



New South Wales

Legislative Council

PARLIAMENTARY DEBATES (HANSARD)

**Fifty-Sixth Parliament
First Session**

Wednesday, 22 June 2016

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LEGISLATIVE COUNCIL

Wednesday, 22 June 2016

The PRESIDENT (The Hon. Donald Thomas Harwin) took the chair at 11:00.

The PRESIDENT read the prayers.

Rulings

MEMBERS WEARING OF BADGES

The Hon. Dr Peter Phelps: Point of order: Mr President, pursuant to the rulings of former President Burgmann in 1999, 2001, 2004 and 2005 that members may not wear in the Chamber badges that are larger than the Legislative Council badge, I draw your attention to the Hon. Walt Secord's lapel. I ask that you direct him to remove his badge, which is in violation of rulings from Labor's own President.

The Hon. Walt Secord: To the point of order: I will remove the badge.

The PRESIDENT: The matter has been resolved.

Bills

LOCAL GOVERNMENT AND ELECTIONS LEGISLATION AMENDMENT (INTEGRITY) BILL 2016

First Reading

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

The Hon. DUNCAN GAY: According to sessional order, I declare the bill to be an urgent bill.

The PRESIDENT: The question is that the bill be considered an urgent bill.

Declaration of urgency agreed to.

The Hon. DUNCAN GAY: I move:

That the second reading of the bill stand an order of the day for a later hour.

Motion agreed to.

Committees

PRIVILEGES COMMITTEE

STANDING COMMITTEE ON PARLIAMENTARY PRIVILEGE AND ETHICS

Reports

The PRESIDENT (11:05): I inform the House that, together with Madam Speaker, I have received correspondence from the Premier concerning the 2014 reports of the Legislative Council and Legislative Assembly Privileges Committees. The Premier has advised that the Government agrees broadly with the directions for reform contained in the reports and considers that the new arrangements proposed in those reports should apply consistently to members of both Houses of Parliament. He notes that the recommendations in the reports differ in some respects and requests that the Houses work together to provide a single set of recommendations. He further indicates that the Government is open to considering other reforms that may assist in improving the integrity, transparency or operations of the Parliament. Madam Speaker and I responded in writing yesterday advising that we will be pleased to assist in relation to this matter and outlining our proposed approach. I now table the following:

- (a) Correspondence from the Premier to the Presiding Officers dated 1 June 2016
- (b) Correspondence from the Presiding Officers replying to the Premier, dated 21 June 2016

Correspondence tabled.

*Motions***ROYAL AIR FORCE BOMBER COMMAND****The Hon. GREG DONNELLY (11:08):** I move:

- (1) That this House notes that:
 - (a) the Royal Air Force's Bomber Command played an integral role in assisting Allied Forces secure victory in World War II;
 - (b) a total of 387,416 sorties were flown by Bomber Command;
 - (c) a total of 8,953 aircraft were lost;
 - (d) 55,573 young men of Bomber Command made the ultimate sacrifice; and
 - (e) of the Australians who served in Bomber Command, 3,486 died on operations and several hundred more were killed in training accidents and other mishaps.
- (2) That this House notes that:
 - (a) a Bomber Command Commemorative Day service was conducted at the Cenotaph, Martin Place, on Sunday 5 June 2016;
 - (b) special guests who attended the commemorative day service included:
 - (i) His Excellency General the Hon. David Hurley, AC, DSC [Rtd], Governor of New South Wales, on behalf of the people of New South Wales;
 - (ii) Mr Daryl Maguire, MP, Parliamentary Secretary for Veterans Affairs representing the Premier, the Hon. Mike Baird, MP, and the Minister for Veterans Affairs, the Hon. David Elliot, MP;
 - (iii) the Hon. Greg Donnelly, MLC, representing the Leader of the Opposition, the Hon. Luke Foley, MP;
 - (iv) Wing Commander Brett Risstrom, representing Air Vice-Marshal Gavin Turnbull, AM, Air Commander Australia;
 - (v) Mr Ron Glew, President of the RAAF Association, NSW Division;
 - (vi) Ms Karen Philpot on behalf of the Department of Veterans' Affairs, representing the Deputy Commissioner ACT/NSW, Ms Jennifer Collins;
 - (vii) Dr Rod Bain, OAM, State Councillor Metropolitan RSL, representing the RSL President of Australia, NSW Branch, Mr Rod White, AM, RFDNSW;
 - (viii) Squadron Leader Mr Eric Easterbrook, President of Legacy;
 - (ix) Mrs Meg Green, President of the War Widows' Guild of Australia NSW;
 - (x) Dr Ron Houghton, DFC, Ld'H President, Bomber Command Association in Australia Inc.;
 - (xi) Mr Don Browning Ld'H President 463/467 Squadron Association;
 - (xii) Ms Janenne Moffat and Mrs Joy Moffat, on behalf of the 460 Veteran and Friends Group, in memory of all those who served on 460 Squadron and in Bomber Command;
 - (xiii) Mrs Sue Dobson, in memory of Flight Sergeant Gerald Basil Thomas, Navigator 35 Squadron;
 - (xiv) Ms Stacey Leaver, in memory of Warrant Officer Alan E. Hill, Crew 68 of 462 Squadron and all those who served on 466/462 Squadrons;
 - (xv) Mr John Horsburgh, on behalf of the Horsburgh family and in memory of Flight Sergeant Albert Ernest Arter, Sergeant Edwin George Cooper, Sergeant John Joseph Butlet KIA, shot down on 24 August 1943;
 - (xvi) Mr Bob Creelman, in memory of the crew of Lancaster P for Peter shot down on 24 March 1945;
 - (c) the prayer and benediction were recited by Reverend Geoffrey R. Usher, State Secretary RAAF Association, NSW Division;
 - (d) the reflection was given by Mr Eric Barton, DFC, LdH; and
 - (e) music was provided by the Knox Grammar School Pipe Band.
- (3) That this House expresses its thanks and appreciation to Bomber Command Association in Australia Inc. for all the work it does in organising annually this most important commemorative event—may it continue to do so.
- (4) Lest we forget.

