. If The Greens did accept a donation from the Construction, Forestry, Mining and Energy Union I say: So what? What about all the donations that got Mr Scot MacDonald into this Chamber? I will not go there because I am more concerned about the future of our State-owned corporations. Mr Scot MacDonald is more concerned about making trivial debating points. Staff elected or union-appointed representatives on the boards of State-owned corporations have no more conflict in the execution of their fiduciary responsibilities than a government-appointed representative or a representative who is government appointed and who has deep and entrenched links to the corporate boardrooms of New South Wales.

The argument is vacuous; it lacks any substance. It says that because workers are appointed by their peers or by representatives of their peers they are inherently unable to deal with a conflict of interest but these great and noble—I am being sarcastic—representatives of the boardrooms of New South Wales are not thus infected. It is an act of class hypocrisy to argue that the workers who are elected by their peers are somehow less moral than the managers and fat cats who are appointed by the Government. People who serve on boards have a degree of conflict

of interest—they have their own interests and understandings. Good board members bring the most valuable parts of their experience base to their functions as board members and leave behind those parts that are not in the best interests of the corporation. This skill is not confined to one group of people, but the O'Farrell Government does not want those people—representatives of working people—on the boards. This is class warfare.

The O'Farrell Government does not like public sector workers. For example, it has frozen the wages of public sector workers at 2.5 per cent increases per annum and undermined workers compensation rights. The Government has encouraged yellow dog unionism in this State. It has proven its hostility to workers, and this is another example of that hostility. The O'Farrell Government has shown that it does not like unions either. I can understand why the Coalition does not like unions—they are closer to the Labor Party than they are to the Coalition or The Greens. But the Coalition should get over it. It should not just dislike unions because they are not necessarily its natural constituency. It should understand that unions are an integral part of the fabric of our society. Unions create a fairer and more just society. To say that unions, the democratically elected representatives of the people who staff those corporations and keep them operating, should have no say in the future direction of those corporations is completely driven by ideology and not an understanding of how public sector organisations work.

Those who rely on the services of State-owned corporations are victims of this legislation. If the Government were to set out to undermine the morale, and hence the efficiency, of the workforce in those State-owned corporations it would say, "How on earth can we disempower that workforce? How can we make sure that workforce feels as if it has no say in the future of its organisation?" And it would say, "Since Greiner gave you those representatives on the board we are going to take them away from you. You are nothing. You are not important to us and you are not important to this corporation." What a shocking message to send to the workforce. That sort of message is calculated to make every single employee in a State-owned corporation feel as if his or her input is valueless. What a way of saying that they have nothing to say on the strategic decision-making of this corporation. What a way of saying that they should turn against management because they have no say in management. What a way of saying that they have no stake in this undertaking and they have no future.

This is a way of disempowering and disconnecting employees of State-owned corporations from those corporations. If the O'Farrell Government gets away with doing that it will have dealt a body blow to morale in those organisations, to quality and to those people who rely on the services of corporations like Essential Energy, Eraring Energy, Endeavour Energy, Sydney Ports Corporation, Hunter Water Corporation or the State Water Corporation. This is not about getting better outcomes; it is about getting worse outcomes. As Mark Lennon, Secretary, Unions NSW said:

> The Treasurer's decision will inevitably mean that the business community is the only group represented on Government boards. The business community's self-interest will win out over the broader public good.

Mr Lennon is clearly saying that once these corporations are handed over entirely to the business community we will lose out on that focus on service to the community and on those people who can make those boards work well for all of us. He went on to say:

> That wisdom—

of the Greiner Government that introduced the appointment of union board appointments—

> has been lost on the current government, who want an echo chamber to endorse their plan of selling off Government assets and slashing jobs.

This legislation should be opposed. I was disappointed by the contributions of the Leader of the Opposition in the lower House and the Deputy Leader of the Opposition in this House. I was expecting the Labor Opposition not to be cowered by the *Daily Telegraph* and to support working people. I was expecting the Opposition to say that this legislation is not in the best interests of the people who work for State-owned corporations, the State-owned corporations and the community. I expected the Labor Opposition to say, "Yes, we will cop some stuff on this because sometimes in the past people who are close to the Labor Party have been appointed to these boards." For goodness sake. I say to Labor members: Yes, but you know full well that the Coalition appoints its people. As an Opposition member said, the appointment of Roger Massy-Greene takes away the Government's capacity to criticise Labor for appointments it had overseen or appointments made by the union movement. What has not been shown here by any Government speakers or Labor speakers, who are supporting this legislation, is one example of when a union or staff appointee has not done the right thing by a corporation.

The Hon. Adam Searle: I made that point.

Dr JOHN KAYE: There is no evidence. If the Deputy Leader of the Opposition made that point, good for him. He should vote against the legislation, which is based on a smear of public sector employees who serve on public sector corporation boards. It is an attack on the idea of industrial democracy. This is a step backwards to a business-centred command and control economy. Rather than recognising the importance of workers in enterprises in terms of setting the strategic directions of their corporations, this is a step backwards to pushing workers behind the barrier, where they will have no control over their future, disempowering workers, alienating workers and creating corporations that are much less effective at serving the community.

This legislation is disgraceful. It has not been justified by any of the parties that support it. Indeed, the Labor Party has effectively substantially criticised the legislation—it will now vote for the bill—and to the extent that it should vote against the legislation. This legislation is an appalling attack on working people. I call on Labor members, the Christian Democratic Party and the Shooters and Fishers Party to vote with us and to stand up for the rights of people who work in State-owned corporations: the right to be heard and the right to have control over their strategic direction. The Greens vehemently oppose the bill and will be voting against it.

Mr DAVID SHOEBRIDGE [6.12 p.m.]: I speak against the State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013. I echo and commend the words of my colleague Dr John Kaye. This bill shows the ugly politics of a Coalition Government. The direction that this bill will take State-owned corporations is not to fill them with meritorious directors that the Government will scour New South Wales to find; it is all about removing democracy from State-owned corporations and plain union bashing—nothing more and nothing less. The Government thinks that with the current environment, in which some former union leaders have behaved disgracefully, it can simply smear the whole union movement, the millions of hardworking Australians who are union members and the countless thousands of principled, hardworking union officials and employees who spend every working day trying to advance the rights of working people and in doing so make New South Wales a much more civilised place.

But the Government does not care about the substance of unionism. Indeed, it opposes the concept of people acting collectively in the better interests of their workplace and of New South Wales. That is the mindset and intellectual approach that have informed this bill. The Government has seen a moment when the union movement is down and is giving it a good, solid kick. The worst of it is that Labor has joined with the Government. I find Labor's failure to oppose this bill as a matter of principle—in the short term it may be politically inconvenient for Labor to stand up for the democratic management of State-owned corporations, for this small slither of democracy in State-owned corporations—says volumes about where New South Wales Labor is at the moment and how little courage it has to stand up for the principles that 20 years or 30 years ago would have seen a spirited and defiant opposition to such legislation. But Labor has caved in; it has rolled over and is having its belly tickled by the Minister for Finance and Services.

The object of the bill is to remove any requirement under the State Owned Corporations Act 1989 or other legislation relating to State-owned corporations for a staff director, including a director nominated by Unions NSW. Schedule 1 to the bill amends the State Owned Corporations Act 1989. Item [1] in schedule 1 removes the requirement that one of the directors of a State-owned corporation is to be a staff director selected in accordance with the procedure in the foundation charter of the State-owned corporation. Items [2] to [7] make consequential amendments, including stripping out any provision relating to the selection of a staff director of a State-owned corporation. This removes that key element of democratic representation, of ensuring that the workforce has a representative on the boards of State-owned corporations.

That truly backward step will make the boards of State-owned corporations the poorer; they will not have the experience of their workforce being directly represented. They will not have the knowledge of the people who run the corporation. The collective wisdom of the employees who run the corporation day in and day out will not be represented on the boards. Instead, the union-nominated directors and staff directors will be removed and we will be left with—I do not know the group noun for Roger Massy-Greenes—a murder of Roger Massy-Greenes being appointed to State-owned corporations. The boards will be fluffed up by Coalition mates. That is all that will happen. Schedule 2 amends a number of other State-owned corporation Acts: the Energy Services Corporations Act, the Hunter Water Act, the Ports and Maritime Administration Act, the State Water Corporation Act and the Superannuation Administration Authority Corporatisation Act. I note that the Secretary of Unions NSW, Mark Lennon, said:

> The Treasurer's decision will inevitably mean that the business community is the only group represented on Government boards. The business community's self-interest will win out over the broader public good.

Clearly, that is what will happen. When one looks at the primary objectives of State-owned corporations under the State Owned Corporations Act, objective 2 in section 8 provides that a State-owned corporation is to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates. But this Government will exclude a whole sector of that community—the workforce of State-owned corporations and, indeed, representatives of the millions of New South Wales employees who are proud members of unions and are trying to act collectively to make this State a better place. The Secretary of Unions NSW, Mark Lennon, then referred to the fact that it was the Greiner Government, a Coalition Government, that introduced union board appointments. He said:

> The wisdom [of that Government] has been lost on this Government, who wants an echo chamber to endorse its plan of selling off government assets and slashing jobs.

That is what it is about. It is not about getting the best people for the job or ensuring that the boards give frank and fearless advice and represent all the interests that a State-owned corporation should represent. It is about ensuring that there is only one voice on these boards and that is the voice of big business—the Coalition's mates in big business—who want to sell off the key assets held by State-owned corporations. The Government wants to trim down the business, remove the public from State-owned corporations and remove any concept of public enterprise providing essential services such as water, power and sewerage.

This is an ideological attack on the very concept that there are essential services in our State—natural monopolies, for the large part—that are best provided by a State-owned, publicly owned entity, where we can all benefit from the profits and, importantly, where we can all have a say in how those publicly owned enterprises are run. It is a sad day when we see the so-called Labor Opposition supporting the Government in this attack on democracy and union representation in State-owned corporations, but it is an even sadder day to see the Government having such an open, politically partisan attack on what traditionally was a bipartisan approach to ensuring that the directors of State-owned corporations reflected more than just the business community.

The Hon. Dr PETER PHELPS [6.21 p.m.]: Dr John Kaye spoke about ideology being the motive behind the State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013. It is clear what the ideology is on the part of The Greens. Dr John Kaye criticises us for being the party of merit—we are the party of merit; The Greens are the party of meretriciousness.

Dr John Kaye: Point of order: The Hon. Dr Peter Phelps is misleading the House. At no point has any contribution by The Greens said that this Government is about merit—never.

TEMPORARY CHAIR (The Hon. Natasha Maclaren-Jones): Order! There is no point of order.

The Hon. Dr PETER PHELPS: We all know what the true vision of The Greens is: It is not for a worker representative on the board; it is for complete worker control of the board. The party that gave us Lee Rhiannon—who has the Order of Lenin to her name—knows exactly what it is doing. The Greens want full worker control. If Dr John Kaye were the Minister he would not appoint businessmen to boards; he would appoint Comrade Stakhanov to the Coal Board and Comrade Lysenko to the Grains Board. We know what his party is about—it is a party of watermelons: green on the outside and red on the inside. Mr David Shoebridge wants to talk about principles. We know what principle is at work here. As one writer noted:

> The trade unions' position has altered. Their main function now is to send their representatives to all management boards and central bodies.

That is the position held by The Greens. But who said it? Vladimir Ilyich Lenin, on the first anniversary of the Bolshevik Revolution. That was one of Lenin's great cries: Send the union leaders to the boards; let them run things. It just happens to be the cry of The Greens—which gave us Comrade Lee Rhiannon, formerly of the Socialist Party of Australia. We all know what principles are at stake here: the Bolshevist element within The Greens knows that it is on a roll. It is saying goodbye to the Hon. Cate Faehrmann and bringing in someone who will push the red agenda, which lies at the heart of the New South Wales Greens. It is now doing its best to try to assiduously work its way into the heart of the union movement—just as the Communist Party did of old.

The Greens are trying to undercut the Labor Party and the union movement. The same communists who used to run the Communist Party of Australia and the Socialist Party of Australia have now wormed their way into The Greens to again try to undercut the Labor Party's relationship with the trade union movement. On the

one hand, we have Lennon and, on the one hand, we have Lenin. We know that they are working hand-in-hand—Lennon and Lenin—most clearly expressed through the voice of the New South Wales Greens, who notably mimic the same words and the same policy positions as Vladimir Ilyich Lenin.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [6.25 p.m.], in reply: I thank honourable members for their contributions to the debate. I commend the State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013 to the House.

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

The House divided.

Ayes, 29

Mr Ajaka	Mr Gay	Mr Primrose
Mr Blair	Mr Green	Mr Searle
Mr Borsak	Mr Khan	Mr Secord
Mr Clarke	Mr MacDonald	Mr Veitch
Ms Cotsis	Mr Mason-Cox	Ms Westwood
Mr Donnelly	Mrs Mitchell	Mr Whan
Ms Fazio	Mr Moselmane	Mr Wong
Mr Foley	Reverend Nile	*Tellers,*
Mr Gallacher	Mrs Pavey	Dr Phelps
Miss Gardiner	Mr Pearce	Ms Voltz

Noes, 5

Ms Barham
Mr Buckingham
Ms Faehrmann

Tellers,
Dr Kaye
Mr Shoebridge

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

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

Third Reading

Motion by the Hon. Greg Pearce agreed to:

That this bill be now read a third time.

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

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): Order! Members who are conducting private conversations should leave the Chamber in silence.

The Hon. Lynda Voltz: Point of order: It is impossible for Hansard or anyone in the Chamber to hear what is going on due to the level of noise. Perhaps members who are conversing could leave the Chamber.

DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones): Order! I uphold the point of order. Again, I ask members who are having private conversations to leave the Chamber.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL 2013

CASINO CONTROL AMENDMENT (SUPERVISORY LEVY) BILL 2013

ENERGY SERVICES CORPORATIONS AMENDMENT (DISTRIBUTOR EFFICIENCY) BILL 2013

Bills received from the Legislative Assembly.

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

Motion by the Hon. Greg Pearce agreed to:

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

Bills read a first time and ordered to be printed.

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

[*Deputy-President (The Hon. Natasha Maclaren-Jones) left the chair at 6.35 p.m. The House resumed at 8.00 p.m.*]

PETROLEUM (ONSHORE) AMENDMENT BILL 2013

CHILD PROTECTION LEGISLATION AMENDMENT (CHILDREN'S GUARDIAN) BILL 2013

Bills received from the Legislative Assembly.

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

Motion by the Hon. Michael Gallacher agreed to:

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

Bills read a first time and ordered to be printed.

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

GAMING MACHINES AMENDMENT (MULTI-TERMINAL GAMING MACHINES IN CLUBS) BILL 2013

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [8.02 p.m.]: I move:

That this bill be now read a second time.

I seek leave to incorporate my speech in *Hansard*.

Leave granted.

The Gaming Machines Amendment (Multi-terminal Gaming Machines in Clubs) Bill 2013 implements a commitment from the Liberals and Nationals Government's memorandum of understanding with ClubsNSW.

The bill implements the memorandum of understanding commitment by relaxing the current multi-terminal gaming machine restrictions for small clubs with up to and including 33 gaming machine entitlements and allowing such venues to operate up to five multi-terminal gaming machine player terminals.

Under the memorandum of understanding the Liberals and Nationals undertook to remove limitations on installing multi-terminal gaming machines [MTGMs] in clubs. Section 61 A of the Gaming Machines Act 2001 currently restricts a club's multi-terminal gaming machine holdings to no more than 15 per cent of the venue's overall number of gaming machines.

A multi-terminal gaming machine is a gaming machine designed to be played by more than one player at a time and which is equipped with more than one player terminal. A multi-terminal gaming machine is typically an electronic version of roulette or blackjack with a virtual croupier or dealer but can also comprise other games.

The bill implements the Government's commitment in a measured fashion by limiting the concessions to small clubs. The measures in the bill focus on small clubs in order to promote their viability. The approach recognises that the current 15 per cent restriction in the Gaming Machines Act adversely impacts small venues by effectively preventing the operation of any multi-terminal gaming machines at all. For example, a club with only 10 gaming machines would immediately breach the 15 per cent limit if they operated a two-terminal multi-terminal gaming machine.

The bill is also faithful to the original policy objective underpinning the 15 per cent cap on multi-terminal gaming machines—namely to prevent large clubs resembling mini casinos and having an entire gaming room floor full of multi-terminal gaming machines. Limiting the proposal to small clubs maintains this policy position while providing relief to small venues.

The bill is also restricted to small clubs on harm minimisation grounds due to multi-terminal gaming machines having higher bet and prize limits compared to those offered on standalone gaming machines. Small clubs with only 33 machines or less do not provide large gaming machine offerings or attract high levels of gambling activities. Furthermore it is unlikely that these clubs will offer the maximum permissible prizes due to their smaller scale operation.

Under clause 16 of the Gaming Machines Regulation if the maximum multi-terminal gaming machine prize exceeds $20,000 clubs must have a bank guarantee or special account and this account must have a balance of at least the total value of the jackpot prize that may be won. This existing restriction will significantly limit the number of small clubs offering higher prizes and mitigate any associated potential risk that this may pose.

The measures in this bill will not increase the total number of machines authorised in individual clubs or within New South Wales. Small clubs benefitting from the bill will still have to operate within their existing maximum permissible gaming machine limits. This is because one multi-terminal gaming machine seat or player terminal is equivalent to a standalone gaming machine and the current gaming machine entitlement trading scheme will still apply which facilitates an ongoing reduction in the total number of gaming machines in New South Wales.

The bill merely gives small clubs holding a maximum of 33 gaming machine entitlements the option of altering their mix of multi-terminal gaming machines and standalone gaming machines subject of course to a maximum limit of five multi-terminal gaming machines.

Furthermore the strict gambling harm minimisation requirements that apply to all gaming machine venues will continue to be in force. These measures include the mandatory availability of self-exclusion schemes to support people at risk of problem gambling as well as a mandatory six-hour daily shutdown of gaming machines in all hotels and clubs, a ban on credit card cash withdrawals from automatic teller machines and a prohibition on gaming machine advertising.

In addition, there are then usual requirements for Gambling Help line information to be placed on every gaming machine. gaming venues to install accurate clocks and all people working in gaming venues to be trained in the Responsible Conduct of Gambling.

Problem gambling counselling and support services are located across New South Wales and 24-7 help is available via telephone and online services. Contracts worth more than $48 million over four years were recently awarded for high quality counselling and support services for problem gamblers across New South Wales. These organisations and services will deliver best practice programs and support to efficiently and effectively target problem gambling on the front-line of metropolitan regional and remote communities—right across our State.

These services and measures will assist in keeping problem gambling in New South Wales at a rate among the lowest in the country as confirmed by the recent prevalence study into gambling and problem gambling in New South Wales.

This bill implements a Government election commitment in a measured and appropriate manner. It promotes the viability of small clubs while safeguarding the interests of their members and the wider community.

I commend the bill to the House.

The Hon. STEVE WHAN [8.02 p.m.]: The purpose of the Gaming Machines Amendment (Multi-terminal Gaming Machines in Clubs) Bill 2013 is to amend the Gaming Machines Act 2001 to allow small clubs with a maximum of 33 gaming machine entitlements to substitute up to five gaming machine entitlements for an equivalent number of multi-terminal gaming machine player terminals. Multi-terminal gaming machines have a number of seats around a single casino-style game but the game is conducted electronically, therefore, the croupier is electronic. Multi-terminal gaming machines have been used in larger clubs for some time.

Under the former Government, these machines were allowed to be introduced but a cap of 15 per cent of the club's entitlements of gaming machines was put in place to protect the casino's operation, and the Government is proposing to keep it in place with this legislation. For the purpose of the Act each player at a terminal equates to a separate gaming machine and is counted as part of the total number of the gaming machines kept by a club. It is important to note that if a club presently has 20 gaming machines and it decides to take up a multi-terminal gaming machine with five terminals—that is five seats—then it will have only 15 other machines in the club. It is not a sneaky way of getting around the overall entitlements that the club has in place.

At the last election the Government made a commitment to ClubsNSW as part of its memorandum of understanding. We have seen a number of items of legislation come to this place to be implemented. I note that

the Government has not implemented its commitment to ClubsNSW in full in this legislation. Its commitment to ClubsNSW was to remove the limitations on installing multi-terminal gaming machines in clubs altogether. It did not talk about the 15 per cent cap. This legislation has wound that back by suggesting that the 15 per cent cap will be left in place and the concession introduced in this legislation will simply be for small clubs with fewer than 33 machines.

The 15 per cent cap is not particularly useful for small clubs because 15 per cent of a 20-machine club entitlement does not provide enough seats at a table for that to be a useful piece of infrastructure for a small club. The Opposition supports the legislation the Government is introducing. I have recently noted some comments in the *Sydney Morning Herald* that suggested—

The Hon. Trevor Khan: You had time when you were at Bundarra?

The Hon. STEVE WHAN: I was reading a novel at Bundarra. In reference to the interjections, the cuts to education funding that have been implemented by this Government will potentially stop the Bundarra school from providing schooling for year 11 and year 12 students. The distance education programs that allow year 11 and 12 kids at Bundarra school to access classes are being cut. It is disappointing that the people of Bundarra did not see fit to vote in a direction that would save year 11 and year 12 students at their school. Twenty-five or so did.

The Hon. Trevor Khan: Not "or so".

The Hon. STEVE WHAN: Twenty-five exactly if we must be precise, which is a 5 per cent increase in our vote. If I had not been there, who knows?

Dr John Kaye: Might have been 35.

The Hon. STEVE WHAN: Might have been. Members will be pleased to know that The Greens got three votes at that booth and the Christian Democratic Party got zero. Returning to the legislation, the *Sydney Morning Herald* published an article saying that this legislation will contribute to more problem gambling in the community. I dispute that. There are different markets for gaming. Presumably multi-terminal gaming machines appeal to some segments of the community more than normal poker machines otherwise clubs would not be installing them. The article in the *Sydney Morning Herald* suggested that because multi-terminal gaming machines have higher caps on the amount that is gambled in one go gambling problems would increase. I have discussed this topic with the Minister's advisers and I have briefly discussed it with ClubsNSW. The claim in the *Sydney Morning Herald* is not entirely valid. The difficulty is that even though the limit on the multi-terminal gaming machines is $100, that amount can only be spent over a longer period of time. One turn on a multi-terminal machine takes substantially longer than one turn on a poker machine.

Dr John Kaye: How much longer?

The Hon. STEVE WHAN: Dr John Kaye asks, "How much longer?" It may be that he is an avid user of poker machines and can enlighten us. As a non-poker machine user, I understand that $10 or so can be spent every pull of the lever or every press of the button of a poker machine. There can be many presses of the button in a minute or a minute and a half, which is the time period for a spin on a multi-gaming machine terminal. The argument that money is spent more quickly does not hold up in this case. It is a larger total maximum bet, but it happens far less frequently than on a poker machine.

However, that does not take away the need for the Government and the clubs to continue to deal proactively with problem gambling in New South Wales. Nothing I say in support of this legislation will remove the need to continue to identify and assist people who have a gambling problem, which only causes hardship and great angst to them and their loved ones. I have had a lot of contact with clubs in my area and also ClubsNSW about the initiatives that have been taken. I am well aware of the initiatives that the former Government took to ensure that a substantial amount of money each year is allocated to address problem gambling and that services are available at each venue for those who have gambling issues.

There is no doubt that multiterminal gaming machines offer some people an attractive gambling and entertainment option. In a State in which we have the freedom to gamble our money should we so choose, it is not unreasonable to say that small clubs should have what big clubs have as provided by the Labor Government. I am sure that Clubs NSW is not happy about the retention of the 15 per cent cap for large clubs. However, it is

a valid cap and I note that it is supported by the casino operators because they want to protect their market. I understand that we may have the opportunity to discuss the casino during debate on another piece of legislation later tonight.

As I said, the Government has introduced a number of pieces of legislation dealing with the agreement it reached with the clubs. If the Government has introduced legislation to honour an election commitment, the Opposition has highlighted its concerns but has generally supported it. In this case it is willing to support the legislation because it does not believe it will increase problem gambling and it is reasonable for the Government to give small clubs with up to 33 machines access to multiterminal gaming machines. The Opposition therefore supports the bill.

Dr JOHN KAYE [8.11 p.m.]: The Greens strongly oppose the Gaming Machines Amendment (Multi-terminal Gaming Machines in Clubs) Bill 2013. This legislation amends the Gaming Machines Act 2001 to allow clubs that hold no more than 33 gaming machine entitlements or licences to combine five of those entitlements or licences in one multiterminal gaming machine. That is, small clubs will be able to convert five licences to one multiterminal machine that accommodates a maximum of five players. The legislation does not allow any additional gaming terminals in a club, but it does allow some of the terminals to be converted to multiterminal gaming machines.

Until now, no more than 15 per cent of a club's gaming machines could be multiterminal machines. Of course, the maths does not work if the club has 33 machines or fewer, and this legislation addresses that problem. I acknowledge that it affects only small clubs with 33 machines or fewer. However, fortunately the O'Farrell Government has seen the light and has not gone the full monty in its memorandum of understanding with the clubs. Members would be aware of the memorandum of understanding signed by ClubsNSW and the O'Farrell-Stoner Opposition in the lead-up to the 2011 election in which a number of commitments were made to the industry in return for which the Coalition received extremely favourable treatment in *Club Life*. I have spoken previously about an edition of *Club Life* published in the lead-up to the election—

[*Interruption*]

The Hon. John Ajaka: Point of order: I cannot hear the honourable member because of the discussion taking place at the table.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! I uphold the point of order.

Dr JOHN KAYE: It was fortunate that the Coalition did not go the full monty with the memorandum of understanding in respect of multiterminal gaming machines because if it had we would now have unregulated multiterminal gaming machines. I note that the Opposition supports the legislation because it believes that no harm will be done. In fact, if members believe what the Opposition spokespersons in this place and in the other place said, there will be no increase in gambling as a result of this legislation. It is interesting to ponder why when the Labor Party was in government it maintained the 15 per cent cap if no harm will be done.

Like me, the Hon. Steve Whan does not use electronic gaming machines. However, unlike him I have acquainted myself with how they work. The member appears to have confused spins and bets and he was not comparing like with like. If he wished to compare like with like, he should have compared a $10 bet on a single electronic gaming machine with a $100 bet on a multiterminal electronic gaming machine. The speed of betting on the multiterminal gaming machine is only slightly less and my research suggests a potential eightfold increase in losses.

Multiterminal gaming machines also will be more attractive to many people and they will enable clubs to cast a broader net. We know they are more attractive because clubs are primarily interested in maximising revenue earned from gaming machine entitlements. The 15 per cent cap would have been entirely unnecessary if they were not more attractive to a substantial number of gamblers. That means there will be more opportunities for problem gamblers. In the interests of transparency, I point out that the only mitigating phenomenon is that multiterminal gaming machines probably cause less extreme problematic gambling because players are overseen by other players. Nonetheless, there will be greater capacity for gamblers to squander their money while playing these casino-style games.

The second issue of concern that was not addressed by the Government or the Opposition is the fact that these casino-style games will be spread throughout the community. It is one thing to have electronic poker machines—and I am on the record having raised my concerns about their impact—but this legislation will facilitate even greater penetration of casino-style games.

