

LEGISLATIVE COUNCIL

Wednesday 30 May 2012

The President (The Hon. Donald Thomas Harwin) took the chair at 11.00 a.m.

The President read the Prayers.

FIREARMS AMENDMENT (AMMUNITION CONTROL) BILL 2012

Message received from the Legislative Assembly returning the bill without amendment.

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

FSHD GLOBAL RESEARCH FOUNDATION LTD

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
 - (a) the FSHD Global Research Foundation is an Australian not-for-profit organisation dedicated to finding a treatment and cure for facioscapulohumeral dystrophy [FSHD] and has funded 17 research projects over the past three years in Australia, the United States of America, Netherlands, Italy, France and Belgium, and
 - (b) facioscapulohumeral dystrophy is one of the most common forms of muscular dystrophy seen in adults according to a recent Orphanet study and new estimates believe it may affect one in 7,500 people.
2. That this House acknowledges and commends:
 - (a) the founder of the FSHD Global Research Foundation, Mr Bill Moss, for his continued generosity and inspiration in trying to find a cure for facioscapulohumeral dystrophy, and
 - (b) the foundation's funding through donations from Australia of recent research which has resulted in a revelation that a defect in gene regulation, one never seen before in a human disease, and leads to a common form of muscular dystrophy known as facioscapulohumeral dystrophy, a research discovery that not only gives hope to people with the hereditary crippling condition but may also have an impact on research on other genetic diseases, such as cancer and diabetes.

NSW WEIGHTLIFTING ASSOCIATION LTD

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
 - (a) on Friday 25 May 2012, over 700 people attended the NSW Weightlifting Association's 2012 gala dinner to raise funds for young athletes travelling interstate and overseas,
 - (b) since the inception of the sport in Australia in 1912, New South Wales and Victoria have been the driving force behind the sport of weightlifting in Australia, and
 - (c) the NSW Weightlifting Association was officially formed in 1935, originally as the NSW Amateur Weightlifters Association, but later renamed the NSW Weightlifting Association.
2. That this House acknowledges and commends:
 - (a) the Executive Board of the NSW Weightlifting Association for its continued service to the thousands of people who undertake the sport of weightlifting in New South Wales, including:
 - (i) President: Mr Chris Michaelopoulos,
 - (ii) Vice President: Tony Campbell Cowie,
 - (iii) Honorary Chief Executive Officer and Treasurer: Mr Luke Borreggine,

- (iv) Secretary: Mr Steve Tikkanen,
- (v) committee members: Mr Paul Bayly, Ms Linda Hancock, Mr Martin Harlowe and Mr John Way, and
- (b) those who have had great impacts on the sport of weightlifting in New South Wales as founders, athletes, officials and administrators, particularly Jim Dovey, Brian Marsden, Joe Hensal, Arthur Shannos, Gerald Hay, Manny Santos, George Vasil, Nick Voukalatos, Don Mitchell, Lyn Jones, Don Simpson, Ralph Cashman, the late Bruce Walsh, Michelle Kettner, Mehmet Yagci, Kiril Kounev, Luke Borreggine, Kostas Valsamakis, Steve Tikkanen and Denise Lacey.

TRIBUTE TO MRS HELEN ZEREFOS, OAM

Motion by the Hon. MARIE FICARRA agreed to:

1. That this House notes that:
 - (a) on 3 September 2011, the Sutherland Shire Council honoured Mrs Helen Zerefos, OAM, with a fiftieth anniversary tribute concert to mark her professional singing career at the Sutherland Entertainment Centre, where she was accompanied by the Sutherland Symphony Orchestra under the baton of Sven Libaek,
 - (b) Mrs Zerefos began her career in television in 1961, and has since appeared in over 600 Australian television shows,
 - (c) Mrs Zerefos performed in the 1986 Royal Gala Concert for Queen Elizabeth II and Prince Philip, has starred in countless theatrical productions, cabaret shows and concerts, recorded numerous compact discs, compered her own television shows, represented Australia in 2000 in the concert that opened the Shanghai, China, Grand Opera House and ran in the Athens 2004 Olympic Torch Relay in Sydney,
 - (d) Mrs Zerefos actively supports many charitable causes and is Patron of Professor Tony Broe's Ageing Research Centre at NeuroScience Research Australia in Randwick, Sydney, where research into Alzheimer's and Parkinson's disease is conducted,
 - (e) in 1964, Mrs Zerefos won the major talent "Search for A Star Quest", in 2007 won the Australian Entertainment "MO" Award for best Classical/Opera Performer and in 2009 won another Australian Entertainment "MO" Award, The John Campbell Fellowship Award, and
 - (f) in 1996, Mrs Zerefos was awarded the Medal of the Order of Australia [OAM] in recognition of her outstanding services to the community, particularly to charitable organisations.
2. That this House acknowledges and commends Mrs Helen Zerefos, OAM, for her decades of excellence in Australia and internationally as a performer and her continuing devotion to charitable organisations.

PHOTOGRAPHS OF LEGISLATIVE COUNCIL

The PRESIDENT: I inform members that a photographer will be present in the Chamber from 2.30 p.m. to take photographs for education purposes and for use in official publications of the Legislative Council.

TABLING OF PAPERS

The Hon. Greg Pearce tabled the following papers:

- (1) Annual Reports (Departments) Act 1985—Report of Department of Education and Communities for year ended 31 December 2011.
- (2) Annual Reports (Statutory Bodies) Act—Reports for the year ended 31 December 2011:
 - Charles Sturt University
 - Macquarie University—Volumes 1 and 2
 - Southern Cross University—Volumes 1 and 2
 - University of Newcastle—Volumes 1 and 2
 - University of New England—Volumes 1 and 2
 - University of New South Wales—Volumes 1 and 2
 - University of Sydney—Volumes 1 and 2
 - University of Technology, Sydney—Volumes 1 and 2
 - University of Western Sydney—Volumes 1 and 2
 - University of Wollongong—Volumes 1 and 2

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

GENERAL PURPOSE STANDING COMMITTEE NO. 2**Report: Education Amendment (Ethics Classes Repeal) Bill 2011**

The Hon. Marie Ficarra tabled, as Chair, a report entitled "Education Amendment (Ethics Classes Repeal) Bill 2011", dated May 2012.

Ordered to be printed on motion by the Hon. Marie Ficarra.

The Hon. MARIE FICARRA (Parliamentary Secretary) [11.05 a.m.]: I move:

That the House take note of the report.

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

AUDITOR-GENERAL'S REPORT

The Clerk announced the receipt, pursuant to the Public Finance and Audit Act 1983, of the Financial Audit Report of the Auditor-General, Volume Two 2012, entitled "Focusing on Universities", dated May 2012, received and authorised to be printed this day.

PETITIONS**Hunting on Public Land**

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

BUSINESS OF THE HOUSE**Routine of Business**

[During the giving of notices of motions]

The PRESIDENT: Order! Members should desist from interjecting during the giving of notices of motions. Such behaviour is unfair to the member giving the notice of motion and unfair to Hansard.

BUSINESS OF THE HOUSE**Postponement of Business**

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

**MOTOR ACCIDENTS AND LIFETIME CARE AND SUPPORT SCHEMES LEGISLATION
AMENDMENT BILL 2012**

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. Greg Pearce.

Second Reading

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [11.23 a.m.]: I move:

That this bill be now read a second time.

As members will be aware, the Lifetime Care and Support Authority was established by the Motor Accidents (Lifetime Care and Support) Act 2006. The main purpose of the authority was to establish and operate a scheme to provide all the treatment and care needs of those who have been catastrophically injured in a motor vehicle

accident in New South Wales, regardless of fault. Since its inception, participation in the scheme has grown steadily. As at 30 April 2012 there were 638 participants: 564 adults and 74 children. Of the participant children, 66 suffered a dramatic brain injury and the other seven a spinal cord injury. Of the adult participants, 419 suffered a traumatic brain injury, 134 a spinal cord injury, three amputations and two serious burns. The age of the participants spans the entirety of the lifespan of Australians, but it is those between 16 and 20 years who are most strongly represented in the scheme, with 20 per cent of all participants in this range, followed by people between 20 and 25 years—over 12 per cent of participants.

With so many of those who are severely injured on our roads being young, and therefore requiring access to long-term treatment and care, a primary focus for the scheme is to redress the inherent difficulties for courts in adequately predicting and making provision for the costs of ongoing treatment and care needs for young, seriously injured people. In addition, the need to establish the fault of another in order to get such an award had the potential to unfairly disadvantage those who were equally severely injured in a motor vehicle accident but who were unable to establish that another person caused the accident. When the 2006 legislation was introduced then Minister John Watkins, Deputy Premier and Minister for Transport at the time, said:

The bill clarifies that for a participant in the scheme, the CTP insurer dealing with the claim is no longer required to meet any of the person's treatment and care expenses as those expenses are now required to be met solely by the Lifetime Care and Support Scheme.

He said further:

The Motor Accident Compensation Act is also amended to exclude a lifetime participant in the scheme from recovering economic loss damages for any treatment and care needs.

When the Act was introduced, downward adjustments were made to motor vehicle insurance premiums and a levy was imposed on motorists in order to fund the Lifetime Care and Support Scheme. The CTP premium was able to be reduced because insurers believed the legislation ensured that they would not be liable to identify motorists who were at fault in a motor vehicle accident for the cost of care required by people who were so badly injured in those accidents that they required compensation for the ongoing costs of their constant, changing and lifelong treatment and care needs. The Lifetime Care and Support Scheme levy was calculated to ensure that the Lifetime Care and Support Authority was always in a position to meet all the reasonable expenses of a scheme participant's assessed treatment and care needs.

Unfortunately, a recent decision of Mr Justice Garling in the matter of *Thiering v Daly* [2011] NSWSC 1345 has found it impossible to reconcile the statements of then Minister Watkins with the actual words in the Act and it has fallen to this Government to rectify the problems with the legislation. The questions considered by the court in *Thiering v Daly* were: whether the right of an individual who had been catastrophically injured in a motor vehicle accident, and who becomes a lifetime care participant, to damages for gratuitous care have been completely abolished; and, if not, then who, as between the Lifetime Care and Support Authority and the motor vehicle tortfeasor—in reality, the CTP insurer—is liable for the payment of compensation to services provided to the participants that would otherwise be provided most commonly by family or friends gratuitously.

In considering those questions Justice Garling found that section 130A of the Motor Accidents Compensation Act 1999 does not prevent a lifetime care participant from recovering damages up to the date of settlement or judgement in the common law action for attendant care services that the Lifetime Care and Support Authority had not paid for or accepted an obligation to pay. In his judgement Justice Garling also noted that there is "a significant lacuna in the legislation" because there is no express provision in the Motor Accidents (Lifetime Care and Support) Act that "specifically obliges the Lifetime Care and Support Authority to provide or pay for all of the assessed needs of the participant" and that "it seems assumed ... that the ... Authority will provide for all the assessed needs of a participant".

There are also concerns that the decision in the Thiering case has left open the possibility that in some cases the compulsory third party insurer may be liable in damages for the cost of some of the lifetime care scheme participant's future treatment and care needs. Compulsory third party insurers have calculated their premiums on the assumption that they were no longer liable for any of the treatment and care expenses of participants in the lifetime care scheme. This was a reasonable thing to do, considering the clear intent of the original legislation as clearly expressed by Minister Watkins in his speech introducing the original legislation. The compulsory third party insurer representatives have told me that the decision in Thiering has the potential to place a significant burden on the current level of both premiums and levies collected. It has been suggested to me that premium costs may need to rise substantially in order to accommodate the likely increase in damages payouts if the Thiering decision is allowed to stand.

If this happens motorists will be paying twice for meeting the treatment and care costs of lifetime care scheme participants: once by the payment of an increased compulsory third party insurance premium, and then again by the payment of the levy to fund the Lifetime Care and Support Scheme. To ensure that this does not eventuate, the Government is introducing the Motor Accidents and Lifetime Care and Support Schemes Legislation Amendment Bill 2012. The main purpose of the bill is to ensure that compulsory third party insurers are not exposed to the obligation to pay damages awards for which they have not collected premium and to ensure that all the reasonable and necessary treatment and care expenses of a participant in the lifetime care scheme, as assessed by the authority, are paid for from the returns on the levy collected from motorists for that specific purpose.

The bill has two key features. First, it clarifies that the Lifetime Care and Support Authority is solely responsible for paying the expenses of all the assessed treatment and care needs of a participant in the Lifetime Care and Support scheme. Secondly, the bill makes it clear that participation in the scheme abolishes a participant's right to claim damages for economic loss or treatment and care needs payable under the Motor Accidents Compensation Act 1999. The amendments to the Motor Accidents (Lifetime Care and Support) Act are set out in schedule 1 to the bill. Schedule 1 [3] updates the definition of "treatment and care needs" and provides for the making of a regulation that will exclude any treatment, care, support or service from the ambit of the Lifetime Care and Support Scheme. If a treatment and care need is excluded by a regulation made pursuant to this provision, then the Lifetime Care and Support Authority cannot be required to make any payment for that treatment and care need.

The key amendments to the Motor Accidents (Lifetime Care and Support) Act are set out in schedule 1 [6], which inserts a new part 2A, headed "Payments under the Scheme". In this part, new section 11A makes it clear that the Lifetime Care and Support Authority is to pay for all of the reasonable expenses incurred by or on behalf of a scheme participant in relation to that person's assessed treatment and care needs. Assessed treatment and care needs are those treatment and care needs that the authority has assessed as being reasonable and necessary in the circumstances and relate to the motor accident injury of the participant. Other forms of treatment and care not assessed as reasonable and necessary and relating to the motor accident injury, or that are excluded treatment and care needs, will not be expenses payable by the authority. As is presently the case, the Lifetime Care and Support Scheme guidelines can make provision for or with respect to determining which treatment and care needs are reasonable and necessary.

New section 11B sets out the circumstances in which the authority will not be required to make a payment. As a direct answer to issues raised in the case of Thiering, new section 11B in the bill states that the authority is not required to make a payment for any treatment, care, support or service that is provided to a participant on a gratuitous basis. In addition, the authority will not be required to make any payment for any treatment, care, support or service that is required to be provided by an approved provider and at the time the service was provided the person was not an approved provider. This will be the case even if the services that were provided formed part of the participant's assessment treatment and care needs. To accommodate cases where there is no approved provider available, new section 11B (2) allows for the making of a payment that is otherwise proscribed by the section if the authority forms the view that special circumstances exist that justify such a payment.

This may be important in cases where scheme participants may live in remote or regional areas and have little or no access to approved providers. New section 11C sets out that attendant care services and other types of treatment, care, support or services that are identified in the guidelines are to be provided only by approved providers. An approved provider will be a person or a class of people approved by the authority in accordance with the guidelines. The transitional provisions in schedule 1 [10] state that the amendments in schedule 1 will apply from the date of introduction of the bill into Parliament to claims made on or after the date of introduction, regardless of whether the claim is made in relation to past or future treatment and care needs. The transitional provisions are expressed to apply even if the motor accident occurred before the date of introduction or the claim relates to a person who was a participant in the scheme before the date of introduction.

"Claim" is defined to mean a claim under the Motor Accidents Compensation Act 1999 or a claim or request for payment for treatment or care needs made to a licensed insurer or the Lifetime Care and Support Authority. The amendments to the Motor Accidents Compensation Act are set out in schedule 2 to the bill. Schedule 2 [2] replaces the existing section 43A of the Act. The amended provision states that the provisions in chapter 3 of the Motor Accidents Compensation Act that require insurers to pay for certain treatment and care needs do not apply in any respect. This exception applies whether or not the treatment and care needs are assessed treatment and care needs under the Motor Accidents (Lifetime Care and Support) Act and whether or

not the Lifetime Care and Support Scheme is required to make any payment with respect to those treatment and care needs. This exception to an insurer's usual obligations under chapter 3 also extends to any excluded treatment and care needs.

In addition, so that it is absolutely clear, proposed new section 43A (2) (c) states that the exception provided for in section 43A (1) applies "whether or not the treatment, care, support or service (provided for in connection with treatment and care needs) is provided on a gratuitous basis". For the purposes of proposed new section 43A, the meaning of "treatment and care needs" is the same in both the Motor Accidents Compensation Act and the Motor Accidents (Lifetime Care and Support) Act. The other key amendment to the Motor Accidents Compensation Act is set out in schedule 2 [7], which inserts new section 141A in place of the existing section 130A. This provision is designed to ensure that no damages can be awarded to lifetime care scheme participants for their treatment and care needs, or any excluded treatment and care needs, as all reasonable and necessary services will be assessed and provided by the Lifetime Care and Support scheme.

Like proposed section 43A, new section 141A is expressed to apply whether or not the treatment and care needs are assessed treatment and care needs pursuant to the Motor Accidents (Lifetime Care and Support) Act, whether or not the Lifetime Care and Support Authority is required to make a payment in respect of the treatment and care needs concerned, and whether or not the treatment, care, support or service is provided on a gratuitous basis. The transitional provisions set out in schedule 2 [9] make it clear that these amendments are to apply to any claim made on or after introduction of the bill into Parliament and regardless of whether any claim is made in relation to past or future treatment and care needs. "Claim" includes claims or requests made in relation to treatment and care needs made to a licensed insurer or the Lifetime Care and Support Authority under the Motor Accidents (Lifetime Care and Support) Act 2006. I commend the bill to the House.

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

PUBLIC SECTOR EMPLOYMENT AND MANAGEMENT AMENDMENT (PROCUREMENT OF GOODS AND SERVICES) BILL 2012

In Committee

Clauses 1 and 2 agreed to.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [11.41 a.m.]: I move Opposition amendment No. 1 on sheet C2012-087C:

No. 1 Page 5, schedule 1 [2], line 20. Omit "and private sectors". Insert instead ", private and non-government sectors".

This amendment reflects a matter I raised during the second reading debate, that is, that the potentially useful function of the advisory groups or committees that may be established under the proposed legislation could be improved if it was not restricted to persons from the public or private sectors but was broadened to include the non-government sector. This amendment gives effect to that concern about the bill.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [11.42 a.m.]: I understand the comment from the Opposition but my advice is that "private sector" would capture the non-government sector. That is my understanding and therefore the amendment is not necessary. Accordingly, the Government does not support the amendment.

Dr JOHN KAYE [11.42 a.m.]: I hear what the Minister has to say, that this amendment is not necessary. Nonetheless, there is no reason to oppose it. Out of an abundance of caution, we should include the non-government sector. The Government, like the Opposition, comes from political parties that encourage the growth of the non-government sector in the provision of government services, particularly in the welfare sector. The non-government sector, as against the for-profit private sector, is playing an increasing role in the economy. Acknowledging the role that that sector plays in government purchasing and the influence that it ought to have over government purchasing by specifically naming the sector in the bill would do no harm and could potentially do some good. Therefore, The Greens will support the amendment.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [11.43 a.m.]: I reiterate to The Greens my advice is that it does include the not-for-profit sector, which is terminology we use. They have that view from me as Minister in this debate. Indeed, I take a moment to further

respond to one of the issues raised by the Hon. Mick Veitch yesterday about disability employment organisation provisions in the bill and the register referred to in new section 21B. As I said yesterday, I thank the Hon. Mick Veitch for his questions regarding the register of disability organisations to be kept for the purposes of section 21B of the regulation. The Department of Family and Community Services has advised that the register of disability organisations and approvals is maintained by National Disability Services NSW. A register of disability organisations is publicly available on the Australian Disability Enterprises website. The link is www.australiandisabilityenterprises.com.au. The information that the Hon. Mick Veitch sought regarding the register is available on the website.

Question—That Opposition amendment No. 1 [C2012-087C] be agreed to—put and resolved in the negative.

Opposition amendment No. 1 [C2012-087C] negatived.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [11.45 a.m.], by leave: I move Opposition amendments Nos 2 to 4 in globo on sheet C2012-087C:

No. 2 Page 6, schedule 1 [2]. Insert after line 4:

- (2) Without limiting subsection (1), the report must include a report on the development and implementation of the policy referred to in section 149.

No. 3 Page 8, schedule 1 [2]. Insert after line 14:

149 Policy and directions to support NSW jobs

- (1) The Board must develop a policy, and issue supporting directions to government agencies, in relation to the following:
 - (a) procurement procedures that enable small to medium Australian businesses to compete on the basis of value for money,
 - (b) the development of, and inclusion of, Australian business participation criteria in tenders, with provision for appropriate weighting (of not less than 6%) for such criteria in tender evaluation,
 - (c) a price preference scheme that applies a 20% price discount for value-added content sourced from regional New South Wales businesses,
 - (d) the development of tender response content relating to the requirements of the policy,
 - (e) monitoring of and reporting by government agencies on the implementation and effectiveness of the policy.
- (2) The regulations may make provision with respect to the content of and other matters relating to the policy required to be developed under this section.
- (3) A policy developed under this section and any direction of the Board supporting any such policy has effect despite any other provision of this Chapter.
- (4) A performance agreement for a chief executive officer of a government agency must include a requirement to observe and report on the implementation of the policy developed by the Board under this section.
- (5) In this section:

related entity of an entity carrying on a business means:

 - (a) a related body corporate of the entity carrying on the business (within the meaning of the Corporations Act 2001 of the Commonwealth), or
 - (b) an entity engaged in a joint venture with the entity carrying on the business.

small to medium business means a business with up to 500 full-time equivalent employees (including any employees employed by any related entity of the entity carrying on the business).

No. 4 Page 15, schedule 2 [1]. Insert after line 19:

21C Requirements for NSW jobs policy

The policy developed by the Board under section 149 of the Act must contain provisions equivalent to those contained in the Local Jobs First Plan, as adopted by the New South Wales Government and in force as at 22 February 2010, with the following variations:

- (a) requirements relating to small and medium businesses are to relate to small to medium businesses (within the meaning of section 149 of the Act) located within Australia,
- (b) requirements relating to ANZ-SME content are to apply to value-added content sourced from small to medium businesses (within the meaning of section 149 of the Act) located within Australia,
- (c) the price preference margin in Part 3 of that Plan is to apply to value-added content sourced from small to medium businesses (within the meaning of section 149 of the Act) located within New South Wales and outside the Sydney metropolitan area,
- (d) any other necessary modifications.

I will not speak long on these amendments. The Opposition believes there needs to be a provision in the legislation making it abundantly clear that the board must develop a policy and implement supporting directions to government agencies to take active steps to support jobs in New South Wales, particularly jobs in regional New South Wales. We have proposed three provisions that do that. Amendment No. 4 contains reference to some guidance as to the content of the policy that may be made by regulation in the provision proposed by amendment No. 3 and, in particular, that it contain certain provisions that need to be included to make sure that Australian companies have a fair crack of the whip in getting access to New South Wales government procurement.

The Hon. Duncan Gay: He was not in Parliament. He doesn't understand how bad they were.

The Hon. Rick Colless: He is embarrassed.

The Hon. ADAM SEARLE: I acknowledge that interjection.

The Hon. Dr Peter Phelps: He is blushing with embarrassment.

The Hon. ADAM SEARLE: I am not. I am unashamed in suggesting that these provisions should be included in the legislation to make sure that there is ample direction to government agencies and to the new procurement agencies to take active steps to support jobs in New South Wales and, in particular, to continue the price preference scheme that was embodied in the Local Jobs First Plan, which was adopted some time ago, and to indeed expand that. It is a worthwhile measure. Given the importance of New South Wales public sector procurement to the New South Wales economy, it is important to take active measures to support local industry, local firms and local employment opportunities not only in the cities but throughout New South Wales. It is not only economically efficient, it is also socially efficient to make sure that, particularly outside of the cities, small to medium enterprises have meaningful consideration of New South Wales procurement opportunities. Therefore, the Opposition moves those three amendments.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [11.48 a.m.]: Opposition amendment No. 2 is not supported because the Government does not support amendment No. 3, which would require a new section 149. Amendment No. 3 is opposed. The Government is committed to supporting jobs in New South Wales and is developing a comprehensive program to provide genuine help to small business through government procurement. Our aim is to maximise opportunities for Australian businesses to access the procurement system, particularly small to medium enterprises.

This is already recognised in paragraph (c) of new section 144, Objectives of Board. Specifically, we need to get on with the job of simplifying procurement processes so that small and medium enterprises are not locked out of that process. This is already reflected in paragraph (e) of new section 144. The Government has retained the Local Jobs First Plan. However, that plan is under review. We have commissioned independent reviews of the plan and the Government expects to release the outcomes of that review process in the near future. The board needs to have flexibility to develop policies that best suit the needs of small and medium enterprises at any time.

Amendment No. 4 is also opposed. As already outlined, the bill provides for the board to have as its objective to improve competition and facilitate access to government procurement especially by small and medium enterprises and regional enterprises. The Government is currently reviewing the Local Jobs First Plan policy. The proposed amendment would pre-empt the outcomes of that review and tie the board to a price preference scheme. It would be preferable if the full range of policy options were considered so that workable policies that really benefit small and medium enterprises can be developed. This matter will be considered by the NSW Procurement Board in setting the policy framework to guide the new procurement system.

Dr JOHN KAYE [11.50 a.m.]: The Greens support Opposition amendments Nos 2, 3 and 4, which would require the board to develop a policy and to act on that policy in relation to procurement from small and medium enterprises in Australia and to develop the inclusion of Australian participation in tenders and a focus on regional New South Wales. The New South Wales Government is a major player in the economy through its purchasing. Using that power to shape the kinds of jobs that we create and the economic future for young people in New South Wales is a valid and proper public policy objective. I must say that the vote on these amendments would be challenging for The Nationals because the Labor Party is doing the right thing and saying there are employment issues in rural and regional New South Wales. Most members get out to regional centres and one of the hot topics on people's minds is the issue of employment, particularly in the smaller centres.

The Hon. Paul Green: Three hundred jobs at Manildra.

Dr JOHN KAYE: In rejecting these three amendments the Government relies upon proposed new section 144 (c) and (e), which sets out the objectives of the board. Paragraph (c) talks about improving competition and facilitating access to government procurement businesses by the private sector, especially by small and medium enterprises and regional enterprises, and paragraph (e) is about simplifying the procurement process. Those two paragraphs in and of themselves will not deliver for small and medium size enterprises and they will not necessarily create jobs in New South Wales. They will not necessarily boost economic activity in rural and regional New South Wales. They are objectives of the board and that is very nice, but they do not say at any stage that when the board is making decisions it should specifically focus on and deliver advantage to Australian jobs in small and medium enterprises in Australia and rural and regional New South Wales. Nowhere in this legislation is that preference expressed.

The legislation talks entirely about value for money and procurement based around minimising the cost to government. There is nothing wrong with minimising the cost to government but these purchasing decisions do not happen in a vacuum. They should be part of the Government's policy setting. The Government says it is currently reviewing the Local Jobs First Plan. We do not know what the review is or where it is going. Without some legislated security, companies and employees in rural and regional New South Wales can take no comfort whatsoever from this legislation. We all talk about economic development and I know that The Greens are criticised for some of the policies that we have advocated. I note that the Hon. Paul Green is pushing the issue of what he says is 300 jobs at Manildra. It is actually 90 jobs at Manildra; he is inaccurate on that. There is of course the issue of cost effectiveness. Nowhere in this debate have we said that government purchases should totally ignore the objective of cost effectiveness. The problem with the Manildra plant is it is not a cost-effective way of winning greenhouse gas emissions.

The Hon. Rick Colless: In your view.

Dr JOHN KAYE: I take the interjection from the Deputy Government Whip. Yes, it may be my view, but it is also the view of the Industry Commission and the Australian Competition and Consumer Commission. While I might have my individual view, I would take the opinions of those two bodies ahead of that of the Hon. Rick Colless probably on any day and on any topic.

The Hon. Dr Peter Phelps: Then you'd be wrong.

Dr JOHN KAYE: I note the interjection by the Government Whip who says I would be wrong. By that interjection he has said that the Deputy Government Whip, the Hon. Rick Colless, has more economic expertise than the Industry Commission and the Australian Competition and Consumer Commission combined. That is an interesting proposition—

The Hon. Dr Peter Phelps: He is a remarkable man. He is a polymath. He is a renaissance man.

Dr JOHN KAYE: He is a renaissance polymath. I take that interjection as well. That is the Government Whip's opinion and we would probably ask the Australian Competition and Consumer Commission whether calling the Hon. Rick Colless a polymath—

The Hon. Duncan Gay: He is not a renaissance man.

Dr JOHN KAYE: No, I suspect he predates the renaissance. He certainly predates the Age of Reason and certainly predates the renaissance. I am prepared to debate that topic but it would be by way of substantive motion and not as part of this issue because what we are debating here is The Nationals' failure to stand up for

rural and regional jobs where there are cost-effective ways of implementing that through government purchasing policy. The Government says it is rewriting its legislation; that is great. This is a once-in-a-lifetime opportunity to secure a strong economic future for many of those rural and regional communities that are losing out. It can be done by giving policies to a board that can use government purchasing decisions to maximise the effectiveness of creating jobs in rural and regional New South Wales. The Greens support Opposition amendments Nos 2, 3 and 4.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [11.56 a.m.]: I do not want the record to indicate there is any support for some of the criticisms that Dr John Kaye just raised. This is enabling legislation and I refer Dr John Kaye to my previous comments in relation to government policy. I also note that The Greens have ridiculed and opposed many of the Government's policies that are assisting development and jobs growth in rural and regional areas. They complain about our payroll tax rebates, they ridicule the Regional Relocation Grant and they oppose the sale of assets which we have a mandate to sell or lease and which release funds that enable us to build infrastructure. These amendments are not necessary and I refer the House to my earlier comments.

The Hon. PAUL GREEN [11.57 a.m.]: I will clarify the record in relation to the comments that have been made about Manildra. There may well be 90 jobs involved in ethanol production but there are 300 jobs in the Shoalhaven. That means there are 300 families that are more than likely paying mortgages, getting their kids to school and putting food on the table. Without the ethanol there could be a very good chance that the whole factory and 300 jobs, which are subsidised by the ethanol, could be affected. Anyone in business would know you use the strength of your business to build the weaker side so that you strengthen your whole business. If Dr John Kaye is suggesting that those 90 jobs going down the gurgler might be negotiable, I am sure that is not the way The Greens councillor Amanda Findley would see it.

Dr JOHN KAYE [11.58 a.m.]: To be absolutely clear, is the Hon. Paul Green seriously telling the Chamber that the largest single processor of wheat in Australia is about to go bankrupt if it does not get access to a 6 per cent ethanol mandate, which is what we have opposed? To be clear: The Greens have not opposed a 4 per cent mandate; we have opposed the 4 per cent moving to 6 per cent. Is the Hon. Paul Green genuinely trying to represent to this Chamber—

The Hon. Rick Colless: Point of order—

Dr JOHN KAYE: This matter is relevant because it was raised in debate.

The Hon. Rick Colless: My point of order is that the issue Dr John Kaye is referring to is in no way related to the amendments before the Committee. I ask you to bring Dr John Kaye back to the amendments.

Dr JOHN KAYE: To the point of order: If what I said was out of order, what the Minister for Finance and Services and the Hon. Paul Green said was also irrelevant.

The Hon. Rick Colless: That is not relevant.

Dr JOHN KAYE: I think it is relevant, because the issue has been raised.

The Hon. Dr Peter Phelps: You raised it.

Dr JOHN KAYE: I did not raise it. The amendment is in the context of rural and regional jobs. The issue has been raised that rural and regional jobs will be lost at Manildra and Nowra because of things The Greens have said—

The Hon. Rick Colless: Or done.

Dr JOHN KAYE: I acknowledge the "or done" interjection, which I find quite fascinating.

[Interruption]

You know that is not true. I think the matter that is being debated is relevant because it is about regional jobs. It about the failure of members of The Nationals to stand up for regional jobs.

The Hon. Dr Peter Phelps: Point of order: The second reading debate can be quite expansive and extensive. By convention, during the Committee stage debate is narrowly restricted to the precise amendment before the Committee. I ask you to draw Dr John Kaye back to the substance of the amendments before the Committee.

TEMPORARY CHAIR (The Hon. Natasha Maclaren-Jones): Order! I uphold the point of order. Dr John Kaye will confine his remarks to the amendments before the Committee.

Dr JOHN KAYE: May I seek clarification of your ruling, Madam Temporary Chair? Can I therefore not respond to the remarks made by the Minister for Finance and Services in respect of payroll tax, regional relocation and the sale of assets? Those remarks were made in the context of this debate.

The Hon. Greg Pearce: You weren't responding to those; you were responding to the sale of assets at Manildra.

Dr JOHN KAYE: No, I am seeking a ruling from the Chair on this matter. The Chair said that I cannot respond to the absurd remarks made by the Hon. Paul Green. Does that also mean I cannot respond—

The Hon. Greg Pearce: Point of order—

Dr JOHN KAYE: No, I am just seeking clarification on the matter.

The Hon. Dr Peter Phelps: You are canvassing the Chair's ruling.

Dr JOHN KAYE: I am not canvassing the ruling; I am seeking clarification.

The Hon. Paul Green: Point of order: I merely responded to comments made by Dr John Kaye. I did not go outside the gamut of the amendment. I was fighting for job security in regional and rural Australia.

TEMPORARY CHAIR (The Hon. Natasha Maclaren-Jones): Order! There is no point of order. Dr John Kaye will confine his remarks to the amendments before the Committee. I remind him not to respond to interjections as they are disorderly.

Dr JOHN KAYE: I will take that excellent advice, particularly given the absence of quality interjections that have characterised this debate.

The Hon. Duncan Gay: Are you canvassing the ruling?

Dr JOHN KAYE: No, I am saying it is an excellent ruling.

TEMPORARY CHAIR (The Hon. Natasha Maclaren-Jones): Order! I again remind Dr John Kaye not to respond to interjections.

Dr JOHN KAYE: That is a good point. The amendments proposed by the Opposition would go some measure towards righting the wrongs that have been done by the Government in failing to develop appropriate policies for rural and regional New South Wales. These amendments are important because they would right the wrong in relation to the regional relocation grant, which was referred to the Minister earlier. It was a complete failure and not a cost effective way to support populations in rural and regional New South Wales. These amendments will go some way to righting the wrong that is being done by asset sales, which the Minister mentioned earlier. Asset sales strip value from rural and regional New South Wales. I have a suspicion that members will be debating that issue at some length, particularly in regard to rural and regional issues, in the frighteningly near future.

These amendments will go some way towards addressing the waste of money that the payroll tax policies of the O'Farrell Government has inflicted when, in fact, it can be demonstrated that those payroll tax reductions did not increase jobs in rural and regional New South Wales. The Opposition amendments would do so. Sensible purchasing from areas such as Nowra would create more jobs than the supposed jobs that would be lost at Manildra if the ethanol rebate is reduced from 6 per cent to 4 per cent, which is what The Greens said should happen. It is absurd to suggest that the plant, which is currently running at \$2 billion revenue each year, will go bankrupt if it does not get another \$300 million or \$400 million a year in pure profit from the ethanol market.

The Opposition amendments would enable government to target government expenditure to areas that most need jobs assistance to secure jobs for rural and regional New South Wales. It all very good for a member to thump the table and say, "I'm for regional jobs" but what will be done about regional jobs? If there were a genuine commitment to supporting rural and regional jobs in New South Wales, it would be done in a cost effective and targeted way. Dollars would be well spent to create jobs where they were needed; government purchasing would be used as a policy instrument. Therefore, The Greens support the amendments.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [12.07 p.m.]: I note the strong defence of rural and regional jobs by the Hon. Paul Green. I direct the attention of the Hon. Paul Green to Opposition amendment No. 3 and proposed section 149 (1) (c), which would implement a price preference scheme that must be embodied in a policy that applies a 20 per cent price discount for value-added content sourced from regional New South Wales businesses. I also direct the attention of Hon. Paul Green and other members to Opposition amendment No. 4 and proposed section 21C, which refers to the price preference margin to value-added content sourced from small to medium businesses located within New South Wales and outside the Sydney metropolitan area.

I note that the Minister says that this is enabling legislation, that the board can consider all of these matters, particularly once the local jobs first plan has been reviewed. I understand and accept his good intentions. However, the Opposition says that more needs to be done, particularly for businesses and communities outside the metropolitan areas of this State. We need to ensure that the economic infrastructure throughout the State is supported by government purchasing and government activity. The purchasing power of the State Government through procurement has a potentially profound impact on the economy of New South Wales and may have an important and profound effect on micro economies in regional or rural locations.

We say that such a policy should be promulgated, developed, implemented and monitored to provide active support for businesses outside Sydney. It will be interesting to see how members of The Nationals deal with this issue. In fact, it will be interesting to see how all members from outside the metropolitan areas deal with this matter. The Opposition does not think it is good enough to take a wait-and-see approach, pending some review. We say that this course of action should be embarked upon now. If for some reason it needs to be improved, the legislation can always be revisited in the light of experience. We press our amendments.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [12.10 p.m.]: The Labor Party had 16 years to implement these policies if it thought they were effective. This bill is designed to provide an appropriate way forward and to allow for proper consideration and implementation of the Government's policies. I reinforce that this Government has a very strong commitment to rural and regional jobs growth. To the extent that procurement can be utilised, the board will be tasked to ensure that that happens.

The Hon. PAUL GREEN [12.11 p.m.]: Does the Minister wish to comment on Opposition amendment No. 3 and proposed section 149 (1) (c)? As the Hon. Adam Searle said, it would establish a price preference scheme that applies a 20 per cent price discount for value-added content sourced from rural and regional New South Wales. How is the Government approaching that sort of innovation to create regional jobs?

The Hon. Adam Searle: What a Dorothy Dixier!

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [12.11 p.m.]: It sounds like a Dorothy Dixier. The Government is trying to reform the procurement process. One of the major problems with procurement under the former Government was centralised State contracts that contained provisions that ensured small and medium businesses could not supply government agencies. One of the provisions in some contracts was that a business would have to have statewide coverage to supply government. For example, that meant the laundry that serviced Goulburn Correctional Centre—that is, it washed the sheets and other linen—could no longer apply to be on the tender panel to provide that service. Instead of the jail being able to get its sheets laundered in Goulburn, thereby providing local employment, the sheets were sent to Sydney to be washed and then sent back.

The Hon. Dr Peter Phelps: Really?