Motion agreed to.**AUSTRALIAN WOMEN IN SUPPORT OF WOMEN IN NAURU****Dr MEHREEN FARUQI (11:09):** I move:

- (1) That this House notes that:
 - (a) on Tuesday 7 June 2016, Australian Women in Support of Women in Nauru launched their report entitled "Protection Denied, Abuse Condoned: Women on Nauru at Risk Report" at Parliament House;
 - (b) the report details a significant number of rapes, sexual assaults, bashings and other degrading acts perpetrated against women sent to the island by successive Australian governments; and
 - (c) the authors of the report are Wendy Bacon, Pamela Curr, Carmen Lawrence, Julie Macken and Claire O'Connor.
- (2) That this House repudiates all acts of physical and sexual violence against women and calls on the Australian Government to take immediate action to prevent such acts in the future.
- (3) That this House calls on the Australian Government to ensure all cases in the report are fully investigated.

Motion agreed to.

MARINE IMPACTS OF CLIMATE CHANGE

Ms JAN BARHAM (11:10): I move:

- (1) That this House notes that a report by the Climate Council released on 6 May 2016 entitled "Australia's Coral Reefs Under Threat From Climate Change" notes that:
 - (a) the longest global coral bleaching event on record is underway due to record-breaking temperatures driven by global warming and El Niño, with extreme ocean temperatures causing major bleaching of an estimated 36 per cent of the world's coral reefs and with severe bleaching affecting Australia's iconic reefs, particularly the northern Great Barrier Reef;
 - (b) coral reefs are among the most biologically diverse ecosystems on earth, with about 500 million people worldwide relying on reefs for their food and livelihoods, but that they are under threat and their recovery from severe bleaching may be impossible without action on climate change; and
 - (c) the future of coral reefs around the world depends on how much and how fast we reduce greenhouse gas emissions, with Australia having a key role to play in protecting the Great Barrier Reef and other coral reefs by rapidly implementing renewable energy and leaving most of the known fossil fuel reserves in the ground.
- (2) That this House notes that:
 - (a) research by Matthew C. Long, Curtis Deutsch and Taka Ito published in the February 2016 issue of the journal "Global Biogeochemical Cycles" projects that reduction in dissolved oxygen caused by warmer temperatures is likely to be detectable across all of the world's oceans between 2030 and 2040 if greenhouse gas emissions are not reduced; and
 - (b) in a report by Chris Mooney in the *Washington Post* on 28 April 2016, the research's lead author Matthew C. Long from the National Center for Atmospheric Research warned that "metabolic rate processes increase as a function of temperature, so as warming increases, organisms actually require more oxygen to function, and as oxygen declines, basically what it will cause is a contraction of viable habitat for a host of organisms."
- (3) That this House acknowledges that:
 - (a) rising ocean temperatures caused by global warming, along with impacts of warming that include ocean acidification and deoxygenation, pose a significant risk to the future health of oceans and marine organisms; and
 - (b) urgent action to reduce global greenhouse gas emissions is crucial to protect the marine environment and the lives and livelihoods of those who depend on it.

Motion agreed to.

CLIMATE CHANGE RISK

Ms JAN BARHAM (11:10): I move:

- (1) That this House notes that:
 - (a) a report released by the World Bank's Global Facility for Disaster Reduction and Recovery on 16 May 2016 entitled "The Making of a Riskier Future: How Our Decisions are Shaping the Future of Disaster Risk" warns that:
 - (i) increases in disaster hazard are being driven by climate change, which "raises sea levels, changes the intensity of the strongest storms and the frequency with which they occur, increases extreme temperatures, and alters patterns of precipitation";
 - (ii) the combination of climate change, population growth and expansion of urban land use are expected to result in the global population exposed to risk of coastal and river flooding rising from 992 million in 2010 to a projected 1.3 billion by 2050, and the corresponding assets at risk increasing from US\$46 trillion in 2010 to US\$158 trillion in 2050;
 - (iii) today's decision-makers have control over the drivers of future risk and policy makers can improve resilience through action to mitigate climate change, manage urban planning and construction practices and implement robust and flexible adaptation plans;

- (b) a report released by the United Nations Environment Programme on 10 May 2016 entitled "Adaptation Finance Gap Report" estimates that the cost of adapting to climate change in developing countries will rise to between \$280 billion and \$500 billion per year by 2050, a figure that is four to five times greater than previous estimates; and
 - (c) a report released by Oxfam on 16 May 2016 entitled "Unfinished Business: How to close the post-Paris adaptation finance gap" notes that the Paris Climate Agreement did not include quantitative goals for funding climate change adaptation, reports that only 16 per cent of international climate finance is currently directed toward adaptation and recommends that this figure should be increased to 35 per cent by 2020 and 50 per cent by 2025, using grants and other forms of financing that will not burden developing countries with heavy repayments.
- (2) That this House acknowledges that, particularly in light of the impact of recent weather events affecting the New South Wales coastline, reducing the loss of lives and livelihood associated with climate change requires not only action to mitigate global warming by reducing greenhouse gas emissions but urgent, dedicated and targeted support for climate change adaptation, particularly for those who are most vulnerable to its impacts.

Motion agreed to.

Committees

GENERAL PURPOSE STANDING COMMITTEE NO. 5

Reference

The Hon. ROBERT BROWN: I inform the House that in accordance with paragraph 2 of the resolution of the House relating to the establishment of committees, General Purpose Standing Committee No. 5 resolved on 22 June 2016 to adopt the following reference:

That General Purpose Standing Committee No. 5 inquire into and report on aspects of evidence given by the Office of Environment and Heritage to the committee's inquiry into the Wambelong fire.

Business of the House

POSTPONEMENT OF BUSINESS

The Hon. ADAM SEARLE: I move:

That Business of the House Notice of Motion No. 1 be postponed until the next sitting day.

Motion agreed to.

Visitors

VISITORS

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): I am pleased to welcome Her Excellency Drnovšek-Zorko, Ambassador of the Republic of Slovenia, visiting Parliament House today for the Slovenia National Day Reception. She is very welcome. God bless Slovenia.

Bills

LOCAL GOVERNMENT AND ELECTIONS LEGISLATION AMENDMENT (INTEGRITY) BILL 2016

Second Reading

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (11:29): On behalf of the Hon. Duncan Gay: I move:

That this bill be now read a second time.

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

Leave granted.