The Hon. Dr Peter Phelps: Have you ever heard of something called the "internet"?

Dr JOHN KAYE: I acknowledge that interjection from the Hon. Peter Phelps, who is now leaving the Chamber. He is demonstrating yet again his incredible lack of common courtesy. The key issue is that these are casino-style games involving many players. In effect, this legislation will create mini casinos across New South Wales; almost every neighbourhood will now have a mini casino in the form of a multiterminal gaming machine. There are good reasons that we have limited the number of casinos in this State to one. Hopefully, that situation will not change, but it would appear that the O'Farrell Government, with the assistance of the Labor Party, will increase that number to two. This legislation will ensure that the problems caused by casino-style gaming machines are spread even further.

The O'Farrell Government argues that this legislation is designed to ensure the financial viability of smaller clubs. That may be true, but we must ask ourselves whether we should support the financial viability of any institution on the basis of its capacity to collect gaming revenue. Gaming revenue tends to be the most regressive form of taxation. In effect, by allowing multiterminal gaming machines in smaller clubs Parliament is extending the capacity of those clubs to collect revenue from, on average, some of the poorer and more disadvantaged members of our community. This legislation is deeply regressive, and the tax burden will fall more heavily on individuals who can least afford to part with their money. It is worse than a flat tax because it increases for those who can least afford to pay. That is true for all gaming machines. This legislation will increase the amount of revenue being captured from people who can least afford to lose it.

This problem is spread throughout the clubs industry in New South Wales. The corner clubs, which I accept have a greater problem generating revenue—and there is a good and substantial reason for that—will now have access to yet more problematic gambling that will supposedly give them a firmer revenue base. In the end, the State of New South Wales has to make a decision: Do we want clubs or do we not? If we want clubs are we happy for them to be supported by revenue from problem gamblers? According to the Productivity Commissioner 40 per cent of clubs' revenue comes from problem gamblers and the rest comes predominantly from people who can least afford to part with that money. Do we want to continue the concept of clubs being supported, in large measure, by human misery? Is that appropriate? If we feel the need to have clubs, surely we must look for ways that will make them financially viable without resorting to regressive and damaging forms of taxation such as raising revenue from gaming machines.

The Greens are concerned that this legislation extends into small clubs some of the problems that we are experiencing in larger clubs. It is true that casino gambling has been made much worse by its prevalence on the internet. Internet gambling is an extremely dangerous form of gambling. Many people lose large sums of money—in many cases it is completely unregulated and untaxed—when gambling on the internet in their homes, where they have no hope of any support from peers or from the provider of the gambling opportunity. That is a major problem with which legislators at both State and Federal levels are only just beginning to grapple. That being said, it does not mean we should create yet another opportunity for people to squander their life's earnings or for family misery. The internet gambling problem is bad enough. It is hard for me to understand why we would then compound that problem with casino games at corner clubs.

Surely the answer is to regulate the damage being done by electronic gaming machines, whether multiterminal or single terminal, and to reduce the reliance of clubs on revenue from gaming machines by giving them access to other revenue sources. In the end, we must begin the process of regulating internet gambling. I accept that that is a very difficult task, which is challenging not just constitutionally but also technologically. Nonetheless, that does not mean we should not try to do it. This bill poses a large number of questions, and I hope that the Minister at the table will give us some answers. We have heard the view of the Australian Labor Party—and the Hon. Steve Whan admits that he is not an affectionado of gaming machines. I am not an affectionado of gaming machines and I doubt whether the Hon. Amanda Fazio is an affectionado of gaming machines.

The Hon. Amanda Fazio: No, I am an aficionado.

Dr JOHN KAYE: She has no affection for anything, it would appear.

The Hon. John Ajaka: That's not true; she loves you.

Dr JOHN KAYE: That's awful. Neither the Hon. Steve Whan nor I am in a position to give an informed opinion on this issue—although we have both done so. I ask the Minister for Police and Emergency

Services, who is at the table, to tell us the maximum rate of loss per hour on a multiterminal gaming machine per terminal? How does that compare with the maximum loss on a single-terminal gaming machine? Will the Minister also provide the data on which he bases that assertion?

The Hon. Michael Gallacher: I'll pull that out of a special place.

Dr JOHN KAYE: I acknowledge the interjection.

The Hon. Michael Gallacher: Yes, that's right; as if I've got that sitting in the folder.

Dr JOHN KAYE: The Minister complains about a question that I have put to him, but there are advisers in the advisers area. A lot turns on this matter so I hope those advisers came to the Chamber armed with information and prepared for an open debate.

The Hon. Dr Peter Phelps: Rubbish.

Dr JOHN KAYE: I note the interjection of the Hon. Dr Peter Phelps, who says it is rubbish that they should be prepared.

The Hon. Dr Peter Phelps: Point of order: Dr John Kaye is clearly misleading the House. His contribution is rubbish.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! The Hon. Dr Peter Phelps will resume his seat.

Dr JOHN KAYE: I do not think that is a point of order, Madam Deputy-President.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! There is no point of order.

The Hon. Trevor Khan: No, but it's accurate.

Dr JOHN KAYE: I note the vociferous support that the Government Whip received from the Hon. Trevor Khan, who appears also to be an affectionado of gaming machines. I hope that the Minister will answer my questions. How many clubs will be able to access the bill's provisions? Where are those clubs located? Are they largely in the wealthier suburbs or in Sydney's south-west? Will clubs need to undertake a local impact assessment to switch over machines or is the approval of current machines enough? Is there a need for a separate approval process?

I will not be voting for this legislation, and nor will other members of The Greens. I hope that other members are prepared to stand up for the communities that are afflicted by problem gambling and will say no to the legislation. I acknowledge that this is an election commitment of the O'Farrell Government, although one made not to the people of New South Wales but to a particular vested interest. I suspect that a moral analysis will find that an election commitment made to a vested interest in return for some favours in terms of promotion in a magazine does not really constitute an election commitment. This is an opportunity for the O'Farrell Government to show that it cares more about the people of New South Wales, particularly those who are vulnerable to problem gambling, than it does about the deals it has cut with ClubsNSW and its mates in the club industry. The Greens will not support the legislation and we urge other members to join us in making a stand against the damage being done by electronic gaming machines.

Reverend the Hon. FRED NILE [8.29 p.m.]: On behalf of the Christian Democratic Party, I oppose the Gaming Machines Amendment (Multi-terminal Gaming Machines in Clubs) Bill 2013. The bill will amend the Gaming Machines Act 2001 to allow small clubs with a maximum of 33 gaming machines—I call them "gambling machines"—entitlements to substitute up to five gaming machine entitlements for an equivalent number of multiterminal gaming machine, known as MTGM, player terminals.

A multiterminal gaming machine is a gaming machine designed to be played by more than one player at a time and is equipped with more than one player terminal. Each player terminal is taken to be a separate gaming machine for the purpose of the Act and is counted as part of the total number of gambling machines that may be kept by a club. The total number cannot exceed the number of gaming machine entitlements held by the club. Importantly, a multiterminal gaming machine is typically an electronic version of roulette or blackjack

with a virtual croupier or dealer, but it can also comprise many other games. Currently, in this State we are debating how many casinos we should have. By law we have one: The Star, which is operated by Echo Entertainment at Darling Harbour, while James Parker, on behalf of Crown, has submitted a proposal for a hotel and casino development at Barangaroo.

Under this bill the clubs in this State—whether RSL clubs, football clubs, workers clubs and so on, which are already supported by poker machine takings—will now have this electronic version of roulette or blackjack as well. This will make them mini casinos. The people of this State do not want that, nor can we afford it socially or economically. In the lead-up to the last election the Coalition entered into a memorandum of understanding with ClubsNSW. This bill, which is the result of one of the commitments given at that time, will basically expand gambling facilities in New South Wales. This is a bad move for our State. Sadly, our most exploited suburbs are the western suburbs of Sydney, where people gamble but cannot afford to. In fact, the largest clubs—clubs with more than 1,500 poker machines—are found in our lower economic areas. This legislation will result in increased revenue for the State Government but it is a form of exploitation of those who gamble. We do not want mini casinos in New South Wales.

Members have probably heard me tell the story about my brother, who is a director and treasurer of the Bankstown Trotting Recreational Club, inviting me to the club. He rang me and said, "Fred, I would like you to come over to the club. I want to show you something." I asked, "What is that?" He said, "We have just installed another $2 million worth of poker machines. I am very proud of what I am doing. I would like you to inspect it." I said, "You know I am trying to close them down." He said, "I know that but as my brother I would like you to come and have a look at them." So I went over. Everyone who was busily playing the machines said, "Hi Fred" to me as I walked around. The culture of poker machines is such that people are virtually tied to them. They play them for hours. Often a lot of older ladies play the machines. Perhaps they are lonely and have no other interests so they become attached to playing poker machines. They put whatever money they have—I do not believe they can afford to do it—through the poker machines. Gambling is having a big impact on our society.

I have had a number of discussions with the Premier about this. It is my view that we should conduct a parliamentary inquiry into the social, economic and moral impact of gambling in New South Wales. The Premier is not enthusiastic because the policies of this Government are supportive of gambling and its extension, but he indicated that he would, in principle, consider the possibility of holding an inquiry but not during the Federal election campaign. We do not want to get the issues mixed up with the Federal election, so I agree it will have to be after it. However, I recently saw in the newspapers that the State Government has announced that an inquiry into gambling will be conducted by the Department of Premier and Cabinet. I ask that the Minister seated at the table clarify in his speech in reply the details of that inquiry and whether it will cancel out a prospective parliamentary inquiry. In my view it would be better to have an open, public hearing at which all interested groups, including community groups, clubs and experts with knowledge of the impacts of gambling, can give evidence.

I am concerned about all areas of gambling in this State. Pleasingly, there has been a backlash against live odds betting during sports broadcasts. The Federal Government has announced that it will introduce restrictions, but it should go further. If I had my way there would be no gambling promotion on television or radio in this State. It is well known that all radio stations have segments where bookmakers give odds not only on horse races but also on which team will win the rugby league, which player will score the first try, which player will kick the first goal and so on. We know about countries such as India and Pakistan where bookmakers bribed players to achieve certain outcomes to suit their business interests—the bookmakers would win and those betting would lose as a result of the rigged games. I am concerned that an expansion of gambling will eventually corrupt our sporting industry. Indeed, players in certain teams in this State have already been approached by bookmakers; we need to crack down on this.

Currently section 61A of the Act restricts the multiterminal gaming machine holdings of a club to no more than 15 per cent of the venue's overall number of gambling machines. The bill preserves the original policy objective underpinning the 15 per cent cap on multiterminal gaming machines—namely, to prevent large clubs resembling mini casinos. But one has only to visit a club to see that the atmosphere is one of a mini casino. It also provides relief to small venues for whom the current 15 per cent cap effectively prevents the operation of multiterminal gaming machines. For example, a club with only 10 gambling machines would immediately breach the 15 per cent limit if it operated a two-terminal multiterminal gaming machine.

As I said earlier, the bill implements a Coalition election commitment in its memorandum of understanding with ClubsNSW. The Government contends it will not increase the number of machines authorised in an individual club or within New South Wales. It is the view of the Christian Democratic Party that it will expand gambling in New South Wales, and for that reason we will vote against the bill.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [8.38 p.m.], in reply: I thank all honourable members for their contributions to debate. The Gaming Machines Amendment (Multi-terminal Gaming Machines in Clubs) Bill 2013 implements one of the final commitments in the Liberal-Nationals Coalition memorandum of understanding with ClubsNSW. This commitment has been canvassed on a number of occasions during debate this evening. It does so in a measured and appropriate way, acknowledging the need to support small clubs whilst paying due adherence to safeguarding the needs and interests of club members and the wider community. The bill is carefully balanced and provides small clubs with the flexibility to adjust the ratio of the gaming machine products they make available to their members within strictly defined limits and without increasing the total number of gaming machines in the community.

I was asked a question about the game time cycle. I understand that there is a fundamental difference in the operation of these machines compared with a spinning wheel or poker machine. Roulette or blackjack is one to two minutes whereas the game cycle in a poker machine or gaming machine comes within a couple of seconds. The time between the spins of the wheel is much longer when compared with a single-play gaming machine, which is governed by the spin frequency of the reels. Further, the maximum bet for a multiterminal gaming machine is higher than that for a gaming machine. That does not mean that each play involves the maximum bet. In summary, the number of multiterminal games during a specified period will, by definition, be significantly less than the number of possible plays of the gaming machine. Therefore, that should be taken into account when comparing multiterminal gaming machines and spinning or poker machines.

I was also asked about the impacts particularly relating to turning local corner clubs into mini casinos. Although multiterminal gaming machines have higher prize limits, it is unlikely that small clubs with 33 machines or fewer will offer the maximum permissible prize due to their smaller-scale operation and the different patron profiles between varying club types. Under clause 16 of the Gaming Machines Regulation, if the maximum multiterminal gaming machine prize exceeds $20,000 clubs must have a bank guarantee or special account, and this account must have a balance of at least the total value of the jackpot prize that may be won. This existing restriction will significantly limit the number of smaller clubs offering higher prizes and mitigate any associated potential risk that this may pose.

Reverend the Hon. Fred Nile asked about internet gaming and the Responsible Gambling Fund. As members will be aware, internet gaming is a Commonwealth matter; it is spelt out in the Commonwealth gaming legislation of 2001. As for the Responsible Gambling Fund, there was a recent announcement about the Responsible Gambling Fund research project funded to the value of $290,000. This project will look at the impact of different forms of gambling, gaming machines, lotteries, internet, et cetera. I hope that is of assistance to the member in terms of his questions about a recent announcement relating to research work.