The Hon. GREG PEARCE: Yes, it is unbelievable. Under the former Government's policies firms went through a tender process that could take up to 18 months. The C100 tender process involved more than 30 documents comprising more than 800 pages. Tenderers had to wade through all that material to be registered

to provide temporary secretarial services. If a receptionist went on holiday for a month, a company that wanted to get on the government panel to provide a replacement had to go through 800 pages of documentation. The process took 18 months and there was no guarantee that any service would be required. Part of the problem is that the former Government's approach involved massive costs. This Government is establishing a new process and the sooner we get on with this reform the better off this State will be.

Dr JOHN KAYE [12.13 p.m.]: I have been in this Chamber for five years and I have heard some non answers, but that one takes the cake. The Minister carefully avoided going through proposed section 144 without the Opposition's amendments. That proposed section makes it clear that the board's objectives are to get best value for money in procuring, to improve competition, to reduce administrative costs and to simplify procurement processes. I doubt that without the Opposition's amendment it would be possible for the board to impose a 20 per cent discount on goods with regional content. Without the Opposition's amendments areas such as the Shoalhaven will end up being hung out to dry by this Government. There may be pious intent to do something correct, but the Government will be hamstrung by its own legislation.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [12.14 p.m.]: That is a spot-on demonstration of The Greens' voodoo economic approach. Mr John Kaye wants the Government to put a premium on regional prices. I am happy to ask the board to examine these specific issues but in a sensible and reasonable way based on proper advice, not The Greens' voodoo economic advice.

Question—That Opposition amendments Nos 2 to 4 [C2012-087C] be agreed to—put.

The House divided.

Ayes, 17

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

Noes, 20

Mr Ajaka	Miss Gardiner	Mrs Mitchell
Mr Blair	Mr Gay	Reverend Nile
Mr Borsak	Mr Green	Mrs Pavey
Mr Brown	Mr Khan	Mr Pearce
Mr Clarke	Mr Lynn	<i>Tellers,</i>
Ms Cusack	Mr MacDonald	Mr Colless
Ms Ficarra	Mr Mason-Cox	Dr Phelps

Pairs

Mr Whan	Mr Harwin
Ms Voltz	Mr Gallacher

Question resolved in the negative.

Opposition amendments Nos 2 to 4 [C2012-087C] negatived.

Dr JOHN KAYE [12.23 p.m.]: I move The Greens amendment No. 1 on sheet C2012-085A:

No. 1 Page 6, schedule 1 [2]. Insert after line 24:

- (f) to prioritise the procurement of goods and services that are Australian made,
- (g) to ensure goods and services procured by and for government agencies:

- (i) meet fair trade standards, in the case of imported goods and services, and
 - (ii) are supplied by enterprises that comply with International Labour Organisation standards (including in relation to child labour), and
 - (iii) are produced without the use of child labour, and
 - (iv) are produced in compliance with applicable animal welfare laws and best practice,
- (h) to ensure the procurement of goods and services by and for government agencies is carried out in a way which respects the culture of Indigenous peoples,
- (i) to maximise the re-use and recycling of goods that are unserviceable or no longer required,
- (j) to require government agencies to meet high environmental standards in the procurement of goods and services, including in relation to waste production, energy efficiency and re-using and recycling goods,
- (k) to prioritise the procurement of goods and services from suppliers that have an Extended Producer Responsibility strategy.

This matter caused some concern during debate on the second reading yesterday. The amendment is complementary to the Opposition's amendment. The intent of the amendment is to broaden the objectives of the State Contracts Control Board. They include prioritising the procurement of goods and services that are Australian made to allow the board to undertake purchasing that focuses on Australian-made goods. In the case of imported goods and services, the amendment will ensure that goods and services that are procured by and for government agencies meet fair trade standards. Fair trade is simply about making sure that producers in Third World countries have access to markets and are not out-competed—

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

Dr JOHN KAYE: —by subsidised purchases from other countries and that some of the money is invested back into the communities. This is about developing the global economy. It is about making sure that people who have not had access to markets in Australia and for whom that lack of access has resulted in grinding poverty have access to those markets, can make some money, and can improve their conditions and regional economies.

They would require the board to ensure that goods are supplied by enterprises that comply with the National Labor Organization standards, including in relation to child labour. The problem with globalisation is that, without some kind of regulation, it becomes a race to the bottom in respect of labour standards and environmental standards. Each jurisdiction has an obligation to stand up and say loudly that it will not be part of that and that it will not allow globalisation and global purchasing of goods to become an excuse for ever-declining labour standards, particularly in Third World countries.

The Greens amendment No. 1 states at proposed subparagraph (g) (iii), "are produced without the use of child labour". We had some discussions on this during the second reading debate yesterday. I had foreshadowed this matter. I recall that the Government Whip quoted a 1997 report entitled "The State of the World's Children 1997" by the United Nations Children's Fund. He said, "Sanctions are also—

The Hon. Dr Peter Phelps: Point of order: The member is canvassing a debate that took place yesterday on an entirely different matter. I ask you to draw him to order and back to the substance of the amendment currently before the Committee.

Dr JOHN KAYE: To the point of order: If the Government Whip had not been busy tweeting, he may have bothered to read the amendment. He would have seen that proposed subparagraph (g) (iii) states, "are produced without the use of child labour". Therefore, my discussion of child labour is directly relevant to this debate.

TEMPORARY CHAIR (The Hon. Natasha Maclaren-Jones): Order! I do not uphold the point of order.

Dr JOHN KAYE: I understand that the document that the Government Whip relied on yesterday was a United Nations Children's Fund report entitled "The State of the World's Children 1997". He quoted the following:

Sanctions are also blunt instruments with long-term consequences that may not be foreseen, with the result that they harm, instead of help, children.

But he missed the first word of that sentence, which is "and". That sentence came from a longer paragraph—in fact, a longer document—which starts with the words:

Second, this myth implies that there is one clear highway, usually involving trade sanctions and consumer boycotts, speeding a newly impassioned global society all the way to the resolution of the problem.

International commitment and pressure are undoubtedly important.

I will say that again. The report says:

International commitment and pressure are undoubtedly important.

The relevance of that comment—

The Hon. Dr Peter Phelps: Your amendment proposes a boycott.

TEMPORARY CHAIR (The Hon. Natasha Maclaren-Jones): Order! There is too much background noise in the Chamber.

Dr JOHN KAYE: The United Nations Children's Fund report of 1997 was clear. It said that trade boycotts on their own do not work. But if one looks at the document in its entirety, one sees that it talks about a range of commitments from governments that includes trade boycotts. The report says that sanctions on their own will have unintended consequences. It does not say that sanctions are not important. In fact, it says:

International commitment and pressure are undoubtedly important.

In fact, what the Government Whip did yesterday was bowdlerise the report. The report gives some support to policies that eradicate child labour through purchasing decisions. That is backed up by the resolutions of a more recent congress, The Hague Global Child Labour conference in 2010. It had the subtitle, "Towards a World Without Child Labour: Mapping the Road to 2016". Part 1.3, Principles and Action, states:

In a globalized economy, government responsibility includes developing or strengthening policies, in consultation with social partners, that address child labour issues, in particular the worst forms, in international supply chains.

The only pressure that New South Wales has on international supply chains—this document talks about governments at all levels—is to move away from purchasing items that involve child labour. Part 1.5 states, "There is no single policy that by itself will end the worst forms of child labour." We need to turn that around. If we continue to purchase goods made by child labour we will continue to feed the economy that creates the economic incentive for child labour. The report continues:

... the functioning of labour markets, yields high returns in the fight against child labour ... The elimination of child labour should therefore be integrated in broader policy frameworks at national and sub-national levels, and policy coordination should be strengthened through appropriate inter-ministerial mechanisms.

At a sub-national level, New South Wales has a policy that enables it to pull out of the business of purchasing child labour. Part 8.1.6, Action by Governments—"governments" in this document means governments including sub-national governments—states:

Enforcing appropriate sanctions against perpetrators of the worst forms of child labour ...

It is a shame that the Government Whip is no longer in the Chamber as I would have been interested to hear his response. If the Government Whip were in the Chamber he would understand that his quote yesterday was taken entirely out of context and that a strong body of evidence supports sub-national governments being involved in the business of ending child labour. Do we really want to maintain a situation in which we are feeding profits into child labour? Do members really want to continue the situation where purchasing decisions for the people of this State can continue to support child labour?

Greens amendment No. 1 would ensure that the purchasing decisions focus on those goods that are produced in compliance with appropriate animal welfare laws and best practices. Across Australia a growing body of people are concerned about animal welfare. Many people who contribute to the revenue base of this

State are deeply concerned about animal welfare and they would be disturbed to know that New South Wales was not taking animal welfare seriously in its purchasing decisions. Other provisions of the amendment include respecting the cultures of Indigenous people, maximising the reuse and recycling of goods, and requiring government agencies to meet high environmental standards in the procurement of goods and services, including in relation to waste production, energy efficiency and reusing and recycling goods. They also include privatising the procurement of goods and services from suppliers that practice extended producer responsibility.

It is time for New South Wales to make a firm economic commitment to moving beyond the throwaway society. E-waste, of course, is one of the major problems, but other goods purchased by this State have a finite life and at the end of their finite life they present us with a major disposal challenge. The extended producer responsibility was introduced to make this State a leader and to ensure that every producer of a good did so fully understanding the economics of what happens to that good at the end of its life. The Hon. Cate Faehrmann has been talking publicly about container deposit legislation, which is an important implementation of extended producer responsibility.

The Hon. Walt Secord: She invented container deposit legislation.

Dr JOHN KAYE: The Hon. Cate Faehrmann did not invent container deposit legislation. In fact, the former Labor Government stymied any opportunity for this State to have container deposit legislation under pressure from the Beverage Industry Environment Council—a major donor to Labor. If I were a Labor member of Parliament I would not be interjecting about extended producer responsibility. Importantly, the New South Wales Government should be using its buying power to begin the transformation of our economy away from an exploitation economy—an economy based on importing goods produced by child labour in a global economy that still has 210 million children working when they should be in school.

The Government should be using its buying power to begin the transformation of our economy to an economy that no longer accepts the disposable end-of-life solutions but rather focuses on producers who have factored into their production chains the idea that a good has a finite life. At the end of that good's life there should be a strategy for re-birthing it and turning it into something new, or at least disposing of it in a way that does not impose a burden on the environment. We have to respect that we live on a finite planet. The Government now has an opportunity to make a firm statement. The Greens commend the amendment to the Committee.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [12.35 p.m.]: The Opposition supports The Greens amendment No. 1.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [12.35 p.m.]: The Greens amendment No. 1 would change the board's objective so that it must also consider a wide range of potentially conflicting objectives. Accordingly, the Government does not support the amendment. The objectives of the bill are to give the board focus. The bill sets out the priority objectives of the board. In other words, these are the key things the board principally needs to focus on to get the procurement system working properly. If this amendment is passed the board will be charged with such a wide range of objectives that it would never be able to achieve anything.

Some of the objectives proposed by this amendment are inconsistent with others contained in the amendment and in the bill itself. The board's role would become unworkable if such a broad range of objectives were prescribed. That is not to say that some of the matters referred to in the amendment should be ignored. The Government recognises that some of them are important. For example, the Government is committed to supporting jobs in New South Wales but the way to do this is to maximise opportunities for Australian businesses to access the procurement system, particularly small to medium enterprises. As I said when speaking to the Opposition's amendments, this is already recognised in proposed sections 144 (c) and 144 (e).

Most of these matters will need to be considered by the board in setting the policy framework to guide the new procurement system, and the board will consider them. For example, the Government is already committed to using the procurement system to support Aboriginal people by maximising opportunities for Aboriginal businesses. Similarly, a Premier's memorandum, which has been retained by the current Government, already deals with the issue of sustainability, including the production of less waste and promoting an increase in recycling. Similarly, the Government does not want goods and services to be made using child labour. Some of the objectives are also unclear. The board will be required to ensure that products meet fair

trade standards, particularly imported products. I am advised that these standards are not clear, and it would be difficult for the board to ensure that they are met. Generally these matters are for national governance and in the domain of the Federal Government. The Government does not support The Greens amendment No. 1.

Dr JOHN KAYE [12.38 p.m.]: The Minister just said that these are matters of relevance to the Federal Government, not the State Government. I do not agree with that proposition. Every issue that we have raised in this debate is something that New South Wales could do something about. We have the capacity to be part of the change on each of these important social and environmental issues and there is a moral obligation on us to do so. It is not good enough for us to wash our hands and to say that it is a Federal matter. The international protocols that I cited in my original contribution made it clear that the international community is looking to sub-national governments to be part of the solution. We have an opportunity to enshrine that in legislation now.

Question—That The Greens amendment No. 1 [C2012-085A] be agreed to—put.

The Committee divided.

Ayes, 18

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

Noes, 21

Mr Ajaka	Mr Gay	Reverend Nile
Mr Blair	Mr Green	Mrs Pavey
Mr Borsak	Mr Harwin	Mr Pearce
Mr Brown	Mr Khan	
Mr Clarke	Mr Lynn	
Ms Cusack	Mr MacDonald	<i>Tellers,</i>
Ms Ficarra	Mr Mason-Cox	Mr Colless
Miss Gardiner	Mrs Mitchell	Dr Phelps

Pair

Mr Whan

Mr Gallacher

Question resolved in the negative.

The Greens amendment No. 1 [C2012-085A] negatived.

Dr JOHN KAYE [12.47 p.m.]: I move The Greens amendment No. 2 on sheet C2012-085A:

No. 2 Page 11, schedule 1 [4], line 12. Insert "or if the matter concerns a complaint against the government agency to which the member belongs" after "an interest".

As I foreshadowed during my contribution to the second reading debate, this amendment simply means that if the director general of a government department is on the board and there is a complaint to the board relating to that department, then that director general should recuse himself or herself from the board meeting considering that matter. It is a simple probity matter. It is simply about ensuring that when a complaint is made, for example, about the Department of Health, the Director General of Health will not be at the board meeting when that complaint is heard. The issue is simple: it is about avoiding a conflict of interest or a perceived conflict of interest. I commend the amendment to the Committee.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [12.48 p.m.]: The Government does not support the amendment. The proposal put forward by Dr John Kaye would simply be unworkable. Indeed, using his example, given the size of the Department of Health and the

number of issues dealt with by the Department of Health, it would be nonsensical to have a mechanism whereby anyone could make any complaint and the director general would automatically be excluded from the decision making. The proposition is unworkable.

Dr JOHN KAYE [12.49 p.m.]: I do not understand why the Minister says this is unworkable. If there is a complaint in respect of an individual's department that individual excuses himself or herself for consideration purely of that complaint. In situations where the complaint involves decisions of the director general, the board makes decisions about complaints with respect to a director general's actions, policies or those under the supervision of the director general. It is not unworkable; it is highly workable. There are not that many complaints and in those cases the director general can excuse himself or herself from the meeting, step outside while the meeting takes place and the matter is resolved. The director general can then return to the meeting. There is nothing unworkable about that process. To the contrary, it is quite unworkable for a director general to sit in judgment on a matter that relates to his or her own department. That would be unworkable.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [12.50 p.m.]: The policy underpinning this amendment is already addressed by existing policy and that is exactly why we support the amendment. There is no unworkability inherent in the proposal.

Question—That The Greens amendment No. 2 [C2012-085A] be agreed to—put and resolved in the negative.

The Greens amendment No. 2 [C2012-085A] negatived.

Schedule 1 agreed.

Schedules 2 and 3 agreed to.

Title agreed to.

Bill reported from Committee without amendment.

Adoption of Report

Motion by the Hon. Greg Pearce agreed to:

That the report be adopted.

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 transmitted to the Legislative Assembly with a message seeking its concurrence in the bill.

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Orders of the Day Nos 2 to 4 postponed on motion by the Hon. Greg Pearce.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders: Order of Business

The Hon. CATE FAEHRMANN [12.55 p.m.]: I move:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 672 outside the Order of Precedence relating to commercial pipi harvesting be called on forthwith.

This motion is urgent because the six-month moratorium put in place by the Minister for Primary Industries in December 2011 to prevent commercial pipi harvesting from New South Wales surf beaches is due to finish this Friday 1 June 2012. It is a matter of extreme urgency that this moratorium is extended in time and in scope because stocks of this shellfish, which is an integral food chain on our beaches, cannot have recovered to a level that will ensure the existence of sustainable populations of pipis in the long term. The motion is urgent because around the world pipis comprise as much as 80 per cent to 98 per cent of the biomass on high energy sand beaches and are crucial to the wellbeing of a high range of species in New South Wales. The endangered shorebird species, the pied oyster catcher, although listed as vulnerable, fits the criteria for endangered species and feeds heavily on pipis.

The National Parks and Wildlife Service has noted from expert advice that the pipi is a key prey species for these birds and that the pipi has undergone a severe long-term decline as a result of commercial overharvesting. These birds are thinly scattered, with no more than 232 birds in 1998 in the whole State and fewer than 50 pairs in southern New South Wales. Without a pipi to feed on, these birds could easily become critically endangered. The motion is urgent because in response to these declines in New South Wales the Minister has rightly imposed a moratorium on the commercial harvesting of pipis but only until 1 June 2012—this Friday. The motion is now urgent because the moratorium is about to expire.

Less than six months is not enough time for pipi populations to be established. Let me briefly explain the reason why. The few remaining pipis would have to spawn. It then takes eight weeks for the new pipis to be established on a beach. The new population requires a minimum of 10 months to reach 3.7 centimetres, which is under the minimum catch size of 40 millimetres. In other words, the six-month moratorium would have no impact on pipis. The Minister is about to lift that moratorium on Friday and commercial harvesting is about to begin. The pipis have not had time to recover, essentially making the Minister's moves redundant. The motion calls on the Minister to extend the moratorium. I urge members to support this motion.

The Hon. DUNCAN GAY (Minister for Roads and Ports) [12.58 p.m.]: The Government opposes the motion as it does not believe this matter is urgent. The Minister for Primary Industries is working closely with the Department of Primary Industries and stakeholders to ensure that we have a coordinated and effective plan for the sustainable management of pipis in New South Wales. The motion is not urgent. I am not sure where our Greens colleagues have been but since our six-month closure of pipi harvesting we have seen a very positive recovery of pipi stock up and down the coast of New South Wales. The motion is not urgent because we are not relying on scientific evidence from The Greens. Indeed, within their motion they cite anecdotal evidence. This motion is not urgent even in the mind of the Hon. Cate Faehrmann. She could have moved this motion tomorrow but she chose to move another motion that she has on the *Notice Paper*.

The pipi situation is very different from that which applied 12 months ago when this issue was first brought to the Minister's attention. It was a sad situation. Since then commercial landings have plummeted and people up and down the coast reported a lack of pipis at that stage. However, since the Minister implemented the new management controls in consultation with a working group that included recreational, commercial, conservation and Indigenous representatives we are now seeing signs of a significant turnaround in pipi stocks. The motion is not urgent because the official surveys and observations up and down the coast are showing fantastic recruitment of juvenile as well as adult pipis on beaches in many areas. Frankly, as a result of the action of the Minister the signs point to a very promising future for our pipis.

The Hon. ADAM SEARLE (Deputy Leader of the Opposition) [1.00 p.m.]: The Opposition will support the Hon. Cate Faehrmann's motion.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 18

Ms Barham
Mr Buckingham
Ms Cotsis
Mr Donnelly
Ms Faehrmann
Mr Foley
Dr Kaye

Mr Moselmane
Mr Primrose
Mr Roozendaal
Mr Searle
Mr Secord
Ms Sharpe
Mr Shoebridge

Mr Veitch
Ms Westwood

Tellers,
Ms Fazio
Ms Voltz

Noes, 21

Mr Ajaka
Mr Blair
Mr Borsak
Mr Brown
Mr Clarke
Ms Ficarra
Mr Gallacher
Miss Gardiner

Mr Gay
Mr Green
Mr Khan
Mr Lynn
Mr MacDonald
Mrs Maclaren-Jones
Mr Mason-Cox
Mrs Mitchell

Reverend Nile
Mrs Pavey
Mr Pearce

Tellers,
Mr Colless
Dr Phelps

Pair

Mr Whan

Ms Cusack

Question resolved in the negative.

Motion negatived.

ELECTRICITY GENERATOR ASSETS (AUTHORISED TRANSACTIONS) BILL 2012**Second Reading**

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra)
[1.08 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 Government is pleased to introduce this bill to authorise the sale of the State's electricity generator assets to the private sector.

The bill will enable the sale of the State's generators, including the Eraring and Delta West generators, which are subject to the former Government's gentrading agreements.

The bill implements the Government's response to the Special Commission of Inquiry into Electricity Transactions conducted by the Honourable Brian Tamberlin, QC.

The New South Wales Government is seeking parliamentary approval to sell the State's electricity generator assets because it wants to free up funds for infrastructure spending, see more competition in energy markets, encourage private sector generation and help put downward pressure on power prices for consumers and businesses.

The bill does not authorise the sale of the electricity network businesses—the poles and wires. As the Government announced in November last year, the electricity distribution and transmission businesses will remain in public ownership.

The sale of TransGrid, Ausgrid, Endeavour Energy or Essential Energy is not authorised by this bill.

This bill will enable the sale of the State-owned electricity generators—Macquarie Generation, Eraring Energy and Delta Electricity. These businesses operate the major power stations that generate electricity in New South Wales.

The Government also intends to sell electricity development sites and sell or lease the Cobbora mine.

The bill has been drafted to provide flexibility in the transaction structure that will apply to the sale of the State-owned electricity generators.

The key provisions of the bill have been drafted in a manner that is broadly consistent with common provisions in other special purpose legislation introduced to facilitate asset sales.

The sale may proceed, for example, by way of a direct trade sale or a public float of shares. The bill enables the businesses and their assets to be restructured prior to sale, allowing optimisation of the size and quantity of the packages offered to the market. Transaction entities may be established to facilitate the sale.

Protection and transfer mechanisms offered to employees will be an important consideration during the negotiation of transaction agreements.

The Government wants to foster a competitive electricity market to address deep community concern about the cost of electricity.

Electricity retail prices have risen sharply since 2007, particularly in regional areas in New South Wales. Some customers of Essential Energy reportedly experienced increases in regulated electricity retail tariffs of around 85 per cent between the years of 2004-05 to 2010-11.

A competitive electricity market puts downward pressure on electricity prices—for the benefit of all consumers.

In this regard, the findings of the Tamberlin Inquiry were unequivocal.

The Honourable Brian Tamberlin said in his final report:

Given the manifest disadvantages of the gentrader model, the Inquiry's view is that the State ought not to persevere with the gentrader option.

The Inquiry does not consider there to be any good purpose to be served by the State continuing to own generation assets in NSW.

The Inquiry does not consider that the objectives of a competitive electricity market or reliability of supply are advanced by maintaining the status quo.

The Government endorses these findings of the Special Commission of Inquiry.

The introduction of the bill is evidence that this Government is delivering real reform to drive infrastructure regeneration in this State.

The best way of encouraging private investment in electricity generation in New South Wales is for the State to divest itself of its generators.

This bill is a key part of the Government's commitment in NSW 2021 to build the infrastructure that makes a difference to both our economy and people's lives.

The sale of the electricity generators will release funds for critical infrastructure projects—the roads, transport and hospitals—that provide access to services and better quality of life.

The net proceeds of sale will be paid into the Restart NSW Fund—a dedicated fund established by this Government under the Restart NSW Fund Act to fund major infrastructure projects.

Restart NSW is a fund with the express purpose of improving the economic growth and productivity of the State by funding infrastructure projects. Money placed into the Restart NSW Fund cannot be diverted to other purposes, without authorisation under an Act of Parliament.

The enactment of this bill will implement the recommendations of the independent Inquiry and free up funds for the critical infrastructure that this State so desperately needs.

I commend the bill to the House.

[The President left the chair at 1.09 p.m. The House resumed at 2.30 p.m.]

DISTINGUISHED VISITORS

The PRESIDENT: I welcome into my gallery members of the Victorian Parliament: Mr Andrew Elsbury, MLC; Mr Andrew Katos, MLA; and Mr David Southwick, MLA.

Pursuant to sessional orders business interrupted at 2.30 p.m. for questions.

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

QUESTIONS WITHOUT NOTICE

SYDNEY DESALINATION PLANT

The Hon. LUKE FOLEY: My question is directed to the Minister for Finance and Services. I refer to the Government's pre-election policy document Restart NSW and note that in relation to the Sydney Desalination Plant transaction it stated:

The proceeds from the lease will be transferred to the Restart NSW Fund.

Given that only \$300 million from the \$2.3 billion transaction from the desalination plant has been put into Restart NSW, is this an example of a broken promise?

The Hon. GREG PEARCE: No, it is not but it is an example of your ignorance.

The Hon. Duncan Gay: You would know better.

The Hon. Walt Secord: Have you been hitting the liquor cabinet?

The Hon. Duncan Gay: Point of order: I take offence to that comment from the Hon. Walt Secord, who accused me of hitting the liquor cabinet. I ask him to withdraw. I do not drink.

The Hon. Amanda Fazio: To the point of order: I am seeking your advice when you are making a ruling on this point of order. If interjections are disorderly at all times, is it appropriate for members to take points of order on interjections? Is it appropriate for members to ask for comments made by way of an interjection to be withdrawn?

The Hon. Walt Secord: To the point of order: I was not referring to the member, but I withdraw.

The PRESIDENT: Order! The Hon. Walt Secord has withdrawn, which concludes the matter. I will give further consideration to the questions raised by the Hon. Amanda Fazio. Generally speaking, although interjections are disorderly they can be offensive and the subject of points of order. I will give further consideration to what is the most orderly practice in the House.

The Hon. GREG PEARCE: The Treasurer has announced that the Government has successfully refinanced the Sydney Desalination Plant for \$2.3 billion. That is an excellent result for the people of New South Wales. It is well above book value for the plant. I indicate—for the education of the Leader of the Opposition—that the previous Labor Government had examined the prospect of a long-term lease of the desalination plant for the very same purpose as the Government has undertaken. The Hon. Eric Roozendaal is not here—oh, there he is; thank you, Eric.

All I can say is that the people of New South Wales should thank their lucky stars that Labor did look at the transaction and reject it because—having regard to its record on electricity and the loss of \$5 billion worth of value—what would it have lost trying to arrange a long-term lease of the desalination plant? Those opposite probably would have paid one of Eddie Obeid's friends to take it off their hands. That is the sort of approach they would have taken. Of the \$2.3 billion achieved, \$300 million—yes, in cash—will be directly invested in the Restart NSW Fund. A further \$1.8 billion will be used to repay debt held against the plant. The State will be able to raise up to \$1.8 billion in new debt to fund infrastructure without affecting the State's credit rating. That is how we unlock nearly \$2.3 billion of funds.

WATERFRONT TENANCIES

The Hon. JOHN AJAKA: My question is addressed to the Minister for Roads and Ports. Will the Minister update the House on the New South Wales Government's adoption of the recommendation of the Independent Pricing and Regulatory Tribunal's review into domestic waterfront tenancies?

The Hon. Penny Sharpe: Oh, that's right—people with boats get it half price.

The Hon. DUNCAN GAY: I acknowledge the interjection of the shadow Minister for Transport who, frankly, is disputing a report of the Independent Pricing and Regulatory Tribunal. She would know—she knows better than anyone—or so she thinks. Today the Deputy Premier and I announced that the New South Wales Government will adopt, in full, the 36 recommendations arising from the Independent Pricing and Regulatory Tribunal's review of rents for domestic waterfront tenancies. The former Labor Government referred domestic waterfront tenancy rents to the Independent Pricing and Regulatory Tribunal for review in 2010. I assumed that those opposite were meaning for a proper review and wanted to listen to what the Independent Pricing and Regulatory Tribunal said. There are approximately 8,350 domestic waterfront tenancies managed by the Department of Trade and Investment, Regional Infrastructure and Services and by Roads and Maritime Services.

[Interruption]

I was asked a question but I cannot answer it because there is a verbal barrage that continues to come from Opposition members. Tenants pay for the use and occupation of public land, with the rental fees to the New South Wales Government totalling \$14.8 million in 2010-11. These tenants mostly occupy an area of public land with private structures, including jetties, swimming pools, sea walls, boat sheds and slipways. The changes mean that the majority of the State's 8,350 domestic waterfront tenants—that is 6,179 tenants, or 74 per cent—will receive an average rent reduction of 28 per cent from 1 July this year. This should be seen as a welcome outcome for the vast majority of domestic waterfront tenants.

As a result of implementing the Independent Pricing and Regulatory Tribunal's recommendations, revenue to the New South Wales Government will reduce by approximately \$5.3 million. The Government is not keen on losing that money. However, the former Government put it to the Independent Pricing and Regulatory Tribunal in good faith, the report was released and the Government has accepted it. It represents 36 per cent of the current income from these tenancies. We agree with the Independent Pricing and Regulatory Tribunal that the changes are fairer for tenants and provide a reasonable return to Government for the private use of public land. Approximately a quarter of tenants will experience an average increase in charges of 16 per cent. However, importantly, any increases in tenancy rents will be capped at \$200 for the first year of implementation.

The Independent Pricing and Regulatory Tribunal's recommendations have updated the formula for determining market rents, provided improved concessions to water-access-only tenants and introduced a package of reforms that balances equity, transparency and market principles. These changes are for the benefit of the vast majority of waterfront renters. The community, domestic waterfront tenants and other stakeholders were consulted extensively in the development of the Independent Pricing and Regulatory Tribunal's report. The release of the Independent Pricing and Regulatory Tribunal's draft report last October provided an opportunity for stakeholders to comment on its recommendations. Community groups—including the Waterfront Action Group, West Pittwater Community and Home Access Association, and Berowra Waters Residents Pontoon Association—were actively involved throughout the review. Roads and Maritime Services and the Department of Trade and Investment, Regional Infrastructure and Services will be advised within the next fortnight on how the changes will affect them. [*Time expired.*]

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

The Hon. DUNCAN GAY: I thank the member for the chance to expand on my answer. It is interesting that the politics of division are being applied by those opposite. Just because someone lives in an area that may well be in the category of "rich" by those opposite—

The Hon. Greg Donnelly: Point of order: My point of order is that the Minister is debating the supplementary question, not answering it.

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

The Hon. DUNCAN GAY: The former Government put in place an Independent Pricing and Regulatory Tribunal recommendation, which came back to the O'Farrell Government. The O'Farrell Government was not happy to lose that amount of money but it was an Independent Pricing and Regulatory Tribunal recommendation and it was properly addressed. But now the politics are being played. Widows who live in houses that their husbands bought before World War II and pensioners who live in the area, people who are not rich, are now the subject of contempt by the Labor Party. What the Federal Government is doing is disgraceful; it contributed to the defeat of those opposite from government. This will lead to the defeat of their Federal colleagues from government.

WORKERS COMPENSATION SCHEME

The Hon. ADAM SEARLE: I direct my question without notice to the Minister for Finance and Services. During the first public hearing on the NSW Workers Compensation Scheme, Ms Geniere Alpin of WorkCover, in relation to the issues paper that was released, said:

It is not a WorkCover document.

Given that last week, when asked a question about this matter, the Minister accused another member in this House of lying, will the Minister now advise the House exactly who authored the issues paper that was released?

The Hon. GREG PEARCE: I am a little bit bemused by the fascination with this question. My recollection is—as I said last week when asked about this—that it was prepared by WorkCover and the Office of Industrial Relations but it had many fathers because lots of people in the Government were given copies of it at various times. It was, and it is, a government issues paper. It is not a report prepared by a retired judge. It is not an investigation. It is not a work of fiction. It is not a poem. It is a government issues paper. It was prepared for the Government and issued by the Government.

LOCAL SCHOOLS, LOCAL DECISIONS PROGRAM

Dr JOHN KAYE: I direct my question without notice to the Minister for Roads and Ports, representing the Minister for Education. My question relates to the current advertisement for the position of Director, Program Management Office, Department of Education and Communities. Do the "related reforms" mentioned in the advertisement, in part or in whole, refer to the Local Schools, Local Decisions reforms? If so, is it true that Local Schools, Local Decisions is an example of a major efficiency measure within the Department of Education and Communities?

The Hon. DUNCAN GAY: I thank the member for his question. The Minister for Education has been clear and consistent on this point. Local Schools, Local Decisions is a major educational reform designed to distribute greater authority to local schools. Local Schools, Local Decisions is not about cutting funding to schools; it is about increasing the proportion of public education funding directly to schools. That means that the roles of the State and regional offices will change. Those offices will be streamlined and refocused on better underpinning the work of local schools. The Department of Education and Communities, like all departments, must operate within its budget. It is always focused on improving efficiency to maximise the proportion of its budget directed at front-line services to the public. The Program Management Office does not set school budgets, nor does it make policy decisions. It monitors and coordinates major reforms across a large and complex department, including monitoring efforts to streamline back office functions so that more of budget for public school education goes directly to schools.

Local Schools, Local Decisions is a major education reform, which is focused on improving quality teaching, putting students at the heart of decision making and directing resources to where they will make the most difference. It is a reform designed to benefit students. The school principals wanted these changes and the Minister for Education has indicated to me that he makes no apology for them. The Government is backing the judgement of principals, teachers and school communities because they know what is in the best interests of their students better than anyone. For too long our teachers have been held back by a system-knows-better approach.

The Hon. Sophie Cotsis: Why don't you ask the teachers?

The Hon. DUNCAN GAY: That lot over there would not know about education; they missed out somewhere. The aim of Local Schools, Local Decisions is to foster a cultural shift where a principal and his or her staff, with ideas, energy and a willing school community, can take some risks and know that they will be supported, not second-guessed by those in State office. I will seek a detailed answer to those parts of Dr John Kaye's question that I have not covered.

Dr JOHN KAYE: I ask a supplementary question. Will the Minister elucidate that part of his answer where he refers to Local Schools, Local Decisions being designed to benefit students? Will the Minister also indicate what evidence base he has for saying that?

The Hon. DUNCAN GAY: The answer is self-evident and was addressed in my previous answer.

URBAN SEARCH AND RESCUE CANINE UNIT

The Hon. SARAH MITCHELL: I address my question to the Minister for Police and Emergency Services. Will the Minister provide an overview of the Urban Search and Rescue Canine Unit within the NSW State Emergency Service?

The Hon. MICHAEL GALLACHER: I thank the member for her question and keen interest in the outstanding work done by the NSW State Emergency Service and its volunteers in the development of the Urban Search and Rescue Canine Unit. As part of a combined project with Fire and Rescue NSW, the NSW State Emergency Service has formed a canine search unit that will be available to assist Fire and Rescue

NSW in urban search and rescue operations, nationally and internationally. The implementation of the NSW State Emergency Service Urban Search and Rescue Canine Unit has assisted in broadening the scope of the NSW State Emergency Service and its volunteers in disaster preparedness and response. It will also further enhance volunteer skills, thereby improving the safety of the community.

The canine unit will provide a critical element in a coordinated agency approach when locating potential survivors and victims in collapsed structures, utilising specially trained canines and their State Emergency Service volunteer handlers. Currently there are 10 NSW State Emergency Service volunteer handlers with canines. These handlers have been assisted by dog trainers who are undertaking intensive training in preparation of being operational following the international external classification assessments to be held in September. This involves a formal accreditation process through the International Search and Rescue Advisory Group. Once operational, all members on the State Emergency Service Canine Urban Search and Rescue Unit will be available to contribute to other core roles of the NSW State Emergency Service during flood, storm and tsunami events, as well possibly being involved in future land-search opportunities assisting the NSW Police Force.

Fire and Rescue NSW recently invited the NSW State Emergency Service Canine Unit handlers to attend a presentation by Chris Pritchard, an internationally recognised urban search and rescue dog handler. Mr Pritchard has been deployed to many countries as an urban search and rescue canine search coordinator and has a wealth of knowledge in this area. The State Emergency Service canine handlers gain valuable knowledge in various canine search and rescue techniques that have been utilised in previous emergency rescue operations in all parts of the globe, taking away valuable information on this unique field from Mr Pritchard's presentation. Urban search and rescue canines are a unique and valuable resource for assisting with rapid location and rescue of trapped people from collapsed structures. This unit will play a crucial role in the disaster response process. However, it requires extensive training, commitment and continuous assessment to ensure a high degree of professionalism and proficiency is sustained.

The selected NSW State Emergency Service volunteer dog handlers are enthusiastic about maintaining their training both personally and with their team. The NSW State Emergency Canine Unit will not be limited to the boundaries of New South Wales; rather, it will be available to provide national and international support for our neighbouring States and countries that are affected by disasters. In New South Wales we have thousands of dedicated men and women who volunteer in our State Emergency Service, and it is crucial that we recognise their time and work by providing them with the infrastructure and support to maintain such an invaluable capability.

HUNTING IN NATIONAL PARKS

The Hon. CATE FAEHRMANN: My question is addressed to the Minister for Police and Emergency Services, representing the Premier. What will the Premier be saying to the State's leading environment groups and to the people of New South Wales now that he has broken the promise he made to them immediately after the State election that he would not allow hunting in national parks?

The Hon. Duncan Gay: Why didn't you ask me? This is a win.

The Hon. MICHAEL GALLACHER: This is a huge win for the environment. "Getting rid of animals that wreck the environment, wild pigs, dogs, that sort of thing, I don't think anyone will have an issue with that." They were the words of former Premier Nathan Rees when he first started talking about the need to reduce feral animals in our national parks. The Government's decision is a huge win. For generations into the future this time will be remembered as the time when feral animals were reduced and native animals prospered as a result of this decision. I thank The Greens for asking the question. It gives me an opportunity to restate our commitment to protecting our national parks.

PACIFIC HIGHWAY UPGRADE

The Hon. PENNY SHARPE: My question is addressed to Minister for Roads and Ports. Given that the Treasurer has said that \$2 billion has been unlocked from the sale of the Sydney Desalination Plant, has the Minister spoken to the Treasurer about directing those funds to match the Federal funding for the Pacific Highway duplication?

The Hon. DUNCAN GAY: I cannot believe my luck some days. Members opposite keep asking me these great questions. Their mates in Canberra absolutely annihilated New South Wales, yet they keep giving me a chance to remind the people of New South Wales—I will not miss this opportunity—of this grubby deal. The Federal Government has left New South Wales stranded. That \$2.31 million—

The Hon. Cate Faehrmann: It's a grubby deal. It is the biggest grubby deal in the State's history.