I am pleased to introduce the Local Government and Elections Legislation Amendment (Integrity) Bill 2016. It is imperative that communities in New South Wales have confidence in the councillors they elect to represent them and the decisions they make on their behalf. Local councillors, through the decisions they make on behalf of local communities, exert significant influence on the day-to-day lives of the people of New South Wales. Among other things, they determine the local services provided to individual households, decide important changes to the built environment that define our towns and suburbs, and shape the cohesiveness and wellbeing of local communities.

New South Wales is extremely fortunate that the vast majority of New South Wales local councillors are exemplary citizens, determined to make a positive difference in their local communities. They are passionate, informed and dedicated people unswerving in their commitment to advancing the economic, social and environmental wellbeing of their communities. We want to make sure we keep it this way.

This Government has an undeniably proud and strong record of legislating robust ethical standards for local government that are underpinned by effective regulation and oversight to ensure such outcomes. For example, in 2012 the Government legislated reforms to the framework governing the ethical standards applying to individual council officials and the disciplinary regime for breaches of those standards by councillors. In 2013, the Government sought to address dysfunction and poor performance by councils by enacting an early intervention framework to allow a more rapid response to poorly performing councils and to drive improvement. This included new performance improvement orders to improve underperforming councils and the ability to suspend a council for up to six months if necessary.

Last year, we introduced further reforms targeting councillor misconduct and poor performance, which sought to deter and more effectively address councillor misconduct; streamline the process for dealing with councillor misconduct to ensure faster but fair outcomes; limit the ability of councillors to participate in strategic land use planning decisions in which they and related persons have pecuniary interests; ensure a more effective response to serious corrupt conduct; maximise the effectiveness of performance improvement orders; and more effectively address council maladministration and its consequences.

The people of New South Wales can be assured that, in line with our commitment to ensuring effective and honest local government, we will not stop there. The measures contained in this bill are proposed in response to the community concern at recent events at Auburn, Hurstville and other councils and at the actions of the very small minority of elected officials who have allegedly misused their civic office to advance their personal business interests. They will form part of a broader package of measures that are designed to restore community confidence in local councils and to provide an ongoing assurance in the integrity of councils and the decisions they make.

First, the bill seeks to reduce the corruption risks associated with large political donations by extending the caps on donations that apply at the State level to local government elections. If legislated, this will see caps of \$5,800 per annum for registered parties and groups, and \$2,500 per annum for candidates, elected members and third-party campaigners, placed on political donations for local government elections. The bill prohibits the making and acceptance of political donations that exceed these caps for the purposes of local government election campaigns.

The caps on political donations for local government elections will mirror the existing caps on donations that apply at the State level. The local government caps are intended to operate independently of the State caps, recognising that some political parties and third-party campaigners only operate at either the local or State level, whereas others contest elections at both levels. The bill introduces new requirements for local government campaign accounts to support the practical operation of the local government donations caps and to ensure that they do not affect the funds available to parties for the purposes of Commonwealth election campaigns.

It is proposed that certain types of donations will be aggregated for the purposes of the cap in the same way that occurs at the State level. For example, donations to the same political party, group, councillor, candidate or third-party campaigner within the same financial year are to be aggregated for the purposes of the cap; and donations made to councillors of the same party, groups of the same party, and candidates of the same party during the same financial year will be aggregated for the purposes of the caps. This is intended to prevent donors from avoiding the cap that applies to parties by splitting a large donation between its endorsed candidates, groups or elected members. Consistent with the rules that apply at the State level, a candidate's contribution to finance his or her own election campaign is not a political donation and is not subject to the applicable cap on donations to the candidate.

I note that the Government intends to pursue local government expenditure caps as part of a broader review of the State's election funding legislation. The Government has committed to undertake that review as soon as the Joint Standing Committee on Electoral Matters reports on its review of the Schott report on political donations.

In support of the proposal to extend donations caps to local government elections and to deter noncompliance with the Election Funding, Expenditure and Disclosures Act 1981, it is proposed to disqualify persons from holding office in a council for two years who have been convicted of an offence by a court under that Act. This means that persons will not be able to stand as a candidate for election for two years after they have been convicted. Where they already hold office in a council, their office will become vacant. The same disqualification period currently applies to persons who have been convicted of electoral offences under the Local Government (General) Regulation 2005.

Second, to ensure that candidates for election to a council are fit and proper persons to hold office in the council, it is proposed that persons who have been convicted of an offence in any Australian jurisdiction carrying a sentence of five years or more imprisonment will be disqualified from holding office in a New South Wales council for seven years after being convicted of the offence. This will complement the existing disqualification on persons holding office in councils while serving custodial sentences.

Third, it is proposed to repeal section 448 (g) of the Local Government Act 1993. This provision operates to exempt council officials from the obligation to disclose a pecuniary interest in a proposal relating to the making, amending, altering or repeal of an environmental planning instrument that does not affect the permissible uses of land the council official or related person has a proprietary interest in and land adjoining, adjacent to or in proximity to that land.

It was on the basis of this provision that the Supreme Court overturned a finding by the NSW Civil and Administrative Tribunal [NCAT] that Councillor Salim Mehajer of Auburn City Council had breached his obligations under the Local Government Act to disclose a pecuniary interest he had in amendments to floor space ratios and height limits under the Auburn Local Environmental Plan 2010 and to remove himself from consideration of the matter. An independent valuation found that Councillor Mehajer obtained a benefit worth \$1 million as a result of the changes that he failed to disclose. The Supreme Court found that because the changes did not amount to a change in permissible use under section 448 (g), Councillor Mehajer was not obliged to disclose the benefit he stood to gain from them. While legally correct, this outcome jars with community values. The exemption contained in section 448 (g) serves no ongoing identifiable public policy purpose and should be repealed.

Fourth, the bill seeks to establish a more effective deterrent to those who seek to personally profit from the office they hold in a council. There are existing significant penalties under the Local Government Act for a failure by a councillor to disclose pecuniary interests in matters under consideration by a council and to remove themselves from consideration of the matter. Penalties available to the NCAT for pecuniary interest breaches by councillors include suspension from office for up to six months, suspension of payment of the councillor's fee for up to six months and disqualification for up to five years.