Reverend the Hon. Fred Nile: Does that prevent a parliamentary inquiry in due course?

The Hon. MICHAEL GALLACHER: I have been advised that it is separate research work. An inquiry can still be undertaken. In conclusion, I thank members for their contributions. I commend the bill to the House.

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

The House divided.

Ayes, 27

Mr Ajaka	Mr Gay	Mr Secord
Mr Blair	Mr Khan	Mr Veitch
Mr Clarke	Mr MacDonald	Ms Westwood
Ms Cotsis	Mrs Maclaren-Jones	Mr Whan
Ms Cusack	Mr Mason-Cox	Mr Wong
Mr Donnelly	Mr Moselmane	
Ms Fazio	Mrs Pavey	
Mr Foley	Mr Pearce	*Tellers,*
Mr Gallacher	Mr Primrose	Dr Phelps
Miss Gardiner	Mr Searle	Ms Voltz

Noes, 8

Ms Barham	Ms Faehrmann	*Tellers,*
Mr Borsak	Reverend Nile	Mr Green
Mr Buckingham	Mr Shoebridge	Dr Kaye

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

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

Third Reading

Motion by the Hon. Michael Gallacher agreed to:

That this bill be now read a third time.

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

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Order of the Day No. 8 postponed on motion by the Hon. Michael Gallacher.

INDEPENDENT COMMISSION AGAINST CORRUPTION AND OTHER LEGISLATION AMENDMENT BILL 2013

Second Reading

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [8.51 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

The Independent Commission Against Corruption and Other Legislation Amendment Bill 2013 is a further step in the series of measures that the Government is taking to improve confidence in public administration in New South Wales. The reforms in this bill have been requested by each of the integrity and law enforcement agencies that are affected. They will strengthen our integrity and law enforcement agencies, and remove obstacles and red tape that inhibit the efficient discharge of their functions. The bill will amend the Independent Commission Against Corruption Act 1988 and other legislation to enable certain information, including criminal intelligence, to be requested, disclosed and used for vetting applicants for positions with the Independent Commission Against Corruption, the New South Wales Crime Commission, the NSW Police Force, and the Police Integrity Commission.

This bill will facilitate our integrity and law enforcement agencies to effectively screen prospective employees for their suitability. It will also apply to vetting applicants for positions with the inspectors of each of these three commissions. Two further reforms will ensure that the Ombudsman has access to information held by public sector organisations, which he requires to perform his functions. The bill also will exempt appropriately trained officers of the Police Integrity Commission from the requirement to have licences or permits for certain firearms and weapons while performing Police Integrity Commission duties. This will eliminate unnecessary paperwork for appropriately trained officers at the Police Integrity Commission who need access to a range of firearms and weapons to perform their investigation and surveillance duties.

Finally, the bill will enable judges or former judges of the District Court of New South Wales to be appointed as Chairperson of the Management Committee for the New South Wales Crime Commission. It is proposed to amend the legislation governing the four agencies that investigate crime and corruption in New South Wales—namely the Independent Commission Against Corruption, the Police Integrity Commission, the Crime Commission, and the NSW Police Force—to authorise the use of personal information held by Government agencies, and in particular the criminal information database maintained by the NSW Police Force, the Register of Births, Deaths and Marriages, and the Roads and Maritime Services Licences Register, in the process of determining the suitability of an applicant for employment, or a prospective consultant.

The screening process includes reviewing the criminal history of and criminal intelligence about not only an applicant, who gives his or her consent to a security check as part of the application process, but also associates of the applicant. As the applicant may not be aware of the criminal history of his or her associates, it is important that the agencies do not merely rely on the applicant to disclose this information about his or her associates, and it is not sufficient to rely on the applicant obtaining consent from these associates, who may or may not have been identified as such by the applicant.

The agencies need to be confident that their prospective employees are not at risk of coercion, exploitation or improper influence by family members or associates, who may seek to take advantage of the employee's access to highly sensitive information and resources. The Government is committed to providing these agencies with the necessary powers to ensure they maintain the highest integrity. In two years the Attorney General will appoint a former judge or similarly well-qualified person to review the practices and procedures adopted by agencies using vetting information. A review report will be submitted to the Attorney General and the relevant Minister who may make recommendations in relation to the collection, use and disclosure of vetting information, and related practices and procedures in the future.

Amendments proposed to the Police Integrity Commission Act 1996 in this bill will provide the same exemption for appropriately trained officers of the Police Integrity Commission in relation to the use of firearms and other police equipment as is currently in place for officers of the Police Integrity Commission who are "approved former police officers" and "seconded police officers" from other jurisdictions. In a report published in December 2012 the Parliamentary Joint Committee on the Ombudsman, the Police Integrity Commission and the Crime Commission reviewed and supported a request from the Police Integrity Commission that investigators be provided with access to antipersonnel spray, batons and magazines for semiautomatic pistol ammunition in a manner that does not require appropriately trained officers to obtain licences or permits. Those amendments will reduce paperwork and delays for the Police Integrity Commission. This bill also contains two proposals to assist the Ombudsman to access information from public service agencies.

The first will authorise public sector agencies to provide personal information to the Ombudsman in response to a preliminary inquiry without having to comply with certain information protection principles, giving statutory effect to a current temporary direction by the Privacy Commissioner. The second will enable records relating to young offenders that have made under the Young Offenders Act 1997 to be disclosed to and kept by the Ombudsman. A further amendment in the bill relates to the appointment of an independent chair of the New South Wales Crime Commission Management Committee under the Crime Commission Act 2012. The primary role of the management committee is to make references for investigations conducted by the Crime Commission. The new position of an independent chairperson of this committee was based on a recommendation of the report into the Crime Commission, with the purpose of the independent chair being to provide greater independence, oversight and scrutiny to the management committee decisions.

The report recommended that the role be performed "by a retired or former judge of an Australian court". This recommendation was adopted in the Crime Commission Act 2012 but was restricted to a former judge of the Supreme Court, a former judge of the Federal Court, or a former justice of the High Court of Australia. Mr David Patten subsequently was appointed to the role of chair. Mr Patten had been a District Court judge and an Acting Supreme Court judge. To make it abundantly clear that the appointment of Mr Patten is valid, the Crime Commission Act 2012 is being amended retrospectively to add a former judge of the District Court of New South Wales to the eligibility criteria. The Government is committed to improving accountability and ethical standards in public administration. The reforms in the bill will strengthen and support our integrity and law enforcement agencies. I commend the bill to the House.

The Hon. LUKE FOLEY (Leader of the Opposition) [8.52 p.m.]: I speak on the Independent Commission Against Corruption and Other Legislation Amendment Bill 2013. This bill will amend the Independent Commission Against Corruption Act 1988 and other legislation to enable certain information to be requested, disclosed and used for vetting applicants for positions with the Independent Commission Against Corruption, the New South Wales Crime Commission, the NSW Police Force and the Police Integrity Commission. The bill provides access to information about job applicants and their associates for use in determining the suitability of a candidate for a position at key policing and integrity bodies.

Vetting information to be made accessible under the bill includes any criminal intelligence report or other criminal information; information held in the Births, Deaths and Marriages register; information held by Roads and Maritime Services relating to licences or other authorities' offences or penalties; information held by Corrective Services NSW and the Department of Attorney General and Justice; information held by CrimTrac; information held by a law enforcement agency; information held by an agency of the Commonwealth or of the State or another State or Territory investigating public sector corruption; information held by an agency of a jurisdiction outside Australia, being an agency responsible for the enforcement of laws of that jurisdiction; and information prescribed by the regulations that is held by a public authority or by a government agency of another jurisdiction whether in or outside Australia. These authorities must provide this information on request where the applicant has consented to this information being made available to the relevant commissioner. The commissions and NSW Police Force may also access, without consent, information regarding associates or relatives of the applicant for use in screening candidates.

The New South Wales Commissioner of Police is granted authorisation at any time to disclose to commissions information about the criminal history of a person for the purpose of vetting an applicant, including information relating to spent convictions, despite anything to the contrary in the Criminal Records Act 1991; information relating to criminal charges, whether or not heard, proven, dismissed, withdrawn or

discharged; and information relating to offences, despite anything to the contrary in section 579 of the Crimes Act 1900. These changes are being made retrospectively to cover any previous actions by the commissions to access and use information for vetting candidates in line with the new provisions.

While the Opposition supports allowing agencies such as the Police Integrity Commission and the Independent Commission Against Corruption to conduct investigations into potential employees, we do have concerns about the NSW Police Force being able to access, without consent, information regarding any associate or relative of an applicant for use in screening candidates. The fact that this information will not be disclosed to an applicant denies the police officer any procedural fairness. This could mean that an officer's friends, family and associates can be investigated and the officer can be denied a job based on this information, yet never know why they were denied. This denies officers the chance to challenge these decisions. The Minister in reply should assure the House that these provisions will not be misused by the NSW Police Force and that every police officer in New South Wales will be protected.

The bill also extends eligibility to serve on the Crime Commission Management Committee. The primary role of the Crime Commission Management Committee is to make references for investigations. The amendment allows former judges of the District Court of New South Wales to be appointed or to act as the chairperson. At present, eligible persons are limited to a former judge of the Supreme Court of any other State or Territory, a former judge of the Federal Court of Australia or a former justice of the High Court of Australia. Mr David Patten was appointed to the role of chair. Mr Patten had been a District Court judge and an Acting Supreme Court judge. The Government now needs to amend this legislation to ensure the appointment is valid. In addition, the bill will allow for information disclosed to the Ombudsman as part of the investigation to not be subject to privacy laws.

Public authorities will be permitted to disclose information to the Ombudsman without having to comply with provisions 16, 17, 18 and 19 of the Privacy and Personal Information Protection Act 1998. Provisions 16, 17, 18 and 19 of the Act include responsibility of a government agency to check the accuracy of personal information before it is used; limits on the use or disclosure of personal information to where the individual has consented to its use for that purpose and in situations where there is a serious and imminent threat to the individual's life or health; and prohibition of disclosure of personal information relating to ethnic racial origin, political opinion, religious or philosophical beliefs, trade union membership or sexual activities, unless the disclosure is necessary to prevent a serious and imminent threat to the life or health of the individual concerned or another person.

Waiver of these provisions is limited to where the Ombudsman is conducting a preliminary inquiry to decide whether to conduct an investigation into a public authority or agency. This may occur with or without a complaint being made. The Government claims this is in line with a temporary direction by the NSW Privacy Commissioner and will make this direction statutory.

The bill will also allow for Police Integrity Commission officers to carry firearms. The bill gives the Police Integrity Commission the power to deem a member of staff as an appropriately trained officer. This exempts the officer from requiring firearm licences or permits. The officer will be permitted to carry and use firearms, anti-personnel spray, batons, magazines for semiautomatic pistols, handcuffs and body armour vests. Previously, only police officers seconded to the Police Integrity Commission or former police officers were eligible to carry these weapons. This comes from a request made by the Police Integrity Commission to the parliamentary Committee on the Ombudsman, the Police Integrity Commission and the Crime Commission.

The committee did not receive any submissions opposing that request, and it received support from the Inspector of the Police Integrity Commission, the NSW Police Force Firearms Registry and the Office of the NSW Ombudsman. The bill also removes the requirement for the Ombudsman to destroy or expunge records relating to young offenders. This mirrors provisions for records to be kept by the Bureau of Crime Statistics and Research. It also allows for information regarding young offenders to be disclosed to the Ombudsman for the purpose of exercising any of the Ombudsman's functions. The Government states that the reforms in the bill will strengthen and support our integrity and law enforcement agencies. The Opposition does not oppose the bill.

Dr JOHN KAYE [9.01 p.m.]: On behalf of The Greens I support the Independent Commission against Corruption and Other Legislation Amendment Bill 2013. As outlined in the Minister's second reading speech, which the Parliamentary Secretary incorporated, and as outlined by the Leader of the Opposition, all four of the key changes associated with this bill go to strengthening anti-corruption work, and all four go to changes that create a better barrier against corruption. The first of those is to enable certain information,

including criminal intelligence, to be requested, disclosed and used to vet applicants' positions at the Independent Commission Against Corruption, the NSW Crime Commission, the NSW Police Force and the Police Integrity Commission.

The information gathered and given to the four government agencies investigating corruption and crime includes information held by government agencies, including the NSW Police Force, the Registry of Births, Deaths and Marriages, and Roads and Maritime Services. Some of those agencies already have a memorandum of understanding with the Information and Privacy Commission to undertake this process, so there is nothing frighteningly innovative about this legislation. It simply extends that memorandum of understanding.

Secondly, the bill enables the Ombudsman to access information held by public sector organisations without having to comply with certain information protection principles. It will enable records relating to young offenders that have been made under the Young Offenders Act 1997 to be disclosed to, and kept by, the Ombudsman. Thirdly, the bill exempts trained officers of the Police Integrity Commission from the requirement to obtain permits and licences for firearms and weapons while performing their duties. Fourthly, it enables judges or former judges of the District Court of New South Wales to be appointed as independent chairperson of the Management Committee of the NSW Crime Commission.

One of the issues that concerns us relates to criminal checks that are to be undertaken of potential employees of the Independent Commission Against Corruption, the Police Integrity Commission, the NSW Police Force and the NSW Crime Commission. Currently there is no official mechanism for investigating the criminal activities of an individual's associates and relatives. The Premier, in his speech in the lower House, suggested that this poses a risk to these government agencies as they could inadvertently hire an individual who is at risk of being coerced by their associates to provide access to highly sensitive information and resources. The Greens, I must say, are persuaded by this argument. We think it is entirely reasonable that these agencies can look at not just these individuals but their close associates and relatives.