The Hon. DUNCAN GAY: That is enough from the coalition partner of the Labor Party. I understand that the Hon. Cate Faehrmann cannot wait to get to Canberra with her good friend Lee Rhiannon, but she will have to wait a moment and listen to some home truths. The Greens have revved up the company Prius, they have spread the chook entrails around and Cate is on her way to Canberra.

The Hon. Lynda Voltz: Point of order: My point of order is relevance. Nothing in the question relates to either The Greens or chook entrails. Also, the Minister should refer to members by their proper titles.

The PRESIDENT: Order! There was a great deal of interjection. I remind the Minister that not only are interjections disorderly but so are responses to them. The Minister has the call.

The Hon. Melinda Pavey: We'll miss her.

The Hon. DUNCAN GAY: Yes, we will miss the Hon. Cate Faehrmann, and she will send our regards to Bob Brown.

The Hon. Michael Gallacher: The question is: Who is going to take her place?

The Hon. DUNCAN GAY: We would like her to win down there. It is a comparison thing.

The Hon. Lynda Voltz: Point of order: Earlier you reminded the Minister not to respond to interjections. I ask you to bring him back to the question, which is an important one from our side of the Chamber.

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

The Hon. DUNCAN GAY: I apologise. The Leader of the Government led me astray on this occasion. I should get back to the question and remind the House once again of the \$2.31 million that we were short changed. We are happy with the large amount of money put on the table, the 50 per cent, but it should have been 80 per cent. We missed out on our main road funding—we have had it cut back. The Federal Government has parked on the side of the railway line in Sydney the \$2.31 million it ticked off with the previous Government. The Hon. Eric Roozendaal put in a submission on the back of an envelope and the Federal Government said, "Here's \$2.31 million." The member submitted two beer coasters and the back of an envelope; the Federal Government accepted that and ticked it off. That money is sitting there doing nothing. The Federal Government should have put that money into the North West Rail Link. If members opposite want to give some advice to their mates in Canberra—frankly, they need a lot of advice down there—they should say, "Albo, free up that money."

The Hon. Amanda Fazio: Point of order: My point of order is relevance. The Minister was asked a question about funding for the Pacific Highway. It has nothing to do with the North West Rail Link. I ask you to direct the Minister to be relevant in his answer.

The PRESIDENT: Order! The Minister is being generally relevant.

The Hon. DUNCAN GAY: If members opposite can do their maths—

The Hon. Penny Sharpe: You need money to fund the Pacific Highway.

The Hon. DUNCAN GAY: If the \$2.31 million that is parked on the side of the railway line went into the New South Wales budget we might have a few more bob to do a few more things. [*Time expired.*]

CEBIT BUSINESS TECHNOLOGY EXHIBITION

The Hon. MATTHEW MASON-COX: My question without notice is directed to the Minister for Finance and Services. Will the Minister advise the House about the New South Wales Government's involvement in CeBIT?

The Hon. GREG PEARCE: I am pleased to advise the House that I recently attended and spoke at the plenary session of CeBIT at the Sydney Convention and Exhibition Centre at Darling Harbour, along with the Premier, who gave the keynote address at the opening of the two-day event.

The PRESIDENT: Order! There is far too much audible conversation in the Chamber.

The Hon. GREG PEARCE: The New South Wales Government was the official partner for this event, which is the largest gathering of business, information technology and government executives in the Asia-Pacific region. Having commenced in 2002, CeBIT now attracts more than 500 exhibitors and 30,000 visitors annually—

[Interruption]

The Opposition spokesman on industrial relations wants to borrow a phone.

The Hon. Sophie Cotsis: No.

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

The Hon. GREG PEARCE: CeBIT is estimated to have generated more than \$2 billion in economic value to Australia.

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

The Hon. GREG PEARCE: The New South Wales Government also recognises the importance of CeBIT in positioning New South Wales as the leading State in technology and innovation and, as I said, is the official partner of the event. I was pleased to see that this year's CeBIT themes align with the Government's Information and Communications Technology Strategy 2012, which I launched last month. This confirms to me that the New South Wales Government's strategic direction for Information and Communications Technology is on track and is addressing the important issues. Members may be interested to know that each year CeBIT invites a country to be an official partner country for the event to promote trade relations and foster collaboration and innovation.

This year the official partner country for CeBIT is India, attending at the invitation of the Prime Minister of Australia. This invitation was endorsed by the Premier of New South Wales, the Hon. Barry O'Farrell, who led a government and business delegation to India in November 2011. The Hon. Sachin Pilot, Minister of State for Communications and Information Technology for the Indian Government, attended the event, and I enjoyed discussing with him our common challenges and opportunities around information and communications technology. Also at the event were international delegations from Germany, China, Switzerland, New Zealand, the Philippines, Sri Lanka, Korea, Fiji and Singapore, as well as companies from around the world.

The Land and Property Information division of my Department of Finance and Services showcased how the New South Wales Government is at the forefront of spatial technology. We are leading the way on how we can use spatial data to improve our services, including emergency response, transport and health. For example, we now have information at our fingertips, through our spatial information mapping system, that will assist us to better manage emergencies, such as the recent floods. We have an integrated system that provides our frontline teams with relevant information about local infrastructure—information about electrical systems, water, transport, schools, hospitals—all of which help during emergency events.

The New South Wales Government's Information and Communications Technology Strategy 2012 will help us build on these foundations and deliver to the people of New South Wales better government services from our information and communications technology investment. I can also inform the House that I attended the CeBIT Awards and, together with Minister Pilot, presented the NASSCOM Award for Innovation. CeBIT provides the opportunity for New South Wales to showcase and promote excellence in information and communications technology innovation, helping to foster New South Wales businesses and to promote New South Wales as a leader in technology. There were some lovely photos taken of me speaking at the event and also at the award ceremony. I would be delighted to share the album with members of the Opposition. If they would like to come up to my office at any time, we can go through the album together. It is about two inches thick, and all the photos are of me.

NOOGOORA BURR INFESTATION

The Hon. ROBERT BORSAK: My question without notice is directed to the Minister for Finance and Services, representing the Minister for the Environment. Following the recent flooding along much of the Darling River, will the Minister inform the House what specific efforts are currently being made at Toorale Station to combat noogoora burr infestation?

The Hon. GREG PEARCE: If we can find the time, I would love to go and have a look at it with the member. Perhaps the Hon. Sophie Cotsis can accompany us also.

The Hon. Sophie Cotsis: What happened to our charity event?

The Hon. GREG PEARCE: The charity event is definitely underway. I do not have the detail with me to adequately answer the member's question, but as always the Hon. Robert Borsak has asked a very interesting question and I will be very interested to read the response that I will obtain for him.

WORKERS COMPENSATION SCHEME

The Hon. MICK VEITCH: My question is directed to the Minister for Finance and Services. Has the Minister, his office or anyone else in the Government requested that Parliamentary Counsel commence drafting legislation to modify the workers compensation scheme?

The Hon. GREG PEARCE: Yes.

FIRE PREVENTION WEEK

The Hon. NIALL BLAIR: My question without notice is addressed to the Minister for Police and Emergency Services. Will the Minister inform the House about the events of this year's Fire Prevention Week?

The Hon. Amanda Fazio: Keeping Andrew Fraser away from matches.

The Hon. MICHAEL GALLACHER: I will not make any comment because the member referred to in the interjection is not well. I will refrain from responding to silly, inane interjections from members opposite. On Saturday 5 May 2012 Fire and Rescue NSW stations around the State were absolutely smoking but thankfully not for any ominous reason. The smoke drifting out from local fire stations most likely had an appetising aroma, emanating from one of the sausage sizzles held in honour of Fire Station Open Day. Hundreds of families visited their local fire stations to view special fire safety demonstrations, to meet their local firefighters or simply to admire the resplendent red fire engines. But these exciting events had a serious purpose. The Fire Station Open Day festivities marked the conclusion of Fire Prevention Week. The main aim of Fire Prevention Week is to increase the public's awareness of the simple preventative steps that can be taken to dramatically decrease that risk.

As members will be aware, the danger period for home fires stretches from May through to September and Fire and Rescue NSW Commissioner Greg Mullins advises that a shocking 47 per cent of house fires occur during this period. The human impact of house fires is only compounded by the staggering financial cost, which GIO Insurance estimates reached almost \$1.9 billion in 2011. The main purpose of Fire Prevention Week is to stamp out these dreadful statistics by educating the community about steps they can take to prevent fires occurring in their homes in the first place.

Fire and Rescue NSW Commissioner Greg Mullins and I kicked off this very important week in the emergency services calendar. Only last week Commissioner Mullins suffered a serious heart scare and underwent an operation. It was fantastic to see him back talking to his personnel and the community at Parramatta. We were joined also by the member for Parramatta, Dr Geoff Lee, who is doing a wonderful job, and the mayor of Parramatta. The launch was a great success, with Fire and Rescue NSW's community partner, GIO Insurance, hosting interactive public display booths.

At the booths hundreds of members of the public completed their own home fire safety audits—an important tool to help them develop plans to lessen the risks of fire in their homes. A number of the fire trucks were put on display for the public, in particular for the kids. Firefighters stood at the ready to offer friendly advice and take questions from members of the public and the assembled media. Education and prevention are the keys to ensuring that the community stays safe from house fires.

I remind my fellow members of Parliament and the public that a working smoke alarm alerts people to a fire in the home and a proper home escape plan will help people get out safely if a fire occurs. Even straightforward measures such as turning heaters off before going out, checking power points to make sure that they are not overloaded and remembering to turn off the stove can save lives. I congratulate Fire and Rescue NSW on this year's Fire Prevention Week campaign. I urge all members to remember its important safety message, and I thank the staff for their fantastic work in assisting me with this briefing note.

RIVER RED GUM NATIONAL PARKS

The Hon. ROBERT BROWN: My question is directed to the Minister for Finance and Services, representing the Minister for the Environment. Is the Minister aware of recent statements by the mayor of Deniliquin—

The PRESIDENT: Order! I call the Hon. Penny Sharpe to order for the first time.

The Hon. ROBERT BROWN: —that "he fears the elderly or frail residents in the town could die this winter" because the cost of firewood has gone from about \$80 to about \$380 for two tonnes since the previous Government turned the river red gum forests into national parks? Will the Minister have Parks and Wildlife officers contact the mayor and make arrangements for more firewood to be made available to the at-risk residents in Deniliquin?

The Hon. GREG PEARCE: What a truly shocking set of conditions. I will not only get an answer; I will go and see the environment Minister myself this afternoon, if I can get out of here—or as soon as I can—to raise this very important issue.

The PRESIDENT: Order! When the House comes to order I will give a member the call to ask a question. I call the Hon. Shaoquett Moselmane to order for the first time.

WORKERS COMPENSATION SCHEME

The Hon. SOPHIE COTSIS: My question is directed to the Minister for Finance and Services. I refer to comments made in the public hearing held last Monday in relation to the workers compensation reform proposal released by the Government earlier this month that "It is not a WorkCover document." Given that WorkCover is the administrator of the scheme, why was it not the body charged with preparing the reform options?

The Hon. GREG PEARCE: I do not know how many times I have been asked this question. I think the Opposition has a new strategy to mask their laziness.

The PRESIDENT: Order! The Minister will avoid debating the question. He will either answer it or resume his seat.

The Hon. GREG PEARCE: For the zillionth time, the issues paper was prepared by WorkCover and the Office of Industrial Relations and other people had input into it.

NATIONAL ROAD SUMMIT

The Hon. RICK COLLESS: My question is directed to the Minister for Roads and Ports. Will the Minister update the House on today's National Road Summit?

The Hon. DUNCAN GAY: I certainly will. I thank the honourable member for his question. I was the keynote speaker at that summit, but unlike my ministerial colleague I do not have any photographs to show members. Today I had the pleasure of delivering the opening address to the 2012 National Road Summit, an event hosted by Roads Australia. Members opposite would not know about roads; they forgot about them for 16 years. Roads Australia is an industry association that champions the interests of Australia's road transport system and provides a forum for policy development, networking and communication.

I strongly recommend to members opposite that they start attending some of Roads Australia's events because after a decade of neglecting roads State Labor members need to re-educate themselves about the funding, construction and maintenance of critical infrastructure. When drafting my address I was compelled to

list some of the wonderful achievements of the New South Wales Government in our first 14 months in office. I of course had to remind people that after just 14 months I have been in the Roads portfolio for longer than the combined periods in that office of the last five Labor Roads ministers, including one who presently occupies a seat on the losers' lounge.

There is a record roads budget of \$5.4 billion, up \$700 million from Labor's last year in office. We have created a truly integrated transport agency, Transport for NSW, not to mention a division wholly dedicated to freight and regional development, of which I know that the Hon. Mick Veitch is a great supporter. Had he been listened to, that might have been done by the previous Government. An additional \$468 million has been provided to accelerate the upgrade of the Pacific Highway, more than making up for the Hon. Eric Roozendaal's stripping \$300 million out of the upgrade in his infamous 2008 mini-budget. When everyone else in the world was preparing budgets to promote stimulus, the New South Wales Labor Government and the Hon. Eric Roozendaal put together a tough, hard budget. New South Wales was the only place in the world where that happened.

We have secured a \$400 million in-principle agreement to widen the M5 West motorway—something else Labor failed to do while in office. They tried to do it but could not, and when we did, they were critical. An amount of \$100 million has been allocated for the next round of upgrade works for the Princes Highway, and the widening of the Hills M2 motorway between Windsor Road, Baulkham Hills, and Lane Cove Road, North Ryde. Work commenced on the \$55 million Erskine Park link road to unlock employment lands in western Sydney. That has generated very important jobs in western Sydney, but members opposite would not know about that; as far as they are concerned western Sydney is Sussex Street.

We have a commitment to complete the upgrade to Camden Valley Way by the end of 2016. Work commenced on the widening of Narellan Road between Camden Valley Way and the F5 freeway as part of the \$15.4 million election commitment. The good news goes on. Realignment and resurfacing of lanes on the M4 at the old Silverwater toll plaza site was completed, resulting in the speed limit being increased to 90 kilometres per hour. There was also that great triumph for Roads and Maritime Services and its contractors of resurfacing the Harbour Bridge. In addition, more than 80 per cent of the M5 East resurfacing project has been completed, and of course the 110 kilometres an hour limit was restored to the Newell Highway.

HUNTING IN NATIONAL PARKS

The Hon. JEREMY BUCKINGHAM: My question is directed to the Minister for Police and Emergency Services, representing the Premier. Now that amateur hunters will be allowed into national parks, nature reserves and State conservation areas—

The PRESIDENT: Order! There is far too much audible conversation in the Chamber while the member is asking his question. The clock will be restarted and the Hon. Jeremy Buckingham will restate his question.

The Hon. JEREMY BUCKINGHAM: Now that amateur hunters will be allowed into national parks, nature reserves and State conservation areas to shoot feral animals, how will the Minister manage the conflict between public safety and amateur hunting particularly in small areas such as Mount Canobolas State Conservation Area? Will the public be excluded from these areas when hunting is taking place?

The Hon. MICHAEL GALLACHER: The Greens do not tell the full story, Mr President. Feral animal control is currently taking place in forests.

The Hon. Amanda Fazio: Point of order: The Leader of the Government should address his comments through you, Mr President, not turn his back to the Chair when answering a question.

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

The Hon. MICHAEL GALLACHER: As I said, The Greens do not want to tell the full story. The fact is that considerable work already has been done for quite some time on feral animal control in New South Wales.

The Hon. Duncan Gay: This is good news.

The Hon. MICHAEL GALLACHER: As the Deputy Leader of the Government said, this is good news.

The Hon. Jeremy Buckingham: Point of order: The Minister is inaudible. I cannot hear what he is saying because he is wandering away from the microphone. If he is afraid of giving an answer, he should sit down.

The PRESIDENT: Order! There is no point of order. The Minister was addressing the Chair. However, it would assist Hansard if the Minister were as audible as possible.

The Hon. MICHAEL GALLACHER: As I have indicated, this is a great win for the environment. Members opposite do not want to admit that there are problems in the parks. They do not accept that vermin and feral animals are out of control in our parks and they have no answer at all.

Mr David Shoebridge: Point of order—

The Hon. MICHAEL GALLACHER: What? You cannot hear me?

Mr David Shoebridge: Unfortunately I can hear the Minister but the question was about safety control measures for other users, and the Minister has failed to address that.

The PRESIDENT: Order! The Minister is in order.

The Hon. MICHAEL GALLACHER: I can hear the voice of the Hon. Eric Roozendaal saying, "Keep going, keep going", because he supported this when he was in government. He wants this.

The Hon. Eric Roozendaal: Point of order: I do not know what voices the Minister is hearing but it was certainly not my voice in support.

The PRESIDENT: Order! There is no point of order, as I am sure the member well knows.

The Hon. MICHAEL GALLACHER: The now Leader of the Opposition was driving the negotiations with interested parties when members opposite were in government.

The Hon. Jeremy Buckingham: Point of order: My point of order relates to relevance. The question related to the conflict between public safety and amateur hunting in national parks. The Minister has not addressed the substance of the question.

The PRESIDENT: Order! The Minister is being generally relevant.

The Hon. MICHAEL GALLACHER: They do not want to admit that native animals are being killed in their environment by feral pests. They do not want to admit that we have got a problem and, worse, they do not want to admit that what we are doing will protect native animals into the future. This initiative will be managed by a government that recognises the need to balance the safety and interests of visitors to parks and the provision of a safe environment for future generations of native animals in our national parks. We will deliver on this. We will be remembered for being an environmentally friendly party. *[Time expired.]*

The Hon. JEREMY BUCKINGHAM: I ask a supplementary question. Does the Minister know where the Mount Canobolas State Conservation Area is? Does the Minister know how big it is?

The Hon. MICHAEL GALLACHER: It is a beautiful area in Orange that at this time of the year would be very cold.

[Interruption]

The fact is it is near Orange. It is a well-known and significant area.

The Hon. Jeremy Buckingham: It is five kilometres from Orange.

The Hon. MICHAEL GALLACHER: It is where Ian Macdonald lives. We all know where Macka lives: in that huge palatial mansion on the hill in millionaires' row.

The Hon. Luke Foley: On second thoughts, let the shooters in.

The Hon. MICHAEL GALLACHER: Yes.

The PRESIDENT: Order! Has the Minister concluded his answer?

The Hon. MICHAEL GALLACHER: I am more than happy with my answer. I think this is a great win. As the Minister for Police and Emergency Services and as the Minister for the Hunter, I am very happy with this announcement.

RED TAPE REDUCTION

The Hon. GREG DONNELLY: My question is directed to the Minister for Finance and Services, and Minister for the Illawarra.

The PRESIDENT: Order! I call the Hon. Melinda Pavey to order for the first time.

The Hon. GREG DONNELLY: Will the Minister advise the House of what programs the Government has in place to ensure that it meets its election commitment for the "one-on, two-off rule" to reduce red tape?

The Hon. GREG PEARCE: That is actually a good question. What has happened to the Hon. Greg Donnelly? This policy is being driven by the Premier himself. He has already written to each Minister and each Minister has provided a report on progress.

The Hon. Sophie Cotsis: What's your report?

The Hon. GREG PEARCE: My report is exemplary. There was no photograph attached to it but I was able to show that my agency has satisfactorily dealt with the policy. The Premier will continue to drive the policy directly. I will touch on one aspect of the previous question because today is a great day for the environment, and I will tell members why.

The PRESIDENT: Order! The Minister may not answer a previous question while he is answering a question asked by the Hon. Greg Donnelly.

The Hon. GREG DONNELLY: I wish to ask a supplementary question. Will the Minister elucidate his answer with respect to specific initiatives within his department to reduce red tape?

The Hon. GREG PEARCE: Absolutely I can and I will. In the meantime I want to talk about my visit on Sunday to the zoo, where I was shown young animals that had been mauled by vicious dogs in national parks.

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

The PRESIDENT: Order! I uphold the point of order. I note that the Minister has concluded his answer.

PREQUALIFICATION SCHEME: PERFORMANCE AND MANAGEMENT SERVICES

The Hon. CHARLIE LYNN: My question is addressed to the Minister for Finance and Services, and Minister for the Illawarra. Will the Minister provide the House with an update on the Prequalification Scheme: Performance and Management Services?

The Hon. GREG PEARCE: The scheme was established in February 2008 and was intended to provide for a list of prequalified service providers to assist New South Wales government agencies and statutory corporations in their procurement. The scheme is essentially a list of prequalified service providers arranged in categories covering performance reviews, infrastructure and major projects, service delivery improvement, organisational capability, general technical expertise, and information and communication technology capital investment process services.

Under the scheme agencies were intended to select a suitable provider for a particular engagement and to achieve value for money, including fees quoted as reasonable and consistent with normal market rates. However, in practice the prequalification process is onerous. Under the system established under Labor, companies and others not only had to make their way through mountains of red tape, but also had to wait for their application to be assessed—a process that could take 18 months or longer. It is worth noting that being prequalified under the scheme does not guarantee work and no agency is obliged to provide any work opportunities to any service provider under the scheme.

The Government is making changes to the scheme to reduce this unnecessary red tape and to provide more opportunities for small and medium enterprises. We are introducing a new low risk category to streamline the prequalification process for smaller businesses. This means that to be eligible to undertake projects in relation to which the expenditure will be less than \$50,000 including goods and services tax, service providers will simply need to register their details and there will be no further assessment process required to be on the scheme. We have removed the mandatory requirement for professional indemnity insurance, such that there will be no requirement for it where the likelihood of an adverse event is low.

We will implement an online tool to allow service providers to register and submit applications for prequalification and have the applications assessed, via a web portal. This will reduce the time taken for assessment to occur in comparison to the current manual process. To further speed up and improve the prequalification process we will access the services of an external provider to assess the capabilities of service providers where they wish to perform higher value, and therefore higher risk, work. Where appropriate, service providers with existing prequalification or panel membership in other jurisdictions will now be recognised and a full application will not be required.

A series of industry forums have been conducted during May 2012 to communicate the improvements to the scheme to the industry. The feedback to date has been overwhelmingly positive. The improvements to the scheme offer a more risk-based approach and open up the scheme to small and medium enterprises and service providers in regional areas by making it simpler, easier and more effective.

HUNTING IN NATIONAL PARKS

The Hon. JAN BARHAM: My question is directed to the Minister for Finance and Services, representing the Minister for the Environment. The Government has just announced that it will allow amateur hunters into national parks, nature reserves and State conservation areas to shoot feral animals. Will the Government allow hunters to be accompanied by hunting dogs? What will be the safeguards to threatened species and breeding birds in areas such as Macquarie Marshes and Yabbra, Richmond Range and Nightcap National Parks on the north coast?

The Hon. Duncan Gay: There will be no dogs.

The Hon. GREG PEARCE: As the Minister for Roads and Ports just said, we will not permit hunting dogs. For my part, as I started to say when answering an earlier question, on Sunday I went into an enclosure at the zoo that contained kangaroos, emus and other animals, most of which had been attacked by feral animals in and outside national parks. This is therefore a fantastic day for all of the people of New South Wales, given that the Government will do much more into the future to provide maximum protection for our native animals.

The Hon. Luke Foley: You went to the zoo?

The Hon. GREG PEARCE: Yes, I did go to the zoo, and I had a good look. The capital works program at the zoo has been very important.

The Hon. Sophie Cotsis: Did you catch the ferry?

The Hon. GREG PEARCE: I caught the ferry the last time I went to the zoo. On this occasion, as I was in a bit of a hurry, I took the car. I needed to take a picnic with me so we could have a picnic at the zoo and enjoy the visit. That is what we want people to be able to do in national parks. We want them to go to national parks, enjoy them and maximise their usage of national parks. We want users of national parks to be able to contribute to environmental outcomes if they wish to do so. It is fantastic that the users of national parks are able to go to those parks and protect native animals. Whilst I am not a shooter, I would enjoy going to our national parks and helping some of those people who are doing wonderful things for our native animals.

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

REED CONSTRUCTIONS

The Hon. DUNCAN GAY: Yesterday the Hon. Sophie Cotsis asked me a question about Reed Constructions. Roads and Maritime Services assured me that the projects will be completed while ensuring that public funds are used responsibly. Our priority is to work closely with Reed Constructions subcontractors to help them wherever possible. Roads and Maritime Services will ensure that the plant and equipment owned by subcontractors can be removed from each of the sites provided it is safe to do so and the subcontractor can demonstrate ownership. Some equipment on site such as safety barriers, fencing and site sheds, will need to remain on the site as the projects are completed.

REED CONSTRUCTIONS

The Hon. DUNCAN GAY: Yesterday the Hon. Peter Primrose also asked me a question about Reed Constructions. The priority of Roads and Maritime Services is to work closely with Reed Constructions subcontractors to help them wherever possible. Roads and Maritime Services will ensure that the plant and equipment owned by subcontractors can be removed from each of the sites provided it is safe to do so and the subcontractor can demonstrate ownership. However, some equipment on site, such as safety barriers, fencing and site sheds, will need to remain on site as the projects are completed. In relation to scaffolding at the Shortland to Sandgate site, Roads and Maritime Services has advised that this equipment is essential to maintain safety at the site. Therefore that equipment cannot be removed until work has restarted and it is safe to do so. Roads and Maritime Services will engage the subcontractors responsible for this equipment to make necessary arrangements and will take responsibility for the cost of any hired equipment from 29 May 2012 when Reed Constructions contracts were cancelled.

STYX RIVER STATE FOREST LOGGING

The Hon. GREG PEARCE: On 3 May 2012, the Hon. Cate Faehrmann asked me a question about Styx River State Forest logging. The Minister for the Environment and Minister for Heritage has provided the following answer:

I am advised that the Environment Protection Authority [EPA] is currently investigating these matters and has requested that Forests NSW does not log in key areas relevant to the allegations until its investigation is complete. As this matter is subject to an EPA investigation, it would be inappropriate for me to provide any further information at this time.

Questions without notice concluded.

HEALTH SERVICES AMENDMENT (NATIONAL HEALTH REFORM AGREEMENT) BILL 2012

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

Motion by the Hon. Greg Pearce 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.

ELECTRICITY GENERATOR ASSETS (AUTHORISED TRANSACTIONS) BILL 2012

Second Reading

Debate resumed from an earlier hour.

The Hon. LUKE FOLEY (Leader of the Opposition) [3.34 p.m.]: I lead for the Labor Opposition in debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012, which Labor opposes. I support the policy of the New South Wales branch of the Australian Labor Party which opposes the privatisation of electricity generation, transmission and distribution. In my contribution I will cover a number of issues, for

example, this Government's broken promise in relation to this matter. I will deal with the five conditions that the O'Farrell Opposition, in the term of the former Labor Government, placed on the sale of electricity generators. I will deal with the O'Farrell Government's stated reasons for this sale. I will talk also about electricity prices, carbon emissions and the timing of this sale.

At the outset I will speak briefly about events that occurred before the former Labor Government was defeated in March last year. I very much regret the events that occurred and the former Labor Government's approach to electricity privatisation. I have the highest regard for Morris Iemma. For as long as I live I will regret the events that culminated in his resignation as Premier after he had done so much, against all odds, to lead Labor to victory in 2007. I said on election night—and I have said on many occasions since then—that it is most regrettable that the Labor Government and a Labor Premier would not accept the settled policy of the Labor Party, which led to catastrophic consequences for New South Wales Labor. State Labor resolved, through its democratic processes, a platform for supporting public ownership of electricity generation, distribution and transmission in this State. The Coalition parties are now in government.

In January 2011 I challenged Mr O'Farrell at the gentrader inquiry so ably chaired by Assistant-President Reverend the Hon. Fred Nile to rule out electricity privatisation. At the public hearing at which Mr O'Farrell appeared as the Premier designate, I predicted, to all intents and purposes, that he would go down the path of electricity privatisation. On that day butter would not have melted in his mouth. He said that he had no plans to do so. On 28 January 2011 the *Lithgow Mercury* recorded what is now known as Mr O'Farrell's "Lithgow declaration". He said on the record:

We have absolutely no plans to privatise either the generators or the poles and wires.

So the bill that is before the House today is a clear breach of the declaration that Mr O'Farrell made. Mr O'Farrell campaigned in the election against the gentrader transactions of the former Labor Government. He posed as an opponent of privatisation. When challenged by me in the Legislative Council inquiry he denied that he would proceed to privatise electricity assets if and when he became Premier. In this session of Parliament we have before us an O'Farrell Government bill to privatise the New South Wales electricity generator assets. My words have come true.

I turn to the five conditions for electricity privatisation set out by Mr O'Farrell on behalf of the Coalition in the last term of the Labor Government. The first condition of support for electricity privatisation was that all sale and lease arrangements would be subject to the Auditor-General reporting to Parliament before the sale or lease was finalised. There is no such commitment in this bill. The second condition was for a rural communities impact statement. I quote:

Completion, release and adoption of a rural communities impact statement focusing on, among other issues, jobs, prices and services levels.

No rural communities impact statement has been presented to the Parliament as part of this legislation. What was claimed by Mr O'Farrell as an absolute condition for him and his party ever supporting the privatisation of electricity generators has magically disappeared now he is in office. The third condition was:

The establishment of an independent oversight body comprising the Auditor-General, a community representative and a financial expert to monitor the use of funds released from the sale.

That promise also has been broken in this exercise. There is no evidence that any committee has been appointed or will ever be appointed. The fourth condition was as follows:

... establishment of a Parliamentary oversight committee to guarantee delivery of improvements in clean, green and renewable energy investment resulting from the sale.

Unbelievably, after 14 months of relentless hostility to renewable energy in this State, in the last term of the Labor Government, Mr O'Farrell, with a straight face, argued that one of his tests for supporting electricity privatisation was a commitment to clean and renewable energy. The solar industry is withering on the vine, the wind industry is now subject to the most onerous planning regime in the world—a boast made by one of Premier O'Farrell's Ministers—yet in the last term of the Labor Government we were told that as a condition of supporting the privatisation of electricity the Coalition would require guaranteed improvements in clean and renewable energy.

The fifth condition of support for electricity privatisation was the retention of the poles and wires business in public ownership and the establishment of appropriate safety nets for those on low incomes. The Labor Opposition believes it is only a matter of time before the O'Farrell Government seeks to sell the poles and wires. Why would we believe any denials from Premier O'Farrell or his Ministers about the poles and wires when, as I have already cited, the Premier has abandoned his own Lithgow declaration and we have before us legislation that will result in the sale of those generators. Today the solemn vow that has been made repeatedly throughout the life of the O'Farrell premiership—that there should be no hunting in national parks—has been torn up to get the numbers in this House for this asset sale. The Labor Opposition has no confidence that the O'Farrell Government will keep the poles and wires in public hands.

I also note that there are no guarantees from Premier O'Farrell or his Ministers—not that the guarantees of Premier O'Farrell are worth much these days—that there will be no attempt down the track to sell what will remain of the publicly owned electricity sector in this State—that is, distribution and transmission. There is no rural communities impact statement, no oversight committee and no safety nets. This simply is an asset sale for the sake of a short-term cash grab, nothing more and nothing less. None of the five commitments made by Premier O'Farrell, with his hand on his heart in the last term of the Labor Government, which were prerequisites to him ever signing up to the sale of electricity generators, remain on the table today. As I said, this is simply a short-term grab for cash.

I turn to the threefold reason for the sale given by Treasurer Baird: to raise money for infrastructure spending, more competition and to put downward pressure on power prices. I will address each of those issues. The publicly owned electricity generators return on average \$500 million in dividends and tax equivalents to the public purse every year. We do not know what will be raised from this asset sale. We know that it will be a lot less than it would have been had the assets been sold a decade or more ago. We know that this is not a good time to be selling electricity generators. I suggest that in the end the State will reap around six years worth of what it currently receives in dividends and tax equivalents.

I cannot comprehend why it will be in the interests of the State when that \$500 million, which is currently returned to the State each year from these publicly owned and valuable generators, that regular, secure income stream, is turned off for proceeds of a one-off sale. I might be wrong, but no analysis I have seen of what is likely to occur puts the outcome at much more than about half a dozen years worth of the dividends and tax equivalents the New South Wales Treasury currently receives from the assets. So I simply do not see the value for the State in removing that regular income stream.

Many statements were made by the Minister for Finance and Services, and Minister for the Illawarra, Mr O'Farrell and Mr Baird during the campaign about the value for the State from the gentrader transactions. They know that I was a critic of the gentrader transactions. As they are now responsible for the governance of the State and the management of the State's electricity sector, I pose this question to them: What value will they be realising for the State in the long term if, as so many reputable commentators suggest, what the State will yield from this transaction will be equal to about six or so years of income currently received by the State in the form of dividends and tax equivalents?

I turn now to power prices. There is much debate at the moment in Australia about electricity pricing. Frankly, much of it is misleading. Labor's political opponents would have people believe that the sole or dominant cause of skyrocketing power prices is the Federal Government's carbon price. They know that that is not true. The principal driver of increases to household and business electricity prices is the very large capital investment in upgrading the electricity distribution and transmission network. No serious analysis of the factors for increasing electricity prices ignores that fact. The Government should be careful. I read the speeches made in the other place. I read heroic boasts by Government backbenchers claiming that privatisation will lower electricity prices over time. They should be careful about making that boast because every bit of evidence I have seen indicates that household electricity prices will keep going up, carbon price or no carbon price.

Those capital upgrades will continue; the drivers of skyrocketing electricity prices will still be there. So for Government members to say, "Privatisation of electricity generation will lower your power bills" is pretty silly because I reckon we will all be here in a few years time reflecting on the fact that electricity prices have continued to increase substantially. The energy Minister, Mr Hartcher, in his contribution to debate in the other place, talked about steps that the O'Farrell Government is taking that he alleges are placing downward pressure on electricity prices. The first policy he cites is to cap electricity dividends at forecast levels. I have repeatedly shown over the life of the O'Farrell Government that that promise has not been honoured. I have shown statements of corporate intents from the electricity companies that reveal that the Government has broken that election promise. The Government is increasing dividends.

Secondly, Mr Hartcher called for the Federal Government to do more to compensate households for increasing electricity bills. In the past month the New South Wales Government made a submission to the Federal Government's energy white paper, and in that submission the New South Wales Government noted that the Commonwealth is committing \$14.9 billion over the next four years to financial assistance measures to households to help with increased electricity prices. The New South Wales Government's submission also notes that it will commit \$1 billion to financial assistance. Let me say that again: the New South Wales Government, in black and white, acknowledges that there is \$14.9 billion in financial assistance from the Commonwealth and only \$1 billion from the State Government over the next four years in the form of assistance to households to help them pay their electricity bills.

So O'Farrell Government Ministers cannot say with a straight face that the Federal Government should do more. I think the State Government should do more. The mean decision of the O'Farrell Government not to honour the commitment of the former Labor Government to deliver \$55 million more in funding for the Energy Accounts Payment Assistance Scheme is one of the worst decisions this Government has made. It may have been a decision made by Labor; that did not make it a bad decision. It was a good decision. What will the State now provide for the poorest people in our community who cannot pay their bills and who go to charities in a state of desperation seeking help to keep their lights on at home? The State will provide a measly \$14.5 million a year. The charities, which play a heroic role in helping an underclass in our community, are all reporting a desperate shortage of vouchers to meet demand.

The O'Farrell Government, when it came to office, felt no compulsion to honour a decision of the former Government to put another \$55 million into the Energy Accounts Payment Assistance Scheme to help the poorest people in our community keep their lights and heating on. So we will not be lectured by the Liberals about rising power prices or compensation to help people meet rising power prices. The third factor cited by the energy Minister as evidence of the Government's work to lower rising power bills was its decision to merge the three electricity distribution businesses. I have released advice from the New South Wales Treasury which indicates that that policy will never deliver the savings that its proponents claim, that the money is simply not there to be saved. One would have to go on a rampage cutting jobs in the distributors to get any sorts of savings. Even if that occurred it simply would not get the \$400 million savings predicted by the energy Minister.

I just do not see the evidence of how the O'Farrell Government is going to lower electricity prices. The boasts made by various backbenchers in the other place that this decision will somehow contribute to the end of electricity price rises are unbelievable; they are not backed by the evidence. If one looks at the experience in other places where electricity assets have been privatised, the evidence does not justify the claim that privatisation will lower prices.

The Hon. Melinda Pavey: Why is Victoria cheaper, Luke?

The Hon. LUKE FOLEY: The experience in Victoria where the assets were sold was of upward pressure on electricity prices. The experience in South Australia and places like New Zealand and California is of great problems with electricity reliability standards following privatisation. We on this side of the House do not accept that the privatisation of electricity generation will lower prices. Some of us will be here in a few years when the evidence is in. This bill will go through today and we will hold the Government to account for its heroic claims that flogging off our generators will lead to downward pressure on electricity prices; we will hold Government members to their words.

I will speak briefly about carbon emissions. Climate change is an issue that will not go away. Governments around the world will have to deal with dangerous levels of climate change. The largest contributor to the State's greenhouse gas emissions is the energy sector. Of course, the privatisation of electricity generators will reduce the capacity of the New South Wales Government to enact policies designed to lower carbon emissions. And it is worse than that because, of course, when the generators are in private hands there is the profit motive. I do not think profit motive is an evil thing. I recognise a central role for private enterprise in our economy, but with private enterprise there is a profit motive. When private enterprise is operating electricity generators there is the powerful motivation to generate more electricity for their business.

The public policy direction that all governments will need to face up to in decades to come is the need to become more energy efficient and to conserve more energy. All Western societies will need to lower their greenhouse gas emissions, and that task will be made very much harder in our State by the State selling its electricity generators to the private sector. The people of New South Wales overwhelmingly support the retention of our electricity assets in public hands. I have never doubted that one of the contributing factors to the

Labor Government's heavy defeat at the last election was the commitment of many inside the Government to sell off our electricity assets. That has always been a most unpopular position with the people of this State and of all States in Australia.

The ASSISTANT-PRESIDENT (Reverend the Hon. Fred Nile): Order! Members will cease interjecting across the Chamber while the Leader of the Opposition is speaking.

The Hon. LUKE FOLEY: Once this bill is passed through the House tonight, an essential public service will be sold into private ownership. With that will come the very real risk that profits will be seen as more important than service. Shareholder dividends will become the primary consideration for the private owners of our electricity generators. The Labor Party has a policy in this State of supporting the public ownership of electricity generation, transmission and distribution. We oppose this legislation.