However, these are an ineffective deterrent in circumstances where a councillor stands to make a significant financial windfall as a result of the breach. To provide this deterrent, it is proposed to allow the Chief Executive of the Office of Local Government to

apply to the Supreme Court for an order that a councillor who has been found to have participated in the consideration of a matter in which they had a pecuniary interest in breach of their obligations under the Local Government Act pay to the council an amount equivalent to the financial benefit they received as a result of the council's decision in relation to the matter in question or that the council hold a security with respect to any such amount.

As I mentioned earlier, this bill forms part of a broader package of measures designed to provide local communities greater confidence in the integrity of their local councils and the decisions they make. In addition to the measures contained in this bill, amendments have been made to the Local Government (General) Regulation 2005 to provide greater visibility by the community of candidates and elected councillors with interests in property development.

They do this by requiring candidates and elected councillors to disclose if they benefit from income derived from property development by declaring if they are a property developer or a close associate of one in each of the following: candidate information sheets submitted under section 308 of the Local Government Act, which are published online prior to an election; and statistical information sheets submitted under clause 289 of the Regulation, which are kept by general managers and are available to the Office of Local Government).

It is also proposed to implement additional reforms, either through changes to the Model Code of Conduct for Local Councils in NSW—which is prescribed by regulation—or by later amendments to planning rules. These will include the introduction of continuous disclosure obligations on councillors and senior officials in relation to their pecuniary interests—as opposed to annual returns. It is also proposed to require councils to delegate the determination of "planning applications" made by councillors, the general manager, their spouse or a relative or in which they have a financial interest to a person, body or organisation independent of the council.

To minimise any undue cost or inconvenience to the council and the applicant in determining what should otherwise be a routine development application, this requirement will not apply to development applications relating to the principal place of residence of a councillor, the general manager, their spouse or relative. To allow councils to identify planning applications made by councillors, the general manager, their spouse or a relative, or in which they have a financial interest, applicants will be required to disclose whether they, or another person who has a financial interest in the application, are a councillor or the general manager of the council or their spouse or relative. It will be an offence to knowingly fail to disclose this information.

The proposals contained in this bill and the additional measures I have foreshadowed will help to restore public confidence in the integrity of local government elections and planning decisions made by local councils. Importantly, they do this in a way that is more effectively targeted at the risks they seek to address without needlessly infringing constitutional limits on laws that burden participation in the political process. I commend the bill to the House.

The Hon. PETER PRIMROSE (11:29): Along with other members of the Opposition, I saw the Local Government and Elections Legislation Amendment (Integrity) Bill only after it had been introduced in the Legislative Assembly yesterday afternoon. The Government then used its numbers in the Legislative Assembly to ram the bill through all stages within a few hours, on budget day. Members of the Opposition had no opportunity to read the bill properly, let alone consult with stakeholders and ensure that the views of those in their electorates were fully represented in the debate.

What else would we expect from a Premier who sacks councils using a secret KPMG report that he then refuses to release, who forcibly merges councils against the wishes of their local residents, and who then puts in his hand-picked administrators to run the merged councils until September 2017 because he refuses to allow them to hold elections? Local democracy has been removed from millions of New South Wales residents. The Baird Government has trashed its own reputation when it comes to transparency and integrity in local government.

Let us look a little deeper. One of the best bulwarks we have to ensure integrity in local government is the Independent Commission Against Corruption [ICAC]. I am talking not only about the ICAC's investigative role but also about its role in educating councils and councillors in corruption prevention. The same Premier who is behind this bill slashed ICAC's funding in yesterday's budget. ICAC's recurrent budget has been slashed from \$24.4 million last year to \$23.6 million this year. Full-time equivalent staff numbers are forecast to drop from 119 to 109.

Mr Scot MacDonald: Point of order: I appreciate that wide latitude is given in debate but this bill is about local government. This is not the time for a speech on the budget.

The Hon. PETER PRIMROSE: To the point of order: The long title of the bill specifically relates to integrity in local government. Surely there is nothing more important than to be able to talk about all the measures associated with integrity and the fact that they have been reduced by this Government. I am simply addressing issues relating to the title of the bill, which includes the word "integrity".

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): Order! I accept the relationship of the integrity issue to ICAC; it is one of the commission's main roles. There is no point of order.

The Hon. PETER PRIMROSE: As I mentioned, the Premier, who is behind this bill, is also responsible for slashing staff in ICAC—one of the most important institutions that maintains integrity in local government. As the budget papers show, the number of full-time equivalent staff in the Independent Commission Against Corruption is proposed to be reduced from 119 to 109. According to the Government's own budget papers, corruption prevention presentations will drop from 160 to 100. The average time to deal with complaints is

forecast by the Government to rise from 30 days to 42 days this financial year. So much for promoting integrity measures.

It is worth pointing out that the Joint Standing Committee on Electoral Matters, on which the Government has a majority, only deliberated on matters directly relevant to this bill at 8.45 a.m.—the day after the bill was presented and passed in the Legislative Assembly. Obviously I cannot reveal the details of those deliberations but I understand from the chair of the committee that they will not be presented until after question time in the other place tomorrow. With the exception of the members of the committee, no members would have seen the standing committee's draft report. What a chaotic way to run Government business. There has been total disregard for process and total disregard for transparency.

This bill has four objects. First, it seeks to impose caps on political donations but not on expenditure in respect of local government elections. This is an interesting policy position for the Government to take. We welcome caps on political donations, something for which we have been calling for a long time, but this is only a half measure. There is more to do to ensure real integrity in local government. The Joint Standing Committee on Electoral Matters was given the task of reviewing the 2012 local government elections. The Liberal Party of Australia (NSW Division) made a public submission to that inquiry. I have a copy of that submission from the Liberal Party, dated 29 April 2013, in which it states:

Our position is that separate expenditure caps should apply with respect to local government and State government campaigns. We have previously expressed this view to other joint standing committees.

I say again that the official position of the Liberal Party in New South Wales "is that separate expenditure caps should apply with respect to local government and State government campaigns". One might say that this was the position of the Liberal Party three years ago. After all, back then the Liberal Party also was promising to fully implement Gonski and not to cut funding to health or community services. We all know how much these core policies were worth. Maybe saying that they supported expenditure caps back in 2013 was like Malcolm Turnbull today promising that he will never privatise Medicare. In order to clarify this, let us look at what Premier Baird promised in the Legislative Assembly only last month. On 31 May this year—only three weeks ago—the Leader of the Opposition asked the Premier the following question:

Will the Government legislate prior to the winter recess to introduce caps on political donations and spending so that they will be in place for council elections that will take place this year?