It is a difficult decision for us to come to because it traverses certain principles of privacy. But, in the end, the importance of keeping these organisations out of the reach of criminal activities outweighs the principle of privacy that obtains here. So we end up, on balance, supporting this legislation. I imagine the Government went through this thought process itself; that it did not arrive at this measure lightly, but came to this conclusion probably after a thought process similar to the one that we went through. Nonetheless, it is important to go through that thought process because privacy is an important issue and an important right, and it needs to be protected—but not at the expense of undermining of the integrity of these crucial bodies that play a central role in protecting this society from criminal activity and corruption.

The bill aims to create a uniform process for vetting applicants across New South Wales corruption and crime investigation bodies—again a sensible move forward. The information accessed by the Independent Commission Against Corruption, the Police Integrity Commission, the NSW Police Force and the NSW Crime Commission for the purposes of vetting applicants will be obtained through the Ombudsman, who has been given an exemption from the Personal Information and Privacy Act 1997 to store this information under schedule 3 of this Act. In relation to the relaxation of the firearms and weapons permits for Police Integrity Commission officers, the Premier argued that this was essential to reduce paperwork. This relaxation of licence requirements stems from a request by the Police Integrity Commission, supported by the parliamentary Joint Committee on the Ombudsman, Police Integrity Commission and the Crime Commission in 2012. It could also be argued that when the Police Integrity Commission officers are operating under cover, and require a firearm for their work, police access to the firearm registry could undermine the integrity of that operation. Police Integrity Commission officers will not be permitted to take the firearms home under this legislation.

We are broadly supportive of the direction of this legislation. We raise one minor concern relating to applicants' close associates and relatives being vetted when they make an application to work in positions at the Independent Commission Against Corruption, the NSW Crime Commission, the NSW Police Force and the NSW Police Integrity Commission. We are concerned that the bill does not ensure that applicants for these positions will be notified that, during the vetting process, information regarding their relatives or associates may be accessed and reviewed in conjunction with their application. This means the applicant does not have the opportunity to pull out of the application process without prejudice if they are uncomfortable with the level of personal information being accessed.

We will therefore be moving amendments during the Committee stage to give applicants knowledge that they are about to be vetted. We hope that the Government and the Opposition can support these

amendments. I apologise to the House now, and I will do so again later on, that I had to get a second print; I was not aware that the legislation had gone to a second print after being amended in the lower House. A second print of these amendments has just been circulated. The Greens do not oppose this legislation. However, we do raise concerns with respect to the issue of applicants knowing that their close associates will be vetted in this fashion. We will be moving amendments during the Committee stage.

The Hon. CATHERINE CUSACK [9.08 p.m.]: I welcome the Independent Commission Against Corruption and Other Legislation Amendment Bill 2013. I thank the Premier for acting so expeditiously on the recommendations of the parliamentary Committee on the Ombudsman, Police Integrity Commission and Crime Commission, which I chair. There was unanimous support for this legislation across all parties on the committee. While I welcome the inclusion of these recommendations in the legislation before the House, I have two issues that I wish to raise. The first issue which baffled the committee was why it took so long.

The question that we were asked to examine was whether the Police Integrity Commission should be allowed access to various weapons for the purposes of its operations, given such access was already available to the police. In order for Police Integrity Commission officers to gain access, for the purpose of operations, they would be put through an incredibly difficult internal process of making applications to the firearms registry in Murwillumbah. Because they were undercover, and because of the nature of their operations, only one person at the Murwillumbah Firearms Registry could give them approval. There was even a special safe for the applications.

They were turning themselves inside out. The amount of bureaucracy and red tape involved in getting approval to carry a baton on an operation, for example, was absolutely ludicrous. The committee was baffled that the situation had gone on for three years. The request that the necessary legislative amendments be made had been persistent throughout that period. The situation culminated in a parliamentary inquiry to work out whether they ought to be given access to these weapons. These are administrative matters. They should not be debated in Parliament and they do not require a parliamentary inquiry to determine whether there should be synergy between the access of weapons for the Police Integrity Commission officers analogous to police officers, who are often beside them in the same operations.

I welcome the changes, but it was difficult to achieve them. The internal red tape wasted taxpayers' time and money, as did the inquiry which reached the obvious solution that is before us today. This is a 21-page bill that gives basic powers to the watchdogs to do their jobs. I wish to flag my concern at how prescriptive our legislation has become. Why are we setting out the vetting powers of each individual agency in legislation to be passed by Parliament that is then set in concrete? For example, the vetting of prospective staff for the Crime Commission is listed: information held by CrimTrac, information held by law enforcement. Surely to goodness we want these agencies to have the power to vet their staff to enable them to appoint good people. The problem with putting it into legislation is that it is set in concrete and, if something changes, it has to be brought back before Parliament, which can take years. It is not an effective use of the Parliament's time.

With all due respect to The Greens, who forensically go through the detail, is this the business of the House? Are these the big principles of the day that we are deciding? The Greens enjoy trawling deeply through the detail. The Greens are attentive to the detail. That is not a criticism of The Greens. The majority of us wish to see the principles of good governance set in legislation and then for those powers to be delegated. I predict that many of the things we are setting into legislation today will create more internal red tape and more problems. Having spent some time with the officers and the watchdogs, I am dismayed by the amount of internal regulation that they have to put up with. The Information Commissioner must comply with 76 pieces of legislation. The agency consists of 20 people. Each year it submits an annual report that meets the requirements of the Department of Health and the Department of Education.

These compliance impositions are ludicrous for small agencies. They want to be flexible and do a simple job of ensuring the integrity of the public interest. My question is: Why does this have to be set out in 21 pages of legislation? I am delighted that the long-running issue of approving police to carry weapons as a matter of course has been resolved by Parliament. I simply question our legislative framework which, over many, many years, has spread like a spilt glass of water over a table to encompass everything. It is at a great cost to the efficiency of our public sector and it saps the morale of good people who want to get on with their job.

Reverend the Hon. FRED NILE [9.13 p.m.]: I support the Independent Commission Against Corruption and Other Legislation Amendment Bill 2013. The bill makes miscellaneous amendments to legislation governing integrity and law enforcement agencies. The reforms in the bill are a result of meeting the

concerns that have been raised by the Independent Commission Against Corruption. I am pleased that the bill is being passed by the House. It will greatly assist the Independent Commission Against Corruption. I have been a member of the parliamentary committee that oversees the Independent Commission Against Corruption since the committee was formed.

I appreciate all the work that the Independent Commission Against Corruption does, although I know that not all members do. I believe it performs a valuable role in our State. The bill meets the concerns raised by the Police Integrity Commission, the Ombudsman and the Minister for Police and Emergency Services on behalf of the New South Wales Crime Commission. The reforms have been requested by these organisations. The reforms will strengthen the integrity of the law enforcement agencies and remove obstacles and red tape that inhibit the efficient discharge of their functions.

The problem that the Independent Commission Against Corruption and others faced was getting information, including criminal intelligence, that could be used to vet applicants to be employed by the Independent Commission Against Corruption. The Independent Commission Against Corruption deals with corruption so it is vital that its staff, investigators and lawyers are incorruptible, they have no corruption in their record, and nor does anyone with whom they are closely associated, including their family. This legislation will enable the Independent Commission Against Corruption, the New South Wales Crime Commission, the NSW Police Force and the Police Integrity Commission to have the information it needs when vetting future employees.

These law enforcement agencies must have the means to effectively screen prospective employees for their suitability. It will also apply to vetting applicants for positions with the inspectors for each of those three commissions. Other reforms will ensure that the Ombudsman has access to information held by public sector organisations, which he requires to perform his functions. The bill also will exempt appropriately trained officers of the Police Integrity Commission from the requirement to have licences or permits for certain firearms and weapons while performing Police Integrity Commission duties.

Finally, the bill will enable judges or former judges of the District Court of New South Wales to be appointed as chairperson of the Management Committee for the New South Wales Crime Commission. This legislation is very important and will allow these organisations to have great confidence that the people they employ have no criminal record and have no associates who have criminal records. The authorities need to be able to check the associates of the applicants; the applicants may not be aware of the criminal history of their associates. In fact, people who have a criminal history but keep it a secret could deliberately win the friendship of applicants to gain information about their duties for those important organisations that are combating corruption and criminal activity in our State.

We must never underestimate the ability of criminal organisations. They are sophisticated in the way they operate and in their ability to influence people who work in crime enforcement organisations. There must be a constant vetting of staff. I believe any issues about privacy have to be put aside in this matter so individuals can be vetted 100 per cent, so those agencies can be certain that they are employing people they can trust, who have integrity and who have honesty, and so they can carry out their duties according to law. The Christian Democratic Party is pleased to support this bill.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [9.20 p.m.], in reply: I thank honourable members for their contributions to this debate. The Leader of the Opposition questioned the impact that this legislation would have on police officers and I sought some assurances in that regard. The bill has been carefully drafted to ensure consistency with longstanding and robust police vetting of standards. There is no intention that the bill will impose higher integrity standards on new recruits or make the recruitment processes more difficult. Its purpose is to ensure that access to vetting information about potential recruits, particularly in relation to information about their associates and relatives, has a sound legal footing.

The New South Wales community and officers of the NSW Police Force have a very reasonable expectation that this information will form part of the risk assessment of every potential recruit. I am advised that, consistent with the New South Wales Professional Suitability Policy and Procedures, when information of concern about an applicant's associates or relatives is identified during the vetting process the applicant is invited to appear before the Professional Suitability Assessment and Review Committee. I understand that the committee is chaired by an independent superintendent who questions the applicant to determine whether the identified association of concern is minor, irrelevant or significant enough to prevent the application from progressing.

This bill does not prevent the NSW Police Force informing unsuccessful applicants of the reason that their application was unsuccessful if there is no operational reason not to do so. Nor does the bill require potential police recruits to be informed of sensitive criminal intelligence information about their associates or relatives that may come to light during the vetting process. The decision whether it is appropriate or even safe to inform an applicant about any issues of concern regarding his or her associates and/or relatives continues to rest quite properly with the NSW Police Force. The bill also contains a safeguard requiring an independent nominee of the Attorney General to conduct a review of instances in which vetting information is considered during the recruitment process. The reviewer is to provide a report to the Minister for Police and Emergency Services and the Attorney General, which may include recommendations about improving the agency's procedures.

Flowing on from the Leader of the Opposition's question about the impact on police officers, it is appropriate to ask whether the amendments will apply to internal police promotions. The legislation is not intended to apply to internal police promotions. The legal clarification in the amendments was originally requested by the Independent Commission Against Corruption to provide a sound legal basis for its recruitment processes and to support the integrity of its operations. The advantages of extending the amendments to the initial recruitment processes for all four agencies covered by the bill were later identified. There is no connection between this bill and the review of the police promotions system conducted by the Hon. Lance Wright, QC. His review endorses the current promotions system subject to some minor improvements. The NSW Police Force and the Police Association of NSW were consulted during the review process. As a result of the review, the Government is developing legislative requirements that will be introduced shortly.

The Greens have proposed four amendments to the bill. The Government does not object to the amendments because it believes they do not substantially affect its objective. They simply include in the legislation what would likely be the natural practice of the agencies when considering applications. The reality is that New South Wales leads the country in this area whether it be in respect of the Police Force, the civilian oversight bodies or the Crime Commission. Indeed, this State is recognised internationally as a leader in this field.

Dr John Kaye: We also lead in the corruption stakes.

The Hon. MICHAEL GALLACHER: I do not agree and that is an offensive statement.

Dr John Kaye: Have you met Eddie Obeid?

The Hon. MICHAEL GALLACHER: You can refer to one, two or three individuals, but to say that the State—which is what I was talking about—the Police Force, the Independent Commission Against Corruption, the Police Integrity Commission and the Crime Commission—

Dr John Kaye: It was not intended to reflect on them. It was intended to reflect on this Parliament.

The Hon. Amanda Fazio: So it was just a stupid comment?

The Hon. MICHAEL GALLACHER: I acknowledge that interjection and concur. It is important that we stay ahead of areas of concern raised by these agencies and that we give them the ability to ensure that applicants are the best available. As The Greens amendments highlight, we must also ensure that the process is transparent and that applicants, particularly potential police recruits, understand the vetting process and that they can discuss with an independent commissioned officer any perceived areas of conflict and resolve them if possible. I commend the bill to the House.

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

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 and 2 agreed to.

Dr JOHN KAYE [9.28 p.m.], by leave: I move The Greens amendments Nos 1 to 4 on sheet C2013-069A in globo:

No. 1 Page 4, schedule 1 [2], proposed section 104C. Insert after line 7:

(5) The Inspector or Commission must notify an applicant that the Inspector or Commission has the power under this section to request a public authority or other person or body (not being an agency of a jurisdiction outside Australia) to disclose vetting information about associates or relatives of the applicant. The notice must be given when the consent of the applicant is sought under subsection (3) or, if consent has not been sought for the purposes of that subsection, before the first request for information about associates or relatives of the applicant is made under this section.

No. 2 Page 7, schedule 2 [1], proposed section 78A. Insert after line 38:

(5) The Inspector or Commission must notify an applicant that the Inspector or Commission has the power under this section to request a public authority or other person or body (not being an agency of a jurisdiction outside Australia) to disclose vetting information about associates or relatives of the applicant. The notice must be given when the consent of the applicant is sought under subsection (3) or, if consent has not been sought for the purposes of that subsection, before the first request for information about associates or relatives of the applicant is made under this section.

No. 3 Page 12, schedule 4 [1], proposed section 96B. Insert after line 38:

(5) The Commissioner must notify an applicant that the Commissioner has the power under this section to request a public authority or other person or body (not being an agency of a jurisdiction outside Australia) to disclose vetting information about associates or relatives of the applicant. The notice must be given when the consent of the applicant is sought under subsection (3) or, if consent has not been sought for the purposes of that subsection, before the first request for information about associates or relatives of the applicant is made under this section.