The Hon. ROBERT BROWN [4.06 p.m.]: My contribution will not be lengthy and I hope it will not be too difficult for members to understand. On behalf of the Shooters and Fishers Party I speak on the Electricity Generator Assets (Authorised Transactions) Bill 2012. Our contribution to this debate follows extensive negotiations and face-to-face meetings with primarily unions and the Government. This is the second time since 2008 that members of this House have been asked to consider a proposition such as this. The first time it was put forward by the Iemma Labor Government. The then Coalition in opposition rejected the sale or lease of the generators but reserved the right to reconsider the issue if and when it was elected to government.

The Leader of the Opposition, in his contribution, demonstrated that since the last election the Government has made certain assertions about its intentions on this matter. The Opposition at the time this proposal was last before the House is now the Government, and it is clear they are going to move on this legislation. Before I speak to the substantive reasons for our position on this legislation, I indicate that we will be moving amendments at the Committee stage and that subject to those amendments being agreed to we will not oppose the bill. The House and the public are well aware of previous statements that the Shooters and Fishers Party have made on this issue. We are not in favour of the sale of strategic assets.

Dr John Kaye: So why are you voting for it?

The Hon. ROBERT BROWN: If you sit and listen politely you may find out. Everyone knows the state of infrastructure in New South Wales. The roads are not good enough and Sydney is being choked to death by traffic. Our rail system is in poor condition. West of the ranges people feel they have been neglected for at least the past 20 years. We have lost and continue to lose major processing and manufacturing industry, some very recently in New South Wales.

The Government says that the success of this bill will provide the financial basis to begin addressing these issues. Again, we have heard from the Leader of the Opposition that the Opposition does not necessarily believe those assertions. I doubt there is a single citizen who does not agree that things need to change from an infrastructure point of view in New South Wales and that this State desperately needs to get moving. The new Government has been on the Treasury benches for over a year now and I dare say the people of New South Wales are looking for some demonstration that it is going to get on with the job.

This is a difficult bill for the Shooters and Fishers Party but because it is a difficult bill we saw there was a need for us to become involved. I acknowledge the cooperation and assistance of your party, Mr Assistant-President, the Christian Democratic Party, and in particular the Hon. Paul Green in your absence through ill health, is progressing negotiations with the unions. We are grateful for the Hon. Paul Green's assistance. Because we felt we needed to get involved, as we did previously when the Labor Government proposed similar legislation, we have again taken the role of honest broker in an attempt to negotiate protection for workers under these new arrangements.

As with the Labor Party proposal in 2008, and because our vote continues at least in this term to be crucial in this House at times—not all the time; the ammunition control bill and the electoral funding bill proved that—we have worked closely with Unions NSW and some of the unions represented in the negotiating group in the power industry, as well as with our colleagues from the Christian Democratic Party, to assist the unions in negotiating for the best possible terms and conditions for power station workers and people associated with the running of those generators. We were not prepared to vote for this sale, and publicly made that plain, until there was general agreement between the Government and the unions on key issues involving those workers. The

Government approached us back in April. The Government finally agreed last night to institute these protections, after probably having agreed 80 per cent with the unions. It is called brinkmanship; it is called "Let us see who blinks first".

The Hon. Catherine Cusack: Who blinked first?

The Hon. ROBERT BROWN: We didn't.

The Hon. Luke Foley: Tell us what the Government agreed with the unions.

The Hon. ROBERT BROWN: I will get to some of that.

The Hon. Luke Foley: It must be in the detail.

The Hon. ROBERT BROWN: Sometimes I get myself into trouble for being too detailed. We have worked closely with the unions, particularly Mark Lennon of Unions NSW and representatives of the Electrical Trades Union, the United Services Union and others, to negotiate the best possible terms and conditions for workers. As I said, we were not prepared to agree to the Government's proposal until such time as we were satisfied that the unions, with our assistance, had done the very best deal they could. I do not think Unions NSW would disagree with that point of view. I believe we have achieved the best possible outcome for those workers and, therefore, the Shooters and Fishers Party will support this Government bill on the proviso, as I stated earlier, that all of our circulated amendments are passed during the Committee stage.

Those amendments and some other issues that I will raise with the Minister at the table contain the spirit, word and letter of those agreements. Although we need to be cognisant of the needs and wishes of our direct constituency, we were not elected to hinder good government. I agree with the Leader of the Opposition that whether this legislation turns out to be good government will probably be revealed by the test of time, particularly in terms of consumer costs of power and the cost of industrial power. However, we have been the honest broker on a number of major government bills under previous governments and with the O'Farrell Government, so we have had a bit of experience.

I come now to the question raised earlier by Dr John Kaye. The question may well be asked and, in fact, was the first question asked by Unions NSW and the United Services Union: Why agree to the bill at all? Here is where it gets interesting, so everybody listen up. On our analysis, and we are pretty sure the unions agree with us and think the Government might secretly believe this to be the case, there is a very good chance that the O'Farrell Government will control both Houses of the New South Wales Parliament after the 2015 election. Members have only to look at the numbers. The question for us is: Do we shirtfront the Government now and say, "No, go to buggery", knowing that it will most certainly proceed if it can get absolute executive power in three years time, or do we take the opportunity now to lock in a raft of employee protection devices that extend beyond March 2015? We took a considered decision to negotiate with the Government now and encourage the unions and the Government to get their houses in order. We have seen evidence of what the O'Farrell Government regarded as fair transfer arrangements in its privatisation of the ferry services. I think the unions and probably the Government would agree that that is where those negotiations started. Those terms, of course, were not satisfactory to the unions.

Having made that decision we then managed—I think that is the best word to describe it—the negotiations between the unions and the Government to a position we believe is now the best possible package of employment protection for the power industry workers. We did not get everything that the power industry asked for—the Treasurer dug his toes in on a couple of issues—but we were able to negotiate other things the unions wanted and I think the unions and the Government have now probably come to a compromise. Do not get me wrong, I am not claiming today that the unions in New South Wales, particularly those represented by Unions NSW, approve of this bill. They do not. They oppose, as does the Opposition, the privatisation of these generators.

However, it was important for me to put that reason on the table because our members and supporters on the Central Coast, in the Hunter Valley and in western New South Wales, a lot of whom work in the power industry, the coal industry or the allied industries that support those industries, have an expectation that we will try to protect their jobs. We have had emails from some of those constituents asking us not to vote for the bill, but equally we have had emails from some constituents in the industry saying they think it is a good idea. So, this message is for Burnsie and his mates up there and their friends over at Vales Point: Do not believe, as you

may be led to believe, that we have sold you out. We have not. What we have done is try to get the best deal for you to make sure that your employment is protected when this goes bill through on the basis that we think now is the only opportunity we will have to negotiate with the Government.

The Government might come back with this legislation next year or in 2014. But it was made clear to us that the Government has been elected to govern and they will do so, and if they have to wait until 2015 they will do it then. At the same time, we took the opportunity to lock the Government into a more transparent process for the nomination and then implementation of rural and regional infrastructure, which will be funded in accordance with section 9 (2) of the Restart NSW Fund Act 2011. For the benefit of members who cannot recall that section of the Act, it requires that the State Government hypothecate 30 per cent of all funds received from various sources, including transactions such as this, for use in regional areas outside Sydney, Newcastle and Wollongong. On our first look we wondered, "Is Rouse Hill a regional area?"

The Government might want to build a railway line at Rouse Hill and will take money out of this fund to do so. The Shooters and Fishers Party has insisted, and the Government has agreed, that an independent commission or panel, whatever it will be called, will adjudicate on the proposals that the Government seeks to fund through that 30 per cent hypothecation as specified in the Act in regional areas outside Sydney, Newcastle and Wollongong. The Government has predicted that 30 per cent to be in the range of approximately \$1 billion. One billion dollars will go to rural and regional New South Wales and, if we are lucky, at least another \$1 billion in capital savings over the next decade that the Government may put into that fund.

The press release of The Nationals quite correctly claimed credit for that legislation. Members of this House need to understand that the sole signatory to that fund is the Treasurer. Under the arrangements, the Government would simply fund proposals from Infrastructure NSW. That is not good enough, as far as we are concerned. The vast majority of large infrastructure projects, such as mining, coal seam gas exploration and others, impacts on the local government areas in which those industries are flourishing. For example, the roads and bridges in those areas get a hammering. If \$1 billion were spent on one single project, it would assist only a very small part of rural New South Wales. Money has to be allocated on a non-political, needs basis and the allocation of funding should be decided by people who are qualified to represent regional New South Wales and who have the skills and experience to be able to, shall I say, joust with the experts at Infrastructure NSW.

The Shooters and Fishers Party hope that the long-term future supply of cheap electricity, particularly base load generating capacity, can be achieved under this legislation. We do not want to lose any more major manufacturing industries, including aluminium manufacturing, to overseas locations or even interstate because they cannot obtain cheap power in our State. In 2008 then Premier Morris Iemma approached the Shooters and Fishers Party for our support of his proposal. He said, "Robert, if we don't build another power station and we can't guarantee cheap power to the smelters in the Hunter Valley and Newcastle, we won't get the next potline". Not only did we not get the next potline, we are losing one.

The Hon. Lynda Voltz: Yes, because we privatised it, Robert, and now they can't do a deal because it is not a public asset.

Dr John Kaye: It is just a ridiculous argument.

The Hon. ROBERT BROWN: We do not need to lose any more jobs in New South Wales. I know Dr John Kaye does not care. The Greens cost jobs in New South Wales. Suck it up, John. The Greens cost jobs. Dr John Kaye gabs on about alternative energy methods generating 78,000 jobs; it is a lot of garbage.

The Hon. Luke Foley: Point of order: I was given the great courtesy by members on both sides of the Chamber to be listened to in silence during most of my speech. I ask that members be directed to listen to all speakers in this debate in a similar respectful silence.

The ASSISTANT-PRESIDENT (Reverend the Hon. Fred Nile): Order! I uphold the point of order. Members will listen to the member with the call in silence. Members will have an opportunity to contribute to the debate.

The Hon. ROBERT BROWN: New South Wales must regain its premier position as a supplier of cheap coal-fired or gas-fired base load power for domestic consumers and industry consumers. We also need better infrastructure, otherwise we will not retain and create jobs. This is not Queensland or Western Australia,

it is New South Wales and we need to pick ourselves up by the bootstraps very quickly. The Shooters and Fishers Party is satisfied that we have negotiated the best deal possible for workers in the power industry in a window of opportunity that allowed us to do so, but we are not so certain about the future.

Despite the Premier's statements about the Game and Feral Animal Control Amendment Bill, the primary concern of the Shooters and Fishers Party has been to get a good deal for the power industry workers. My colleague the Hon. Robert Borsak will address the protection measures when he moves our amendments, as I have foreshadowed, during the Committee stage. I ask the Minister in his reply to address our concerns. We want to know the fate of existing apprentices. In relation to employees, we want a guarantee that the Government will make transfer payments. We also want to ensure that the definition of "transferred employees" is clear in everybody's mind so that the unions do not come back to us next week and say, "Brownie, you forgot something".

Dr JOHN KAYE [4.26 p.m.]: On behalf of The Greens I address the Electricity Generator Assets (Authorised Transactions) Bill 2012. In doing so, I express massive *deja vu*: we have been here before. Fascinatingly enough, last time around many members on the Government benches stood with The Greens on this side of the Chamber and opposed the transaction. The Greens and those very honourable and notable exceptions, two of whom are in the Chamber at the moment, are the only members who have maintained a consistent position on the electricity privatisation proposal. Government members have swapped sides: When we discussed Labor's legislation, which is exactly the same as the legislation before the House, they were against it. When Labor proposed it, Labor members supported the legislation, but now they are against this legislation.

It seems to me there is something fundamentally wrong with the flexibility of arguments in relation to power privatisation because every single argument that was used to persuade the Coalition to vote against Michael Costa's legislation exists today, and some of those points are even stronger than they were then. If this legislation is passed it will be bad for the economy, for households and for the environment. There is nothing good in this legislation. Some members have said we have to get our hands on the money in order to build infrastructure, but \$3 billion will not buy a lot of infrastructure. This transaction is supposed to provide \$3 billion. Where will the money come from? Let us be absolutely clear, those who purchase the generators as a result of this legislation are not charitable organisations. They will not purchase them in order to donate money to the people of New South Wales; they are looking to make a profit. They will want a return of more than the present \$3 billion net value out of that industry.

That inevitably will mean one of three outcomes: They will drive the workers hard and cut back on jobs; they will make the money that we are foregoing—which is a fact; or they will seek to sell more electricity. None of those is a good outcome for the people of New South Wales. It is a fact that there will be no sudden magic increase in value when these generators are transferred to private hands. The State will forgo a revenue stream that will be worth more than the value we paid for these generators. It happened with Labor's gentrader transactions and it will happen with the Coalition's electricity generator privatisation. It is an inevitable feature with a transfer of assets from public hands to private hands that the public loses value. We lose money on future income, we lose value in flexibility and we lose value in being able to create jobs in the industry. This is bad news for our dollars, for jobs, for flexibility and for our economy. I have talked about the dollars we are going to lose. The only way this could be a good deal for the people of New South Wales is if we find a buyer who is silly enough to pay more than the generators are worth.

That happened once only. It happened in Kennett's Victoria. It happened in Kennett's Victoria because Kennett had control over power prices. Kennett whacked the power prices up, privatised the industry and then dropped the power prices. They went up again subsequently—as they always do in a privatised industry. That is a one-off trick. No purchaser in the electricity industry will ever fall for the Jeff Kennett trick again. That was the one moment in history when somebody got away with it. No-one will get away with that now that we have independently regulated prices.

The hard core reality is that the State will lose money. If this transaction goes ahead, this State will be substantially poorer than it is now in six years time. Yes, the O'Farrell Government will have \$3 billion in its back pocket. The Hon. Duncan Gay will be able to announce a new road and Gladys Berejiklian will be able to launch a new rail project—although not much of one, given the cost of rail in this State. However, in the long run we will all pay for that many times over. We will pay for it in terms of higher taxes and charges, higher bills for electricity, and reduced money in the public coffers.

By various estimates, the electricity generators return between \$300 million and \$500 million a year. If it is a \$3 billion sale, then it is somewhere between six and 10 years before we are worse off in cash value terms. That is an outcome that nobody in their right mind would want. People would not sell their houses, spend the money and then suddenly say, "Now I have to rent a house in return." That is what this State is doing. It is selling an asset that was created by workers in the industry, past and present, that was paid for by households, past and present, and that is going to be sold off for a handful of cash. The Government is doing that instead of looking at the industry and asking: How can we hand this asset on to our children and grandchildren?

The second issue is jobs. We heard the Shooters and Fishers Party rant at The Greens about how we are anti jobs. But the example it used was of the aluminium smelters. That was an unfortunate example. The specific reason why Norsk Hydro pulled out of New South Wales was that it was not able to get a contract with the electricity supplier because of electricity privatisation. Norsk Hydro went because it could not get an electricity contract—and that is about electricity privatisation.

Let us talk about the real jobs in the electricity industry—those that will be generated by a transition to renewable energy. A total of 73,800 new jobs in the renewable energy electricity industry are being sold out by the O'Farrell Government. It is not surprising, because this Government hates renewable energy. The Shooters and Fishers Party also hates renewable energy. But those jobs will not come on stream unless the Government begins to make the transition out of coal-fired electricity. Once we have privatised those power stations—once the O'Farrell Government's electricity give-away bill goes through—this State is locked into a coal-fired future. Just as the northern States of America became the rust bucket States, New South Wales will become the coal bucket State. It will be the State that others will look down on and say, "What a terrible decision they made, but it is too late because they sold off their electricity industry and they cannot get it back; they cannot use public ownership to make the transition to a clean energy future."

There are about 1,200 jobs in coal-fired power stations in New South Wales. In addition, there are about 6,000 jobs in the coalmines of New South Wales that mine the coal that goes into those coal-fired power stations. That is a total of about 7,200 jobs. We can fully expect that those jobs will be cut substantially under privatisation. A total of 1,500 jobs will be cut. I note that the Shooters and Fishers Party asked the Minister to reply to the issue of existing apprentices. I would like the Minister to reply to the issue of future apprentices and traineeships. What will happen to those in a privatised industry? I come out of the electricity industry and I know the training role that public provision gives to the people of the State. I know that that will go, as it did in Victoria, under a privatised industry.

There is no question that we will lose jobs, skills and flexibility. This was all based on the absurd Tony Owens myth that if we do not sell the generators the lights will go out. We saw it repeated this morning in the Premier's media release, where he talks about \$6 billion of avoided investment. A total of \$6 billion? Come on—get real. The last Australian Energy Market Operator report Statement of Opportunities makes it clear that there is no base load shortfall in the planning horizon of that report, as there has not been in the 2011, 2010, 2009, 2008 and 2007 reports. There has never been a base load shortfall. We need to understand that because we are privatising the electricity industry on the basis of a complete myth. There is no need for new base load generation.

The Hon. Catherine Cusack: That is not what we are doing.

Dr JOHN KAYE: I take the interjection. It was in the Premier's media release. Clearly, those opposite have not read the Premier's media release. It talks about \$6 billion.

The Hon. Catherine Cusack: Point of order: The member is making provocative and dishonest statements against members on this side of the House. I ask you to draw him back to the debate and to stop his tirade against us.

The ASSISTANT-PRESIDENT (Reverend the Hon. Fred Nile): Order! There is no point of order.

Dr JOHN KAYE: There is no base load shortfall—no \$6 billion, as the Premier claims—to be saved here. There is no saving to be made on privatising the electricity industry in investment. Nobody is going to build a new coal-fired generator and I doubt whether we will build a new gas-fired base load generator in this State because there is no shortage of base load. The Shooters and Fishers Party talks about building lots of base load and providing lots of base load energy so industry will come here. That was tried in the 1980s and it almost bankrupted the State—and it bankrupted Victoria. It was called the minerals boom but it never happened. It was

a massive waste of money and no private investor is going to squander their money. Mount Piper sat mothballed for six years. Bayswater was built and could not recover the money that was invested in it for 10 years because people over-invested in base load. It is a standard procedure. The private sector will not engage in it.

This is also bad for households. Let us be clear: Private sector electricity is more expensive because they take larger profits. They are always pushing profits up on the industry. Those profits do not magically appear from somewhere; they come off the back of the workers in the industry and they come out of households. There is no question that this bill contradicts Mr O'Farrell and makes him a hypocrite when he promised that he would bring down the pressure on households. If he were serious about doing that, Mr O'Farrell would work with households to reduce their energy consumption in a publicly owned electricity industry.

Let us also talk about the environment. This is an industry that produces 60 million tonnes of carbon dioxide each year—40 per cent of the State's greenhouse gas emissions. If that is handed over to the private sector, three things will happen: Firstly, the private sector will seek to generate more electricity to make more profits because that is what the private sector does. That is what private ownership is all about. Selling more electricity means burning more coal, which means generating more greenhouse gas emissions. That 60 million tonnes will rapidly grow under private sector ownership. The second feature of private sector ownership and the environment is that it will take away from this State the capacity to make a democratic decision to start transitioning out of coal to clean, renewable energy. This State will be stuck with the O'Farrell legacy of more than 60 million tonnes of carbon dioxide every year. That will have massive environmental consequences and, in the long run, huge economic consequences as we become a pariah State globally. The world will turn to us and say, "That 60 million tonnes of carbon dioxide is unacceptable."

There are members in this Chamber who do not believe that. Well, let history be the judge of what we do here today. I am happy to be on the right side of history. I am happy to stand here today and say that this is a mistake, a huge mistake that will lock the State into a source of energy that will be shunned by the rest of the world. Those opposite are mocking me and let it be thus; I do not care. The reality is that Germany—another coal-based economy—is moving away from coal. Denmark has moved away from coal. Nations with far more inferior renewable energy resources than ours are making the transition because they know where the future is. Not only does New South Wales have its head in the coal dust of this State, but this bill will bring greater problems for our economy.

The bill represents a fistful of cash for the O'Farrell Government. It sounds very good and no doubt the Government will find the best way it can to sell the \$3 billion to the people of this State, but people should question what price they will pay for it. The bill makes it absolutely clear that the Treasurer has the capacity to transfer our electricity industry assets as he sees fit to shape the industry up for sale. But the problem is that under the State Owned Corporations Act "assets" are defined to include liabilities. The O'Farrell Government is positioning itself to do exactly what the former Labor Government did—that is, privatise the profits and socialise the risks, liabilities and costs. Just as we deal with the availability of liquidated damages and the risk associated with maintenance and repair on the power stations—under the gentrader transaction a big proportion remains in public hands; the same will be true of this sell-off—the Treasury, in an effort to fatten up and maximise the amount of dollars needed to win the next election, will do exactly the same.

If this legislation is passed today it will give the Treasury the powers of a mediaeval king to manipulate the electricity industry and turn it into a profit maker for those who buy it and a loss maker for the mugs who hang on to it. Why does that work? It works because those losses and those liabilities are forever. They will last for the life of the privatisation, whereas the \$3 billion is instantaneous. While the real cost of this will not be felt for households and the businesses of this State for decades to come, the electoral benefits to the O'Farrell Government will be instantaneous. This immoral transaction puts the costs to future generations of the environment and finances, and takes all the benefits for now. This is a classic example of sell the family silverware, have a party and pay the price later.

It appears that this legislation will be passed today thanks to the deal that has been cut between the Government, the Shooters and Fishers Party and, from what the Hon. Robert Brown has said, the Christian Democratic Party. But the Assistant-President, who was the chair of the General Purpose Standing Committee No. 1 gentrader transactions inquiry, should watch this space. That inquiry was conducted honestly and fairly. During the inquiry, as the committee went through the details of the gentrader transaction, I watched the Assistant-President realise the full magnitude of the mistakes that were being made behind closed doors. I think the Assistant-President, like me and other members of that committee who were honest enough to admit it either publicly or privately, recognised that governments should not be allowed to do these sorts of transactions

behind closed doors. This legislation is creating another gentrader transaction scenario; the same situation in which the Treasury can manipulate the structure and make decisions about transferring liabilities back to the public sector while selling off the profitable sections of the industry.

As long as this legislation exists, the public will pay the costs while the Government reaps the benefits in electoral outcomes. This is a bad deal. But when and how will we know that? I note that the Hon. Robert Brown thinks that both Houses of Parliament will be controlled by the Coalition after the next election—the way legislation passes through this place I sometimes think that is already true. We need monitoring mechanisms to ensure that we do not replicate the appalling gentrader transactions that occurred at the end of 2010. We must not make the same mistakes. I note that when the now Government members were in opposition they were deeply opposed to the Cobbora coalmine. At that time shadow Treasurer, Mike Baird, said some extremely intelligent things about the role of the Cobbora coalmine in the gentrader transactions. He said that it was a \$1 billion loser for the people of New South Wales.

The Hon. Duncan Gay: All true.

Dr JOHN KAYE: All true.

The Hon. Duncan Gay: We were locked in.

Dr JOHN KAYE: The Government says it was locked in, but it is now pushing ahead with the Cobbora coalmine because it is also part of this sweet deal. This Government inherited industry without long-term coal contracts, but it wants to make the people of New South Wales pay for long-term coal contracts that will fatten up the electricity industry for sale. The average person in New South Wales will pay for that \$3 billion. When the O'Farrell Government does make the announcement about what it is going to do with that \$3 billion everyone in New South Wales should ask how much they will pay and how often they will pay for it. This legislation is all about making the people of New South Wales pay, pay and pay for this transaction—pay financially, pay taxes and charges, and pay in their household power bills. The Greens oppose the bill.

The Hon. WALT SECORD [4.46 p.m.]: I make a brief contribution to the Electricity Generator Assets (Authorised Transactions) Bill 2012. The bill authorises the sale of the State's electricity generator assets to the private sector, either by way of a trade sale or by an initial public offering. The bill confers absolute power on the New South Wales Treasurer to do everything necessary to transact the transfers contemplated in this bill—that is extraordinary. I was living in Canberra and working as chief of staff to the Federal Minister for Ageing at the time of the Iemma Government's attempt to sell electricity assets in 2008. I returned to New South Wales in mid 2009. I later became chief of staff to then Premier Kristina Keneally. I served in that capacity from December 2009 and March 2011.

In that period State Cabinet decided to restructure State-owned electricity assets—that is on the public record. The former Premier, and member for Heffron, made very frank and public comment on that part of the history of New South Wales and this area has been extensively canvassed. She spoke about this to the *Australian*. The public record shows that Country Energy, Energy Australia and Integral Energy were sold and that the generation assets were offered as gentrader bundles by way of tendered trade sale. Significantly, no assets were offered as an initial public offering. Eraring Energy, Delta West and development sites at Marulan and Mount Piper were sold at the conclusion of the gentrader bids. Delta Coastal, Macquarie Generation and the development sites at Tomago and Bayswater B were not approved for sale and remained in government ownership. That period was the subject of an independent report that vindicated the former Labor Government, then Premier Kristina Keneally and then Treasurer Eric Roozendaal.

I have now served as a member of this House for a year. As a legislator I believe it would be unusual for me to not speak to such a significant bill. This bill is significant because it is in stark contrast to the numerous explicit promises and guarantees made by the Premier before the last election. Barry O'Farrell promised that he had absolutely no plans to privatise the State's publicly owner generator assets; this bill will do just that. Once again the Greiner school of top drawer policies before the election and bottom drawer policies after the election is hitting new heights. The former Coalition Opposition did not tell families or the electricity workers of New South Wales that it was going to do this, nor did it tell them that they would be facing higher electricity charges. In fact, its platform was the complete opposite. Importantly, the Government cannot hide under a "general mandate" on this key issue, which was front and centre during the election. The formal O'Farrell position was no sale.

The O'Farrell Government's plans to merge the State's three electricity generators into one will mean that up to 1,000 jobs will go in New South Wales. This will be a disaster for workers and their families in Bathurst, Queanbeyan and Port Macquarie. These are regional communities that took Barry O'Farrell at his word when he promised no sale. So this bill raises serious concerns about entitlements and conditions of workers in the electricity sector. It also raises questions about how the Government will maintain front-line standards with such a significant loss of workers.

But those are long-term issues. Let us be honest: The bill before us today is a short-term bill. Its real aim is to fatten the distributors for the eventual sale. The member for Macquarie Fields, Dr Andrew McDonald, one of my colleagues in the other place, described this bill as a "Trojan horse" for the sale of poles and wires. Looking at this bill, there is no other conclusion to reach. It is clear from the bill that the field is being tilled for that purpose. The O'Farrell Government has a wafer-thin pretence on which it is proceeding. So I conclude by reminding Government members, particularly The Nationals, of what Premier Barry O'Farrell told the workers at Lithgow on 28 January 2011. He said:

We have absolutely no plans to privatise either the generators or the poles and wires.

This is the Lithgow declaration, as described by the Leader of the Opposition. There is no ambiguity in that statement. That was an iron-clad guarantee. Barry O'Farrell has no mandate. Indeed, one could argue that the mandate is not to proceed. I will be voting against the Electricity Generator Assets (Authorised Transactions) Bill. I thank the House for its consideration.

The Hon. CATHERINE CUSACK [4.51 p.m.]: What is it about the Labor Party and electricity? If anyone is wondering how this State got in such a mess, I simply refer to the contributions of two members of the same party that contain opposite views in respect of why electricity is such a mess and why the Government was elected with an unambiguous mandate, first, to fix Labor's mess and, secondly, to deliver infrastructure and get New South Wales going. That is the O'Farrell Government's mandate, and the Government is delivering on that. What we heard from the Leader of the Opposition was a reinvention of history. He argued that he did not agree with what the Labor Government was doing just before the election and therefore everything that occurred during that period can somehow be forgotten in this debate. All of those events are generic to the mess in which we now find ourselves. That is unacceptable to me. The Leader of the Opposition may not have liked what the Labor Government was doing, but he cannot reverse the historical facts of what occurred.

The only people who outdo Labor members in respect of the problems we are trying to rectify are The Greens. They suggested that the Government had changed its view that the Cobbora coalmine deal was an absolute rip-off for taxpayers. Of course, the Government has not changed its view one iota. The Government is locked into legal agreements on the deal. We have held public inquiries, and the Treasurer, Mike Baird, has made every effort to find out whether the deal can be unravelled. No-one wanted to unravel the deal more than this Government, but it is impossible to unravel it. First, The Greens said that they hate coal generators, that the power generated is dirty and therefore they do not want coal. Then they argued that the coal generators are so critical that we must retain them as a precious public asset. The complete circuitousness of that argument seems to have been lost on Dr John Kaye.

Labor members omitted the fact that for 16 years they had an opportunity to address the electricity assets in this State. We are one of only a few democracies in the Western world that still have a cold war system of publicly owned assets. The private sector would be willing to take on those assets, freeing up money that could be put into other infrastructure in which the private sector does not want to be involved. That is how a government grows a State and an economy. For two decades everybody has known that the electricity problem needed to be solved. That is no surprise to anyone in New South Wales, much less members of this Chamber. So the responsible course, on which the Government is embarking, is a direct result of Labor's failure for 16 years to rectify the problems. So I urge people not to listen to a word Labor members say on this topic, because they had 16 years and they stuffed it up not once or twice, but three times.

The Labor Government lost a Premier, Morris Iemma, because the party could not get its act together and support its leader and Treasurer on this issue. Labor members seemed to suggest that somehow that was our fault because it was the then Opposition's responsibility to prop up a Premier who had lost the support of his own party. Of course, Barry O'Farrell would not do that. It was not his job to do that. He was paid to be the Opposition leader and he did a brilliant job. Morris Iemma fell because of his own party. All of these historical facts—I note that books have been written about Labor and the electricity issue—will not somehow airily go

away in this debate. What Labor members have said on this issue does nothing but explain the current problem and illuminate why the Government is trying to fix such a mess. I turn to The Greens and the contribution of Dr John Kaye, who was as pious as ever.

[*Interruption*]

I note the contribution of the Hon. Robert Brown from the Shooters and Fishers Party. It was eloquent and illuminating. It was—

The Hon. Duncan Gay: Dishonest.

The Hon. CATHERINE CUSACK: No. I am talking about the Hon. Robert Brown.

The Hon. Duncan Gay: I am sorry.

The Hon. CATHERINE CUSACK: I do not always see eye to eye with the Shooters and Fishers Party, but everything that the Hon. Robert Brown said today tells me that the party has sought to be consistent and to keep faith with its constituents. I am not privy to various arrangements the Government makes with the Shooters and Fishers Party, but I understand that an arrangement was reached last night to facilitate the passage of this bill. If The Greens and Labor members do not like that I tell them to look in a mirror.

Why are the votes of the Shooters and Fishers Party critical to support this legislation? Because Labor members and The Greens sit there piously and refuse to negotiate in an ideological way on any aspect of the legislation; as a result they have empowered the Shooters and Fishers Party in this way. And it is their choice to do that. But they should spare me the hypocrisy when they speak piously. They know that the problem must be solved and that the Government, in the words of Barry O'Farrell, "needs to work with the Parliament the people have given us". And he has done that.

Another point is that the behaviour of The Greens and Labor members throughout this debate created the situation about which they are now complaining. The rank hypocrisy of members opposite and the reinvention of history in the context of this debate is beneficial only in terms of explaining to the people of New South Wales the terrible situation that the Government is fixing. The Government is determined to fix the problem and get it right. As a final comment, the whole idea that the private sector running the electricity generators more efficiently equals higher power prices is another complete fabrication by Labor members.

Power prices are going up because of the carbon tax and because of the Labor Government's neglect of the previous poles and wires. The Labor Government did not provide proper funding for the poles and wires. Indeed, it could not provide the funding because it was ripping dividends out of the electricity sector. Power prices are going up because of Labor's atrocious solar bonus scheme. This Government has imposed a levy on everyone to pay for that scheme. When we came to office in 2011 we found that we were locked into the scheme for seven years. So members opposite should not tell the people that they care about power prices.

The Hon. Dr Peter Phelps: Point of order: I am having difficulty hearing the excellent contribution of the Hon. Catherine Cusack, given the wall of noise coming from the Opposition frontbench. I ask you to ask members opposite to restrain themselves so that I can continue to listen to this excellent contribution from the Hon. Catherine Cusack.

The ASSISTANT-PRESIDENT (Reverend the Hon. Fred Nile): Order! Members will restrain themselves, even though they may be being provoked.

The Hon. CATHERINE CUSACK: I thank the Hon. Dr Peter Phelps for his generous point of order. My point is that electricity prices are under pressure on a large number of fronts, all of which relate to past neglect of the infrastructure and the Gillard Government's carbon tax. Having the private sector run the generators more efficiently will be beneficial in trying to mitigate future costs. I also make the point that everyone seems to have overlooked: We are now operating in a national electricity market, so prices are not fixed by the O'Farrell Government. Referring to the cost of electricity, these generators will be competing with the rest of the market so what difference does that make? The only difference is the value that the private sector will put on the asset which will be reflected in the price.

We do not live in a world where the State Government is fixing the price of electricity. Our electricity is competing with and being sold against private operators as we speak. It is nonsense to suggest that the whole public sector must have ownership. Clothes are a basic item. We need to be warm in winter. Does that mean the State Government needs to be the monopoly provider of all clothing for people in New South Wales? Imagine what we would be all wearing if that were the case and how expensive it would be.

The Hon. Dr Peter Phelps: Mao jackets.

The Hon. CATHERINE CUSACK: Mao jackets. Clothing is a basic item, a strategic item, whatever word one chooses to use, but there is a damn good reason why the Government does not provide it—because it would be an inefficient provider. There would be no choice and the price would be sky high. One final matter relates to the constant red herrings about aluminium. Aluminium is so intensive in its use of electricity that in the industry it is known as solid electricity; that is its nickname. Up in the Hunter Valley, by being close to a power station, it is able to access electricity very cheaply. It does not have all the poles and wires distribution costs so, understandably, commercial arrangements are made for cheap electricity for aluminium.

However, everyone knows that the Australian aluminium industry is on its knees because of the surge in the Australian dollar and that deals done in the past that are now being delivered are massively unviable. Companies such as Rio Tinto are now looking to move offshore because of the risk of power price increases. We cannot give them the guarantees that they need. It is nonsense to suggest that this bill has anything to do with losing industry in the Hunter Valley. Dr John Kaye is right: The closure of the aluminium smelter will mean more electricity. The wholesale price of electricity is falling; it is in abundance. The Premier spoke about \$6 billion in costs potentially being averted in the event that we need additional generators. I do not think we need them because we are reducing our use of electricity. However, that is not the bottom line basis of this sale; the \$3 billion that will become available to us in New South Wales will be invested in desperately needed infrastructure and enable us to deliver on our mandate and our commitments that were made when we won the 2011 election.

The Hon. DUNCAN GAY (Minister for Roads and Ports) [5.02 p.m.]: I was not going to speak in the debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012 because as the former shadow Minister in this area sometimes it is more appropriate to move on and not comment when a new Minister has been appointed. However, a couple of things prompted me to speak. First, I thought it would be appropriate for me, as Deputy Leader of the Government and Leader of The Nationals, to put on record the fact that we are totally supportive of this sale.

This State was left with no choice. I am supportive also of the circumstances surrounding this sale, which will result in a win-win situation for New South Wales. Negotiations with members on the crossbenches resulted in greater protection for workers in country areas, which is important to them and important to us. It will also liberate funds for infrastructure in New South Wales that are sadly needed following 16 years of neglect. It will finalise also the bid that was abandoned after the earlier botched process. Frankly, we had no choice other than to do something about it. The other issue I want to speak about is the so-called Lithgow statement.

The Hon. Penny Sharpe: The Lithgow declaration.

The Hon. DUNCAN GAY: The Lithgow declaration in which Barry O'Farrell supposedly said—and I suspect the statement is correct—that we have no plans to sell the generators and no plans to sell the poles and wires. I can comment on this because as shadow Minister at the time I was involved in developing policies and, as other members in this House would know, keeping a weather eye on my leader as I did not want to be out of step with him. At no stage did he say that we would sell the generators and at no stage did he say—

The Hon. Penny Sharpe: Where is the retraction? Did you complain?

The Hon. DUNCAN GAY: If the Hon. Penny Sharpe were quiet for a change and listened she might learn something and not make the mistakes that she makes on a daily basis. If she wants to make a contribution to debate on this bill she will get an opportunity to do so later. I sat quietly in the Chamber and listened to every contribution that has been made in this place.

Mr David Shoebridge: That is a complete load of rubbish. You often sledge, right from there, directly sledge. You are a hypocrite.

The Hon. Charlie Lynn: Point of order: I am listening with great interest to the Minister's positive contribution and he should be heard in silence. The ferals on the other side should be asked to desist from interjecting.

The Hon. Lynda Voltz: To the point of order: The Minister should be asked to direct his comments through the Chair, which might reduce the number of interjections in the House.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! The Hon. Duncan Gay has the call and should be heard in silence. All members will direct their remarks through the Chair.

The Hon. DUNCAN GAY: Thank you, Madam Deputy-President. That is all I ask. The Premier quite properly said that he had no plans for privatisation at that stage, and he certainly did not. What he did say and what I said at a later stage was that we would establish an inquiry and rely on the findings of that inquiry. We were quite open about that. At no stage did we say that we would not privatise, but we were categorical—

The Hon. Walt Secord: Ha-ha!

The Hon. DUNCAN GAY: The Hon. Walt Secord might well laugh because he is the cynic—he is the bloke who was responsible for Cecil Hills and all those mistruths. He is the man who peddled deceit out of the Government—

The Hon. Eric Roozendaal: Point of order: Madam Deputy-President, you have made a ruling requesting all members to direct their comments through the Chair. I assume that instruction also included the Minister, who has been here long enough to know that if he wants to make an attack on another member of Parliament he should do so by way of a substantive motion and not by sniping from the lectern, which is what he is doing.

The Hon. DUNCAN GAY: To the point of order: I was replying, inappropriately of course, to interjections which, because of the earlier ruling, were completely out of order.