I emphasise the words "so that they will be in place for council elections that will take place this year"—on 10 September. That was the question. The Premier did not hesitate; he was out like a shot. He knew his brief and he knew the right thing to do. He shot straight back with a one-word answer: Yes. Let me repeat what the Premier promised. Three weeks ago the Premier—the Minister responsible for the New South Wales Electoral Commission—gave a firm and clear undertaking to the department that there would be caps on donations and spending before the election to be held in September this year. His answer was a very clear yes. That is what he told the Legislative Assembly. The hapless Minister for Local Government has been left to carry the can with this bill.

The Hon. John Ajaka: Point of order: The member knows better than to make imputations against another member, in particular a member from the other House. Using the word "hapless" is clearly making an imputation against the Minister.

The Hon. Shaoquett Moselmane: To the point of order: There is no ruling that states that the word "hapless" is against the standing orders of this House.

The Hon. PETER PRIMROSE: To the point of order: If it is of concern to the Government that I, like many other people, express sympathy for the Minister for Local Government, I am content to withdraw the word "hapless".

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): Order! The Hon. Peter Primrose may continue.

The Hon. PETER PRIMROSE: The poor Minister for Local Government, in relation to this bill, has been left to carry the can. Yesterday in the other place he was asked why the Premier's firm undertaking—that expenditure caps would be introduced—was now being abandoned by the Government. The response by the Minister for Local Government was simple, "Oh well, it's all too hard. We would need to do a lot of administrative effort to get it to work. It could be difficult. The dog ate my homework." What will that lack of effort and commitment to get it right mean for integrity in local government? In the 2012 local council elections in Port Stephens, the mayor, Bruce MacKenzie, helped to pay for the election campaign of independent councillors.

The Hon. John Ajaka: Point of order: It is very difficult to hear the Hon. Peter Primrose because of the continuing interjection by both Opposition and Government members. Mr Assistant President, I ask you to direct members on both sides of the House to allow the Hon. Peter Primrose to make his speech without interjections.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): Order! This is an important issue. We want to hear the member make his presentation. I ask members to reduce interruptions to his speech.

The Hon. PETER PRIMROSE: I am grateful for the Minister's intervention. So that he can appreciate what I am saying, I point out that I was referring to the poor Minister for Local Government, who, in relation to this bill, has been left to carry the can. Yesterday when the Minister for Local Government was asked whether expenditure caps would be introduced by the Government, the Minister had a simple answer, which I paraphrase, "Oh well, it's all too hard. We would need to do a lot of administrative effort to get it to work. It could be difficult. The dog ate my homework", as well as a few other excuses—despite the earlier firm commitment given by the Premier. What will that lack of effort and commitment to getting it right mean for integrity in local government? For example, in the 2012 local council elections in Port Stephens, Bruce MacKenzie, who later became Mayor of Port Stephens, helped to pay for the election campaigns of a number of independent councillors. He spent \$51,000 of his own money on what he described as a "good investment". It is worth quoting him. He stated:

If I thought I had to spend 60 or 70 [thousand dollars] to win I would have spent it, money doesn't come into it.

Then there was Mr Jeff McCloy, who described himself as a "walking ATM" when he appeared before the Independent Commission Against Corruption—the same commission for which this Government has reduced funding. Mr McCloy spent \$144,035 on his way to winning the position of Lord Mayor of Newcastle. His spending included more than \$60,000 on television advertising for himself and his team and about \$15,000 on hiring the services of JMH Consultants—which is owned by Port Stephens councillor Joshua Hodges—for "campaign strategy and coordination". Once Mr McCloy had bought himself the position of Lord Mayor of Newcastle, he tried to appoint the very same Joshua Hodges to be his chief of staff. That is the racket that this Government is prepared to allow to remain in New South Wales.

Also in 2012 virtually every Liberal candidate for local government declared a nil return on expenditure. It was all aggregated in one return from the Liberal Party. No-one could find out what Liberal Party candidates paid in an election campaign for a particular local council because it was all wrapped up in one declaration made by the Liberal Party and candidates declared a nil return. But we do know that the Liberal candidate for the position of mayor of the city of Liverpool disclosed \$94,804.59 of self-funded expenditure in the process of assisting his own election campaign and the Liberal candidates' campaign for both of the two wards in the Liverpool City Council area.

There is little point in having donations caps if they are not accompanied by spending caps. I have cited a couple of instances, as infamous as they are, to illustrate why that is the case. That is why at the State level donation caps and spending at State elections go hand in hand. With this bill, the Government has done only half its job. It will allow candidates to spend whatever they want on their local government campaigns. Think of the prizes that are on offer. Some of the forcibly merged councils will serve a population the size of Tasmania's. Does the Government not think it is a lucrative incentive for somebody who wants to influence land-use planning decisions in that local government area to be elected? When the Government has forcibly merged dozens of local councils and creates new super councils but provides no protections of probity by the imposition of spending limits, it is open season.

Someone who wants to take over one of the big new councils and who wants the prize can spend whatever they like under this legislation. There can be no more flagrant breach of the commitment made by the Premier only three weeks ago than the bill before the House. It makes a mockery of his stated commitment to clean up local government. It ensures that predatory influences will continue to spend whatever it takes to capture local government for their own self-interest rather than for community interest. The Premier now has been left with egg on his face and the Minister has simply added another feather—a white one—and surrendered. Wealthy developers will continue to be able to pour tens of thousands of dollars of their own money into their own election campaigns to win a spot on a local council and, more likely, the mayoralship. Most see it as an investment rather than a cost. That is not the outcome that the people of this State expect from the bill that is claimed to promote integrity in local government.

Let us stamp out this poison now. The Opposition will move an amendment to include expenditure caps to make it clear that in the election that will take place in September this year the bill will allow the Government to bring in expenditure caps by regulation. The Opposition is not dictating what the details of that should be. The Opposition is saying to the Government, "This bill will allow the Government to do that. Do it in time. Get it fixed. Do what the Premier already has undertaken to do." The Premier did not say, "Oh well, it's complicated. We know that it is difficult, but we are going to wait probably until sometime next year, after the next lot of

council elections, and then we will bring it in." In response to the question, "Will you bring in expenditure caps in time for the September elections this year?", the Premier unequivocally stated, "Yes, we will do it." That is why the Opposition will move an amendment. The purpose of the amendment is, "Go and do it. Bring it in. That is what the people want." We do not want the same type of poison in our local government system as occurred in 2012.