No. 4 Page 17, schedule 5 [6], proposed section 136A. Insert after line 29:

(5) The Inspector or Commission must notify an applicant that the Inspector or Commission has the power under this section to request a public authority or other person or body (not being an agency of a jurisdiction outside Australia) to disclose vetting information about associates or relatives of the applicant. The notice must be given when the consent of the applicant is sought under subsection (3) or, if consent has not been sought for the purposes of that subsection, before the first request for information about associates or relatives of the applicant is made under this section.

I apologise to the Committee that I overlooked the fact that the bill was amended in the lower House. The amendments to which I am referring are on the second sheet that has been circulated. I appreciate the Minister's indication that the Government will support these amendments. They will provide another level of protection for individual applicants by ensuring that they are aware of the capacity to request a public authority or another person or body to disclose vetting information about their associates or relatives. It is about the vetting not of the applicant but of his or her relatives or close associates. As a result of these amendments, the applicant will know that the agency has the power to do that and that he or she has the capacity to withdraw. I appreciate what the Minister said and I do not think these amendments compromise the legislation's capacity to protect agencies from appointments that could pose a risk of corruption. They provide a level of protection to individuals who may view the process as a bridge too far. I commend the amendments to the Committee.

Question—That The Greens amendments Nos 1 to 4 [C2013-069A] be agreed to—put and resolved in the affirmative.

The Greens amendments Nos 1 to 4 [C2013-069A] agreed to.

Schedule 1 as amended agreed to.

Schedule 2 as amended agreed to.

Schedule 3 agreed to.

Schedule 4 as amended agreed to.

Schedule 5 as amended agreed to.

Schedule 6 agreed to.

Title agreed to.

Bill reported from Committee with amendments.

Adoption of Report

Motion by the Hon. Michael Gallacher agreed to:

That the report be adopted.

Report adopted.

Third Reading

Motion by the Hon. Michael Gallacher agreed to:

That this bill be now read a third time.

Bill read a third time and returned to the Legislative Assembly with a message requesting its concurrence in the amendments.

CASINO CONTROL AMENDMENT (SUPERVISORY LEVY) BILL 2013

Second Reading

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [9.32 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

The Casino Control Amendment (Supervisory Levy) Bill 2013 amends the Casino Control Act 1992 in order to impose a casino supervisory levy on the casino operator.

The Independent Liquor and Gaming Authority regulates the activities of the Sydney casino.

This includes the licensing of individuals performing sensitive functions at the casino; approval of new games; auditing of casino revenue and most importantly the monitoring of casino operations 24 hours 7 days a week through the on-site inspectorate.

The authority also undertakes detailed licence investigations under section 31 of the Act every five years and inquiries into specific matters or its management as situations arise.

Under these existing arrangements much of the cost of maintaining the casino oversight regulatory regime in New South Wales is borne by taxpayers.

Regulatory systems are in place to protect industry integrity and ensure that the operation of the casino is free from criminal influence and exploitation.

Regulation also promotes community confidence that the conduct of operations at the casino is fair for patrons and that the casino is operated in a responsible manner.

The casino environment is a dynamic one and to address this issue the regulator is required to regularly review and adjust its approach to protect against emerging risks and maintain public confidence.

There is currently no ongoing levy imposed on the casino to assist in meeting the day to day public costs of maintaining this regulatory system.

The bill before the House introduces a supervisory levy that will assist in meeting these costs and maintaining a high degree of oversight and supervision of the casino.

The amount of the levy will be prescribed via a regulation making power in the Casino Control Act and will be paid to the Independent Liquor and Gaming Authority.

Providing for the levy in regulations will allow it to be adjusted periodically for inflation and to reflect change to the regulatory activities, where necessary.

The Government's intention is to have regulations in place for the 2013-14 financial year.

A high level of regulatory oversight is necessary in a casino environment to ensure that the unique risks associated with such a venue are identified and managed within a strict regulatory framework.

A robust system of monitoring and supervision ensures appropriate accountability and consequently promotes public confidence for the people of New South Wales.

It is appropriate that costs associated with regulating the casino should be borne by the casino operator.

The bill before the House will help to achieve this.

I commend the bill to the House.

The Hon. STEVE WHAN [9.33 p.m.]: The Casino Control Amendment (Supervisory Levy) Bill 2013 seeks to put in place an amendment to the Casino Control Act 1992 to give the Government the power to bring in by regulation a casino supervisory levy. A casino supervisory levy is to be paid to the authority in respect of each casino licence; the amount of the levy is to be fixed by regulations, the levy is due and payable at the times and in the manner required by the regulations; and the levy to be paid to the authority is to be paid into the Consolidated Fund.

There is an interesting history leading up to this bill and I will deal with some of it shortly. The Minister has said he wants to put this provision in place so that he can introduce regulations to adopt a user-pays principle when it comes to the cost of supervising the casino. Obviously there is a significant cost attached to supervisory activities at the casino and it is entirely appropriate that the cost is recouped in one way or another. At one stage in the history of the casino it paid directly for the cost of some of the supervisory activities of the Government when there was an increase in the number of supervisors who were engaged in work with the casino. At a later stage that was changed to encompass the cost in the amount the Government recouped through taxes. I am sure that those who avidly read *Hansard* will be interested to know—

The Hon. Trevor Khan: Who are they? Name them.

The Hon. Michael Gallacher: The people he met at Bundarra.

The Hon. STEVE WHAN: They might be now they have had a chat to me and seen all the interesting things I do.

The Hon. Michael Gallacher: You've been taking Greg Pearce lessons.

The Hon. STEVE WHAN: I acknowledge that interjection. I do not think I would go to quite the same lengths of self-congratulation. It is interesting to note the way that the taxation regime was put in place on the Star Casino and on the casino licence in New South Wales. At the moment the percentage of the fees paid by the casino on each game or, indeed, in each room of gambling in which it occurs is set by Treasurer's direction. Theoretically the Treasurer has a discussion with the Star before he gives the direction but at the end of the day the entire power for setting those charges rests on him. In fact, there is nothing to stop the Treasurer from directing that the amount recouped is well and truly enough to cover the costs of supervision of the casino. As I understand it from reading a report on 23 May in the *Australian*, levies collected are of the order of $147 million in State taxes in the last financial year, and about $13.7 million for the casino community benefit levy.

It raises an interesting question about the thoughts behind having a particular provision to introduce a regulation. Some aspects of that are quite attractive in that a regulation is a disallowable instrument and that means by definition there is the ability to scrutinise this levy more publicly than would be the case with a Treasurer's direction. That has to be weighed up with the Government's promise to have less red tape and whether it needs to have this regulation in place to raise the amount of money it is talking about. However, I will take a favourable view of that and say that this legislation enables us to have a closer look at the amount of the charge that is being made.

The Hon. Michael Gallacher: Transparency.

The Hon. STEVE WHAN: As the Minister said, it enables transparency. I state that Labor will be supporting this legislation but I want to raise a number of matters. The Minister's office provided a briefing, as it does with all legislation including the last bill we discussed, and said the casino supervisory functions should be based on a principle of user pays. That is not a precedent that the Government would want to impose throughout the entire gambling industry. There are provisions for fees to be charged to clubs and pubs for different things but I do not think any member would advocate that this precedent of user pays should be applied to the whole industry.

I would like the Minister to rule that out in his response because I suspect that the pubs and clubs of New South Wales believe that the tax they pay adequately covers the cost of supervision for their activities in New South Wales. The casino could legitimately ask why it is being charged on that basis when other participants in the gaming industry are not being so charged, and I have heard that argument raised by them. However, there is a question about whether it is necessary to have a levy and whether the argument about user pays is reasonable. As I have said before, the opportunity for more transparency on this issue is appealing.

An element of the industry is currently referring to this as the Peter Grimshaw revenge levy. Given the history of this Government's interaction with The Star casino, one has to question whether there is a get-even element in this bill. Is this a return to the process seen when the Premier's then media adviser resigned over inappropriate emails that the Director General, Mr Eccles, suggested in his review were in breach of the ministerial code of conduct? I do not know Mr Grimshaw; others have told me he is quite a nice bloke. I have nothing personal against Mr Grimshaw, nor shall I reflect on him personally. Members well know that the Premier is a great hater and there is nothing more consistent in his political career than a desire to get even with those he considers to have wronged him. Mr Grimshaw revealed in the inquiry held into The Star casino that he had been told by the Premier that they should give the casino a "wakeup call" and that the Premier was going to "smash" the casino. I quote from a text message in which Mr Grimshaw is alleged to have said:

> I just told Barry what a dick Sid is. He said we might all have to give Star a wakeup call when I leave.

On 8 November 2010 Mr Grimshaw told his partner in a text message that Mr O'Farrell had just texted him. He said:

> Not even sure why he texted. Just asked me if I was out yet. I think they are going to smash Star.

At the inquiry Mr Grimshaw said he could not recall the messages but he could have been big-noting. At the time Mr O'Farrell claimed that he never used terms such as "smash them" but one of the television stations went on to prove that statement to be incorrect. It was proved that Mr O'Farrell had said over and again who was going to be smashed or that such and such had been smashed. Indeed, that was certainly the usual language of the Premier. It is quite possible that part of the agenda in this legislation is the Premier's desire to get even with people he feels have wronged him. From the feedback I have received from industry there is a feeling that that might be an element in this process.

It would be easy for the Minister and the Government to disabuse us of any of those suggestions by detailing what the quantum of this levy will be. But the Government did not provide that information in the briefing on this bill or in the information given in the other place. How much will the cost be to the casino? It is unfortunate that the Government would introduce a power to make a regulation without giving an indication of what is intended to be covered by that regulation. In the *Australian* on 22 May it was stated:

> The Government has declined to say how much the levy will raise. But latest figures from the Independent Liquor and Gaming Authority show it spent more than $8 million in the previous financial year on casino regulation.

It would be interesting to know what is proposed. As I said earlier, the people of New South Wales would not argue with the proposal that the Star should cover its costs but they should also know whether or not in the past part of any negotiation about the overall taxation rate for the casino included commitments to the Star that that overall figure included the cost of its regulation and supervision. Has there been a change to the agreement with the Star or is this going to be an opportunity for an additional charge?

Another media report I saw suggested that the Government was likely to lose the amount of additional revenue that it gets because of the exclusivity of the Star casino. There has been discussion around whether this legislation is in part a prelude to the approval of a second licence for the high roller room at Barangaroo. In

Dr John Kaye's contribution to an earlier bill this evening he probably thought he was insulting the Labor Party when he said that we were open to the idea of the Packer proposal. We are open to it as long as it is open and transparent in process. We founded Barangaroo and are great proponents of it.

As the shadow Minister for Tourism I believe it is absolutely critical to our accommodation and tourism industries that we have an iconic hotel at Barangaroo. We need something that will make not only an architectural statement but provide a world-class hotel to attract people to Sydney to compete with those Asian centres that are doing similar things. It is my observation that most of the Asian centres are far braver architecturally than we are. Indeed, I suspect that had we been looking at building the Opera House now we probably would have found all sorts of reasons for not putting such a building on a point of our harbour as we are living in what I sometimes consider to be a bit of a nimby State.

One must question the motivation for this legislation. The Government has consistently said it is simply about user pays but it has also made it clear that it has been set for the prospect of a second casino licence in the term to which this legislation might apply. It has been suggested that this might be one way of recouping some of the money that the Government might lose through the loss of exclusivity. It should be recognised that previous governments allowed a casino to operate in Sydney not only for tourism but also because the casino is a strong revenue earner for the people of this State. If my memory serves me correctly, when the casino was first approved the money was allocated directly to the provision of health services. Now it goes into consolidated revenue and is used for services for the people of this State, and a separate amount of money is allocated to dealing with problem gambling and associated issues.

The money from this levy will go to the Consolidated Fund, as does the money collected by the Government in tax revenue. This levy is said to be a user pays charge. If so, how much will it raise? What services will be the subject of user pays? Approximately how much will be raised each year in addition to the amount already provided in taxation revenue by the Treasurer's direction for the casino? It is not unreasonable that the Star and Echo should get answers to those questions as the bill goes through this place. I acknowledge that by providing for a regulation the legislation gives this Chamber the opportunity to look at the regulation and to move disallowance if it sees that as appropriate. However, I must say that is unlikely.

To move disallowance of the whole regulation rather than simply questioning the basis of the calculation or the amounts in it is not particularly practical for a disallowance motion. It is also reasonable for the industry to know the quantum of the levy in advance. Rushing this bill through without providing that information is not fair on the people in the industry. While we all agree that the industry should provide adequate recompense to the taxpayers of New South Wales, it is a two-way street and they should be given the information they are asking for.

The Government has a pretty chequered history when it comes to dealing with the Star and Echo. By no means am I waiving Echo Entertainment's responsibilities and its failure to properly deal with issues in the lead-up to its former boss leaving, which led to inquiries into some appalling accusations at the casino. Some of those issues were related to supervision and so on. Because of those things I do not think that the Star is blameless in this process, but the Government has a chequered history. Given that, it is reasonable to call for more openness on this levy and more information about the amount that will be charged. Having gone through some of that history, as I said, the Opposition will not oppose the legislation, but I ask the Minister to provide the detail which I have requested.