The Hon. Eric Roozendaal: Further to the point of order: The Minister is now misleading the House. The Hon. Walt Secord laughed. The Minister acknowledged that laugh and then proceeded to denigrate the Hon. Walt Secord. As you well know, any attack on another member of this House or the other House must be done by way of a substantive motion. If the Minister has a glass jaw he should sit down.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! I remind members that interjections are disorderly at all times. The Minister has the call and will be heard in silence. He should not respond to provocation.

The Hon. DUNCAN GAY: I am clarifying the deceit that has been peddled and Opposition members do not like it. We made an honourable statement to the electorate when we said we would establish an inquiry and act on the results of that inquiry. We also said we would not privatise the poles and wires. Interestingly, at about the same time or a little before we said we would not privatise poles and wires the Federal Government said it would not have a carbon tax. It has introduced a carbon tax. There was a government in New South Wales that said it would not privatise and it did.

In all our actions we have been honourable with the electorate. The thing that the Labor Party hates more than anything else is honour. It just does not understand the premise of honour—to say something to the electorate and hold to it. As I indicated earlier, I believe the negotiations that we have had have come to an honourable solution and I am proud to be able to support the bill before the House. They were tough negotiations and I congratulate the crossbench members who have contributed to a better solution for New South Wales.

The Hon. MATTHEW MASON-COX (Parliamentary Secretary) [5.10 p.m.]: It is my pleasure to support the Electricity Generator Assets (Authorised Transaction) Bill 2012. I state at the outset that the sale of the generators will rectify one of the greatest political betrayals perpetrated on the people of New South Wales by any government in Australian history. The fire sale of this State's electricity assets as specified in that transaction, in contradiction of an explicit promise to do otherwise by the former Government, was an absolute betrayal. I do not think it could be better summed up than it was by one of the senior members of that former Government, a political insider of the first order, the Hon. Frank Sartor, AO, who for members' edification was

amongst other things Minister for Climate Change and the Environment in the former Government, Minister for Planning, and Minister for Energy and Utilities. In his words, from his political memoir *The Fog on the Hill*—the Hon. Eric Roozendaal might be interested in this:

The implementation of New South Wales' failed power sale should get a permanent place in textbooks on government studies as a great case study in how not to do things. It is only rivalled by the sheer incompetence of the solar bonus scheme, which also scored the trifecta of flawed policy, dumb politics and appalling implementation.

It cannot be put any simpler than that. The reality is the former Government failed to act in the interests of the people of New South Wales not only in breaking its promise but also in poorly executing a transaction in the way it did before the last election. We all remember those times well. How could we forget the events leading up to the sale? We saw in this place the events that occurred, particularly in relation to the bill introduced by the current Government to end any possible early prorogation of Parliament.

The then Treasurer, the Hon. Eric Roozendaal, signed a contract for the sale of those assets at a minute to midnight with directors he pulled in off the street to ensure the transaction got through in a timely way—just before Christmas and in the shadow of the next election—and to ensure a bucket load of money was available to try to buy yet another election for the Australian Labor Party. A general purpose standing committee was established to inquire into that sale and instead of embracing that process in the interests of transparency and accountability the former Government sought to prorogue Parliament and to run away from any accountability in relation to that important transaction.

Here we are tonight, after all that, trying to fix the mess that the former Labor Government has left us to deal with. That is the truth of the situation and the premise upon which the bill comes into this House. Before the last election the Hon. Barry O'Farrell made it very clear that this Government would hold a commission of inquiry into the electricity sale and what to do with the remaining assets held by the Government. We also made it clear at that time, as the Hon. Duncan Gay has said, that we would not sell the poles and wires. Tonight we are honouring those promises. The Hon. Brian Tamberlin made this statement in his final report of that commission of inquiry:

Given the manifest disadvantages of the gentrader model, the Inquiry's view is that the State ought not to persevere with the gentrader option.

The Inquiry does not consider there to be any good purpose to be served by the State continuing to own generation assets in NSW.

The Inquiry does not consider that the objectives of a competitive electricity market or reliability of supply are advanced by maintaining the status quo.

As a result, this Government has sought for some time to find the correct conditions for realising the generator assets. It has come after some discussion with the crossbench and, given the recommendations of the Tamberlin inquiry, it is clearly in the interests of the people of New South Wales. It is important to note that what we were left by the former Government by way of electricity assets was really a flawed gentrader model, particularly in relation to how those blocks of electricity were put on the market, not to mention that the transaction required the Government to re-enter the business of coalmining. The Government of New South Wales exited the coalmining industry years ago with the final sale of its last coalmine to Centennial Coal, yet we found as a result of this transaction, in order to underwrite the sale, the former Government had to open a coalmine to provide cheap coal to the gentraders to ensure that the sale could go to market. That is an enormous travesty that will cost of the order of \$1.5 billion. It undermines confidence in the original sale. As a result of that it became very clear to Justice Tamberlin that something had to be done with the assets that were left with this Government.

I note there is a range of estimates of the diminution of value of the assets as a result of the gentrader sale. The Government has estimated the headline sale figure of \$5.3 billion is probably reduced to close to zero when one takes out various contingency items as well as the establishment of the Cobbora coalmine. I note the ultimate insider, the Hon. Frank Sartor, had this to say about the loss of value arising from that transaction:

Tripodi's misguided enthusiasm, Roozendaal's financial illiteracy, and the poor judgement of the two Premiers in charge during this period, have cost the State about \$1.5 billion from the Gentrader part of the sale, have probably reduced the asset values of three power stations by at least \$2 billion, and have lost the State in the order of \$500 million in dividends—a net value loss of \$4 billion.

That is the Hon. Frank Sartor's view. I think that figure is probably understated and we will never know for sure just how much money this State has lost as a result of that misguided sale. I note also a final comment from the Hon. Frank Sartor in relation to some of the collateral damage caused not only to the Government but also to some of the programs that were being implemented at that time. He said:

Along the way Roozendaal and Keneally left a trail of collateral damage. They greatly devalued the power station assets, the trading rights of which were sold; achieved a poor financial outcome; decided to open a coalmine at Cobbora near Gulgong to prop up The Transaction with cheaper coal at a public cost of \$1.5 billion; stopped an action to curb fugitive emissions from coalmines; stopped a revamp of the greenhouse gas abatement scheme in New South Wales; and tied the state into an inflexible power supply policy for decades to come.

That is what we are here to deal with tonight. We cannot afford for this State to be tied to an inflexible policy for the next 10 years. We have to deal with the problems and fix the mess that Labor has left us. It is clear that with crossbench support this sale will proceed and it will realise approximately \$3 billion. I note that the net proceeds will be invested in the Restart NSW Fund to go directly towards investment in infrastructure in New South Wales and 30 per cent of the Restart NSW Fund will go directly towards rural and regional infrastructure. The Hon. Robert Brown told us how that would be overseen to ensure the money goes where it is needed most in regional and rural New South Wales, which is most welcome. Competition in the electricity industry will also be promoted—something that Opposition members do not fully comprehend. The other key improvement is also that it will lower pressure on electricity prices.

I noted with interest the comments of the Leader of the Opposition who suggested that members of the Government proclaimed that electricity prices would be lowered as a result of this sale when clearly that is not the case. This is about pressure on electricity prices. We all know that the Independent Pricing and Regulatory Tribunal has made a determination relating to electricity prices. We also understand that the Australian Energy Regulator, who regulates the wholesale price of electricity across the country under the Australian Energy Market, has also made determinations and will bring down another determination in the next 18 months in regard to wholesale prices. For the interest of members, that will involve examining the infrastructure spend of those wholesale providers as well as other factors relating to the production of electricity. We will expect very significant price rises as a result of that process, as well as the Independent Pricing and Regulatory Tribunal determination.

On top of that is the carbon tax that will have an impact from 1 July, which again will significantly increase the pressure on prices across both retailers and wholesalers. In 2010 the OECD said that when we compare price rises over the past 10 years in New South Wales—in a public monopoly provision of electricity power—we see that our prices are significantly above the price rises in Victoria and other southern States where that industry has been privatised, yet we have seen very few productivity improvements. The privatisation of these assets will ensure increased competition and finally put New South Wales on a competitive footing with the national energy market, enable us to compete and ensure that the pressure on electricity prices will be lowered over time.

Those are the realities of being in a market, something that has been lost on Opposition members, though I look forward to the contribution of former Treasurer Eric Roozendaal. I am sure that history will show he argued strongly for the privatisation of electricity assets in New South Wales but he had to make do with an ill-conceived and flawed gentrader model. It is a pleasure to support this sale, which will result in significant investment in infrastructure. As other members have said, the people of New South Wales voted for that investment in infrastructure on 26 March 2011 and we intend to deliver.

The Hon. ERIC ROOZENDAAL [5.23 p.m.]: I speak in debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012. The New South Wales electricity assets issue has been controversial throughout this State and in particular in the Australian Labor Party for more than one and a half decades. This issue was pursued by Premier Carr and Treasurer Egan in 1997. If the assets had been sold at that time up to \$33 billion would have been realised for New South Wales, based on the \$25 billion for which the Victorian assets were sold. That proposal, which was not agreed to at the Australian Labor Party State conference, was pursued by Premier Iemma and Treasurer Costa and eventually cost them their positions. Again, they could not get agreement at the Australian Labor Party State conference.

After much debate Premier Keneally and I finally pursued the energy reform strategy. Unfortunately, the political cycle had turned. While delivering a great outcome for the people of New South Wales, in the hot-house of politics, the benefits of that sale were lost in the stampede to end Labor's 16 years in government. I believe it is in the interests of the Australian Labor Party to see an end to this issue. Barry O'Farrell, the then Leader of the Opposition, made all sorts of allegations about corruption and illegal behaviour and promised an independent judicial inquiry—the Justice Tamberlin inquiry. It is interesting to note that the Hon. Matthew Mason-Cox chose to refer to Frank Sartor's rather pathetic book to try to justify his arguments.

Dr John Kaye from The Greens could refer only to the infamous report of General Purpose Standing Committee No. 1. In 2011 the Special Commission of Inquiry into Electricity Transactions was conducted by Justice Tamberlin. That six-month inquiry produced 361 pages, of which only one sentence has been quoted by Government members. The inquiry cost the people of this State approximately \$2.2 million—the most extensive review of government policy and decisions in the history of this State. Every participant and bureaucrat was questioned or interviewed. Every document was examined and, for the first time, it included all Cabinet documents. The conclusion of Justice Tamberlin was that the people of New South Wales received value for money from the electricity transactions and that it was a beneficial deal.

Justice Tamberlin's Special Commission of Inquiry into Electricity Transactions exposed the complete incompetence of General Purpose Standing Committee No. 1 and its gentrader transactions inquiry. I cannot let this debate conclude without making some pretty strong comments about that inquiry. Justice Tamberlin's inquiry showed that the findings of General Purpose Standing Committee No. 1 were nothing other than a political sham. I appreciate that in the months and weeks before an election politicians exploit their advantages, which certainly is what happened with General Purpose Standing Committee No. 1. However, there was no logic to that committee's recommendations when compared with the proper independent judicial review undertaken by Justice Tamberlin.

Any reading of the recommendations of General Purpose Standing Committee No.1 relating to the energy reform strategy establishes that they were simply wrong. The members of that committee, in particular, the members of the Coalition and crossbench members, have been proven to be wrong. They looked at hardly any documents, interviewed very few people and made a series of political determinations. It will be interesting to see how Reverend the Hon. Fred Nile votes on this bill as he was very vocal at the committee's hearings. However, now that he has read the Tamberlin inquiry report he will be pretty embarrassed about the pathetic recommendations of that committee, including the rescission of the gentrader contracts.

The independent inquiry found that the governance structure adopted through the energy reform strategy, the process by which the assets were offered to the market and the decision to sell the assets were done in an acceptable and appropriate manner, and that the circumstances leading to the gentrader agreement could be attributed to only one person—Barry O'Farrell and his opposition to the proposed sale of electricity assets. I chuckled when I heard the Hon. Catherine Cusack lecturing the House earlier about history. Let us be clear: Legislation was introduced in this place to sell the generators, which supposedly had the support of Barry O'Farrell and his little sidekicks.

He demanded a review by the Attorney-General and a regional impact statement. The former Labor Government delivered all that he requested but he then did a backflip and decided to oppose the legislation, which was subsequently withdrawn. It should not be forgotten for a second that the gentrader option was the next best option available to the Government, which is what Justice Tamberlin said in his inquiry. Again we have not heard a word from the Government about that finding. It was the next best option for the former Labor Government because of Barry O'Farrell's opposition and backflip.

Reverend the Hon. Fred Nile: The Australian Labor Party directed you to resign.

The Hon. ERIC ROOZENDAAL: I will deal with that issue later. After looking at all the Cabinet documents, after interviewing all the directors and after speaking to all the bureaucrats, the Tamberlin inquiry found that the transaction was reasonable and appropriate—a very different finding from the pathetic political finding of Reverend the Hon. Fred Nile.

The Hon. Niall Blair: Point of order: I ask that the member be directed to address his comments through the Chair.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! I again remind members that their comments should be directed through the Chair.

The Hon. ERIC ROOZENDAAL: The Tamberlin inquiry concluded that the decision-making structure employed was appropriate for the assets under sale and an orthodox and conventional method of achieving the objectives of the sale, and that the steering committee comprised appropriately qualified and experienced members from relevant areas of government and the industry. The probity advisers received no complaints about the process whatsoever. The inquiry's expert advisor, Mr Challen, said:

The transactions were implemented using a process which, in my view, meets best practice standards. The governance arrangements were robust, implementation was thorough and documentation appears generally to have been of a good standard.

That is what the expert said at the Tamberlin inquiry—unlike some little rant by Frank Sartor, who was not even part of most of the process and sat silently in Cabinet while this was being considered. Further, in relation to retention values, that is, at what cost will the particular gentrader agreements be sold, Mr Challen said:

The work of the Retention Value Working Group, and most particularly the model which was used to undertake the retention value calculations was subject to an audit by Ernst & Young. Ernst & Young's working papers reveal that a thorough and highly competent review of the retention value models was undertaken.

In other words, the appropriate work was done and the assets were sold for their real value. The inquiry accepted the opinion of Mr Challen that the assessment of the retention value of the retail businesses and the generators was in accordance with orthodox methodology and was conducted with appropriate rigour. So much for the criticisms of General Purpose Standing Committee No. 1 of the retention values—that is what happens when one lets a bunch of politicians who have a political agenda make up their recommendations. Justice Tamberlin looked at everything and questioned everybody and he found that the retention values were accurate. History will show that General Purpose Standing Committee No. 1 was nothing more than a political farce and that its members acted like political hacks.

Justice Tamberlin was completely satisfied that there was compliance with all applicable laws and policies during the sale process. He considered that each of the previous Government's major decisions relating to Cobbora were justified by reference to the material available to the Government at each decision. When it is analysed by an independent person—not by one of those political hacks sitting over there with their political axe to grind—when one looks at it coldly and independently, one discovers that in fact the decisions made on Cobbora were correct and were made in the best interests of the State and the taxpayers of this State. The members of General Purpose Standing Committee No. 1, without any evidence or confirmation, decided that Cobbora was subsidised by public funds. This was specifically and explicitly rejected by the independent judicial inquiry. It is another story made up by a bunch of political hacks who did not understand the requirements or purpose of Cobbora.

Not one finding of General Purpose Standing Committee No. 1 received any substantiation in the 360-page Tamberlin inquiry review. Not one of its recommendations received any substantiation from the independent review. That says a lot about the motives and conduct of that committee. The independent inquiry under Justice Tamberlin concluded that on the basis outlined in the report the State received value for money from the electricity transactions. That is the conclusion of the independent inquiry. I did not ask for that inquiry, although I welcomed it. It was Barry O'Farrell's personal request and a promise to the people of this State. We have it in black and white that the inquiry gave a big tick to the State that the energy reform strategy was managed appropriately.

The inquiry accepted that the substitution of trading risk for the risk of liability for available liquidated damages was beneficial for both fiscal and policy reasons. That killed another myth made up by The Greens that having infinite liabilities is better than having determined liabilities. The fiscal reason is that the acquired risk is lower than the trading risk. The policy reason is that the measure of damages for breach of the covenant to provide a certain level of capacity is not referable to the spot price of electricity in the national energy market [NEM] at the time of breach. Of course, the price of electricity can move 10, 20 or hundreds or thousands of dollars, depending on when it is measured. This finding exposes the ridiculous findings of General Purpose Standing Committee No. 1 on the risks to the State and a demonstrated lack of understanding and ignorance about how the national energy market and pricing electricity works.

The independent inquiry, which is the basis of the legislation before us, also says in relation to the sale of the retail businesses that the net figure, once deductions had been made from the bid price for costs and liabilities, was well in excess of the retention value. Justice Tamberlin confirmed that the State received more than the total retention value. That was yet another myth fostered by General Purpose Standing Committee No. 1 and repeated by those on the Government side that somehow it did not work out and we did not get value for money. The independent judicial inquiry proved that those opposite got it wrong. The State through its State-owned corporations is no longer exposed to the risks associated with the electricity retail business. These risks are considerable and are substantially greater than those to which the State-owned generators are exposed. Mr Challen, the expert who advised the inquiry, said:

Bringing the full set of transactions together, and having regard to the material value in reducing State debt, preserving NSW's AAA credit rating and incentivising the private sector to invest in electricity generation and retail, it is reasonable to conclude that the benefits of the transactions overall exceeded the costs and expected value of the new net risks.

That is what the expert advising the judicial inquiry said, and Justice Tamberlin agreed with his views. Mr Challen is a person who knows about the electricity industry and understands electricity. Justice Tamberlin said:

For the reasons given in the report, the Inquiry considers that the electricity transactions have delivered a more competitive retail electricity market in New South Wales and have the potential to deliver a more competitive wholesale electricity market in New South Wales.

Members may have seen advertisements for AGL and Origin Energy seeking to win over new customers. We are seeing that competition in the market today. The energy reform strategy placed the State in a stronger financial position and in a more competitive retail market. It delivered the objectives that we were seeking for the benefit of the State and in response to Professor Owen's recommendations. The independent judicial inquiry agreed that the decisions taken were in the best interests of the State. This contrasts with the views of the directors because they only thought about the interests of their individual commercial organisations—whether it was Delta Electricity or Eraring Energy—and not the broader interests of the State. The inquiry deals with this issue. Some of the directors complained that they did not know enough. We thought they had more than enough information. But, at the end of the day, they did not act in the best interests of the State; that is what governments do. We were aware that the so-called directors did not act in the best interests of the State of New South Wales; they acted only in their narrow, corporate interests.

I want to deal with Justice Tamberlin's findings about talk of a fire sale. He was explicit, stating, "This was no fire sale." Justice Tamberlin stated clearly, without question, that this was not a fire sale. It was yet another myth perpetrated by the Government and its sidekicks on General Purpose Standing Committee No. 1. The inquiry noted that some of the directors would have liked to have had more involvement. The truth is quite simple: The resignation of some of those directors was a direct attempt to sabotage the transaction. Some of them did it because it was a complex transaction and they did not understand it; some of them did it because they were ideologically opposed to the transaction; and some of them—like Michael Knight—did it because they are simply treacherous. In my view, the real reason those directors did not want to be part of it is because it would have exposed the incompetence within the various corporations and the way the directors were signing up to coal deals and managing their organisations. Once we go through it all with due diligence, we discover where the real incompetence is, and I can understand why those directors ran away. Justice Tamberlin interviewed every one of those directors and he found—

Reverend the Hon. Fred Nile: The Premier threatened them not to appear before the committee.

The Hon. ERIC ROOZENDAAL: I can feel the pain of the Reverend the Hon. Fred Nile, who has to justify the pathetic recommendation of General Purpose Standing Committee No. 1. A real judge, with real credentials, looked at the matters independently. He went through all the issues and found that none of the directors had any reason to resign except for their own personal reasons. Justice Tamberlin found it was quite appropriate.

[Interruption]

It was a political inquisition headed by Reverend the Hon. Fred Nile, which made pathetic recommendations. Reverend the Hon. Fred Nile is nothing more than a political hack. The inquiry found that the appointment of new directors was necessary for the transaction to proceed because more than \$200 million had been expended by the State to that point, millions of dollars were being held by prospective bidders, two of the bidders were in trading halts, and we had to protect the State's triple-A credit rating. It is all there in the Tamberlin report—the report that brings us to this bill today. Every part of this transaction was carefully and appropriately analysed and examined. I now come to the issue of this transaction today.

We could have got the rest of the gentrader contracts away in the second tranche but for the poisonous environment created by the Coalition, ably assisted by General Purpose Standing Committee No. 1 and its recommendation to rescind the contracts. Where in the world would one find a more bizarre recommendation from a parliamentary committee than to rescind multibillion dollar contracts and for that recommendation to be taken seriously, after two years of work by government, where every level of governance was met and every probity issue was dealt with?

[Interruption]

The Greens would do it. They would nationalise everything, given half a chance. Let us not pretend that The Greens have clean hands in this process. The Greens are ideologically opposed to the sale of any assets, anytime, anywhere, any place. The Greens do not care about the damage caused to the future of the State. The Greens would have solar panels on everyone's roofs and people paying five times what they currently pay for electricity to feed their warm inner glow.

Mr David Shoebridge: Why not sell everything then?

The Hon. Matthew Mason-Cox: He is absolutely right, you don't care.

The Hon. ERIC ROOZENDAAL: Settle down. I, like Bob Carr, Michael Egan, Morris Iemma, Paul Keating, Michael Costa and Kristina Keneally, do not believe we should own the State generators any longer. As to the nonsense about dividends being a real cost to the State, that is precisely why we set a retention value. A number is not just picked out of the air; it is determined by Treasury in conjunction with advisers. I think it is appropriate that we do sell the public-owned generators. However, Barry O'Farrell, by his own stupidity, has picked the wrong time. Instead of supporting the legislation when it was introduced by Morris Iemma, Barry O'Farrell has stumbled and bumbled to today. Where are we today? World capital markets are in disarray and Greece is about to leave the European Union. There is real nervousness about the cost of raising debt. How can we at this point in time contemplate selling the generators? They have missed the boat because AGL, the other major bidder in the process, has spent its money on Loy Yang. The O'Farrell Government has a great plan to sell the assets, but who will it sell them to? The other major bidder is out of the game. That was a brilliant stroke, guys—der!

What else did the O'Farrell Government forget? Those opposites have criticised carbon pricing. Yet these geniuses now want to go into the market and sell coal-fired generators when a carbon tax is in hot controversy and may or may not exist after the next Federal election. Who is going to buy these generators now? If these geniuses sell the generators now, any buyer will factor in double the cost of the carbon tax. That will be money lost to the State. How can they sell these assets now? I want to make a comment on an important point. The Government has a genius plan to amalgamate the distributors. Where did that genius plan come from? The O'Farrell Government went to the highly rated and regarded journal of the Electrical Trades Union for it.

A couple of years ago when I was Treasurer, Bernie Riordan shuffled into my office and said, "Here is my plan to amalgamate the distributors." I, being a good Treasurer, flicked it off to Treasury and asked, "Tell me if this will fly." The Treasury officials came back laughing. They said, "This is an inane plan. Why would you do this? It will not deliver the outcomes unless you slash the workforce and you still will not receive the savings." It is for those reasons that I will not support this legislation. Even though I believe that in the long term we should sell the generators, I would not trust these bozos to do it in a month of Sundays.

The Hon. SCOT MacDONALD [5.43 p.m.]: I am not sure if that was a speech by the Hon. Eric Roozendaal or a session in anger management.

The Hon. Luke Foley: A hard act to follow.

The Hon. SCOT MacDONALD: It is a very hard act to follow. I support the Electricity Generator (Authorised Transactions) Bill 2012. Surely one of the primary responsibilities of a modern government is to ensure that its citizens have access to affordable, reliable energy for personal comfort, health and industry. It is the responsibility of government to maintain our standard of living and ensure we remain internationally competitive by planning for future energy requirements. Unfortunately, New South Wales has been subjected to a sorry saga of obfuscation and deceit by the previous Government in its attempt to restructure the electricity generation sector.

Like the Coalition, the previous Government recognised that the private sector has a greater capacity to invest and efficiently operate these power stations. Both major parties agreed that the State Government needed to de-risk and exit the electricity wholesale market. There was even some dim understanding among some Labor Party members that future heavy investment in generation would be best managed by the private sector. There was no dispute that it was unlikely that New South Wales could retain its triple-A credit rating without disposing of the generators and possibly the transmission system.

In Labor's attempt to partially privatise the generators and the right to trade in electricity, it traduced the Parliament and lost the trust of the people of New South Wales by late night boardroom blood lettings, proroguing the Parliament early and without warning, and a half-pregnant gentrader deal that failed to fully

achieve any goal. The public instinctively knew their best interests were being sacrificed for internal Labor Party interests. Under New South Wales Labor, electricity prices rose 60 per cent over the past five years, at a time when the consumer price index rose 16 per cent. This is a direct result of a failure to act on a known problem.

The Labor Government had been in power since 1995. It was understood that both the generators and transmission system needed large investments to maintain generation, build generation for future needs and upgrade the ageing poles and wires. But for nearly 16 years the Labor Party failed to direct the necessary investment or have the courage to comprehensively privatise the generators. The people of New South Wales have been the losers. It is instructive to revisit the Tamberlin report, following the Special Commission of Inquiry into the Electricity Transactions. The inquiry was an election commitment of the Coalition. Our promise was to undertake an independent inquiry into the gentrader sale, implement the recommendations from the inquiry and retain the poles and wires in public hands. The recommendation from the inquiry was clear:

... legislation be enacted to enable the Government to offer for sale or long term lease the Eraring and Delta West generators, which are subject to gentrading agreements and the Macquarie Generation and Delta Coastal generators.

The inquiry also recommended the sale of the development sites and the Cobbora coalmine. The bill gives effect to this recommendation to sell the generators. The Tamberlin report highlighted the many inadequacies of the gentrader approach. As to the sale of the generation trading rights, the commissioner said:

... it probably did not achieve the consideration that the sale of the generators would have been expected to receive. It was the second best option.

He said of the generators:

The Inquiry does not consider that the objectives of a competitive electricity market or reliability of supply are advanced by maintaining the status quo; that is continued State ownership of more than half of the State's generation capacity or by the continuation of the gentrader agreements.

I find it instructive that the Federal Labor Minister for Resources and Energy, the Hon. Martin Ferguson, is at odds with his State counterparts. Minister Ferguson gets it. In December 2011 Minister Ferguson's Department of Resources, Energy and Tourism released a draft Energy White Paper. It is a comprehensive paper on the history and challenges of energy in Australia. It outlines the under-investment in generation and transmission, the emergence of the peak power issue arising in large part from the use of reverse cycle air-conditioners, the investment task ahead of us, and the need to have a more efficient electricity market. The future funding forecasts are startling. In the past 13 years around \$12 billion was invested in electricity generation. In the next 20 years approximately \$80 billion will be required to be spent in generation across Australia. The draft white paper, which is unequivocal about this investment task, states:

Continued government ownership of electricity generation assets, as well as the ongoing potential for further intervention, makes attracting investment more difficult than it otherwise would be.

Further, at page 28, the summary states:

In a modern and diverse economy such as Australia's, there is no compelling rationale for continuing government ownership of energy assets. Such ownership can create inherent competitive tensions in markets, discourage private investment and reduce incentives for business innovation or more efficient operation.

Minister Ferguson has had to pull the local New South Wales Labor Party into line on a few occasions. He hauled them over the coals over their backflip on coal seam gas and he has had to point them to his white paper, which acknowledges the potential for nuclear energy as a part of our future energy suite. He now has had to drag them into them the twenty-first century and point out the compelling case for divesting State-owned generators and gentrading rights.

As I said, one of the primary responsibilities of government is to ensure electricity generation and supply are managed efficiently and planned effectively. The Hon. Justice Brian Tamberlin has conducted a thorough review and the Commonwealth Government has drafted a powerful Energy White Paper. They confirm that the New South Wales Liberal-Nationals Government's strategy to sell the State electricity generator assets to the private sector is the right way to go. I commend the bill to the House.

The Hon. LYNDIA VOLTZ [5.49 p.m.]: It has taken some time before I have been able to speak in debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012. I am surprised that so many Government members have spoken on this bill. I have spoken in this Chamber previously on electricity

privatisation. In fact, on the previous occasion I spoke against my party and the Labor Government in relation to electricity privatisation. I spoke of resistance to the sale and indicated that I would cross the floor and vote with members on the other side of the Chamber, the very members who now want to sell the asset. On the previous occasion they objected to the sale of electricity assets. In fact, the members of the Shooters and Fishers Party are probably the only other members who have held a consistent view in this Parliament and in the previous Parliament on electricity privatisation.

The Hon. Adam Searle: That's not true. What about The Greens?

The Hon. LYNDIA VOLTZ: I am sorry, that is not correct. The Greens also have held a consistent view. The Hon. Catherine Cusack said that electricity privatisation seems to be a vexed issue for the Labor Party. I suggest that she refer to the previous debate on electricity privatisation. She will find that it was not a vexed issue for the Labor Party; it was a vexed issue for the people of New South Wales, and the people of New South Wales overwhelmingly opposed electricity privatisation. Both in New South Wales and Queensland, on the announcement of the privatisation of assets, polling for the Lemma Government and Bligh Government headed south and did not recover. The issue of privatisation signalled the end of those governments. So I am surprised that this Government, which saw what happened to Labor in New South Wales and Queensland, thinks that this is simply an argument around ideology in the Labor Party.

The privatisation of electricity assets is a fundamental issue that goes to the heart of the beliefs and wishes of the people of New South Wales, whom we represent. The opposition to electricity privatisation is not simply a matter of Labor ideology. I fundamentally believe that utilities play an important role in New South Wales. I refer to economic writers such as Ross Gittens and others who have said that governments have a role to play in the provision of utilities. They do not talk about whether governments regulate or close utilities. They talk about large infrastructure that needs extensive capital investment. Over time the Government has built those assets to grow New South Wales. I will refer to arguments raised by members during the previous debate on electricity privatisation. I want to refer to comments of members in this Chamber and in the other place at the time of the previous debate on electricity privatisation. On 27 October 2008 Mike Baird said:

At the same time we have seen the Government attempt to sell off our assets. I will not rule it out and say that selling off assets is a bad thing, but the Government should not sell off our assets at the bottom end of the market while credit costs continue to be high.

The Hon. Michael Gallacher said in this Chamber on 28 August 2008:

The current state of capital markets is not conducive to the sale of such a valuable asset.

I refer members to the state of our markets over the past month. So far, it translates to losses of \$110 billion wiped off our markets—\$35 billion in one day. Over that period BHP is down 11.5 per cent, Qantas off 12.5 per cent, ANZ down 13 per cent, Rio Tinto down 17 per cent, Fortescue off 17 per cent, Leighton down 18 per cent, Alumina off 23 per cent, Toll down 26 per cent and Iluka off 28 per cent. The recent price action in the interbank cash rates is currently pricing a Reserve Bank cash rate of around 2.5 per cent by early next year.

To put that into perspective, the lowest the cash rate ever went at the height of the financial crisis was 3 per cent. There is no doubt that the Australian economy is weakening significantly. If the argument of members opposite is that the reason they opposed privatisation in 2008 was that we were at the height of a financial crisis and now is the appropriate time to sell, their argument is a farce. The reality is that conditions are far worse for any sale under this current market than they ever were in 2008. Either the members opposite were not telling the truth at that time and privatisation is part of their DNA or they simply have not bothered to look at what the market is doing. This is the worst possible time to sell our assets. On 28 August 2008 in this Chamber the Hon. Duncan Gay said:

The electricity legislation that was introduced today is dead in the water, because the Government did not consult with the people of New South Wales and it gave a flawed plan. The Government has reaped its own revenge. The Government has lost, and it deserved to lose. The contrast is stark—we will go to the people with a proper plan.

The Hon. Michael Gallacher said:

The Government's failure to put the question to the people of New South Wales demonstrates beyond any shadow of a doubt that this is a Government out of control, out of step and out of options. Mr Lemma betrayed the trust when he refused to reveal his true plan about the future of electricity prior to the 2007 State election. By opposing this legislation the New South Wales Liberal-Nationals Coalition will ensure that the people of the State are not betrayed.

Let us look at what the Government said before the last election. On Monday 21 February 2011 Barry O'Farrell wrote directly to the people of New South Wales:

The NSW Liberals and Nationals will be honest with the people of NSW about the future of electricity assets.

Our believable and achievable plan ... [goes to]

- Attacking the waste, duplication and inefficiency in the electricity sector and ending unnecessary spending by electricity companies.
- Stopping government treating electricity companies as cash cows and using them to cover up budget deficits.

...

We will cut waste and mismanagement by rationalising the number of distribution businesses from three to two—a single metropolitan and a single regional distributor.

...

A dividend policy will be introduced to stop government treating electricity companies like cash cows. Dividends will be capped at forecast levels and require power company directors to personally certify that dividend payments place no additional pressure on prices or reliability.

Barry O'Farrell made no mention that he would sell electricity assets. This Government said it would go to the people with a proper plan. This Government, according to the *Sun-Herald* of 27 March, made a dozen promises that we needed to remember. This Government said, "We don't have a default position that says privatisation is in our DNA. We are not closing schools, closing hospitals or planning massive privatisation or job cuts." These promises were made by this Government on 27 March 2011. These promises were given in this Chamber by members opposite. Now they have gone back on everything they said in this Chamber in 2008. Unlike other members who have stuck to their position, the members opposite have completely changed their minds. They have not gone to the people with a plan.

The New South Wales Liberal-Nationals Coalition has betrayed the people of this State. Members should consider the arguments that the Iemma Government put forward at that time for privatising. Fundamental to the Owen inquiry was base load generation and when New South Wales would hit the low reserve condition [LRC]. In his report Owen found that the low reserve condition would be hit in 2013-14 and that there was an urgent need to privatise generation—not to underwrite infrastructure or because it was in my DNA to privatise, but because we needed new base load. Investment in new base load was Owen's only guiding principle at the time.

When the privatisation came before the Parliament Mike Baird stated in the other House that \$11 billion in dividends had been taken by the then Labor governments that should have been invested in base load generation. He said that there was no need to privatise because dividends were paid to the base load to which Owen referred. Many in the Labor movement argued that Owen was wrong about the low reserve condition and history has proved that we were right. At the moment the statement of opportunities puts the low reserve condition out to 2018-19 and electricity use is decreasing. In fact, electricity use does not replicate economic growth. The link between economic growth and electricity use has been broken. Even though growth is sitting at 3 per cent, electricity use is decreasing. That link or the arguments around Owen and base load no longer exist.

I return to the arguments about dividends and Mike Baird's comments about them because dividends are a fundamental issue. Both Tamberlin and Schott in his audit of the New South Wales public sector stated that any sale undertaken should look to the dividends of any assets sold and the price achieved as the basis for what the State received from dividend sales. That is where I have always had a fundamental problem with privatisation. Privatisation of itself is not a problem. One can have an asset that creates two things for the State: it creates economic growth because it puts electricity where one wants, with huge capital infrastructure costs that we know from the Victorian experience do not come from the private sector—base load in Victoria did not happen—peaking plants do because they react to the markets but they do not underpin a lot of major infrastructure.

The other point with electricity generation is what one actually receives in revenue. Page 354 of the Tamberlin report has a table entitled "NSW Budget: Revenue from State Owned Electricity Network Businesses" for 2010, which includes the current figures and projections. The figures are for 2008-09, \$726 million; 2009-10, \$821 million; 2010-11, \$942 million; 2011-12, \$1.4 billion; 2012-12, \$1.88 billion; and

2013-14, \$1.7 billion. These huge amounts of money go into New South Wales revenue to pay for teachers, schools, roads and health. This revenue cannot be replicated once these assets are sold. If the generators are sold, and then the wires and poles are sold, a huge chunk of revenue will be removed from the State.

We then have a fundamental problem in our budget with recurrent costs; one-off capital costs are not the big problem. Every new government, particularly Federal governments, invest in capital because it is easy to provide for a one-off cost. Recurrent costs are a burden on the State. We are talking about getting rid of recurrent revenue. Once it is gone we will have more problems with our budget because we are getting rid of revenue-raising assets. That is where the public and I have a huge problem with electricity privatisation.

The Hon. Dr Peter Phelps: You oppose all privatisation.

The Hon. LYNDIA VOLTZ: I know that the Government Whip likes to make a lot of inane objections to anything anybody says and I am sure we will get another quote from Milton Friedman as part of any speech he gives. Other members in this Chamber try to give more considered thought to the issues facing New South Wales. Madam Deputy-Speaker, it is difficult to speak when the Government Whip constantly interjects and yells at any member who speaks. I ask that you bring him to order.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! The Hon. Lynda Voltz has the call. She will be heard in silence.

The Hon. LYNDIA VOLTZ: It is a fundamental problem in respect of the revenue and goes back to Mike Baird's comments in the other Chamber. Mike Baird is interested in infrastructure. If he believes considerable revenue comes from these assets, and given the way our triple-A rating allows us to cost it and the criteria involved in building electricity assets, we should be hanging on to these assets to enable us to build more infrastructure in the future. I am interested in the price we will get for these assets. I believe this is the wrong time to sell. I do not think my views on electricity privatisation have changed now, and I doubt they will change into the future. The market does respond to peaking electricity. There are now considerable gas peaking plans, which have flattened out much of the cost. However, according to the Owen inquiry it is base load that is needed. While I disagree with that and we are the low reserve condition—I think the figures show that—if that is the argument for selling these assets, the Government should say so.

Reverend the Hon. FRED NILE [6.07 p.m.]: On behalf of the Christian Democratic Party I support the Electricity Generator Assets (Authorised Transactions) Bill 2012. Our support is conditional in the same way as was presented by the Hon. Robert Brown, subject to the passage of the amendments that have been drafted in cooperation with the Government and representatives of the union movement concerning the protection of workers' entitlements and job security for at least four years. I would have preferred the five years that we have negotiated in the past with respect to the selling of similar government assets.

The bill has as its main object to authorise and provide for the transfer of the State's electricity generator assets. It provides for the commencement of the Act on the date of assent, except for schedule 5 ownership restrictions in floated transaction companies, which are to commence on a day to be appointed by proclamation. The bill authorises the transfer to the private sector of the State's electricity generator assets and authorises also the transfer of electricity generator assets between public sector agencies. It requires the proceeds of the transfer of the State's electricity generator assets after deductions of certain amounts for debt repayments and payment of expenses to be paid into the Restart NSW Fund. Part 3 of the bill relates to facilitating authorised transactions. Part 4 deals with arrangements for transfer of assets, staff and functions. We are particularly concerned that the workers in the various companies involved with our electricity generator assets should in no way suffer as a result of this Government decision and other matters in the legislation.