The other three objects of the bill concern disqualifications relating to unlawful political donations, to repeal an exemption from a requirement to disclose pecuniary interest in relation to certain planning matters, and to enable the chief executive of the Office of Local Government to seek an order from the courts to recover any monetary benefit a councillor may have received from failing to meet the disclosure obligations. The Opposition has no objection to any of those. However, during the Minister's second reading speech he had the gall to praise reforms implemented by the Government to ensure integrity in the operation of local councils.

I refer members to the *Hansard* record of the debate in early 2012 on the Local Government Amendment Bill. During that debate the Opposition warned the Government that that legislation would give a green light to corruption in local councils. That was the Government's first year in office. The Liberals and The Nationals waited 16 years to get back into Government and in their earliest days in office introduced a bill to legalise corruption in local government. Given a series of scandals around the State and the spotlight on those scandals, the Government has been shamed into reversing that amending legislation that it introduced to Parliament in its first year in office.

The Government should not expect a round of applause now for undoing what it did back in 2012. It was warned, but it took no heed of that warning and the corruption took place. The Government should not expect a pat on the back for undoing the very poisonous legislation that it introduced. The Labor Party warned the Government that this disgraceful piece of legislation that brought so much corruption into local government should never have been allowed. Finally this Parliament is acting to reverse that deplorable change. The pity is that the measures have been in place now for almost four years. Low-rent characters on local councils have profited from the changes that this Government brought in. The Government should not expect any credit for belatedly, four years too late, doing the decent thing and repealing the undemocratic and corrupt changes that it introduced in 2012. The Opposition will not give the Government credit for that because it does not deserve it—it deserves condemnation.

What is missing in this legislation is an amendment that would remove the elephant in the room. A simple amendment would fix it, an amendment that would disqualify from holding civic office any person who is a real estate agent or is the close associate of a property developer. When someone is running a property development business or real estate business, the conflicts of interest are just too great to overcome. That is why New South Wales Labor took the decision in 2013 to ban property developers from standing for preselection at the local, State or Federal government level within its party. Real estate agents conduct legitimate businesses, as do property developers. We need development, and we have no problem with individuals who undertake those legitimate businesses. But they should not make development applications and think that they can then sit in judgement on them. There is just too much conflict of interest in that situation. Common sense says that we need to sever that link once and for all. How many more local government scandals do there need to be before we as a Parliament decide that a person can be either a property developer or a local councillor but not both?

The real integrity reforms we need are clear and well understood. There should be no more property developers on local councils and there should be caps on spending as well as donations. That is an agenda for integrity in local government to which the Baird Government refuses to sign up. We know that in 2012 the Liberal Party and conservative independents took control of a number of councils through sheer weight of expenditure. The same trick is being organised for the local government elections to be held this September and in September 2017 in the forcibly merged councils. Premier Baird and the Leader of the Opposition, Luke Foley, can run for the office of Premier of New South Wales and are subject to strict limits on how much they can spend. But a person can run for a ward of a local council or for the mayoralty with no limits on spending. That is a crazy policy setting by this Government.

Labor will not oppose this legislation because at the very least it introduces a cap on donations and reverses that deplorable change that the Government made in 2012 to facilitate legalised corruption in local government. But importantly, we will move amendments that will deliver integrity in all future local government elections. By "future local government elections", we mean that we will make it clear, as the Premier did on 31 May, that we are talking as from the election in September this year. First, we will move for the introduction of spending limits to accompany the limits on donations. Secondly, we will move to break once and for all the conflict of interest between being a property developer and sitting in judgement on planning matters on a council by saying, "No more; the game is over. You can be one but you cannot be both."

This bill could have been so much better if only the Premier had kept his promise to the Parliament, which he made just three weeks ago. Hoisting the white flag because some administrative effort will be required

to get it right is just not good enough. Doing the right thing and doing it properly is hard work. It will be complex and it will take some innovation as well as some elbow grease. But that is what it will take to bring back integrity and public trust to local government in New South Wales.

Mr DAVID SHOEBRIDGE (11:54): On behalf of The Greens I speak in debate on the Local Government and Elections Legislation Amendment (Integrity) Bill 2016. At the outset I make it clear that this tiny handful of partial measures being proposed by the Baird Government are not opposed. They are a pimple on a pumpkin when we compare them to the challenge before us of ensuring that there is any kind of integrity in the way that this Government is proposing to regulate the upcoming council elections or, indeed, in the way that this Government has ridden roughshod over local councils and local democracy in New South Wales. The Baird Government sacked council after council and imposed its hand-picked administrators to run these councils as little fiefdoms until September next year. Then the Government has the hide to introduce into this Parliament a piece of legislation entitled "Local Government and Elections Legislation Amendment (Integrity) Bill 2016", with the emphasis on the word "integrity". This would be laughable in any other political climate, but the Premier seems to have no shame whatsoever.

The Premier has sacked councils and imposed his hand-picked administrators—he plucked them out of the coal industry or plucked them out of the planning department and put them in charge of his newly created expanded fiefdoms, whether in the inner west of Sydney, on the mid-coast or in any of those regional and rural councils on which he imposed his will. He then pretended that this Government cares about the integrity of local government. The reforms of this Government under Premier Mike Baird are not a joke; they are a disgrace. This belated effort by the Premier to pretend that this Government cares at all about integrity is a joke, pure and simple.

What does the bill do? It introduces some caps on political donations relating to local government elections. Those caps at a local government level match the donations caps at a State level. It is almost as though the Government does not understand that many of the wards and areas that councillors will be running for in a local council election are much smaller than State electorates, but we will put that to one side. There will be a cap of \$5,800 per year for registered parties and groups and \$2,500 per year to donate to individual candidates or elected members or for third-party campaigners. Donations in excess of those caps are set to be prohibited. The Government, knowing that elections will start in September this year and having indicated a couple of months ago that some caps will be brought in, has decided in its limited wisdom that the caps will kick in from 1 July.