Reverend the Hon. FRED NILE [9.51 p.m.]: The Christian Democratic Party supports the Casino Control Amendment (Supervisory Levy) Bill 2013. The bill will amend the Casino Control Act 1992 to impose a casino supervisory levy on the casino operator. The background to this legislation relates to the Independent Liquor and Gaming Authority, which is responsible for all aspects of regulation of the Sydney casino. This includes the licensing of individuals who perform sensitive functions at the casino, the approval of new casino games and game variants, auditing of casino revenues and the general monitoring of casino operations through the authority's 24 hour, seven days a week onsite inspectorate. The authority also undertakes detailed licence investigations under section 31 of the Casino Control Act once every five years and inquiries into specific matters relating to the casino or its management as situations arise.

As members know, there is currently no ongoing levy imposed on the casino to assist in meeting the day-to-day public costs of maintaining the regulatory system I have described. However, we know that casinos have a heavy taxation burden. One could ask whether the amount that Echo pays annually and the money it paid for the original licence could cover the administrative matters that form part of this legislation. One would think

that if it could there would be no need for an additional casino supervisory levy. During our briefing on this bill I asked many questions to try to establish the amount of the levy. Normally levies are not proposed simply as a percentage, and the Government should be clear as to the amount. Is it hoping to recoup $1 million, $500,000 or the total cost of $8 million? The staff from the Ministry for Tourism said that they could not give us any figure. So $8 million is the top figure, nil is the bottom figure and the levy figure will be somewhere in the middle. It puzzles me that not even an estimate could be given at the briefing. I note that the Hon. Ernest Wong raised the same question during his contribution.

I wonder whether this is a media strategy to prevent a headline tomorrow claiming another tax on the casino of $2 million or $5 million. There is always a strategy behind these things. When we do not have complete openness or frankness there is obviously some purpose behind it. The Christian Democratic Party has no problem with the levy. I assume that the casino makes sufficient funds to pay a levy, but obviously there will be a limit on what it would like to pay on top of all the money it gives to the State Government through taxation and other means. We will support the bill. We are not signing a blank cheque, but I suppose Echo is signing a blank cheque with the passing of this bill.

Dr JOHN KAYE [9.56 p.m.]: On behalf of The Greens I address the Casino Control Amendment (Supervisory Levy) Bill 2013. The Greens do not oppose this legislation; we see it as a sensible move to recover the costs of regulating probity matters at the casino. Rather than coming out of general revenue as part of the budget of the Independent Liquor and Gaming Authority, the cost will come from the casino through a levy which is to be determined in the regulations. I understand what the Hon. Steve Whan said during his contribution to debate on the bill. It is important that we look closely at the regulations and ascertain that there is genuinely not an attempt to squib the need to make casinos pay the cost of their regulation.

The cost of regulating casinos should not be borne by taxpayers; it should be borne by the casinos that have the benefit of the casino licence they have been given. It is a substantial benefit and running a casino is a massively profitable activity. By my estimation we currently pay about $8 million a year to regulate the casino and ensure that appropriate supervisory functions are in place. I hope that this levy will recover that $8 million a year.

If there were to be concerns about this bill they would be around the issue of regulatory capture. Alarm bells always go off when an industry that is being regulated pays for its regulation, because with money comes decision-making. However—and it is a big however—in this case the money is collected into revenue by one agency and then separately passed to the Independent Liquor and Gaming Authority. There is no risk of regulatory capture in relation to those funds and the bill is well designed in that regard. There is no opportunity for the casino to exercise any control or even moral power over the authority by dint of this levy. To that extent it is a safe piece of legislation.

The casino licence in New South Wales is another matter which no doubt we will debate in this Chamber on a number of occasions over the next few years as the Barangaroo development progresses through the unsolicited proposals process. Of course, we are concerned that another casino will bring with it massive corruption risks. Almost all States in the United States that have more than one casino have had significant episodes of corruption at the political and regulatory level. We are concerned about the corruption pressure in New South Wales not only on the existing casino but also on another casino, which would of course amplify the pressure. That is particularly true of a casino that focuses on bringing in overseas gamblers, who are often associated with money laundering activities, and the huge risk that money from illegal prostitution or drugs or stand-over tactics will come through Australian casinos. That puts a heavy load on Australian regulators.

At this stage it is appropriate to establish the principle that casinos pay for their own supervisory activities. It is appropriate that the Independent Liquor and Gaming Authority continue to provide those supervisory activities through a public sector agency that is a long way removed from the collection of the funds. To that extent, The Greens support the legislation but, like the Hon. Steve Whan and the Opposition, we will look carefully at the regulation that will be created under this amendment to the Casino Control Act to ensure that it fulfils the Minister's stated intention of complete cost recovery from the casino for these activities. The Greens do not oppose the bill.

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [10.00 p.m.], in reply: I thank members for their contributions to the debate. A great deal was said about the levy in terms of the regulatory aspects of its announcement and introduction. The Government does not resile from that. I recognise the positive comments

by the Opposition spokesperson about the method by which the levy will be revealed through the regulatory process, which gives the House an opportunity to consider it. The reality is that the amount of the levy will be fixed by the regulation at a future date. Therefore, that will be a matter for all involved, both members who raised concern about it this evening as well as the casino, which the Opposition referred to as "the industry" during the debate.

A number of aspects were raised. One was about the suggestion of a change to the one casino policy. The bill does not change the Government's one casino policy. The drafting of the wording simply reflects the current language used throughout the Casino Control Act. The bill is entirely consistent with that. The bill refers to a levy being payable for each casino licence. This reflects language used in the Casino Control Act since it was introduced. While the Act uses this language, section 6 of the Casino Control Act provides that there is to be only one casino licence. Any change to section 6 of the Act would require consideration by the Parliament. There was some suggestion about a levy being moved beyond the casino and onto other liquor and gaming licences, such as hotels, clubs, et cetera. The bill relates only to the supervision of the casino. It is self-evident by the name.

The casino is a unique, high-risk environment subject to criminal influence and exploitation, and requires special oversight. Intensive oversight of a casino environment ensures that these unique risks are identified and managed within a strict regulatory framework. A robust system of casino regulation, reporting, monitoring and supervision ensures appropriate accountability and consequently promotes public confidence for the people of New South Wales. There was a question about consultation. Consultation has now commenced with the casino directly and ongoing consultation is planned. Departmental officers from the Office of Liquor, Gaming and Racing and the Independent Liquor and Gaming Authority have already met with the Chief Executive Officer of the Star casino and other executives to brief them on the bill. The department will continue to consult with the casino during the development of the regulations, with the intention of having the regulations in place during the 2013-14 financial year. I commend the bill to the House.

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

Motion agreed to.

Bill read a second time.

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

Third Reading

Motion by the Hon. Michael 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.

ADJOURNMENT

The Hon. MICHAEL GALLACHER (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [10.05 p.m.]: I move:

That this House do now adjourn.

NORTHERN TABLELANDS BY-ELECTION

The Hon. TREVOR KHAN [10.05 p.m.]: The date 25 May is an important day in history. For example, on 25 May 1521 the Diet of Worms ended when Charles V, the Holy Roman Emperor, issued the Edict of Worms declaring Martin Luther an outlaw. Also on 25 May, in 1914 the United Kingdom's House of Commons passed the Home Rule Act for the devolution of Ireland. On 25 May 1925 John T. Scopes was indicted for teaching Charles Darwin's theory of evolution in Tennessee. On 25 May 1961 United States President John F. Kennedy announced before a special joint session of Congress his goal to initiate a project to put a man on the moon before the end of the decade. On 25 May 1977 *Star Wars*, which later became entitled *Star Wars Episode IV: A New Hope*, was released in theatres. On 25 May 2013 there was an election for a new member for the seat of Northern Tablelands. It is worth noting that on the night of 25 May 2013 that notable

commentator on political matters, Antony Green, operated a blog. Over the course of the evening he made various remarks as the numbers were counted. As we all know, the polls closed at 6.00 p.m. on that night. At 6.33 p.m. he noted:

> OK, that's the first booth. Way too early to call but an encouraging first result for the Nationals. But seriously, need more data.

At 6.55 p.m., less than an hour after the polls closed, he noted:

> 21 booths now and still National vote up by 30%. On track to win unless there is something very different happening in the urban booths.

At 7.34 p.m., an hour and a half after the booths closed, he noted:

> All the Armidale booths in and the National first preference vote is still over 60%. A very very easy win.

At 8.10 p.m., while the Hon. Jennifer Gardiner and I were still at the pre-poll watching the scrutineering, Antony Green observed:

> This result delivers the O'Farrell government a 70th seat in the Legislative Assembly. By winning 69 seats at the 2011 election, the O'Farrell government equalled the record number of seats won by the Wran government in 1981 election. However, the O'Farrell's numbers were in a 93 seat chamber compared to 99 seats for the Wran government. Now it is a new record of 70 seats, 75.3% of the seats in the Assembly. The government already had a record majority of 45, now 47, larger than the 42 seat majority of the Stevens government in 1932.

At 8.16 p.m., he wrote:

> This is the second highest vote for the Nationals in Northern Tablelands, the only higher vote the 65.8% in 1988 in a three candidate contest on the defeat of the Unsworth government.

I do not wish to gloat because it is not my style, but I will observe that this win was achieved by a number of factors. It was a win achieved as a result of the hard work done by all members of the Liberals and The Nationals in the New South Wales Parliament. It was a win achieved as a result of the dedicated efforts of the Premier, Barry O'Farrell, and his ministerial team. It was a win that was achieved as a result of having an outstanding candidate, who demonstrated a capacity for hard work. It was a win because of the fantastic team effort of The Nationals.

NATIONAL RECONCILIATION WEEK

The Hon. MICK VEITCH [10.10 p.m.]: Yesterday, 27 May, marked the beginning of National Reconciliation Week for 2013. National Reconciliation Week recognises and celebrates the building of respectful relationships between Aboriginal and Torres Strait Islanders and non-indigenous Australians. It was first celebrated 20 years ago in 1993 and was then called the Week of Prayer for Reconciliation. Three years later it developed into National Reconciliation Week, which is organised by Reconciliation Australia. Every year National Reconciliation Week runs from 27 May until 3 June. That is no coincidence: that week encompasses two very important and significant milestones in Australia's history.

The first date, 27 May, marks the anniversary of the 1967 referendum when more than 90 per cent of Australians voted yes to include Aboriginal and Torres Strait Islanders in the census count as citizens and granted the Federal Government the power to make laws for Aboriginal and Torres Strait people. Prior to that important vote, Indigenous people did not have the same rights as everyone else. By voting yes, the overwhelming majority of Australians were acknowledging the many inequalities and injustices that had been faced by Aboriginal Australians and allowed for the beginning of the reconciliation process.

Many significant changes came out of the 1967 referendum. One was establishment of the Council for Aboriginal Affairs, which brought together Ministers from different States and Territories to make recommendations to the Commonwealth Government about the way forward. Another was the introduction of affirmative action policies that sought to discriminate positively for Indigenous people to advance their circumstances in the areas of health and education. Important legislation was introduced on the back of the referendum, such as the Aboriginal and Torres Strait Islanders (Queensland Discriminatory Laws) Act 1975, the Aboriginal Councils and Associations Act 1976, the Aboriginal Land Rights (Northern Territory) Act 1976 and the Council for Aboriginal Reconciliation Act 1991.

Perhaps most profoundly was the gradual development of a new understanding of Aboriginality that was not based on race or harmful genetic assumptions, but was developed from within the Indigenous

community itself. The second profound date included in reconciliation week is the anniversary of the Mabo decision. The Mabo decision followed a legal case that occurred in 1992. The case ran for 10 years and challenged the Australian Government's ownership or right to land over that of the traditional owners. It is called the Mabo decision after Eddie Mabo, who was a Torres Strait islander and who believed strongly that the land on which he lived belonged to him and his people—people who had lived there for thousands of years—not the Australian Government.

The case decided that the term "terra nullius", which means land that belongs to no-one or empty land, never should have been applied in Australia. That was significant because it had been the basis and justification upon which the Europeans settlers had colonised Australia. It also recognised the unique connection that Aboriginal people share with the land. The Mabo decision had many positive impacts for Indigenous people. It led to the passing of the Native Title Act in 1993, which provides legal recognition for Aboriginal and Torres Strait Islanders and their connection to certain areas of land. It can be determined in many different forms, such as the right to live on the land, hunt and fish, and perform traditional ceremonies on the land, maintain sacred sites or teach Aboriginal lore and custom. Today roughly 15 per cent, or more than one million square kilometres, of Australia has been recognised as native title land.

This year's theme for National Reconciliation Week is "Let's Talk Recognition". The official reconciliation week website says that recognition is important because it is an integral part of the reconciliation process and it can mean many things to different people: To me, talking about recognition means talking about constitutional recognition for Aboriginal and Torres Strait Islander peoples. While the 1967 referendum was a significant milestone, there is still a large amount of work to do. Today Aboriginal and Torres Strait Islanders are still excluded from Australia's Constitution, and they are still discriminated against specifically in section 25, which states, effectively, that the States can ban people from voting based on their race. That is unacceptable and it needs to be changed.

Currently, there is a grassroots campaign or people's movement, which is headed by the organisation Recognise, that is calling for a referendum on this important issue. By recognising Aboriginal and Torres Strait Islander people in Australia's founding document, we will reconcile past wrongs and acknowledge the whole history of our nation prior to colonisation. It is the right thing to do; it is the fair thing to do. When the referendum is called, I will be voting yes to recognise the First Australians because it is one very concrete part that I can play in the reconciliation process. We should do no less than recognise the First Australians, the first peoples, in our national document.

GUN CRIME

The Hon. ROBERT BORSAK [10.15 p.m.]: Is it any wonder that law-abiding firearm owners—and, indeed, licensed firearms dealers—feel they are victimised in the name of getting tough on crime and getting guns off the streets? There is no distinction between legal gun ownership and illegal ownership; yet it is illegal guns and criminals that are causing the problems—not the hunter or the target shooter who bothers to get his licences, comply with his storage commitments and does not break the law. In the past couple of weeks, I have been inundated with calls from outraged firearms dealers because of a comment by a person who should know better, but apparently does not. In the *Australian* newspaper on 9 May the Commissioner of Police, Andrew Scipione, is quoted as saying he "wanted stricter rules for guns brought into the country". But he then went on to say:

> I'd like to see the importation of firearms to be restricted and stopped.