Having been a member of this House for so many years it has been interesting to see the way the debate has flowed from the Labor Party to the Coalition. Speakers from the Opposition have admitted their unsuccessful attempts to sell off electricity assets, particularly under the Hon. Michael Costa. He fought very strongly to have the Coalition support the sell-off. I remember that the Coalition said to him there were five conditions that had to be fulfilled by the Labor Government before it would vote in favour of the sell-off. I believe the then Treasurer, the Hon. Michael Costa, fulfilled those five conditions. It was a great shock as I sat in the Chamber when the bill was introduced and the Coalition's first speaker in the second reading debate announced the Coalition did not support the Labor Government's bill. Members could see the shock on Michael Costa's face because until then he thought the Coalition was supporting it.

Why did the Coalition not support it? The only conclusion I can come to is that it would have been successful and it would have put a lot of money into the Labor Government's war chest for the next State election. I imagine within the Coalition a strategic decision was made, "Why should we help the ALP?" So even though the Coalition had agreed in principle with what was being done it voted against it. I do not want to take up the time of the House in responding to the rant by the Hon. Eric Roozendaal, but even though I interjected he ignored the fact that the committee inquiry was triggered by the resignation of eight directors of the various gentrader organisations.

It is unprecedented for eight directors to resign. They were not eight Coalition stooges; they were eight loyal members of the Australian Labor Party, nominated and appointed by Mr Roozendaal. One of them was a former Cabinet Minister, Michael Knight. I had some private conversations with him to try to encourage him to appear before the committee and give evidence, but the Labor Government, and particularly the Premier, and I assume Eric Roozendaal, supported it, threatened those directors that they would be sued if they appeared before the committee.

The Hon. Eric Roozendaal: That is not true. You just make it up.

Reverend the Hon. FRED NILE: It was. We heard her say it. It was meant to obstruct the committee conducting its inquiry. One has to wonder why the Labor Government would go to so much effort to try to hinder the inquiry. Also, even though the former Treasurer will not admit it, we had evidence from Treasury officials who said—these were virtually their words—it was not value for money. That was the evidence the committee received.

The Hon. Eric Roozendaal: You know that is not what they said, Fred.

Reverend the Hon. FRED NILE: We were not making it up.

The Hon. Eric Roozendaal: You are making it up to justify your pathetic recommendations. Sit down.

Reverend the Hon. FRED NILE: That is what the Treasury officials said under questioning. Eric Roozendaal has a very thin skin and is upset by some of the committee's recommendations, but he cannot avoid facts and he cannot avoid the truth. We support the bill.

Mr DAVID SHOEBRIDGE [6.13 p.m.]: In speaking to the Electricity Generator Assets (Authorised Transactions) Bill 2012 I echo the sentiments of my colleague Dr John Kaye, who spoke about the opposition. The Greens have to yet another privatisation bill passing through this House. It seems that irrespective of the colour of the politics of whoever is in government that each Government, whether the Coalition now or the Labor Party previously, wishes to sell off these natural monopolies, these assets that have been gathered together over years of collective effort by the people of New South Wales, notwithstanding the fact that two-thirds of the people of New South Wales are strongly opposed to these privatisations. Poll after poll shows that two-thirds or more of people are strongly opposed to these kinds of Government fire sales of publicly owned assets, particularly assets such as those in the electricity industry where they have a degree of being a natural monopoly.

What we will almost inevitably see as a result of yet another set of key utilities being privatised—like the extraordinary gouging at Sydney airport after it was privatised by the Howard Government and the higher ticket prices we pay on the private rail link to the airport—are increased prices to consumers as a result of the privatisation of the electricity industry. Those corporations, probably foreign, that are going to buy these assets will put up billions of dollars—about \$2 billion by the Government's count—and they will demand a commercial return on that money. Who will be paying that commercial return? Not the Government, because it gets a one-off cash injection into Treasury. Who will be paying the commercial return on the billions of dollars that foreign corporations invest in our electricity industry? Ordinary consumers will be paying that return in prices for years and years to come as a result of the electricity privatisation by this Government.

This legislation and this debate are like a microcosm of everything that is rotten with New South Wales politics, all presented neatly in one package for the people of New South Wales tonight. When one looks into the history of how we got here and looks beneath the ugly, grubby backroom deals that have been done to get this legislation through tonight one can see in a short compass why people are so disgusted with the state of politics in New South Wales. The Hon. Eric Roozendaal made an impassioned rant about how bad the sale of

the electricity assets are and how awful this legislation is, yet we know he has tried literally for years in his personal capacity and as the previous Treasurer to do exactly what the Government is doing now: sell off the electricity industry.

The Government when in opposition said to the people of New South Wales it had no plans to privatise the electricity industry and, in fact, radically opposed such privatisation. The Coalition indicated in this very Chamber that it opposed the privatisation of the generator assets. Now that the Coalition is occupying the Government benches these same members who voted against the privatisation, in large part, are now voting for it. Why are they doing that? Is it some change in ideology? Is it some change in political principle? No, I think Reverend the Hon. Fred Nile hit the nail on the head. On the previous occasion when Coalition members voted against the privatisation of electricity assets it had nothing to do with their principles or what they believed in; it was because they did not want the mob who were then in charge to get the assets. They wanted to save them up for when they were on the Government benches so they would get the dollar value and use the sale of public assets to bribe voters at the next election.

If that kind of ugly politics is not enough, we have to listen to the verbal somersaults of those in the right wing of the Labor Party who are now opposing privatisation when previously, when they were in positions of influence including being Treasurer, they wanted to sell everything. We see the complete backflip of the Government from its unprincipled opposition to the sale of assets previously to its equally unprincipled selling of the assets now. We then look at the crossbenches. Rarely have we seen in New South Wales the Government exposing the nature of the grubby cross-legislation deal it has done with the right wing minor parties. In fact, it has been one of those ugly, unspoken and unacknowledged secrets of New South Wales politics that the government of the day is willing to cut deals with the Shooters and Fishers Party to water down the Firearms Act and the protection of national parks and increase the amount of public land open for hunting.

The Shooters and Fishers Party is not satisfied with just two million hectares of public land in our State forests; it now wants to get into the jewel of the national estate: national parks. The Government admitted in its media release that it made a grubby deal. The Government does not believe in what it is doing. If we asked Government members, particularly those who reflect their electorates, whether they support the expansion of hunting by amateur hunters in our national parks most would certainly say no. Why is the Government proposing it? We know why. I will read from the Government's press release. The Deputy Premier said:

... the Government had decided to expand the culling program to allow smooth passage of legislation to sell the State's power generators.

I give the Coalition Government credit for at least admitting that it has made a grubby deal to open up our national parks in order for it to get its electricity privatisation legislation through this House. The previous mob tried to pretend it was not doing deals with the Shooters and Fishers Party. At least this mob admits—

The Hon. Robert Borsak: Point of order: I resent being called a grub.

Mr DAVID SHOEBRIDGE: I didn't call you a grub.

The Hon. Robert Borsak: You called me a grub. You said we did a grubby deal with the Government. I am not a grub, and it is not a grubby deal.

Mr DAVID SHOEBRIDGE: To the point of order: I used "grubby" as an adjective, not as a noun.

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

Mr DAVID SHOEBRIDGE: The saving grace from this mob is that it admits to its grubby deals, whereas the previous lot tried to pretend it was not doing them. We know that this Government is only getting the vote from the Shooters and Fishers Party because it has cut this side deal. What unprincipled, verbal gymnastics will the Premier have to do to cut this side deal? We know that in order for the Government to get this legislation through the House it has today committed itself to opening up our national parks to hunting. What has the Premier said about this matter in the past 12 months?

The Hon. Robert Borsak: You beauty.

Mr DAVID SHOEBRIDGE: I acknowledge the interjection from the Hon. Robert Borsak.

The Hon. Robert Borsak: Hunter extraordinaire, that's me.

Mr DAVID SHOEBRIDGE: Elephant hunter extraordinaire—

The Hon. Robert Borsak: An international conservationist.

Mr DAVID SHOEBRIDGE: He called himself an "international conservationist".

The Hon. Robert Borsak: And a humanitarian.

Mr DAVID SHOEBRIDGE: And a humanitarian. He has called himself a humanitarian in the context of having a very proud picture of himself standing in front of an elephant that he shot dead. He is the type of person that Barry O'Farrell has done the grubby deal with tonight—the elephant hunters, the big game hunters, the pro-gun lobby—

The Hon. Greg Pearce: Point of order: Mr David Shoebridge has been raving in a florid way about grubbiness for at least three and a half minutes. He is talking about national parks and various other matters. I hesitate to interrupt him, but if he is going to use the time of the House he should address the bill before the House. He should not continue his tirade, which is almost equivalent to that made by the Hon. Eric Roozendaal earlier.

Mr DAVID SHOEBRIDGE: To the point of order: I am required to be generally relevant in my contribution. The Government admitted in its press release that the two pieces of legislation are tied; it is obviously necessary that I address them.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! I remind the member of the need for him to be generally relevant.

Mr DAVID SHOEBRIDGE: What kind of gymnastics will the Premier have to do to overcome his previous statements to the people of New South Wales? On 13 April 2011 he said:

The New South Wales Liberals and Nationals are not going to turn our national parks into hunting reserves.

I quote from the *Sydney Morning Herald* of 14 April 2011:

Today, Mr O'Farrell dismissed claims he would bow to the Shooters' demands, saying his massive election victory meant he wasn't going to be held hostage in the upper House.

"We have a mandate for the policies, programs and principles that we put forward ...," Mr O'Farrell told reporters in western Sydney.

"We have no intention of doing deals with the minor parties, to sell out those plans.

"There will not be a decision to turn our national parks into hunting reserves [and] we're not going to replace literacy and numeracy in our schools with 'How to dismantle a gun in five seconds'."

The Premier has betrayed those statements and has made it clear that he cannot be trusted. The Premier has done a grubby little deal with the Shooters and Fishers Party to turn our parks into hunting reserves and to let the amateurs into our national parks in return for getting this privatisation legislation through the New South Wales upper House. But it is not only the Premier who has done a backflip. I will read the professional advice of the National Parks and Wildlife Service about this package of legislation. In response to an inquiry Ms Julie Cook wrote—

The Hon. Dr Peter Phelps: Point of order: This bill is about the privatisation of electricity assets. It is not about parks or hunting, and it does not in any way involve the National Parks and Wildlife Service. I ask you to draw the member back to the substance of the bill.

Mr DAVID SHOEBRIDGE: To the point of order: Effectively we have cognate legislation—the two bills are coming together. This bill will not pass unless the Government gives these concessions to the Shooters and Fishers Party. The Government's media release made it clear that this bill will be passed only because it has cut this deal with the Shooters.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! Regardless of any media release, the House is debating the Electricity Generator Assets (Authorised Transactions) Bill 2012. Whilst I have extended some latitude during the debate, I ask the member to confine his remarks to the leave of the bill.

Mr DAVID SHOEBRIDGE: I have explained to the House the Coalition's back-flip in electricity privatisation and the uncomfortable position, to be polite, in which the right wing of the Australian Labor Party has found itself. I acknowledge that some people in the Labor Party, such as the Hon. Lynda Voltz and others, have consistently said they would not vote for privatisation. I think the Shooters have been consistent: It will cut a deal with any government to put legislation through.

The Hon. Robert Brown: Point of order: I ask that Mr David Shoebridge refer to the Shooters and Fishers Party by its correct title.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! There is no requirement of members to refer to a political party by its registered name.

Mr DAVID SHOEBRIDGE: At least the Shooters have been consistent: It will cut a deal with any government. It will vote for anything if it gets a watering down of the Firearms Act and an opening up of hunting in national parks. However, the question must remain: What has the Christian Democratic Party got? We know the Government has been open about its deal with the Shooters, but what has the Christian Democratic Party got for its vote in support of this legislation?

Reverend the Hon. Fred Nile: Nothing.

Mr DAVID SHOEBRIDGE: It intimates it has got nothing, but I seriously doubt that and I think the people of New South Wales seriously doubt that. Over the next few weeks and months we will almost certainly see exposed exactly what the Christian Democratic Party has got. This kind of unprincipled deal into which the Government is entering—trading off one piece of legislation for another—leaves it at the mercy of these right-wing minor parties. They are cutting deals and voting for this legislation in return for something else down the track. Barry O'Farrell has done it once; he has shown us that he is not a man of his word. He breaks his promises to the people of New South Wales and he has been held hostage tonight by the Shooters and Fishers Party. What are the other terms of the hostage deal with the Christian Democratic Party? When the next difficult piece of legislation comes before this House—

Reverend the Hon. Fred Nile: Point of order: I regard the member's constant reference to a deal as a reflection on our party. No deal has been made with the Coalition Government. We do not make deals with either party and say that we will vote for a bill if they do something for us. We do not do that.

The DEPUTY-PRESIDENT (The Hon. Jennifer Gardiner): Order! That is a debating point, not a point of order.

Mr DAVID SHOEBRIDGE: In the coming weeks and months no doubt we will see other aspects of these deals. However, more importantly, the Premier has shown himself to have a weak hand and to be willing to cut deals. Contrary to what he said more than 12 months ago to the people of New South Wales, the Premier has conceded to the demands of the right-wing minor parties in this House. We are now facing 2½ years of concession after concession to right-wing minor parties so that this Government can get its legislation through. This is just day one. Earlier in debate a member of the Shooters Party interjected and said, "This is just the start of it. This is just round one." What will rounds two, three and four hold?

The Premier has shown himself to have no mettle; he has caved in to the shooters, to the "Guns and Moses" coalition. In the next few weeks and months no doubt the full details of the deal will be made clear to the people of New South Wales. Next time the Government is having trouble getting the numbers, we will again have a series of unrelated cross-legislation trade-offs that will be against the best interests of the people of New South Wales. Even the Liberal Party voters who have the misfortune of having Barry O'Farrell as their local member will be disgusted by the Government's actions. The Greens oppose this bill, we oppose privatisation and we speak strongly against the unprincipled deal that underlies it.

[The Deputy-President (The Hon. Jennifer Gardiner) left the chair at 6.33 p.m. The House resumed at 8.00 p.m.]

The Hon. SHAOQUETT MOSELMANE [8.00 p.m.]: I oppose the Electricity Generator Assets (Authorised Transactions) Bill 2012. I am ideologically opposed to the privatisation of major public assets because it undermines the Government's fundamental role; that is, to serve the people of New South Wales. One thing that members opposite and many other parliamentarians across the country often forget is that government is about providing essential services, especially in rural and remote areas. Private enterprises often believe that it is not profitable enough to do business in rural areas. That is a fact that we must not forget it when we pass legislation in this House.

This Liberal-Nationals Government is hell-bent on privatising or franchising public assets. In doing so it is reneging on the commitment that it took to the people of New South Wales at the last election. On 28 January 2011 Barry O'Farrell was quoted in the *Lithgow Mercury* as saying, "We have absolutely no plans to privatise either the generators or the poles and wires." I understand that he claims to have been misquoted by the newspaper, and several members opposite have reiterated that claim. However, he was quoted again in the *Sydney Morning Herald* on 1 February 2011 as saying, "We have ruled out the sale of poles and wires because that is where the jobs are and we are determined to protect jobs." The Premier made no effort to correct the previous quote about the generators; instead, he left the misleading impression with the people of New South Wales that he would not be privatising electricity.

The Premier and the Government have breached the trust of the voters of New South Wales. We have before us a bill that is designed to allow the Government to sell off electricity generator assets to what we hope will be the highest bidder. The Government has tried to hide its backflip by referring to the recommendation of one of its own inquiries and the Tamberlin report. The public will not buy it. The Government has also argued that the poles and wires will not be up for sale as a result of this legislation—yet. What is there to stop the Premier and his colleagues raising the argument in favour of full privatisation of all the remaining assets not covered by this bill, including the poles and wires? The Liberal-Nationals Government would easily be able to argue in favour of that course of action because it could raise \$30 billion for its coffers. That money would be very welcome in Infrastructure NSW.

Once a government asset has been sold to the private sector it is highly unlikely that any future government would buy it back or seek to re-establish a public sector equivalent. We have seen that on both sides of politics at various levels of government. The most notable examples are the privatisation of Telstra in 1997, Qantas in 1993, the Commonwealth Bank in the early 1990s and Sydney's international airport to name a few. It is a shame that current trends in politics are to shy away from policies involving the construction of large-scale infrastructure projects. Why can we not be like other countries that can make public assets profitable? Other countries can make public assets and companies work successfully. The best example of that is Emirates. The Premier and his colleagues want to privatise electricity using the bill before us today simply to make it easier to build the infrastructure that our State needs. I am certain they will waste the money and in the process they will have lost a major asset that belonged to the people of New South Wales. This is a lazy, sluggish, slothful government. Whatever money it gets out of this sale will be plundered; members opposite will blow it all, leaving the people of New South Wales the poorer.

On 8 November last year the Hon. Robert Borsak was quoted in the *Daily Telegraph* as saying that privatising electricity would "make a very lazy Premier even lazier". I commend the member for his fine observation about this Premier and his Government. They simply establish committees, inquiries and boards instead of building roads and infrastructure. This Liberal-Nationals Government is now 14 months into its first term in office but it has shown the people of New South Wales no plans for the future. It has left many in New South Wales disappointed and bewildered as to how they voted for such a mob. The people of New South Wales have a right to know where the money is going. They are tired of deceptive politicians misrepresenting their intentions. People respect politicians who do what they say and say what they mean. The Premier and his team opposite have not done that.

The Treasurer told the other place that the Government is pleased to introduce this bill to authorise the sale of the State's electricity generator assets to the private sector. It is pleased to sell the State's generators, including the Eraring and Delta West generators. It is pleased because it wants to see more competition in energy markets, to encourage private sector investment in generation and to help put downward pressure on power prices for consumers and businesses. It is pleased to put a public asset into the hands of a private company and in the process to do away with it. What a load of hogwash. How can Government members believe that private sector ownership of electricity generation will put downward pressure on power prices for consumers and businesses? We all know that once a public asset is in the hands of private owners they will

naturally want to maximise their profits. The only way that they can do that will be by increasing prices and sacking workers, or coming back to the Government threatening that if legislation and regulations are not relaxed prices will be increased.

One need not search far to find proof of that. Members simply need to consider the way in which our banks operate. They know there are anti-collusion laws and yet they collude. They set the level of interest and the fees that they charge consumers. The banks poke their middle finger at the Reserve Bank and the Government and do as they please. We have all witnessed that and the Government's hands are tied because it can do nothing about price hikes. It can do nothing when mortgages swamp hardworking families and when banks pull the plug, sell family homes and other assets and throw families on the streets. We know that once private enterprise has market control—and it can be in the hands of one or a few enterprises—it can secretly communicate prices and in that way set the price. Members simply need to look at the way in which petrol prices seem mysteriously to go up across the board almost instantaneously to see the proof. The public is frustrated by the volatility of petrol prices, and the same will be true when private companies take over our electricity system.

Government inquiries do little to scare off oil giants that have a tendency to hamper price competition even though Australian legislation bans collusion that erodes competition. There we have it. Governments struggle to monitor and control prices, watchdogs send out warnings and inquiries are conducted by the bucketload, but what do we have? We still have high petrol prices and oil companies make huge profits. That is exactly what will happen with electricity. As soon as the assets are sold, the private enterprise owner will review them and start increasing prices and sacking workers. The reality is that consumers will be paying more for electricity. That is the experience of other States where power generators have been sold. This legislation will increase the cost of living for families and many will suffer for years to come.

What about the rights of the workers? The Minister has told us that protections and transfer mechanisms offered to employees will be an important consideration during the negotiations of transaction agreements. The bill authorises the transfer of employees of the electricity generators to another public sector agency for the purpose of the sale. Transferred staff will maintain continuity of service and their superannuation arrangements. Industrial conditions will also be preserved, but we will have to wait to see whether that promise is kept. In conclusion, I repeat the comments made by the Leader of the Opposition in the other place when he said:

The bill is not about electricity generators or even privatisation. It is about trust, honesty and integrity. More accurately, it is about the Government's lack of any of those qualities. The bill stands as an undeniable testament to the Premier's complete lack of honesty and integrity and as a massive breach of trust with the people of New South Wales.

The Hon. JEREMY BUCKINGHAM [8.10 p.m.]: I make a brief, unscripted contribution to debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012. I vehemently oppose this bill. I commend the Hon. Shaoquett Moselmane for his erudite contribution in which he outlined the falsehoods behind the Government's economic argument about its privatisation agenda. This is all about asset stripping from the people of New South Wales, which The Greens continue to oppose. This issue has been well covered by my colleagues Dr John Kaye and Mr David Shoebridge and others so I will say no more about it. However, I place on record my comments about the lies Premier O'Farrell told the people of this State. For Premier O'Farrell to suggest that he had not made commitments—

The Hon. Dr Peter Phelps: Point of order: The Hon. Jeremy Buckingham is straying into dangerous territory by stating that the Premier has lied. His comments are unparliamentary. The member should be asked to withdraw his comments.

The Hon. Greg Pearce: You do not need to, Jeremy; you are above that.

The Hon. JEREMY BUCKINGHAM: I may be above it but I am very concerned about the Premier's behaviour. He told the people of this State that his Government would not allow shooters into national parks, conservation areas and nature reserves but a deal has been done, the fix is in, and, as the Hon. Greg Pearce put it, a big bucket of money is before the Government.

The Hon. Greg Pearce: Point of order: I did not say anything about a big bucket of money. I was talking about the big bucket of Green bile.

The Hon. Lynda Voltz: To the point of order: The Minister knows that he cannot make debating points when taking a point of order.

The Hon. Dr Peter Phelps: To the point of order: The Hon. Jeremy Buckingham should be directed to the long title of the bill, which reads, "The object of the bill is to authorise and provide for the transfer of the State's electricity generator assets."

The Hon. Penny Sharpe: To the point of order. The Hon. Jeremy Buckingham is making a contribution to debate on the second reading and a lot of latitude is given in second reading debate. It has been reported today that the Premier acknowledged the Government would not have backed shooting in national parks if it were not for the need to get the power privatisation through this House. If that is the case the member's comments are within the remit of the bill.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! The Hon. Jeremy Buckingham is being generally relevant and he should continue to be so.

The Hon. JEREMY BUCKINGHAM: No doubt the community is flabbergasted. The previous Government was turfed out because the people of this State were disappointed in its behaviour and soon enough that will also be the fate of the O'Farrell Government. The belligerence and arrogance of the O'Farrell Government is reminiscent of the previous Government. The O'Farrell Government, full of hubris and with a large majority, has rammed through policies for which it had no mandate. I will not labour those economic points because I am conscious of the time and I know other members would also like to make a contribution to this debate. However, I will briefly speak about the Mount Canobolas State Conservation Area, which I am sure the Hon. Robert Brown has never visited.

The Hon. Greg Pearce: He has got it right.

The Hon. JEREMY BUCKINGHAM: I acknowledge the interjection of the Hon. Greg Pearce that I am right. The city-based Shooters party, ensconced in suburbia, is foisting—

The Hon. Dr Peter Phelps: Not like The Greens.

The Hon. JEREMY BUCKINGHAM: The Mount Canobolas State Conservation Area is one of the oldest reserves in the world. I live at Orange, in rural and regional New South Wales. I inform Government members that if they think this will be a popular move in all those areas where people have a 100-year-plus attachment—

The Hon. Robert Brown: What have you done to protect the native fauna in that reserve, Jeremy? Bugger all.

The Hon. JEREMY BUCKINGHAM: For a long time now The Greens have been calling for adequate resources. In fact, we called for it to be a State conservation area in the first place and those opposite should afford that conservation area some sort of tenure to protect its flora and fauna. What a beautiful and amazing place it is. It has endemic species of eucalypts. For example, the eucalyptus canobolensis are found only in that area. It also has an amazing orographic rainfall pattern. When one walks up the mountain, as I do regularly and as do thousands of others, one gets all kinds of ecotones. The Mount Canobolas State Conservation Area is the second most visited tourist destination in the Central West; it comes behind the Dubbo Western Plains Zoo. It is also the most popular recreation area in Orange. It is located five kilometres from the edge of Orange and it is five kilometres across. This tiny area would be comparable with Centennial Park.

The Hon. Dr Peter Phelps: Centennial Park is not five kilometres across.

The Hon. JEREMY BUCKINGHAM: It is not much different. It is certainly not as vast a reserve as those covering hundreds of thousands of square kilometres in far western New South Wales. It is our park and I take my family there to visit the Federal Falls. I have been to this area hundreds of times and I have only seen feral pigs there once. I have been there in the morning and night and as an ecologist I have been looking for them.

The Hon. Dr Peter Phelps: Pigs? There will be foxes, goats, cats, dogs and rabbits.

The Hon. JEREMY BUCKINGHAM: One will not see rabbits there and very few foxes because the adjacent landholders, the farmers, do a very good job of eradicating feral animals.

The Hon. Greg Pearce: They use shooters.

The Hon. JEREMY BUCKINGHAM: They do not use shooters; they use their own guns. The city-based shooters do not get the subtlety that the farmers do—not like those amateur Hooray Henry shooters coming in from the suburbs shooting up the place, drinking cans of rum and then going off. The farmers have a long history of responsible feral management control. They have done a very good job in working with the National Parks and Wildlife Service. There would not be many places in that State conservation area where one would be more than 100—

The Hon. Dr Peter Phelps: Point of order: Once again the Hon. Jeremy Buckingham, no doubt responding to interjections from me and from others, has strayed dangerously from the long title of the bill before us—namely, "The object of the bill is to authorise and provide for the transfer of the State's electricity generator assets."

The Hon. Lynda Voltz: To the point of order: The Hon. Dr Peter Phelps is again making frivolous points of order so that he can take up the time of the Hon. Jeremy Buckingham.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! The Hon. Jeremy Buckingham is straying close to not being generally relevant. I remind all members not to interject. The Hon. Jeremy Buckingham will be heard in silence.

The Hon. JEREMY BUCKINGHAM: The key point is that electricity privatisation has been put on the table today. The Premier, in his statement, acknowledged that to facilitate the privatisation we must have enhanced feral animal control. For the people of Orange, not only does that mean increased electricity prices but also job losses at the electricity generators down the track. The State loses a massive asset. Public safety will be put at risk because shooters will be able to hunt in the national park, where there is a tiny but important ecological reserve that is well managed by the National Parks and Wildlife Service, in conjunction with local councils and landholders. A stray bullet in the park will put the people in Orange at risk. A bullet fired from a high-powered rifle could reach the suburbs of Orange and there are hundreds of people in Orange on a daily basis. There now will be shooters in Orange, as well as in national parks and State forests. A friend of mine is one of Australia's most respected scientists in the study of feral animal control. He has told me in confidence—

The Hon. Rick Colless: Name him.

The Hon. JEREMY BUCKINGHAM: Madam Deputy-President, I am finding it difficult to make a contribution because of the howling of the Hon. Rick Colless.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! I remind Government members that interjections are disorderly at all times.

The Hon. JEREMY BUCKINGHAM: This evening my friend sent me a message saying he could not believe—

The Hon. Penny Sharpe: Point of order: Government members continue to flout your ruling by constantly interjecting on the Hon. Jeremy Buckingham. I ask you to call them to order.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! I again remind Government members that interjections are disorderly. Members who continue to interject will be called to order.

The Hon. JEREMY BUCKINGHAM: Amateur hunters entering parks will undermine the viability and effectiveness of the control measures undertaken by the National Parks and Wildlife Service and by farmers. Trapping and other control programs will be put at risk by this ad hoc, amateur, scatter-gun approach. I am appalled that this gun culture will foist city-based shooters and suburban shooters on the people of rural and regional New South Wales. Many people associated with the mining industry have moved to Orange because it is seen as a haven for gun heads and shooting. The Game Council is based in Orange, and there has been a massive increase in gun ownership, gun sales and so on. Members might be surprised to know that some conservative people in the Orange electorate—

The Hon. Robert Brown: None of them vote for The Greens.

The Hon. JEREMY BUCKINGHAM: They will soon. The more the people of rural and regional New South Wales see of the Shooters and Fishers Party, the more they like The Greens. They are certainly not enamoured with the Hon. Robert Brown, who comes from Greystanes and gets out into the country once a year, probably on a political junket.

The Hon. Robert Brown: The Hon. Jeremy Buckingham is misleading the House. He does not know where I live. If he does not know where I live he should not make bald statements. Get your facts right.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! There is no point of order. However, I remind the Hon. Robert Brown to address his comments through the Chair and not to individual members.

The Hon. JEREMY BUCKINGHAM: Many people—predominantly young men with large dogs—have moved into the Orange area. We have had 20 serious mauling incidents in Orange, mostly by hunting dogs and dangerous breeds.

The Hon. Rick Colless: Ban dogs.

The Hon. JEREMY BUCKINGHAM: We have seen deer hounds, mastiffs, all kinds of dogs on the loose.

The Hon. Dr Peter Phelps: What about Shih tzus?

The Hon. JEREMY BUCKINGHAM: I acknowledge the interjections from Government members.

The Hon. Penny Sharpe: Point of order: Once again, Government members will not be quiet. I ask you to ask them to stop interjecting on the Hon. Jeremy Buckingham.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! Government members will cease interjecting.

The Hon. Penny Sharpe: They are a marauding horde.

The Hon. JEREMY BUCKINGHAM: That is a good point. Government members are like a marauding horde of dogs, and they are marauding through the policy agenda of this State. I do not know if any member opposite has been bailed up by an American pit bull dog in a State forest but it is a life-threatening occurrence.

The Hon. Robert Brown: Here we go. Here's another story.

The Hon. JEREMY BUCKINGHAM: It is not a story. The Hon. Robert Brown should look at the register kept by Orange City Council of all dangerous dogs that have been destroyed and all the dog attacks. It is out of control. Every incident has to be registered under the Companion Animals Act.

The Hon. Dr Peter Phelps: Point of order: The Hon. Jeremy Buckingham continues to digress on a matter. I ask you to rule under Standing Order 92. The Hon. Robert Borsak currently has a bill on the *Notice Paper*. The Hon. Jeremy Buckingham's comments are not only irrelevant to the bill before the House; they are anticipating a bill on the *Notice Paper*.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! I uphold the point of order. The member has strayed beyond the leave of the bill. He may continue but he must be generally relevant to the bill before the House.

The Hon. JEREMY BUCKINGHAM: In terms of the electricity assets, a shonky deal has been done. It is another shonky deal. The Shooters and Fishers Party is delivering for its constituents. Some 80 State conservation areas and nature reserves will be delivered to shooters with the assets stripped from the people of New South Wales. People have an emotional, cultural and, for Aboriginal Australians, deep connection to these areas. They do not want them desecrated by maniacs with guns. That is what the Shooters and Fishers Party has unleashed.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! I call the Hon. Dr Peter Phelps to order for the first time.

The Hon. JEREMY BUCKINGHAM: In conclusion, The Greens totally oppose the bill. We will be campaigning against electricity privatisation from here to kingdom come because what the Government is doing to the people of New South Wales is an absolute disgrace.

The Hon. PENNY SHARPE [8.27 p.m.]: I speak in opposition to the Electricity Generator Assets (Authorised Transactions) Bill 2012. Privatisation of the electricity generation assets of the people of New South Wales is something I have never supported. I did not support it when Labor tried to sell it and I do not support it now. Privatisation of the electricity generators involves the selling of an essential, valuable, profit-making public asset. The electricity assets of New South Wales have been developed over many years of public investment. They have provided millions of dollars of dividends to the people of our State for use to fund public services. I do not believe it is reasonable to sell off public assets and steal the dividends from these assets for future generations. Once sold, the assets and the dividends they generate are gone forever. Let us remember that the passage of this legislation today represents not one but many broken promises by the O'Farrell Government. On 28 January 2011, as part of the election campaign, the then Leader of the Opposition, the member for Ku-ring-gai, Barry O'Farrell, told the *Lithgow Mercury*:

We have absolutely no plans to privatise either the generators or the poles and wires.

That is right—absolutely no plans. All the weasel words in the world cannot get the Premier off the hook on this broken commitment. Today we are debating a bill on which the Government has done a deal with the Shooters and Fishers Party to get through the Parliament. The people of Bathurst and Orange who relied on the guarantee from Barry O'Farrell when they cast their votes in March last year will now be wondering why they voted for the member for Bathurst, Paul Toole, or the member for Orange. They will not forget in 2015. We are standing here today because the O'Farrell Government has done a deal with the Shooters and Fishers Party to get this bill through the Parliament. Ministers in the O'Farrell Government discard statements about their actions with ease. I place on record what the Government and the Minister for Transport in particular said in relation to transport privatisation. As stated in *Hansard* on 11 November, the Minister said:

We do not support privatisation of transport services. If we did we would tell the public that that was our policy.

In *Hansard* on 9 August 2011 my colleague the member for Wallsend asked the Minister:

Will the Minister rule out privatising or outsourcing any part of New South Wales rail services?

The Minister said:

We have made our view on that issue very clear, and the short answer is yes.

In the *Sydney Morning Herald* on 19 March this year the Minister stated:

It is not the Government's policy to privatise CountryLink.

On ABC online on 15 May 2012 the Minister rejected Opposition suggestions that today's announcement is a first move towards privatisation. The Minister said:

That is not our policy. It hasn't been our policy when it comes to rail.

The actions we see before us today demonstrate that the O'Farrell Government and every one of its Ministers cannot be trusted to not sell off anything that is not nailed down in this State. We have already seen the privatisation of Sydney Ferries and the Minister has just put the Liverpool transitway out to tender for private operators. Meanwhile the rumours build in intensity for further privatisation of our bus networks, RailCorp, CountryLink and the North West Rail Link. I await the actions and not the words of the transport Minister in the future on these issues. I return to another broken promise from the Premier. Let us have a look at the stated intentions of the Premier in relation to deals with the crossbenchers of this place. On 13 April 2011 an article by Sean Nicolls in the *Sydney Morning Herald* stated:

[The Premier] "won't be doing any deals with any of the minor parties"

On 14 April the *Australian Financial Review* stated:

The Premier said yesterday he wouldn't bow to the demands of the Shooters and Fishers Party—to ensure legislation gets a safe passage.

There will not be a decision to turn our national parks into hunting reserves [and] we're not going to replace literacy and numeracy in our schools with "How to dismantle a gun in five seconds", BOF said.

This commitment was reported in almost every paper in this State. Let us review the first 14 months of the O'Farrell Government. They have agreed to: a reversal of a ban on fishing in the breeding grounds of the endangered grey nurse sharks on the mid North Coast; a moratorium on marine parks; a review of ethics classes; and support for a bill from the Christian Democratic Party to reintroduce swearing the oath of allegiance to the Queen, her heirs and successors.

Today we have seen an example of the most blatant deal done with the Shooters and Fishers Party. As a condition of the Shooters and Fishers Party supporting the bill before the House today the Government will support changes to the Game and Feral Animal Control Act that will allow hunters into our national parks. Let me remind the House what the Government has previously said about hunting in national parks. It was an oft stated commitment given publicly that this Government would not allow hunting in national parks. This is what the Minister for the Environment—and hasn't she had a good day today—said about shooting in national parks on 2 August 2011 in response to a question from the member for Keira—

The Hon. Dr Peter Phelps: Point of order: Once again I point out that this is the Electricity Generator Assets (Authorised Transactions) Bill, the long title of which indicates that it is to authorise and provide for the transfer of the State's electricity generator assets. Talking about shooting and hunting in national parks has nothing whatsoever to do with this bill. It is anticipating a bill that is already on the *Notice Paper* and the member should be called to order to speak directly to the bill.

The Hon. PENNY SHARPE: To the point of order: In relation to the previous speaker, Madam Deputy-President, you ruled that these matters were generally relevant to the bill. I again draw to the attention of the House that the matter has been in public debate today, outside this Chamber, with the Premier's acknowledgement that the Government would not have backed shooting in national parks if it were not for the need to get this power privatisation through the upper House. That is what the Premier said today. It is relevant that we talk about this issue during debate on this bill.

DEPUTY-PRESIDENT (The Hon. Sarah Mitchell): Order! I extended some latitude to the previous speaker and will continue to do so with subsequent speakers. However, if the Hon. Penny Sharpe strays too far from the subject at hand I will call her to order.

The Hon. PENNY SHARPE: The member for Keira asked:

What assurances can the Minister give that hunting in national parks will not be reconsidered in return for the support of the Shooters and Fishers Party for her Government's legislative agenda?

Ms ROBYN PARKER: How predictable. The policy of the New South Wales Government is clear: hunting in national parks is not permitted. I say that very slowly for the slow learner on the Opposition backbench. Parks receive over 35 million visits per year and we provide among other things facilities for visitors to our State, and I advise the member opposite that shooting is not compatible with visitations to our national parks. The member has wasted yet another question. For the benefit of those opposite I repeat that the policy of the New South Wales Government is clear: Hunting in national parks is not and will not be permitted—

Yet here we are today, witness to another broken promise—our electricity generators sold in exchange for the right to hunt in national parks. Privatising the State's electricity assets does not serve the best interests of the people of New South Wales. The evidence from other jurisdictions about the costs and benefits of privatisation shows that costs to consumers will increase. The short-term cash benefit does not bear scrutiny of the cost to the public over time. I raise also the issue of climate change and the need for governments to take action now. I support the Federal Government's moves to put a price on carbon and to take action to restructure the Australian economy to move towards a lower carbon future.

Two of the best ways to reduce carbon emissions is to implement energy-efficiency measures and actively manage demand. This becomes much harder in a privatised market where there is no incentive to reduce consumption. This bill today represents a huge breach of trust to those who supported the O'Farrell Government, which promised not to sell the electricity generators. It breaches the trust of the workers and their families in the electricity industry who took the Premier at his word. It breaches the trust of all who believed that the Liberal-Nationals Coalition would not allow hunting in our national parks. The people of New South Wales do not support the sale of New South Wales electricity generators, nor do they support extending hunting into our national parks. I oppose this legislation.