This legislation will pass through this Chamber and get the nod of the Governor, I assume. It will come into effect on 1 July and the council elections will happen in September. All the Liberal councillors who got bankrolled by the property industry in 2012 to run councils like the Hills shire, Hawkesbury and Parramatta are thinking, "Well, the caps are going to come in on 1 July." So they are going out with their caps in their hands—or more likely their buckets—to all their mates in property development and construction companies like Dyladam Australia and Grocon and saying, "Throw the money in now. We want the waterfall of cash from the property industry to come into the Liberal councillors' coffers now because from 1 July you are going to be capped." What a joke.

In fact, these bankrolled Liberal councillors and their mates who pretend to be independent or pretend to be members of The Nationals have been told before that the cap is going to come in at some point. They have already been knocking on the doors of their mates in the development industry to ensure that the donations are in the bank. Mike Baird has waited to ensure that the money has rolled in. He could have introduced the legislation months ago, but he did not. He has waited months for property developer donations to roll in to his proto-Liberal councillors who pretend to be independent but actually support his development agenda. The Premier now imposes a belated cap from 1 July. Prior to that they can spend whatever they like. The thousands of dollars that developers have thrown into the kitty can be spent on the September council elections because there are no expenditure caps within the bill.

This is not about integrity. It is about empty political posturing that will not protect the integrity of the upcoming September elections. It is an embarrassment that the Premier says it will. He is misleading the people of New South Wales when he says this will produce integrity in the upcoming council elections. The Minister for Local Government, Paul Toole, has no relevance. The bizarre farce of council amalgamations was not run out of Paul Toole's office—he is the living, breathing definition of "politically irrelevant". It was run out of Premier Baird's office. This legislation is pretending to do something about producing integrity in local council elections, but it will not. From 1 July onwards construction companies such as Dyladam will be limited to individual donations of \$2,500 or \$5,000, but they do not care. Between now and 1 July their chequebooks are open, electronic funds transfers are happening and the money is flowing to bankroll their chosen candidates. Does this Government think the people of New South Wales are mugs? I think it does. It treats them with contempt. This bill is a first grade piece of deceit.

What else needs to be done to produce integrity in council elections? The Government introduced the bill yesterday in the other place, rammed it through after a guillotine vote in the lower House and is forcing a vote today. The Greens have not had the capacity, despite the best endeavours of Parliamentary Counsel, to produce the detailed legislative amendments required to impose caps on expenditure. That is quite a drafting task. No doubt that is not a surprise to the Premier. Knowing full well that we could not come up with the drafting in 24 hours to put in place the expenditure caps, the Premier is ramming the bill through today. The structure of The Greens' proposed expenditure caps would not simply be a cut and paste of what happens at a State level. Different council wards and areas have different populations.

Anyone who has run for local council would know that one ward may have 10,000 or 5,000 residents, while another council will not be divided into wards and may have 100,000 residents. Following the mega mergers, they may have 300,000 residents. One cannot pick a single figure as a cut on expenditure for local council candidates. The cap must relate to the number of registered voters that one is seeking to persuade. The cap must be set at a level that allows campaigning but does not preclude local government from ordinary people. The cap must not be at a level that allows the money to be the primary influence in local council. The Greens believe that a reasonable figure would be in the order of \$1.50 per registered voter. If a council ward has 5,000 residents, the expenditure cap for a candidate in that ward would be \$7,500. If the council has 100,000 residents and a candidate is running across the whole council, they will need significantly more money.

There must be an upper cap. If a council has 300,000 residents, we do not believe that \$450,000 would be reasonable. There needs to be an upper cap of \$50,000 regardless of the number of residents. We do need to put in place a cap that is targeted at local council. The Greens propose a cap of \$1.50 per resident and put a ceiling on it regardless of the number of people in the local council area. We will see none of that in this bill. This bill puts a pretend cap on donations. It is a pretend cap because until 1 July the money will roll in. The bill does nothing about expenditure. If there is one thing we have learnt from the history of attempting to rein in the money politics at a State level, it is that unless we work at both levels—where the money comes in as donations and where the money goes out as expenditure—we cannot successfully attempt to reduce the influence of money in an election. It needs to operate at both levels. Perhaps one of the reasons that Premier Baird—I forget the local government Minister's name; some little bloke—

The Hon. John Ajaka: Point of order: It is an outrageous imputation against a Minister to refer to him in that manner. Mr David Shoebridge knows better. It is a deliberate action on his part. I ask the member to withdraw the statement and that he be brought back to the purview of the bill.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): Order! Mr David Shoebridge will withdraw his comment regarding the Minister. He will refer to the Minister in the appropriate manner.

Mr DAVID SHOEBRIDGE: I withdraw the lapse—the Minister for Local Government. One of the reasons the Premier and the Minister for Local Government do not want expenditure caps is that they mix with a bunch of well-off people who have a lot of money in their bank accounts. They want their mates, who have countless hundreds of thousands of dollars to spend, to be able to spend whatever they like on the local council elections. They want somebody to be able to buy their election.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): Order! Members will cease interjecting. They will have an opportunity to contribute to the debate.

Mr DAVID SHOEBRIDGE: They want the people they know, with cashed-up bank accounts, to be able to buy their own election. If a council area has a retired TAFE teacher with strong connections in the parents and citizens association and sporting clubs but very little in the bank, they want that retired TAFE teacher to be out-spent, out-bought and out-purchased by one of the retired property developers in the local Liberal Party, who can spend whatever they like without an expenditure cap. That is the way they want local council elections to operate. They want the people they know with money and wealth to buy their way into office on local councils. Nothing makes that plainer than putting a bill forward that has donation caps but no expenditure caps. It is one rule for the wealthy and another for everybody else.

When one travels around the State—to Guyra, Byron Bay, the inner west, Waverley, Gundagai, Cootamundra, Wagga Wagga, it does not matter where—and asks at a public meeting, "What is the one reform you would like to see instituted in local government: To sack the council and have a super-sized council? Take away the planning powers from the council and hand it to a bunch of hand-picked Liberal mates in the form of the Greater Sydney Commission? Or remove property developers and real estate agents from councils and ensure that they can never again run for council?", there is overwhelming support for legislative changes that once and for all prohibit property developers and real estate agents from being elected to council where they have an inevitable, ongoing, irreconcilable conflict of interest every time they vote on a planning or development matter.