Where, may I ask, does that leave the small businessman who runs a gun shop? We do not make many firearms in Australia. Does the commissioner propose to shut those shops? If he does, let him come out and say the dealers are on notice that they are about to lose their businesses. This is outrageous stuff. But apparently that is the commissioner's view of the world. I understand that he may be about ready to retire. If this is the best he can do about the apparently out-of-control illegal gun situation in Sydney, perhaps it is time he folded his tent and let someone else have a go. From all indications, jostling for the job is pretty intense and in the end might be decided by the outcome of questions about listening devices.

I point out that it is legal to import firearms into Australia and they are not the firearms the Commissioner of Police should be worried about. What he is talking about is the complete failure of our border security to detect the illegal firearms flooding the country and supplying the bikie gangs and other criminal syndicates. The commissioner made the claim about importation while trumpeting that in recent months the

police had arrested 220 people as part of a crackdown on outlaw gangs and gun crime. Let me say that that is probably a good start, but let us be fair and point out how many of them were licensed firearm owners. Do not tar them with the same brush as bikie gangs. In the same article, the Government is quoted as saying that more than 8,800 firearms had been seized since July last year and that this "is proof the police are getting results and taking guns off our streets". Again I ask: How many of those firearms were not illegal?

I, along with all firearm owners, get fed up with the getting tough on crime hot air that rages around this place and in some offices of the police hierarchy. If the police and others want to make an impression on those who use guns to commit crime, the solution is simple. I challenge the Commissioner of Police and the Government to adopt the proposal I am about to suggest—but I bet they will find a reason not to support it. The Shooters and Fishers Party has a bill before the House. The proposal has been espoused regularly over the past 16 years to both sides of government. Each government has said it would "look at it", but that has been as far as it has gone.

They all balk because, as it is written, the bill proposes a mandatory extra sentence for those who use a gun in committing a crime. Let us play semantics: How about we drop the word "mandatory" and instead call it an extra sentence on top of whatever sentence a villain gets for committing a crime if he uses a gun in the commission of the crime. It is simple. It does not take discretion from judges and would certainly give the criminal extra time to consider the error of his ways.

YOUNG OFFENDER STATISTICS

The Hon. CATHERINE CUSACK [10.20 p.m.]: On 18 May the *Daily Telegraph* published a story under the headline, "Generation of Violent Teenagers". The first paragraph read, "Teenagers aged 15 to 19 are Australia's most violent criminals." As the mother of a 15-year-old and a 19-year-old, I took issue with an entire generation being characterised as Australia's most violent criminals. It certainly has not been my experience of my sons' behaviour, nor that of their many accomplished and achieving peers. I submitted feedback via the *Daily Telegraph* website to say that, thankfully, the statement that teenagers aged 15 to 19 are all violent criminals is unfair and untrue. My comment was not published. However, I noted that the online version of the story was altered, with a new headline and first paragraph as follows:

> Australian Crime: Facts and figures report shows teens are the most violent Australians
>
> Teenagers aged 15 to 19 are Australia's most dangerous people, new figures from the Australian Institute of Criminology show violent crime is highest among this group.

I appreciate the fact that the *Daily Telegraph* clarified the lead. Nevertheless, I remain concerned by the use of statistics to smear an entire generation of young people. I am also concerned by the analysis of the problem provided by a business consultant and quoted in the *Daily Telegraph*. I quote again from the article:

> Demographer David Chalke yesterday said easier access to alcohol, the prevalence of video games and the changed family dynamic was to blame for high rates of crime amongst teens … Mr Chalke said parents working longer hours and having fewer children had resulted in bored teens turning to crime …

At the heart of these remarks is a 1970s prejudice against working mums, which holds that having both parents in employment is detrimental to the best interests of children. It is certainly not the first time I have heard such disturbing claims that "latchkey kids" are responsible for increasing crime. I note that no evidence whatsoever is provided to support such a devastating judgement against working mums and their children. I want to place on record some facts.

First, the Australian Institute of Criminology report quoted in the article shows that the rate of violence by 15- to 19-year-olds has declined by 3 per cent for boys and 2 per cent for girls. The number of hours worked is up, but the rate of teen violence is marginally down. Secondly, as shadow Minister for Juvenile Justice I visited each of the State's detention centres twice, and some I visited up to five or six times. In that time I met only one detainee who had a working mum. He was in detention for a traffic offence relating to a fatality and had no prior history of offending. In my experience—reinforced by the studies I have read—youth offending is associated with poverty and unemployment. Mr David Chalke's theory that the hard work of employed mothers leads to increased youth offending is in opposition to the evidence. The overwhelming majority of youth crime occurs at night and on weekends—out of school hours and out of working hours.

Every parent has a duty to supervise their children. Having two working parents does not imply a lack of supervision of children; indeed, the opposite is often the case. I have a privileged career, I love my work and

it is integral to my sense of purpose and identity. I am honest enough to say that I am very lucky. I want to speak out for the majority of mums who do not feel that way about their work but have good reasons for taking part in full-time employment. Many of them spend long hours in jobs they may not enjoy but they know that the extra income they earn will enable them to provide their kids with opportunities they may not have otherwise. I cannot put into words my admiration for the self-sacrifice and love that those mothers show their children. They may work in order to fund a talent their child exhibits, to pay for extra equipment or travel for sport, for a private school education or to support further studies after school. Whatever their motivation, smearing these women as contributing to a rise in youth crime is disgusting, quite apart from the fact that youth crime is not rising.

The message these mothers are sending to their teenage children is that education is invaluable: "You, my son, my daughter, are so dear to me that I am working day in, day out to invest in your quality of life and your future." Along with working dads, they are role models for their children. The kids are all helping out to make this work. Overwhelmingly, the children have part-time work, have their own savings targets and are hitting them every day. These families are the backbone of Australia's economic and social greatness. We should be celebrating their work ethic and their sacrifice. No-one should accuse them of negligence or of creating youth crime. It is not just factually incorrect; it is a disgusting and unwarranted slap in the face.

It is time Australia saluted hardworking families of all kinds—traditional, blended and single parent. I admonish those arrogant, unthinking characters in business and the media who smear them. Every family is special. Overwhelmingly, parents and their teenage kids are doing their best. Let me make a prediction: My experience of teenagers is that they are beautiful, appreciative, respectful and outstanding young Australians, and I confidently predict that their accomplishments will beat the pants off our own, the older generation, in the future.

YARALLA ESTATE

The Hon. LUKE FOLEY (Leader of the Opposition) [10.25 p.m.]: Two days ago around 500 people rallied, marched and rode ponies to save community horses on the historic Yaralla Estate at Concord. The Sydney Local Health District issued eviction notices to around 30 owners who agist their horses in the paddocks of the great Edwardian estate at Yaralla, also known as the Dame Edith Walker Estate. Those eviction notices will take effect this Friday, 31 May. The removal of the opportunity for local residents to keep a horse in the Yaralla Estate paddocks is a major change in community use.

The estate was bequeathed to the State in 1938 and has been set aside for public space and the agistment of horses, as well as health services. Local children can ride horses and families have been able to walk through the paddocks and picnic in the grounds of the estate just 13 kilometres from the city. No expression of interest or public tender process was conducted before the Sydney Local Health District signed over the horse paddocks to the Mounted Police Unit. A secret deal was signed between two arms of the State Government, the Sydney Local Health District and NSW Police Force, to move the mounted police horses to the Yaralla Estate.

I will acquaint members with the process—or, more particularly, the lack of process—that was involved in that secret deal between two arms of government. On 19 April a press release from the Sydney Local Health District announcing the deal to hand over the paddocks to the mounted police informed people that the decision was taken on the basis of an independent audit of the paddocks. That allegedly independent audit was written by a company that secretly donated more than $30,000 to the Liberal Party and engages Liberal Party powerbroker Michael Photios as a paid lobbyist.

A front company, AMK Holdings Pty Limited, funnelled $30,000 in donations to the Liberal Party in 2010 and 2011. The place of business of AMK Holdings Pty Limited is at the office of Blue Visions Management Pty Ltd, the company contracted by the Sydney Local Health District to independently audit—we are told—the community horse paddocks at the Yaralla Estate. Blue Visions Management is listed as a client of Michael Photios' firm, Premier State Consulting, on the New South Wales lobbyists register. Mr Photios is a close confidant of both the health Minister, Jillian Skinner, and the Chair of the Sydney Local Health District, Ron Phillips. All three have been leading figures in the Left faction of the New South Wales Liberal Party for 25 years.

This allegedly independent audit was nothing of the sort. It was an exercise in delivering the Government the answer it wanted: the removal of the community horse owners and the handover of the

paddocks to the police. Following a public backlash against the secret deal, when 500 people rallied at the Concord RSL Club, NSW Health will now open the licence for horse agistment on the site to tender. However, a briefing note to the Chief Executive Officer of the Sydney Local Health District dated 14 May clearly states that it still intends ultimately to hand over the paddocks to the Mounted Police Unit. The briefing note states:

> The NSW Health risk assessment group expressed the unanimous opinion that entering into an arrangement with an organisation such as the NSW Mounted Police Unit would provide the optimum solution for future management of the site.

Ordinary people who have agisted their horses in the estate paddocks for years have been treated with cavalier disregard by the Sydney Local Health District. This is an equine scandal—a horse scandal of far greater substance than the More Joyous affair. Forget the Waterhouses; forget Singo. Ordinary people are being treated with cavalier disregard. I advise the House that I will move to activate my motions on the *Notice Paper* for an order for papers and for an inquiry by way of a select committee unless the Minister intervenes and does the right thing. Over 500 people at two community meetings have called on her to act. She must, first, grant a stay of execution for the community members who currently agist their horses at the estate and, secondly, work for a shared solution between the police and the community members who have agisted their horses in the paddocks for many years.

RENEWABLE ENERGY ACTION PLAN

Dr JOHN KAYE [10.30 p.m.]: The O'Farrell Government's energy policy is stuck in the past and is destroying the future. Two key documents remain locked up in the Cabinet process, presumably caught in a fight between a minority of sensible individuals who recognise the future is with energy efficiency and renewable energy and a bunch of fossil fuel addicts who cannot see beyond the past. In July 2011 the Renewable Energy Action Plan was developed by the Renewable Energy Task Force and the O'Farrell Government. The plan was released in September 2012 and submissions closed on 26 October 2012. It is now seven months later and no final document has emerged.

The draft was not a good document. It failed to provide a way forward for the renewable energy industry and the 73,800 new jobs it could create in New South Wales. It did not fix the problems with rooftop solar panels and it failed to fully realise the potential of wind energy. It does not give a way forward for the industry and it fails to get serious about energy efficiency. Nonetheless, the absence of this document in the public domain leaves the industry struggling to understand the direction of the O'Farrell Government. The draft wind energy planning guidelines were released on 23 December 2011. That date tells us a lot about the embarrassment of some members of the O'Farrell Government. Public submissions closed on 14 March 2012, yet 14 months later there is still no word on the final wind planning guidelines.

The draft guidelines would have massive negative impacts on the wind energy industry. The effective two kilometre setbacks would trigger a process that would sterilise a lot of New South Wales, as households less than two kilometres from a wind turbine would have the capacity to stymie any development in a long and drawn out consultation process. The noise guidelines, which the Minister says are some of the most stringent in the world, are absurd. The outside noise is less than that recommended for rural residents and less than the noise that would occur inside a library. The requirement to consult with health authorities over wind planning development clearly shows that the guidelines were written by people who have no firm grip on the science. The industry is offering $11 billion of new investment and a 17 million tonne reduction in the State's carbon dioxide production. That would mean a 28 per cent reduction in the greenhouse gas emissions of the electricity industry. Most importantly, by failing to resolve this issue 10,000 jobs in this State are on hold.

The O'Farrell Government's hostility towards renewable energy is apparent. The uncertainty is made worse by the inordinate delays. Electricity privatisation is proceeding behind closed doors, with terrible consequences for renewable energy. The hostility to the carbon price is holding up this Government's capacity to engage with the renewable energy industry. Rather than working with the carbon price, the Minister has insisted that bills contain misleading and, indeed, downright wrong statements about the financial impacts of the carbon price. The Government is working with the Federal Opposition to destroy one of the most important steps forward to reducing this nation's massive contribution to world greenhouse gas emissions.

The Government continues to allow itself to be distracted on coal seam gas. Developments in this dangerous form of energy should be put in the deep freeze, where they belong. It does not have to be this way. If Australian political leaders had the imagination and courage, we could be writing a different kind of future. We

could have a future that captures the innovative spirit of Australians, one that is based on energy efficiency. With the introduction of plans that phase out coal-fired power stations and with realistic wind and solar planning guidelines and subsidies, Australia would lead the world.

We must stop subsidies to coal and gas which prop up those industries and destroy jobs in renewable energy throughout New South Wales. We must put to bed once and for all the issue of coal seam gas and instead focus on concentrated solar thermal and wind energy. In so doing, Australia will become a global leader in renewable energy and many jobs will be created in this industry. It will mean an end to the sell-off of assets and we will be able to use public ownership of coal-fired power stations to propel New South Wales into a new future that is jobs rich. Our electricity power bills will be less and this nation will have the capacity to provide for itself without destroying the global environment.

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

Motion agreed to.

The House adjourned at 10.35 p.m. until Wednesday 29 May 2013 at 11.00 a.m.