The Hon. HELEN WESTWOOD [8.35 p.m.]: I speak in opposition to the Electricity Generator Assets (Authorised Transactions) Bill 2012. In 2008, just like Government members now who sat in opposition then, I was publicly opposed to the plan to privatise electricity and I made public statements to that effect. My position on electricity privatisation has not changed in that time and it is in line with the wishes of the constituency who have elected me to this place, both within my party and in the broader community. I place on the public record that I remain staunchly opposed to the privatisation of public assets unless it can be clearly demonstrated that the sale will result in significant public benefits. In my view, there is no doubt that this proposal, this sale, does not pass that test. If we cast our minds back to Barry O'Farrell's words when he was Leader of the Opposition—

The Hon. John Ajaka: The Hon. Barry O'Farrell.

The Hon. HELEN WESTWOOD: The Hon. Barry O'Farrell, although when he was Leader of the Opposition he did not have the title of "honourable" so I think I was correct. To use his own words when he was in opposition, he placed five conditions on electricity privatisation that were fundamental to protecting the public interest. None of those five conditions has been met in this bill—not one, I believe. Even a previous New South Wales Liberal leader, Peter Debnam, once referred to any efforts to privatise electricity as political suicide. I am opposed not only ideologically but also because I believe the O'Farrell Government has not received a mandate from the people of New South Wales to introduce this legislation.

When we cast our research outside of New South Wales in the wake of other schemes of electricity privatisation, it does not take long to realise that the vast majority of the population where the great electricity privatisation delusion has been played out have become its victims rather than its beneficiaries. Jobs have been lost, electricity prices have risen, service and reliability have fallen, pollution has increased and taxpayers have had to bail out private electricity companies in bad times without receiving any tangible benefits in good times. In her critique of global power privatisation Sharon Beder's article "Thieves in the Night" points out where power privatisation represents a massive shift of ownership and control of electricity from public to private hands. She strongly argued:

Privatisation is good for the banks because the money raised by the asset sales helps governments to pay the interest on their debts, at least in the short term. It is also good for multinational corporations because they are able to buy profitable government assets and have more opportunities to sell their products and services into new markets, often with heavy tax-payer funded subsidies. However, privatisation of services such as electricity has led to more unemployment and increasingly unaffordable prices, often without improving the quality, capacity or reliability of the electricity system.

Electricity privatisation and deregulation have all the elements of a successful confidence trick. The deception or trick has involved persuading the public and the politicians who represent them that a dramatic alteration in the governance of their electricity systems would be in the public interest. Electricity consumers were promised electricity rate cuts, better service and "consumer choice" as a result of the competition that deregulation would foster. Governments were promised reduced budget deficits and less responsibility for an increasingly complex and capital-intensive service sector.

Governments, entrusted with carrying out the will of the people and protecting public assets, have been co-opted by all manner of devices, ranging from the sophisticated persuasion of well-funded think tanks to the less than subtle pressures exerted by international lending organisations, all combining with frequent and generous financial contributions to the campaign funds of political parties and offers of future career opportunities for retired politicians and bureaucrats.

As a result there has been a massive transfer of ownership and control over electricity assets worldwide from the public to private companies. The companies that have taken over electricity provision in most countries are multinational companies with little interest in the welfare of local citizens. Increasingly these companies are concentrating—through mergers and acquisitions—into a small group of very large conglomerates that dominate national and international electricity provision.

In New South Wales both the current State-owned generators, Delta and Macquarie, had announced plans to build the next generation of base load supply to meet our needs. They are Mount Piper 3 and 4 and Bayswater 2 power stations. The cost of these two projects would be in the vicinity of \$8 billion. The money could easily be raised off budget by these two generators and funded through their current profits. Nothing in the bill creates or directs investment in new base load generation by the private sector. In their submission to the Tamberlin inquiry, University of Sydney Professor of Accounting Bob Walker and economist and former Treasury official Dr Betty Con Walker said that the State is expected to collect dividend and tax equivalent revenues of \$6.5 billion over the five years to 2014-15 from remaining generators and distributors. The distribution networks are benefiting from massive upgrade investment, which will increase their value and revenue capacity in decades to come. If there is this current capacity for earnings, how is it in the public interest to sell it for a one-off fee?

The Hon. Dr Peter Phelps: What are the liabilities?

The Hon. HELEN WESTWOOD: I want to see you folk over there justify it at the next election. Furthermore, in Victoria and South Australia where these industries have been privatised there has been no new building of base load generation since that privatisation. It can be argued that having spent billions of dollars buying these assets the new investors are not likely to build new base load generators. Is it not more likely that the new investors will protect that billion dollar investment and not build beyond current capacity so as to lift the price of electricity to greater recoup their investment in the industry? Victoria privatised its power industry 16 years ago. Instead of engaging in a public consultation process the Victorian Government spent \$1.8 million on an advertising campaign to promote the sale of the electricity industry. Nevertheless an AGB McNair *Age* poll found that 60 per cent of those surveyed opposed privatisation. It should also be noted that the only new power station proposed is to be built with Federal and State funding, but certainly not with any private funding.

I would certainly like to see Premier Barry O'Farrell and company try the hard sell to the pensioners, small businesses and families of New South Wales on how they can drive up their quarterly power bills with this proposal. All they have had to do for their 30 pieces of silver is to allow hunting in our national parks. I would like to see members opposite turn that into a well-received television advertisement. I do not think they will be able to kid the people of New South Wales. They will be onto them. This was predicted in November last year in an electricity privatisation article by Quentin Dempster in *The Drum*, titled "Vandalism", in which he stated:

The future? More vandalism ... it seems, with the Premier now giving himself wriggle room over what seemed to be a pre-election pledge to retain the poles and wires in public ownership.

Protection from vandalism may yet fall to two men who support blasting defenceless animals into oblivion—the Shooters and Fishers Party.

You would think that this lot opposite would have learnt some valuable lessons from like privatisation schemes in other States. Electricity privatisation was introduced in South Australia despite solid community opposition. One can certainly start to see the similarities with this O'Farrell Government in New South Wales. The Olsen Government had been elected in 1997 after also promising not to privatise electricity. It is a very similar story. However, within weeks it reneged and announced the sale. I guess we have to give this Government some credit for waiting for a year before doing a deal with the Shooters and Fishers but I do not think the voters of New South Wales have such short memories. As I have said before, I know they will remember come the next election. The primary political motivation for privatisation in South Australia, as with the bill before us today, was debt reduction. However, the South Australian Government lost more in electricity dividends than it saved in interest repayments on its reduced debt. Electricity prices soared 30 per cent and, like Victoria, blackouts became a regular fixture.

As I stated earlier, other States in Australia have also suffered from volatile wholesale electricity prices. The supposed disciplines of the free market as espoused by the Liberal Coalition Government have been eclipsed by price manipulation by electricity companies seeking to boost the price of electricity to maximise profits and reward shareholders. For a quick lesson on electricity market manipulation I suggest members opposite view a documentary called *Enron: The smartest guys in the room*. Then I dare them to come back and tell me it is in the public interest and no-one will suffer hardship under this proposal. All indicators and certainly history demonstrates that privatising electricity as proposed here today will lead to no further investment in base load generation.

The Hon. Dr Peter Phelps: Maybe we should nationalise electricity like North Korea. No-one suffers in North Korea, do they?

The Hon. HELEN WESTWOOD: It does not matter how often you interject so arrogantly, these are the facts. Instead the people of New South Wales will suffer a massive increase in prices and more likely an increase in service disruptions like those that have been experienced in Victoria, South Australia and elsewhere across the country. Electricity consumers were promised electricity rate cuts, better service and consumer choice as a result of the competition that deregulation would foster. Governments were promised reduced budget deficits and less responsibility for an increasingly complex and capital-intensive service sector.

This bill is clearly against public opinion. Polling over the years on privatisation has remained consistent. The public, by an overwhelming majority, does not support privatisation. So why is this Government ignoring public opinion and reneging on its election promise? How have governments been persuaded that electricity is just a commodity that should be traded in the marketplace like any common stock? I maintained in 2008, and I maintain today, that electricity is an essential service that needs to be controlled and supplied by governments to ensure its availability, reliability and affordability. To me it is a no-brainer, but then again no-one has ever accused or will ever accuse this lot in government of being the smartest guys in the room.

The Hon. GREG DONNELLY [8.47 p.m.]: I speak in this important debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012 as a member of a political party that, it can be argued, has done much to damage itself in the way that it dealt with this issue in the past. That damage in terms of relationships between people who are members of the Australian Labor Party was not insignificant and at least in part contributed to the party's defeat at the State election last year. It also impacted on the electorate's perception and attitude towards the Labor Government. They did not understand why the Labor Government was proceeding down this path. But in my view it was much more than that. In their gut they harboured, and in my view still harbour, a serious reservation about the wisdom of placing into private ownership public assets that produce something that every person in this State consumes daily, both directly and indirectly, from the day they are born to the day they draw their last breath.

We in this Parliament can ignore or dismiss this; we can call it out of date or old-school thinking. We can assert that we and all the experts that provide us with advice know best. But the Labor Party at the last State election learnt firsthand what happens if you fail to understand and take into account what is in the heart of hearts of the electorate. The electorate will not be ignored.

Government or, more precisely, the right to govern in a democracy arises from what, in essence, is a compact between a political party or parties and the electorate. It involves a number of things but at its foundation is trust. If you are in government, you will not be given the ongoing opportunity to govern if you breach trust with the electorate. If you are in opposition, you will not be able to earn the opportunity to govern unless you are trusted by the electorate. In saying that, I do not pretend for a moment that the electorate is naive or wears rose-coloured glasses when looking at their politicians, as that is not the case. People in the suburbs, cities, towns and villages know, or at least sense, that politics is not always a tidy business. If I can take the old adage for a moment and recast it, they are glad that they do not know what goes into the sausages. But even with that caveat, they may still not like the final product.

Proceeding with this legislation, with the support of the four crossbenchers, is where the O'Farrell Government is making a major mistake today. I believe—and only time will tell whether my assessment is correct—the voting public in New South Wales elected this Government on a clear understanding that it would not proceed and privatise the electricity generators or the poles and wires in this State. The words of the then Leader of the Opposition, Barry O'Farrell, to a meeting in Lithgow just weeks before the election were clear and unambiguous:

We have absolutely no plans to privatise either the generators or the poles and wires.

The Leader of the Opposition knew the significance of the question he was asked at the time, and in reply he said "no plans to privatise either the generators or the poles and wires", not "no plans at the present moment", or "no plans in the foreseeable future", or "no plans in our first term of office". The *Sydney Morning Herald* subsequently quoted Barry O'Farrell reiterating the same point. I have no doubt that on 26 March 2011 a significant number of voters cast a ballot in favour of the Coalition because, on this significant issue that caused the Australian Labor Party such agony and grief, the alternate Premier of the State, Barry O'Farrell, had set their minds at ease. In fact, it can be argued that because of the unambiguous position stated by the alternate Premier the electorate believed that this issue was now behind them. The vote for the Coalition was an endorsement of Barry O'Farrell's stated position of this contentious issue—no ifs and no buts. Fast forward 14 months and the promise is been turned on its head.

I do not intend to respond to the various explanations and justifications we have heard today from Government members and members of the crossbench supporting the legislation. They cannot set aside such a clear promise that was made on such a significant matter and seriously hope to get away with it. They can twist, turn, explain, justify and rationalise, but I do not believe the Government and those supporting it will get away with this. I harbour a number of serious reservations about this legislation. I wish to associate myself with the contributions of members of the Labor Party on this side of the Chamber who have sought to expose the significant shortcomings of the bill. I do not intend to go over them all again.

I am particularly concerned that the proposed asset sale has no protection or safety net. There is no guarantee in the bill for the retention of the poles and wires business in public ownership. A rural communities' impact statement has not been prepared. There are no safeguards in the bill against price rises for pensioners. There is no safety net for household and family electricity bills, and there is no protection for low-income

families. I am particularly concerned about the impact of this legislation on workers employed at the power generators and their families who depend on their incomes. It appears that the die is now cast, and this legislation will, with the support of the Christian Democratic Party and the Shooters and Fishers Party, pass through the Legislative Council. I believe that the people of New South Wales will feel deeply betrayed by what is about to happen. I do not believe that they will forgive or forget what happened in this House on 30 May 2012.

The Hon. MICK VEITCH [8.53 p.m.]: I will make a brief contribution to debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012. Members of this place in the previous term of Government will know my position on the privatisation of the State's electricity assets. I was very vocal in my opposition to their sale at the time, and I continue to be opposed to the sale of electricity assets. I have never hidden my views; they have been quite public. I was one of a number of Australian Labor Party members in this place who publicly said I would cross the floor when my party proposed the sale of electricity assets. My concerns have always been, and remain, the same. I am concerned about consumer protections and the impact on employee entitlements.

In 2008, when my party was looking at electricity privatisation, I remember the immense pressure placed on me and my colleagues who did not support the bill and were looking to cross the floor. One issue was what members of our party said to us. The debate on this bill in both Chambers has highlighted to me that this is such a critical issue for the government of the day. It is so important that members of The Nationals will have to tow the line in this place, which must be difficult for them in light of what happened today in the Legislative Assembly. A motion was accorded priority regarding the sale of the New South Wales electricity generators. In the division a couple of members of The Nationals did not turn up—the member for Orange, Mr Gee, and the member for Bathurst, Mr Toole.

The Hon. Robert Brown: A whole bunch didn't turn up for the ammo debate.

The Hon. MICK VEITCH: That is right—a lot of them did not turn up for that vote. I checked whether pairs were allocated, but there were none. I have reason to draw attention to those two members of The Nationals. I hark back to a press release that was issued some time ago by the member for Orange, Andrew Gee, and the member for Bathurst, Paul Toole. Mr Gee said:

In other words there is no guarantee that privatising the poles and wires will lead to greater efficiencies or a drop in electricity prices.

The Hon. Greg Pearce: We are not talking about poles and wires.

The Hon. MICK VEITCH: I acknowledge the interjection. In the same press release Mr Gee said:

It's hard to see how transferring ownership of gold-plated monopolies to a private operator will increase competition and bring down electricity prices.

The Hon. Dr Peter Phelps: They are not monopolies; they are open market.

The Hon. MICK VEITCH: The Hon. Dr Peter Phelps might want to take that up with the member in the joint party room. Mr Toole said in the same press release:

I would be very concerned about selling the natural monopoly that is currently a nice little earner for New South Wales to a private company whether that company was Australian or foreign.

Clearly, members of The Nationals can make statements like that and not turn up for the vote in the lower House. However, extreme pressure is placed on members of The Nationals in the upper House.

The Hon. Greg Pearce: There is no pressure.

The Hon. MICK VEITCH: There is no pressure? They do not have to turn up for the vote?

The Hon. Greg Pearce: They willingly turn up.

The Hon. MICK VEITCH: They do not have to turn up for the vote—apparently that is optional in the lower House.

The Hon. Dr Peter Phelps: That is right, because this is a majority Government.

The Hon. MICK VEITCH: This is a significant issue for rural New South Wales for members on both sides of the debate, and I do not think the Hon. Dr Peter Phelps does himself any credit with that interjection. We have to respect the positions of people on both sides of the debate. I understand completely the issues and the conundrums that some people on the other side will find themselves in because I went through this process in coming to my position under the Labor Government in 2008. I discussed it at length with a number of people at the time, and I have done so again. The Minister for Finance and Services was in this Chamber in 2008 and I think he understands the significant statements made by a lot of us at the time.

I have to look at the bill to see whether it changes my position, and I talk to people about whether it changes my position. The bill does not change my position. The Government has a situation where there is a rule for the lower House and a rule for the upper House. I do not think that is fair on the upper House members on the other side of the House. I am certain that the member opposite will raise that with individual members when he gets the opportunity to do so. The bill highlights the conundrum caused by this debate—the sale of electricity assets, as opposed to the sale of public assets. The electricity assets debate revolves around whether it is an essential service and whether it should be publicly owned.

[Interruption]

The Hon. Robert Brown: Point of order: I cannot hear the debate. There is incessant interjection on both sides of the House. I cannot hear what the member is saying.

DEPUTY-PRESIDENT (The Hon. Paul Green): Order! The member with the call will be heard in silence.

The Hon. MICK VEITCH: This issue comes down to whether electricity is an essential service and who should provide it. The provision of electricity is an essential service and there is an obligation on the government of the day to provide it. In weighing up the two sides of the debate, I do not think that the sale of electricity assets provides the benefit to the taxpayer that is being suggested. There are significant issues relating to consumer protection and the workforce in this sector. There will be an extensive debate during the Committee stage, where amendments will be moved to address workers entitlements and protections. I am certain that decent and fair-thinking Government members will appreciate that for members on this side of the Chamber they are significant issues that need serious consideration.

This bill will progress, and that is a shame for the people of New South Wales—the taxpayers and residents of this State. Time will tell just how this will progress. In the lower House the member for Murray-Darling said in the last sentence of his contribution to the debate that he was not convinced and that time would tell whether privatisation would deliver what we are being told it will deliver. The Nationals have a serious issue in balancing this issue. Some of their members in the lower House have come to the position that I came to when we were in Government and proposing a similar bill. I understand where they are at. They have made public statements, and so did I.

I did not get the chance to express my vote at that time because the bill was pulled before I could get to my feet. I know that a number of then Government members were keen to stand up and put their position in this House, but we did not get the chance to do so. But let me tell you: My position now is as it was then. I will be opposing the bill. I look with interest to the Committee stage, especially the amendments with regard to the worker protections. I am interested to know what that will deliver for the workers in this sector. I remain concerned about the consumer protections in the long term. I oppose the bill.

The Hon. PETER PRIMROSE [9.03 p.m.]: I make a contribution to debate on the Electricity Generator Assets (Authorised Transactions) Bill 2012. My comments will reflect some of the views already stated and will clarify some of the points that need to be reiterated. I opposed the privatisation of electricity assets when the former Labor Government proposed it and I do the same now that the O'Farrell Government has proposed it. On 28 January last year Premier Barry O'Farrell promised to keep the State's electricity generators in public hands. Today we are set to see the ultimate betrayal by the Premier. Premier O'Farrell's plan to sell off the State's electricity assets will send electricity bills soaring for families that are already struggling with the rising cost of living.

Families across New South Wales are already having difficulty meeting the rising cost of heating their homes and Premier O'Farrell's broken promise on electricity privatisation will only make things worse. For example, in South Australia electricity prices increased by more than 30 per cent following privatisation. The O'Farrell Government has already passed on an 18 per cent increase in household electricity bills and New South Wales families cannot take another huge price rise. Premier O'Farrell promised to do everything in his power to reduce the cost of living for families, but there is nothing in this bill to protect families from huge electricity price hikes. If Premier O'Farrell had any idea about the cost of living pressures that New South Wales families are already under, he would keep his election promise and dump this bill.

Contrary to some of the other views that have been expressed, I do not blame the Shooters and Fishers Party for this bill. I do not blame the Christian Democratic Party either. I disagree with many of their policies, but this bill is not theirs. It belongs to the Liberal Party and The Nationals in New South Wales. They own it and they should, and will, continue to own its ramifications for many years into the future. This bill is about trust, honesty and integrity—more accurately, it is about the Government's lack of any of these qualities.

Premier Barry O'Farrell went to the last election promising to raise the bar on ministerial standards and accountability. He promised that he had, "Absolutely no plans to privatise the State's electricity generators." And yet today the O'Farrell Government has this bill to sell off the State's publicly owned electricity generators. Just weeks before the election the then Opposition leader, Barry O'Farrell, made a solemn commitment not to privatise electricity. This has been quoted on a number of occasions this evening, and I will quote it again:

We have absolutely no plans to privatise either the generators or the poles and wires.

That was a statement by Barry O'Farrell in the *Lithgow Mercury* on 28 January 2011. In Government the Premier has turned his back on his promise and is selling off our publicly owned electricity generators. He is breaking the five conditions on electricity privatisation set down by the Coalition in 2008. The Coalition described these conditions as being fundamental to protecting the public interest. Without going through them at length, I will reiterate what those five conditions are. The first condition states:

All sale and/or lease arrangements be subject to the Auditor-General reporting to Parliament before finalisation of the sale or lease. These arrangements would include, but would not be limited to:

Timing and price; conditions for workers, pensioners and low income earners; and price guarantees for consumers.

But Premier O'Farrell has made no commitment for the sale of the State's generators to be subject to an Auditor-General's review or to parliamentary debate before the transaction is finalised. The second condition states:

Completion, release and adoption of a rural communities impact statement focusing on, among other issues, jobs, prices and service levels.

However, no rural community impact statement has been released for debate on how this privatisation of electricity generators will affect jobs, prices and service levels in rural New South Wales. The third condition states:

Establishment of an independent oversight body comprising the Auditor-General, a community representative and a financial expert to monitor the use of funds realised from the sale.

What happens in reality? Of course, the funds are proposed to go into the Restart NSW Fund, with amounts being released on a discretionary basis by the Treasurer with no community representation. The fourth condition states in part:

... establishment of a parliamentary oversight committee to guarantee delivery of improvements in clean, green and renewable energy investment resulting from the sale.

What is the reality? No oversight committee has been proposed or established to ensure any proceeds from an asset sale are used to promote green and renewable energy. The fifth condition states:

Retention of the so-called poles and wires businesses in public ownership, and appropriate safety nets for pensioners, low-income families and employees as determined by the Auditor-General.

Once again, what is the reality? This sale has no protection or safety net, no guarantee about the retention of poles and wires in public ownership, no safeguards against price rises for pensioners, no safety net for household and family electricity bills, and no protection for low-income families.

[Interruption]

Given the interjections from members opposite it is obvious that this is stinging. I apologise for that. However, as I said, this is the Government's bill and members opposite will have to wear it for years to come. It is very distressing to me that this is causing concern opposite. As the Hon. Mick Veitch said, many members of The Nationals are obviously concerned about this legislation, and it is obvious from what we are hearing from the Hon. Dr Peter Phelps that even he is concerned about what will happen. The Opposition's major concern is that this will not end here. Premier Barry O'Farrell is reportedly planning to go even further with his electricity asset sales plans. The *Daily Telegraph* of 30 November 2011 stated:

Mr O'Farrell's office was quietly briefing an angry business community that the Government would go with a plan to sell the poles and wires at the next election—2015.

Premier Barry O'Farrell has broken his promise not to sell off the State's electricity generators. He has thrown away his own guidelines for the sale of any public electricity assets. He said that those guidelines would promote trust in government and that they were fundamental to protecting the public interest. He intends to go further with plans for full privatisation. I oppose this bill.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [9.15 p.m.], in reply: I thank all honourable members for their participation in this debate, and I commend Government members on their excellent contributions. This debate can be reduced to three themes. Opposition members ran through a series of excruciating true confessions beginning with the Leader of the Opposition, the Hon. Luke Foley, who coined the phrase "ALP policy in opposition". We all know what Australian Labor Party policy was in government, and it is that policy that created the gentrader mess we have today that the Government must clean up. The Hon. Peter Primrose said that the Government has been forced to pass on—and I stress those words—the 18 per cent electricity price increase. That increase is a result of the Labor Party's 16 years in government, during which it gouged dividends out of electricity companies and put very little back in the way of investment in infrastructure in New South Wales.

The Hon. Robert Brown made it clear that the Shooters and Fishers Party does not normally support the sale of public assets. However, as he pointed out, he and his party, with the support of the Christian Democratic Party, played an honest broker role in attempting to support unions to negotiate what the Shooters and Fishers Party, the Christian Democratic Party and the unions thought were appropriate and deserved arrangements for workers. The Government is happy that we have reached a negotiated position that we all believe is fair and reasonable for the protection of workers. In response to the Hon. Robert Brown, it is law that the proceeds will be placed in the Restart NSW Fund and that 30 per cent of that fund will be hypothecated to rural and regional areas. While technically the Treasurer will sign off on that, I can assure the honourable member that the Premier, the Deputy Premier and the Minister for Finance will all be part of that process. We will obtain extensive advice and ensure that the fund is delivered in accordance with our understandings.

Members referred to the impact that this process will have on apprentices. That will be dealt with in the Committee stage. However, the Government is happy to extend to existing apprentices the same arrangements as those that apply to full-time workers, and we will be working to increase the number of apprentices in the industry. The Hon. Robert Brown also referred to the word "may" as it relates to transfer payments. I confirm now that "may" means "will" in accordance with normal legal drafting terminology. However, I will deal with that and the definition of eligible employees during the Committee stage.

The Greens are having another Groundhog Day. They went on and on in their usual odd way. They must understand that things have moved on, the gentrader transactions have occurred and we must now deal with the current circumstances. Dr John Kaye cannot have Groundhog Day after Groundhog Day. It was a movie, not reality. The most colourful contribution of the day was that made by the Hon. Eric Roozendaal. He said, "I can feel the pain of having to justify this." I could see it on his face. I was not sure whether he was indulging in deluded self-justification or suffering from massive pent-up frustration. I feel for him. As he said, Carr and Egan could not convince their party, nor could Iemma and Costa. Somehow he delivered the monstrous gentrader transaction. Unfortunately, he still has five years to wait until he qualifies for a public-funded pension. I hope he does not allow the frustration to be pent until then.

This bill implements the Government's response to the Tamberlin special commission of inquiry into the former Government's electricity transaction. It authorises the sale of State-owned electricity generators to the private sector. It does not authorise the sale of the electricity network businesses. The Government's position on

the poles and wires is clear: they will not be sold. The bill requires the net proceeds of the transaction to be paid into the Restart NSW Fund. As I said, the Treasurer will not have unfettered discretion to release those funds. Restart NSW was established under legislation to fund important infrastructure projects such as schools, hospitals and transport. The Restart NSW Fund Act makes it clear that funds cannot be diverted to other purposes without authorisations under another Act of Parliament.

The purpose of introducing this bill is to obtain Parliament's authorisation for the sale of the electricity generators to the private sector. The bill provides flexibility to the Government to structure the transaction in a manner that will maximise the financial return to taxpayers taking into account market conditions and expert advice received at the time of the transaction. That flexibility is essential to ensure that taxpayers receive the best possible return from the sale of State-owned assets. The transactions will be subject to oversight by the Auditor-General in accordance with the Public Finance and Audit Act, and the Auditor-General may present reports to Parliament in accordance with that Act. I commend the bill to the House.

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

The House divided.

Ayes, 20

Mr Ajaka	Miss Gardiner	Mrs Mitchell
Mr Borsak	Mr Gay	Reverend Nile
Mr Brown	Mr Green	Mrs Pavey
Mr Clarke	Mr Lynn	Mr Pearce
Ms Cusack	Mr MacDonald	<i>Tellers,</i>
Ms Ficarra	Mrs Maclaren-Jones	Mr Colless
Mr Gallacher	Mr Mason-Cox	Dr Phelps

Noes, 17

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

Pairs

Mr Blair	Mr Roozendaal
Mr Khan	Mr Whan

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

The CHAIR (The Hon. Jennifer Gardiner): With the consent of the Committee, I propose to deal with the bill by parts. There being no objection, I will proceed accordingly.

Part 1 [Clauses 1 to 3] agreed to.

Dr JOHN KAYE [9.29 p.m.]: I move The Greens amendment No. 1 on sheet C2012-088:

No. 1 Page 3. Insert after line 5:

- (2) This Act does not authorise the transfer of electricity generator assets to the private sector if any electricity supply liability of an electricity generator remains a liability of a public sector agency. An electricity supply liability of an electricity generator is any liability (including a future or contingent liability) of an electricity generator arising in connection with any obligation of the electricity generator to supply electricity.

As I identified in my speech in the second reading debate, part of the problem with this proposed legislation is that it will bestow a wide range of powers upon the Treasurer. Clause 4 of the bill states that this Act authorises the transfer of electricity generators assets to the private sector. To find out what an asset is we must go to clause 3, which defines an electricity generator asset as meaning assets, rights and liabilities of an electricity generator. That clause states that an asset includes a liability. Clause 7 states that the Treasurer has and may exercise all functions as necessary or convenient for the purpose of an authorised transaction. That means that the Treasurer can transfer an electricity generator asset to the private sector, but assets can be assets, rights, or liabilities.

This effectively means that under this proposed legislation the Treasurer could separate any liability from a generator, transfer all the money-making parts to the private sector and maintain the risky parts—the liabilities, the debts, the damages, the ongoing costs—in the public sector. Why a Treasurer would do that is clear. The Treasurer would have the capacity to fatten up the assets for sale by stripping out that which might cost money in the long run and leaving in that which will make money in the short run. That will make the asset much more attractive for sale and bloat the sale price. That looks good for the Treasurer. It gives him more money to go to the next election and offer more things. However, it leaves the people of New South Wales with long-term liabilities.

I shall refer to a few of those possible liabilities. The price of coal is one of the key risks associated with running a coal-fired power station. Over time the price of coal can increase dramatically. In fact, during the past eight years the price of coal increased from about \$60 a tonne to over \$110 a tonne at one stage. In the old days that did not matter too much because most of the coal was mined by the public sector owner of the power station and after 1996 it was sold to the power station on a long-term contract. But most of those long-term contracts have now expired, and that means that in the normal course of events the new owners of the generators will be exposed to risk on coal prices. That will not matter too much because they could reflect that in the price of electricity; however, the real risk with this bill is that the price of coal is guaranteed to the generator.

The proposed legislation would enable the Treasurer to sell the generators with a guaranteed price of coal where the contingent liability of the price of coal going up is held by the people of New South Wales. The price of coal might not go up by the time of the 2015 election and there might not be a great cost. But sometime in the next 25 years the price of coal might well go up substantially and impose a huge cost on the people of New South Wales. That might happen in the future when this Government is no longer in government and the Treasurer is no longer the Treasurer.

There are also risks that the carbon price might go up substantially. At the moment the arrangement is for the generators to bear the cost of the carbon, but perhaps the Government can sign an arrangement to strip off one of the assets to save the contingent liability of a higher carbon price and maintain that contingent liability in public hands. There are also the issues of substantial maintenance costs. Many people will remember the blackouts of the 1970s that were caused by large scale failures of two generator units at one of the major coal-fired power stations. They were events known as type failures. Both of those generators had to be stripped down and effectively rebuilt from the ground up. In modern dollar terms, if a type failure were to occur at Bayswater or Eraring power stations, the costs could be in the billions of dollars. However, under this bill it is totally within the gift of the Treasurer to keep those costs in public hands. While the generator is enjoying all of the profits, the costs could be in public hands.

In this Chamber we have spoken a lot about the availability liquidated damages. That was the deal cut by former Treasurer Eric Roozendaal that kept a significant proportion of the costs associated with a forward contract on the supply of electricity when the generator failed. This bill would enable the Treasurer to keep those costs in public hands. In addition, there is nothing in this proposed legislation to stop the debt of the power station being maintained in public hands. All of these factors would impose long-term costs on taxpayers and would fatten up the generator for sale. There is an incentive for the Treasurer to do these things.

To that end The Greens amendment proposes to insert a new subsection into the transfer powers contained in clause 4 of the bill. The Greens amendment effectively says that the Treasurer cannot separate a liability of a power station from the asset. This amendment will take away from the Treasurer the capacity to restructure the industry in a way whereby the costs are borne by the public but the profits are gained by the private owner. This is to stop the Government, or any other government that seeks to exercise powers under this Act, from ever doing what the previous Government and former Treasurer Eric Roozendaal did.

I recall being a member of General Purpose Standing Committee No. 1 with the Hon. Greg Pearce. He was as outraged as I was, and rightly so. I must say I enjoyed a good working relationship with the Hon. Greg Pearce on that committee. I thought he had a good understanding of what was going on. While serving on the

committee Reverend the Hon. Fred Nile of the Christian Democratic Party, the Hon. Trevor Khan, the Hon. Greg Pearce and I were outraged by what was happening. We saw it as the old-fashioned agenda of privatising the profits and socialising the losses; yet that exact facility exists within this proposed legislation. The Greens amendment would stop that happening. Through this amendment we seek to stop the Treasurer from separating the liabilities from the costs. When a generator is sold it must be sold with all its contingent liabilities and future liabilities intact. That will ensure that the private owner not only gains the benefits of ownership but also pays the full costs of ownership.

Let us not have ongoing subsidisation of privatisation. Let us not have taxpayers pay the costs of privatisation in the future. They will anyway because they will lose the income stream, but let us not exacerbate that insult to taxpayers and to general revenue by adding liabilities that rightly belong with the generator if the generator is to be privatised. This sensible move will stop the Government from fattening up the generators for sale. It is a sensible move that will protect the public interest by not making them the patsies to this Government by paying the long-term costs of privatisation. I commend the amendment to the Committee.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [9.38 p.m.]: This amendment is not necessary. No attempt is being made to fatten up the assets. If members take the time to think it through logically, they will see that the proceeds of this sale will go into Restart NSW to build infrastructure. There is simply no motive to try to fatten up the proceeds. One way or another, whatever money that is received will be put into Restart NSW and used for infrastructure.

The Government's record in relation to the long-term lease of the desalination plant is plain. We have paid down the debt and immediately put the excess funds into Restart NSW. We can access further debt within the triple-A rating for infrastructure development. So there is no conspiracy theory. There is no intention to do other than a normal transaction with liabilities ranging from long service leave through to the carbon tax, which may need adjustment in the terms of the contract. We have no intention of going along with a conspiracy theory of fattening the assets. The point is that the proceeds will go into Restart NSW.

Mr DAVID SHOEBRIDGE [9.40 p.m.]: Rather remarkably, because the Minister did not understand the intent of the amendment, he admitted the evil in this legislation which we are seeking to remove with this amendment. The Minister said, "Don't worry, taxpayers of New South Wales, because our inflated price on sale"—or "our price on sale", to describe it neutrally—"will go into the fund and it will be used for hypothecated purposes." He then said, "There might be some other liabilities that will need to be adjusted in the contract for sale." Of course, those liabilities will not be reflected in what goes into the pot for use on infrastructure.

The Hon. Greg Pearce: Yes, it will.

Mr DAVID SHOEBRIDGE: It will be reflected because it will inflate the amount that goes into the infrastructure pot at the cost of ongoing liabilities for taxpayers as and when they fall due under the contract for sale. The Minister gave two examples of future liabilities that will have to be paid by future taxpayers. The first is an adjustment for long service leave; the other is a payment for carbon tax, if there is any increase in the carbon tax. No doubt another series of liabilities will be hived off in the contract for sale which taxpayers will be paying for years and years because of the deal that has been cut by the Treasurer without any parliamentary scrutiny.

Obviously it is in the interests of the current Treasurer to inflate the sale price in order to get a big chunk of money that can then be spent on an extension to the M5 or some other grand motorway project on which this Government no doubt wants to spend it. Having spent the money on that, the taxpayers' money will be gone and future taxpayers will have to chip in to pay all the continuing liabilities that will be part of this contract for sale. My colleague Dr John Kaye's amendment will prevent the liabilities from being split up. With this amendment we are saying to the Government, "If you are going to sell the assets, sell them as one piece and let the liabilities travel with the assets." That will enable us to know up-front what the taxpayers will get from this sale and we will not burden future taxpayers with paying for the fattening up of the Coalition's election war chest.

Question—That The Greens amendment No. 1 [C2012-088] be agreed to—put.

The Committee divided.

Ayes, 17

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

Noes, 20

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

Pairs

Mr Roozendaal	Mr Clarke
Mr Whan	Mr Gallacher

Question resolved in the negative.

The Greens amendment No. 1 [C2012-088] negatived.

Part 2 [Clauses 4 to 6] agreed to.

Part 3 [Clauses 7 to 12] agreed to.

The Hon. ROBERT BROWN [9.52 p.m.], by leave: I move Shooters and Fishers Party amendment No. 1 on sheet C2012-072D and Shooters and Fishers Party amendment No. 1 on sheet C2012-073E in globo:

No. 1 Page 10. Insert after line 3:

15 Payments to employees leaving public sector employment

- (1) The Treasurer or another public sector agency may enter into agreements or other arrangements with respect to the making of transfer payments to employees of an electricity generator in connection with the transfer of employment of those employees to employment in the private sector as a result of a transaction arrangement.
- (2) A transfer payment is not to exceed an amount equivalent to 30 weeks of pay at the rate of an employee's base salary (that is, salary less any allowances).
- (3) Without affecting any entitlement to a transfer payment under this section, an employee of an electricity generator is not entitled to receive any payment or other benefit (including in the nature of severance pay or redundancy compensation) merely because the employee ceased to be an employee of a public sector agency as a result of a transaction arrangement.

No. 1 Page 10. Insert after line 3:

15 Employment guarantee for employees transferred to private sector and maintenance of apprenticeships

- (1) If the employment of an eligible employee of an electricity generator is transferred to employment in the private sector as a result of a transaction arrangement, the employment of the employee cannot be terminated by the private sector employer during the employee's employment guarantee period, except:
 - (a) for serious misconduct, or
 - (b) pursuant to the proper application of reasonable disciplinary procedures, or
 - (c) by agreement with the employee.

- (2) An employee's employment guarantee period is:
- (a) for eligible employees who are permanent employees—the period of 2 years (the standard period) after the transfer date, or
 - (b) for eligible employees who are temporary employees—the remainder of the employee's current term of employment (as specified in the arrangements under which the employee was engaged as a temporary employee) immediately before the transfer date, or the period of 2 years (the standard period) after the transfer date, whichever period ends first.
- (3) The object of this subsection is to provide an additional job maintenance guarantee because the transfer of electricity generator assets under this Act is by way of sale. The standard period of 2 years is extended by an additional period of 2 years for eligible employees.
- (4) The Treasurer is to take all reasonable steps to ensure that, under the transaction arrangements with all private sector employers, a total of at least 150 apprenticeships is maintained in the electricity generation businesses of those employers in NSW during any employment guarantee period under this section.
- (5) In this section:
- casual employee means an employee whose employment is in a category of employment that is described in or classified under a relevant award as casual employment or who is otherwise engaged as a casual employee.
- contract employee means an employee whose terms and conditions of employment are provided by an individual contract and not by a relevant award.
- eligible employee means a permanent employee or temporary employee and does not include a contract employee or casual employee.
- permanent employee means an employee whose employment is of indefinite duration and who is not a casual employee, temporary employee or contract employee.
- private sector employer means the employer in the private sector to whose employment the employment of an eligible employee is transferred as a result of a transaction arrangement.
- relevant award means any award, agreement or other industrial instrument (under a law of the State or the Commonwealth) that provides for the terms and conditions of employment of employees.
- temporary employee means an employee (other than a casual employee or contract employee) whose employment is in a category of employment that is described in or classified under a relevant award as temporary employment or whose employment is, under the terms of his or her employment, for a limited period.
- transfer date means the date on which an eligible employee is transferred to employment in the private sector as a result of a transaction arrangement.

I will deal with the first amendment, which is the amendment on sheet C2012-072D. The amendment provides that upon the transfer of employment, because of the transfer of electricity generators under this legislation, transfer payments to employees will be available up to a maximum of 30 weeks of pay at the rate of an employee's base salary, which was one of the most contentious issues during the rather drawn-out negotiations. This is one of the items in which we did not quite get what the unions wanted.

The Hon. Luke Foley: I thought the unions wanted public ownership.

The Hon. ROBERT BROWN: Yes, they probably did. They wanted an additional one week per year of service up to 10 years. We thought we might have come to a landing with the Government limiting it at 35 weeks, but unfortunately we got 30 weeks and that is all we were able to negotiate. There is not much need to say more about that amendment. It is fairly clear.

In regards to the second amendment, which is amendment No. 1 on sheet C2012-073E, members will note that there are two pages to this amendment. The second page is merely a series of definitions. This amendment does two things: Firstly, it ensures that the employment guarantee period for employees transferred to the private sector will be for a period of four years. That is what is called a standard period of two years that is extended by an additional period of two years for all eligible employees because the transfer of electricity generator assets has been done by way of sale. In other words, it is a special deal.

The four-year period applies to eligible employees who are affected by this legislation and is double the period that is normally applicable. It was the most difficult negotiating point of the whole exercise. We believe that the four-year period, which doubles what the Government came to the table with, is a significant outcome for affected workers. The unions wanted seven years. We thought we could get five years. We wanted five years, but perhaps Mr Borsak and I are not quite as sharp as we used to be when we were younger, so we ended up with four years. We put that to the unions, and the unions said, "Yes, go for it."

Dr John Kaye: What was that, I am sorry? You put that to the unions and—

The Hon. ROBERT BROWN: They said, "Yes, if that's what you can get, that's what you can get." I am not trying to verbal Unions NSW, but after we got the amendments, we put them in front of the unions to make sure they were satisfied that what was intended is contained in the amendments. Secondly, the amendment ensures that all reasonable steps are taken to maintain at least 150 apprentices in the electricity generating business of those employees in New South Wales during an employment guarantee period who are under the transaction arrangements. That has a twofold benefit. The unions, and indeed some of our own constituents who work in the industry, pointed out to us that across that industry, specifically among employees working in the generators, the peak of the bell curve is probably at the 45- to 50-year level. A lot of those employees stated to us that they felt that over the years the governments, including the current Government, had not adequately provided training, and therefore the workforce was being forced, shall I say, to hang on for longer and longer.

The objective is that, if the package is put together properly for these workers, the older workers would have the opportunity, within that four years, to decide whether or not they want to get out. The two amendments I have moved in globo, plus the provisions relating to employment protections in the bill, and the assurances given this night by the Minister in regard to certain issues that we were not previously quite clear about, comprise the total of what we have agreed with the unions, which is, if not what they wanted, at least a reasonable package. We commend the two amendments to the Committee.

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [9.57 p.m.]: The Government appreciates the approach of the Shooters and Fishers Party and the Christian Democratic Party to this matter and the essentially honest broker role that they played with the unions in trying to obtain a good outcome for workers. In relation to the first amendment, it confirms the power of the Treasurer to negotiate transfer payments to employees who are transferred to the private sector as a result of the transaction arrangements. I can assure the Committee that the payments will be made. The Government does not consider this amendment is necessary, but we do not oppose the amendment. As I have indicated, I understand the spirit in which it has been moved.

The latter amendment on sheet C2012-073E provides employment guarantees for eligible staff affected by the transfer of electricity generator assets to private sector ownership. I am told that the standard employment guarantee period is two years and an additional job maintenance guarantee of a further two years is also provided to eligible staff. This additional two-year period is supported because the transfer of electricity generator assets under this bill is to proceed by way of sale rather than lease. The effect of that is that eligible permanent employees will be guaranteed employment for a four-year period. The employment guarantees apply to permanent and temporary employees of electricity generators whose employment is transferred as a result of the transfer of electricity generator assets under the bill. The employment guarantees commence from the time employees move to the private sector. This maximises the period of protection for employees.

In combination, the employment guarantees contained in the amendment in addition to existing laws and provisions of clause 14 of the bill provide continuity of service preservation of industrial conditions on transfer of employees, and continuity of superannuation arrangements. The amendments also provide that at least 150 apprentices are to be employed across the electricity generation businesses for the duration of the employment guarantee period. This is an increase of about 25 per cent on current apprentice levels. The Government intends that all existing apprentices will have the benefit of the employment guarantee provided by the amendments. The employment of apprentices helps grow the skill base of the State's workforce. The Government encourages employers to hire apprentices in New South Wales, and the continued employment of apprentices in the electricity generation businesses is supported.

The Hon. LUKE FOLEY (Leader of the Opposition) [10.00 p.m.]: The Labor Opposition will not oppose these amendments moved by the Hon. Robert Brown. We will always support generous packages for employees who are transferred from the public sector to the private sector or who are displaced in the process of an asset sale. Having said that, we do not believe these amendments, negotiated by the Shooters and Fishers

Party and, we are told, the union movement with the Government, are in any way adequate compensation for the privatisation of the State's electricity generation assets. We oppose privatisation of generation, transmission and distribution. More generous entitlements for employees are all well and good but that does not take away from the fact that we are still engaged in a privatisation exercise. That is what we object to. When I was a Labor Party official in the last term of Parliament I sat in numerous meetings with representatives of electricity unions and representatives of the then Labor Government.

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

The Committee continued to sit.

The Hon. LUKE FOLEY: However, it was made very clear by Premier Morris Iemma that his Government was prepared to offer extremely generous employee packages.

The Hon. Catherine Cusack: But you destroyed him anyway, Luke. You pulled him to pieces.

The Hon. LUKE FOLEY: Go back to the bar. It was made clear by Morris Iemma that he was prepared to offer very generous packages to the employees. The union movement said at the time that it was not interested in such a negotiation; it was interested only in maintaining public ownership of the electricity generators in this State. I trust that that is still the position of the electricity unions. It is certainly the position of the Labor Opposition.

Reverend the Hon. FRED NILE [10.03 p.m.]: I place on record the support of the Christian Democratic Party for these amendments and congratulate the Hon. Robert Brown on his efforts as the chief negotiator for both the Government and the unions to achieve these very important benefits for the employees. The amendments provide for the standard period of two years to be extended by an additional two years for eligible employees, making a total of four years. I said earlier that I would have preferred it to be five years but four years is far more desirable than two years. The amendments provide for at least 150 apprenticeships.

The old New South Wales Electricity Commission always had a strong policy of training apprentices, and in fact probably supplied apprentices to the electricity industry in both the public and private sectors. So the amendments maintain that priority. The amendments provide that the transfer payment is not to exceed an amount equivalent to 30 weeks of pay at the rate of an employee's base rate, which is another positive aspect. The passage of this bill will enable the Government to meet its infrastructure promises, especially in view of the Federal Government's cuts in funding and GST reductions. This bill is critical to the future of this State and its budget.

Dr JOHN KAYE [10.04 p.m.]: There seems to be two separate understandings of the impact of the amendments—one from the mover of the amendments, the Hon. Robert Brown, and the other from the Government, and it will be interesting to see which one is the reality. The mover of the amendments says that this is a four-year employment guarantee and that it is an extension beyond the normal two-year guarantee. I am fascinated by the concept of "normal". One can see some politics are involved in the way the amendments have been written. Clearly they have been written not to create a precedent—it is what they think happened; it is not what the Minister for Finance and Services said was happening. He said that it is two years if the transfer is by way of a lease. I think the Minister is correct and the mover, the Hon. Robert Brown, is wrong—although he is shaking his head. The Minister said that in his speech and it will be what goes; what is written will be what happens.

The Hon. Greg Pearce: I said the standard is two years.

Dr JOHN KAYE: No, you didn't.

The Hon. Greg Pearce: There it is; you can read it yourself.

Dr JOHN KAYE: The Minister said that if an asset is transferred by way of lease then it is two years under proposed subsection (1). If it is under proposed subsection (3), by way of a sale, then it is four years. What has been negotiated is not a four-year protection at all; it is a two-year protection if it is a long-term lease.

The Hon. Duncan Gay: It is a four-year protection.

Dr JOHN KAYE: It is true. Proposed subsection (3) states:

The object of this subsection is to provide an additional job maintenance guarantee because the transfer of electricity generator assets under this Act is by way of sale.

It might be a sale or it might be by way of a long-term lease. The legislation as drafted makes it very clear that it is the transfer of assets. A sale is one such transfer of assets and I presume that is why in law there is a separate proposed subsection (3). In effect, proposed subsection (1) states that other than by way of a sale, which could be by way of a long-term lease—which is after all what the previous Government entertained and this Government, for whatever reason, may choose to do the same—then it is only two years. Let us be clear on that. Reverend the Hon. Fred Nile has misunderstood proposed subsection (4). He stated correctly—and I know this from my years of working in the electricity industry—that public sector providers of electricity fulfilled a social obligation by training many apprentices.

Proposed subsection (4) does not achieve that aim. It merely states that during the guaranteed employment period—two years for a lease and four years for a sale—there is a guarantee to train at least 150 apprentices. Indeed, it is not even a guarantee. The Treasurer, who I note is in the President's Gallery to watch the Hon. Greg Pearce, is to take all reasonable steps. There is no ongoing guarantee. At the end of the employment guarantee period—which could be either two years or four years—that is it; it is all over. It is the end of any guarantee of traineeships. We have not protected employees in the industry. We have protected existing employees in the industry but we have not protected their children and grandchildren and their rights. We have not perpetuated the right of secure employment in the electricity industry—a right that underpins the economy of the Hunter, the economy of the Central Coast and the economy of the Central West, or parts of the Central West. That has gone. It will last two years or four years, depending on whether it is a lease or sale, and at the end of that period it is all over. There are no guarantees. Let us be clear: This is not an employment guarantee, this is a gift to those people who are currently employed in the industry. That is all it is.

The Hon. Duncan Gay: This is Greens envy; this is jealousy.

Dr JOHN KAYE: I must say, Madam Chair, there is a foghorn going off. Could you please ask it to be silent?

The CHAIR (The Hon. Jennifer Gardiner): Order! It is difficult to hear Dr John Kaye. Members will listen to the member in silence.

Dr JOHN KAYE: Much has been said about the amendment with respect to employment guarantee that is simply not true. I hope the members who have put this forward, who have supposedly brokered a deal—the so-called honest brokers—know what they have done. What they have said they have done and what is written in this amendment are two dramatically different things.

The Hon. Robert Borsak: And we should believe you?

Dr JOHN KAYE: You do not have to believe me; you should have read it yourselves. Members should not have just taken what the Government told them as true. They should have read it themselves. It is very clear; it is not a four-year guarantee. They told the media it was a four-year guarantee. It is not. They have misled the media. It is a two-year guarantee. It is only a four-year guarantee in the case of a sale. In the case of a long-term lease it is only a two-year guarantee. Members are not protecting jobs in the industry; they are protecting existing jobs in the industry. They are two extremely different things. I share with Reverend the Hon. Fred Nile a grave concern about training in the industry. It is important that we protect training in the industry. The problem is—

The Hon. Robert Borsak: That's why we have 150 apprenticeships.

Dr JOHN KAYE: You have 150 apprenticeships for two years or four years. At the end of that period you will have none. If the member doubts that figure, go to Victoria and ask—

The Hon. Robert Borsak: Where's your crystal ball?

Dr JOHN KAYE: No, there is no crystal ball. Go to Victoria and ask how many apprentices work in Loy Yang, how many apprentices work in Hazelwood, how many apprentices work in the industry in Victoria. It is a very small number. I worked in that industry when it was publicly owned. A key feature of the industry

was that we trained apprentices, fully understanding that not all of them would work for the Electricity Commission in an ongoing role. It was understood that it was part of the incubator role that a large public enterprise would play. By supporting this privatisation this evening, members are guaranteeing that after the next election—four years is an interesting period—it will be the end of public sector training in the electricity industry in this State. It is not just the electricity industry; it is across all high-voltage engineering. The electricity providers offer most of that training.

The amendments are not opposed by The Greens for the same reasons that the Leader of the Opposition outlined; we would not stand in the way of a worker getting a better outcome. The problem is that those who are supporting the amendments—particularly those members who feel it is okay to vote for this legislation because they have had this miraculous outcome, this honest broker outcome—should know full well that they do not have what they think they have and they certainly do not have what they are telling the people of New South Wales they have. They have far less than they are claiming. I appreciate, Madam Chair, your capacity to control the Committee while I am speaking.

Question—That Shooters and Fishers Party amendment No. 1 [C2012-072D] and amendment No. 1 [C2012-073E] be agreed to—put and resolved in the affirmative.

Shooters and Fishers Party amendment No. 1 [C2012-072D] and amendment No. 1 [C2012-073E] agreed to.

Part 4 [Clauses 13 to 17] as amended agreed to.

Part 5 [Clauses 18 to 24] agreed to.

Part 6 [Clauses 25 to 31] agreed to.

Schedules 1 to 7 agreed to.

Title agreed to.

Bill reported from Committee with amendments.

Adoption of Report

Motion by the Hon. Greg Pearce agreed to:

That the report be adopted.

Report adopted.

Third Reading

The Hon. GREG PEARCE (Minister for Finance and Services, and Minister for the Illawarra) [10.18 p.m.]: I move:

That this bill be now read a third time.

Question put.

The House divided.

Ayes, 20

Mr Ajaka
Mr Blair
Mr Borsak
Mr Brown
Ms Cusack
Ms Ficarra
Miss Gardiner

Mr Gay
Mr Green
Mr Khan
Mr Lynn
Mr MacDonald
Mrs Maclaren-Jones
Mr Mason-Cox

Mrs Mitchell
Reverend Nile
Mrs Pavey
Mr Pearce
Tellers,
Mr Colless
Dr Phelps

Noes, 17

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

Pairs

Mr Clarke	Mr Roozendaal
Mr Gallacher	Mr Whan

Question resolved in the affirmative.

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

NATIONAL ENERGY RETAIL LAW (ADOPTION) BILL 2012**ENERGY LEGISLATION AMENDMENT (NATIONAL ENERGY RETAIL LAW) BILL 2012**

Bills received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Duncan Gay.

Motion by the Hon. Duncan Gay agreed to:

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

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

CONSTITUTION AMENDMENT (RESTORATION OF OATHS OF ALLEGIANCE) BILL 2011

Message received from the Legislative Assembly returning the bill without amendment.

ADJOURNMENT

The Hon. DUNCAN GAY (Minister for Roads and Ports) [10.28 p.m.]: I move:

That this House do now adjourn.

RACIST GRAFFITI

The Hon. WALT SECORD [10.28 p.m.]: I speak tonight about the need to create a specific offence of racist graffiti. I stress these comments are not a reflection on the Graffiti Legislation Amendment Bill 2011, which was the subject of considerable debate last August. This is a separate matter. Members will recall a disgusting attack on an Aboriginal burial site and memorial at Fingal Head on 6 March. Vandals desecrated Aboriginal tombstones and attacked a memorial with graffiti. They drew Nazi swastikas and wrote the letters "KKK". In doing so they ensured that this was not an ordinary graffiti attack. These are clear and internationally known symbols of racial oppression, violence and genocide. This was an attack with the calculated purpose of causing maximum offence and pain to and intimidation of the Aboriginal community. Members will also recall that on 8 March I raised this matter in Parliament, asking a question without notice about the police investigation into the Fingal Head attack. At the time the New South Wales Government and the Opposition rightly condemned the actions of the perpetrators.

Unfortunately, racist graffiti is not an issue limited just to this attack or just to the Aboriginal community. The Jewish community reports that there are between 15 and 20 serious anti-Semitic graffiti incidents a year on Jewish places of worship nationally. Such acts go far beyond the inconvenience and damage that ordinary vandalism inflicts. They are intimidators; they are broadcasters of vilification and hate. Such acts

are distinguished by their cruel intent and egregious impact. They deserve to be distinguished by our law accordingly. That is why later this year I will be introducing a private member's bill, the Graffiti Control Amendment (Racist Graffiti) Bill. After further consultation with Parliamentary Counsel I plan to release a draft for public consultation and discussion. The bill will amend the Graffiti Control Act 2008 to create a specific and new offence of racist graffiti. This specific offence will send a clear message to perpetrators of hate that such attacks will be distinctly prosecuted and punished. This offence also will tell our communities that New South Wales remains committed to leadership against racial vilification in our society.

I remind the Chamber that in 1988 the then Greiner Government with the bipartisan support of the Bob Carr-led Labor Opposition created Australia's first racial vilification laws—historic groundbreaking laws. At the time it was deemed that in some cases racist graffiti could be addressed and came under the responsibility of the New South Wales Anti-Discrimination Board. I stress that my proposal is no reflection on the hard work of the Anti-Discrimination Board and its president, Mr Stepan Kerkyasharian, AO. Rather, it will complement existing racial vilification laws and the Anti-Discrimination Board's work in countering discrimination in our community. More importantly, it will shift responsibility for prosecuting such acts to the New South Wales police, which is where criminal prosecutions belong.

For clarification, I am not proposing increasing penalties for graffiti offences as the existing penalties are adequate. Under the Summary Offences Act, current penalties are fines of up to \$2,200, six months imprisonment or community service. The offence of racist graffiti is about sending a clear message that it offends not only the property owner but also our community and the people of New South Wales who embrace tolerance and diversity. After an appropriate consultation period I hope to introduce the bill into this Chamber for consideration. I urge the Government to seriously consider the bill and provide bipartisan support to create a specific offence of racist graffiti. I conclude with remarks from Jewish community leader and interfaith dialogue activist, Mr Jeremy Jones, AM, Director of International and Community Affairs for the Australia-Israel and Jewish Affairs Council. He is also former President of the Executive Council of Australian Jewry—the national elected peak body of the Jewish community. Mr Jones said it is important to understand that "graffiti is vandalism of property and racism is vandalism of the moral fabric of our society". He also said:

When the former is used to propagate the latter, it becomes something much greater than public mischief; it becomes a challenge to basic decency and the dignity of the Australian people.

I concur with Jeremy Jones. I thank the House for its consideration.

NATIONAL RECONCILIATION WEEK

The Hon. JAN BARHAM [10.32 p.m.]: I acknowledge that we are on the land of the Gadigal people and I pay my respects to their elders past and present. National Reconciliation Week is an opportunity for us all to remember and celebrate two key events in our nation's history. On 20 May 1982 a group of people from the island of Mer in the Torres Strait, led by Eddie Mabo, began a legal claim for ownership of their lands. On Wednesday 3 June 1992 their legal battle came to an end when the High Court delivered its judgement—one that history would label the Mabo decision. The verdict effectively extinguished the notion of terra nullius with the judges finding that British possession had not eliminated native title. This year marks the twentieth anniversary of the Mabo decision. It is appropriate that it is remembered and celebrated by all Australians.

The landmark decision is one of two key events remembered during National Reconciliation Week. The week begins on 27 May—the anniversary of the 1967 referendum when 90 per cent of Australian voters supported the recognition of Aboriginal and Torres Strait Islander people. However, while we celebrate the steps that have been taken already, we must be conscious too of the work still to be done. One does not have to look far to discover that Aboriginal and Torres Strait Islander people still feel a deep sense of exclusion and prejudice. The unfortunate Australia Day incident in Canberra, recent media about living conditions in Toomelah and feelings of victimisation after police arrested young joy riders in Kings Cross demonstrate widespread disenchantment. The harsh reality is that Aboriginal disadvantage exists across the whole spectrum of government policies. From health and housing to education and social services, societal disadvantage is a reality for some Aboriginal Australians. In October 2011, the Office of the NSW Ombudsman released its report "Addressing Aboriginal disadvantage: the need to do things differently". Section 2.2 of the report summarises the inherent failures of typical government practices. It states:

The history of Aboriginal policy and program development in NSW has been agency-centric. This has resulted in programs which are narrowly focused, often disjointed and lacking in flexibility. To make the changes necessary, it is essential that Aboriginal affairs be seen as core business for all agencies. This change needs to be driven from the centre of government. To

this end, government needs to adopt a very different way of doing business with Aboriginal communities. While for many years there has been rhetoric about "partnering" with communities, too often this has not translated into communities having genuine involvement in decision-making about the solutions to their problems ... The reform process must involve a true partnership between government and Aboriginal leaders.

This partnership should be the foundation stone in the work of the Ministerial Taskforce on Aboriginal Affairs, which was formed in August 2011 with the key aim to advise the New South Wales Government on actions to refocus efforts to close the gap and open up opportunities for Aboriginal people in New South Wales. An initial round of consultations has been undertaken already, with a second round due later this year. The final outcomes of the task force must be driven by this notion of genuine partnerships outlined by the Ombudsman. Chapter 3 of the Ombudsman's report has five recommendations about changes needed at leadership level, and chapter 7 outlines a new accountability framework needed to address Aboriginal disadvantage. The report states that such a framework should be underpinned by a statewide plan formulated "in collaboration with Aboriginal leaders, identifying which problems most urgently need to be addressed, and reviewing whether existing government commitments and related strategies are likely to achieve the progress required ..."

Such a plan would be genuine action on the road to reconciliation. Action is what is needed. As outlined in the Ombudsman's report, in April 2009 the Australian Government formally supported the United Nations Declaration on the Rights of Indigenous Peoples. The main theme of the declaration was resetting the relationships between Indigenous peoples, the broader community and governments. Surely this is the very definition of reconciliation. The Ombudsman identifies that self-determination is the central right of the United Nations declaration. The Community Guide to the declaration states that for self-determination to be realised, Aboriginal people must be in a position to be able to say three things: We have a choice in determining how our lives are governed; we participate in decisions that affect our lives; and we have control over our lives and future, including our economic, social and cultural development. When these three statements are true for Indigenous Australians, then and only then can we celebrate genuine and long-lasting reconciliation.

TRIBUTE TO THE HON. RICHARD KILLEN

The Hon. JENNIFER GARDINER [10.37 p.m.]: The Hon. Richard Killen, who passed away on Monday this week, and who was a member of the Legislative Council from 1981 to 1991, was born on Australia Day 1930 in Homebush. He was educated at Blackfriars Correspondence School and Sydney Grammar School, and became a jackaroo after leaving school. Richard devoted much of his life to the political party he joined as an 18-year-old, the Country Party, rising from branch office-bearer to State chairman and vice-president of the Federal organisation. The Killen name was long associated with the party. Richard's grandfather, William Wilson Killen, had been a president of the Farmers and Settlers' Association and was the member for Riverina and Eric Lyle Killen had been the New South Wales chairman of the party before the war. Politics was in Richard's blood.

Richard joined the Country Party in 1948 and was an active branch and electorate council office-bearer. He was elected secretary of the Tambar Springs branch in 1955 and became its chairman in 1962. Three years later he was living at Merriwa—where he lived until his passing this week—and became secretary and then chairman of the Merriwa branch. He was elected secretary of the Upper Hunter State Electorate Council from 1961 to 1963 when he was elected chairman of that electorate council. Then he was elected chairman of the Burrendong Electorate Council from 1968 to 1972. As chairman of the two electorate councils, Richard was a member of the party's Central Council and from 1965 to 1983 was a member of the Central Executive. In 1978, Richard was elected to be the State chairman and was elected each year for the maximum term of five years from thereon. He served also as a Federal vice-president of the party during those five years.

Richard Killen was indefatigable as the party's New South Wales chairman. He put himself at the beck and call of any one of the party's vast network of branches anywhere in New South Wales at any time. He thought nothing of going from one end of the State and back again to attend branch functions. Consequently, he had an unbeatable knowledge of local affairs in each part of the State, what was brewing and who was behind it. Richard's terms as State chairman coincided with the period when the Rt Hon. Doug Anthony was the party's Federal parliamentary leader and Leon Punch was the New South Wales parliamentary leader. It is fair to say that for a fair bit of the time the relationship between the State leader and the State chairman was tense. Leon was a feisty leader to say the least and Richard was a nuggety leader of the organisation who would always fiercely defend the party from any real or perceived undermining of its separate identity.

At least one clash was played out at an annual general party conference: the State chairman won. His remarkable statewide support base was invincible. Richard's reservations about Leon Punch's agenda were confirmed years later when Leon Punch tried to ambush an annual general party conference with a plan to

amalgamate with the Liberals. The plan did not work and was overwhelmingly and angrily rejected by the membership on the floor of the conference. At one time in the party room, so his colleague Judy Jakins recalled, she made a point on an issue saying she thought the party's annual conference had wanted it done, to which Leon Punch said: "Judy, the parliamentary party makes the policy of this party and don't you ever forget it". Richard Killen nudged her and said "I wonder if he's ever read the party Constitution".

The tensions between much of the party organisation and the State parliamentary leader came to a head over the long-running debate about the name of the party. Leon Punch led a stack of delegates to the annual general conference with the intention of changing the name from the halfway house name National Country Party to National Party. This was meant to be a two-stage strategy, but the stack was so successful that the name was changed in one hit. Ironically, the State chairman who opposed that strategy was the one who had to preside over the marketing of the party's new identity, as the change took effect immediately. Of course, he set about undertaking that task in a professional and fully-fledged way. He always believed the change was wrong and it is impossible to argue successfully that the name change delivered any electoral or political advantage to the party at any election—candidates, campaigns and political climate, yes; name, no.

Richard Killen was a terrific but unorthodox fundraiser for the party. He was a cattle breeder and cattle judge of international note. He was heavily involved in all sorts of community organisations from the Royal Far West Children's Health Scheme to bushmen's carnivals, and various farmers and graziers associations in the various communities in which he lived, such as Tambar Springs, Narrabri and Merriwa. I think he would have been proud of his son the other day who was featured in the press as a very enterprising and synergistic cattle farmer at Merriwa. I extend my condolences to Lesley and to Robyn and Mark and to their families on Richard's passing. It was indeed a privilege to have known Richard Killen.

PALLIATIVE CARE NEW SOUTH WALES

The Hon. PETER PRIMROSE [10.41 p.m.]: Last week, along with a number of other members, I had the privilege of attending the launch of the Palliative Care New South Wales policy statement. Palliative Care New South Wales is the peak body for palliative care in New South Wales, representing the interests of health care professionals, people with a life-limiting illness and their carers and families. Its vision is that every person in New South Wales who is diagnosed with a condition that will result in their death in the foreseeable future will have access to quality palliative and end-of-life care that addresses their physical, psychosocial and spiritual needs. All people approaching the end of their life, along with their family and carers, require some level of support and access to a range of health and other support services. The range and depth of services required is obviously dependent on the nature and length of the illness.

These services comprise palliative care and apply from the time of a person's diagnosis with a life-limiting illness. Not all people approaching the end of life require specialist palliative care. But all people in New South Wales deserve quality health care that allows them to live as well as they can until their death. At present every person in New South Wales does not have access to quality care as they approach and reach the end of life. The quality of care is largely dependent on where they live and/or the nature of their illness. Even within the metropolitan area of Sydney access to palliative care varies enormously between suburbs. Regional and rural areas have particular challenges in providing the full range of services, and in particular in accessing specialist palliative care services when required.

There is also inequitable service provision for consumers who have non-cancer related life-limiting illnesses such as dementia, renal failure, heart failure, end stage respiratory disease and many others. One contributing reason is that palliative care services have been linked historically to cancer funding models and services. While palliative care services have increasingly provided services to non-cancer patients over recent decades, the historical cancer based funding model has not been reviewed and amended to meet the increasing demands of non-malignant causes of death. Throughout its policy statement, Palliative Care New South Wales identifies a range of opportunities to improve the quality and safety of palliative care services within New South Wales. In the time I have remaining I will highlight a few of them.

The first recommendation is that the review of the NSW Palliative Care Role Delineation Framework which is due in November 2012 revises the definitions of palliative care services in light of the lessons learned from the palliative care services mapping exercise that is underway. Recommendation 6 is that the New South Wales Ministry of Health fund Palliative Care New South Wales to provide a one-stop information point for the community about palliative care, referral pathways, advance care planning and directives. Recommendation 9 is that the New South Wales Ministry of Health ensure that there is adequate funding and support for a volunteer coordinator position in every palliative care service that recruits and trains volunteers or has identified the potential to do so.

Recommendation 11 is that further research be undertaken into the cultural needs of Aboriginal people and culturally and linguistically diverse communities, and the impact of different attitudes towards death and dying in the provision of palliative care to inform policy and service development. Recommendation 14 is that the New South Wales Ministry of Health and all local health districts commit to the adoption of the National Standards for providing quality palliative care in all appropriate care settings in New South Wales. Recommendation 22 is that policies, processes and guidelines for the allocation and funding of fly-in fly-out palliative care support comprising a specialist palliative care physician at minimum to regional and remote communities be reviewed and formalised on a statewide basis. I do not have the opportunity to go through all of the recommendations but I urge members to obtain a copy. I commend the report to the House.

GUN CONTROL

Mr DAVID SHOEBRIDGE [10.46 p.m.]: Barry O'Farrell today announced a deal between his Government and the Shooters and Fishers Party that will deliver two outcomes the majority of citizens of New South Wales do not want: privatisation of the State's electricity generators, and recreational hunters in national parks. This is not an implied arrangement; it is a blatant horse trade. As the Premier said in his media release today, "The Government has decided to expand the culling program to allow smooth passage of legislation to sell the State's power generators." As well as being a grubby deal, the announcement of hunting in national parks makes a liar of Barry O'Farrell who, when asked about hunting in national parks, said in April 2011, "The Coalition will not trade policies for the sake of sectional interests". Does he think we do not remember?

Unfortunately, those types of deals have become a common feature of New South Wales politics. Both the O'Farrell Government and the former Labor Government, rather than debate and negotiate each piece of legislation on its merits, have horse-traded with the Shooters and Fishers Party and other right wing micro parties to push through contentious legislation in return for concessions in other areas. These deals have consequences—the overarching one being the slide towards a pro-gun and hunting culture in New South Wales. Following the 1988 election loss of the Unsworth Government, the New South Wales Labor Party foolishly related the result to the attempt by the then Premier to tighten up gun laws.

That myth fuelled close relationships between the shooters movement and some senior Labor leaders. From 1999 to 2003, with 13 crossbenchers in the New South Wales upper House, Labor had its work cut out securing enough support to pass legislation. In return for former Shooters Party member of Parliament John Tingle's support on many issues, shooting organisations made many gains. From 1998 to 2001 the Shooters Party secured more than \$5 million in additional funding for shooters clubs. Several new shooting ranges and regional shooting complexes were built by taxpayers. As John Tingle said:

It should be said that one or two anti-gun oriented media persons have grumbled about "so much" money being given to shooting. let them grumble! I have lobbied the Government very hard for this funding, and I apologise to nobody for getting it.

In 2002 a deal between the Shooters Party and the then Labor Government saw the establishment of the Game Council of New South Wales, which nominally oversees the regulation of amateur and recreational hunting of feral animals on public land in New South Wales. Both Robert Brown and Robert Borsak, members of the Shooters and Fishers Party who are members of Parliament, are former chairmen of the Game Council. This statutory body was supposed to be self-funding, but it has received an average of \$1 million a year in public funding from the Government ever since that time. It has no independent monitors, regulators or oversight. In fact the shooters police themselves. The creation of the Game Council has given false legitimacy to the fringe views of the shooting lobby, and has seen an endless stream of publicly funded lobbying for the introduction of fringe right wing pro-gun laws.

These efforts include, but are in no way limited to, the introduction of silencers, the creation of game parks, sneaking pro-hunting materials into primary schools, and currently a proposal to allow children as young as 12 to hunt unsupervised on public land. The Game Council has also delivered the return of duck hunting under the Orwellian guise of a Game Bird Mitigation program. As a result of the creation of the Game Council, 142 State forests were declared open for hunting for recreational hunters. Four years later, in 2006, another 39 State forests were opened, again for a five-year period. Now more than two million hectares of State forests are open for hunters in which to stab, spear, shoot and use their dogs to gore feral animals.

Over the past two years of the former Labor Government, more than 30 amendments were made to New South Wales gun control laws, including expanded access to firearms for security guards and the introduction of the notorious section 6B of the Firearms Act, which enables people to handle and be trained in

the advanced use of firearms without any kind of background check. This one grubby deal paved the way for the tragic death of Lalin Fernando, who was shot and killed by his mentally ill daughter in 2010, when she was given ready access to a semiautomatic handgun after ticking a box to say she had no mental illness. Thank you to the Shooters and Fishers Party.

It did not take the O'Farrell Government long to start making concessions to the shooters. Just a month after Barry O'Farrell had said he would not cut deals with the Shooters and Fishers Party, State forests were again declared open for hunting for a record 10 years, without any meaningful public consultation. Now we have the extension of recreational hunting into national parks—a poor outcome for the public, for animal welfare and for the environment. The Shooters and Fishers Party is an unashamedly one-issue party. As the Hon. Robert Brown said to the *Daily Telegraph* in 2009:

We just want people to get off our backs and leave us shooters alone.

The Hon. Robert Brown stated that the Shooters and Fishers Party then supports the government of the day, as long as their "constituents receive an occasional concession". These "occasional concessions" are having a direct impact on our State. Since 2001 gun numbers in New South Wales have increased from 619,643 to 758,802—a 22 per cent increase. More guns and more hunters with more and more access to public land: Welcome to politics, New South Wales style—you had better bring a flak jacket.

JULIE RAMAGE KILLING

The Hon. TREVOR KHAN [10.51 p.m.]: In 2003 and 2004 a series of articles in the *Age* newspaper reported on the killing of Julie Ramage by her estranged husband, James Stuart Ramage. I congratulate the journalists at the *Age*, and particularly Karen Kissane, on their work. I also particularly acknowledge Julie Ramage's twin sister, Jane Ashton, for her tireless pursuit of justice on behalf of her sister. In about June 2003 Julie Ramage left her husband and their home. She had decided the marriage to her husband, James Stuart Ramage, was over. Five weeks later Julie Ramage was dead. Julie died in July 2003 when James Ramage bashed and strangled her at the Balwyn home that they had once shared. He then drove her body to a secluded bush setting near Kinglake, buried her and returned to Melbourne. He subsequently surrendered to police after having dinner with his teenage son and meeting with his lawyer. Her body was discovered in a grave. The *Age* reported as follows:

There lay Julie Ramage, on her left side, her legs bent up and her hair flung back as if she were asleep. She still wore her trousers, but her blue roll-neck jumper was tangled around one arm, so her pale, slender body was topless but for her blue bra.

Let there be no doubt, she had been severely beaten. James Ramage was charged, quite naturally one might think, with murder: his wife was dead, she had been beaten and strangled by him, and then he had disposed of her body. There was evidence also, which was never put before the jury, that during the marriage he had:

... headbutted and broken the nose of Julie, and after that she complained that James was controlling, choosing her clothes, nail polish and hair style.

Simple one might think; but it was not. The *Age* reports that at his trial his counsel argued two defences to the charge of murder. The first was that Ramage lacked "intent": he had not meant to kill or really seriously injure his wife; he just "lost it". The second was that Ramage had the excuse of provocation: Julie's behaviour had triggered his loss of control. Julie Ramage's relationship with her most recent lover, Laurence Webb, whom she had met a few weeks after she separated from her husband, was used as part of the argument that her behaviour had provoked Ramage to kill her. It was argued at the trial that her actions at their final meeting caused James Ramage to lose control. The *Age* reported:

First Julie Ramage had provoked her husband by lying to let him down gently, and then she had provoked him by telling him the truth bluntly before he was ready to hear it.

As the *Age* journalist Karen Kissane observed:

The implications of this argument for any woman trying to leave a violent man seem grim. Even the fact that James Ramage was a domineering man who needed to control every aspect of his life—and that he was a businessman accustomed to ordering people around, a habit he acknowledged he had wrongly brought into his home—was used in his defence: it is this that allegedly reduced his "mental ability to stand these sorts of shocks". [His lawyer argued] "He was in a worse position than somebody who might be easygoing."

James Ramage was acquitted of murder but convicted of manslaughter, having successfully argued that he was provoked. The *Age* reported that:

The Victorian Law Reform Commission, on who kills whom and why, is right: women rarely kill a partner in a jealous rage or separation assault. In Australia, one in five killings is between intimate partners (an average of 77 a year). In about three-quarters of those cases, men have killed women, and 70 per cent of those men killed for reasons of jealousy and control. But in husband killings, the motive was very different: 70 per cent of the women had suffered violence at the hands of the man they killed.

As a result of the tireless work of Jane Ashton and others, the partial defence of provocation was removed from the Victorian statute books. In Victoria, no longer can a killer such as James Ramage hide behind the excuse of loss of control. But, in New South Wales he still can.

PARLIAMENTARY SUPERANNUATION SCHEME

The Hon. AMANDA FAZIO [10.56 p.m.]: Today I gave notice that I intend to introduce a private member's bill to amend the parliamentary superannuation legislation. The bill will provide for a two-month salary payment under the new parliamentary superannuation scheme on the death of a sitting member of Parliament. My reason for putting this bill forward is simple: parliamentary superannuation entitlements were changed to reflect the community standard. But the one thing that was overlooked was that other workers in the community accrue entitlements such as annual leave and long service leave. Members of Parliament do not accrue those entitlements.

Recently a member of this House passed away. He had come into the Parliament under the new parliamentary superannuation scheme—his family was left with no payment at all, while they had to rearrange their lives and find a source of income. I think that is inappropriate, and that is why I will introduce such a bill. I will be discussing this with the Government and the crossbenchers. I hope that this modest change can be introduced so that there is some consistency in the way in which superannuation schemes operate in terms of the death benefit.

[Time for debate expired.]

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

Motion agreed to.

The House adjourned at 10.58 p.m. until Thursday 31 May 2012 at 9.30 a.m.