They want legislation to ban property developers and real estate agents, and right-wing nut jobs—I withdraw that comment—from ever running for council again. That is why The Greens have circulated proposed amendments to achieve that. This bill pretends to be about integrity. There can be no better way to restore integrity at the local council level than to pass The Greens amendments and to prohibit property developers and real estate agents, who have brought shame on many local councils, from ever putting their hand up to run for office again. We need to pass the amendments to restore integrity to local council elections.

The rest of the changes in this bill are window-dressing compared with the two big issues. First, we should cap the amount of money that people can bankroll to buy their way onto local councils. There is no such cap in this bill. Of course, it should be in the bill so that we can restore integrity to the local council election process. Secondly, we must have the courage to stare down the property interests that have literally bought the Coalition Government and to pass legislation providing that from this day forward never again will we see people like Salim Mehajer being able to run for office.

The Government must have thought that all of its Christmases had come at once when Salim Mehajer was elected as an Auburn councillor. The Hon. Paul Toole and Premier Baird said that what property developer Salim Mehajer was doing was terrible. He was running rampant in Auburn, voting on motions that involved a conflict of interest and trying to feather his own nest. They said that it was outrageous. However, they will not do the key thing necessary to ensure that he cannot be re-elected. That is because they seem to be enjoying watching scandals at the local government level. They have been playing up for the media what is happening in Auburn. They know that they will never fix this situation because they do not want to fix it. They want the law to allow property developers and real estate agents to run for council. A little bit of low-lying scandal at the local government level helps the bigger political game that they are playing—to try to blow up every decent council in New South Wales.

The people of Cootamundra and Gundagai know that their councils are not dominated by the likes of Salim Mehajer. However, they want to ensure that no property developer can take charge of their council. Despite that, they are paying the cost of Salim Mehajer and the like, who are ruining the integrity of local councils. They never should have been elected in the first place because their development interests should have disqualified them from running for office. We should grow some backbone. We should not pretend to be about integrity; we should genuinely be about it. We should seize the challenge that the people of New South Wales have issued to this Parliament. We should cap donations and prevent property developers and real estate agents from running for election to local councils. We should not simply talk about integrity in local government, we should deliver it.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): I acknowledge in the gallery David Harris, the member for Wyong, who is accompanied by junior directors, the manager and the chair of the Bendigo Bank, Wyong.

The Hon. SOPHIE COTSIS (12:12): I will begin my contribution to debate on the Local Government and Elections Legislation Amendment (Integrity) Bill 2016 by quoting parts of the second reading speech given by the Minister for Local Government on this bill in the other place. He stated:

... it is proposed to repeal section 448 (g) of the Local Government Act 1993. This provision operates to exempt council officials from the obligation to disclose a pecuniary interest in a proposal relating to the making, amending, altering or repeal of an environmental planning instrument that does not affect the permissible uses of land the council official or related person has a proprietary interest in and land adjoining, adjacent to or in proximity to that land. It was on the basis of this provision that the Supreme Court overturned a finding by the NSW Civil and Administrative Tribunal [NCAT] that former Councillor Salim Mehajer of Auburn City Council had breached his obligations under the Local Government Act to disclose a pecuniary interest he had in amendments to floor space ratios and height limits under the Auburn Local Environmental Plan 2010 and to remove himself from consideration of the matter.

An independent valuation found that the former councillor obtained a benefit worth \$1 million as a result of the changes that he failed to disclose. The Supreme Court found that because the changes did not amount to a change in permissible use under section 448 (g) he was not obliged to disclose the benefit he stood to gain from them. While legally correct, this outcome jars with community values. The exemption contained in section 448 (g) serves no ongoing identifiable public policy purpose and should be repealed.

The legal loophole that the Minister said allowed Salim Mehajer to profit from public office was created by the Liberal-Nationals Government. The Opposition fought hard in this place and in the other place to close that loophole and it warned the Government that it would lead to corruption, which is the result four years later. This is not simply about Salim Mehajer. The Government should consider the developer councillors who have voted for amendments to local planning instruments and spot rezoning. The people of New South Wales are extremely concerned that that is happening, and they have attended rallies opposing the Government's recent sacking of democratically elected councils. People are outraged that the Government has dismissed their councils. They believe that they should be able to dismiss councillors whom they believe have not done a good job. It is not for the Baird Government to dismiss councils.

The Government has rushed the introduction of this bill because the Leader of the Opposition, the shadow Minister for Local Government, and community groups have done an excellent job in raising concerns. I also acknowledge Alan Jones's efforts in putting pressure on the Government to introduce this legislation. The Leader of the Opposition said that donations should be capped, and I acknowledge that that is what this bill does. However, we are calling on the Government also to put a cap on expenditure. The Leader of the Opposition questioned Premier Mike Baird about that issue and the shadow Minister for Local Government has also called for a cap.

I have quoted a number of times from the submission to the Joint Standing Committee on Electoral Matters lodged by the Liberal Party of Australia—NSW Division on 29 April 2013, particularly in regard to local government elections being conducted by the Electoral Commissioner and not any other entity. I will continue to fight to ensure that the Government reverses its decision in that regard. Like State and Federal elections, all council elections should be conducted by the Electoral Commissioner. In addressing the committee's term of reference dealing with elections and possible legislative changes to remove any barriers to participation, the submission states:

Our position is that this should not be so. Our view is that separate expenditure caps should apply with respect to local government and state government campaigns.

They are the words of the Liberal Party of Australia—NSW Division. Why has Premier Baird not followed that guidance from the Liberal Party?

The Hon. Dr Peter Phelps: That was answered in the lower House. There are technical problems with the application.

The Hon. SOPHIE COTSIS: That is the "dog stole my homework" excuse.

The Hon. Lynda Voltz: Point of order: Mr Assistant President, I ask that Government members be directed not to scream down the member with the call.

The Hon. Dr Peter Phelps: To the point of order: The honourable member asked a question. Whether it was rhetorical or a genuine request for information, I am unable to determine. However, being the person that I am, I sought to provide an answer to what I assumed was a non-rhetorical question and in fact a genuine search for information that the member clearly did not possess.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): Order! The Hon. Dr Peter Phelps is out of order. There is no issue on which a member can interrupt another member's speech for any reason.

The Hon. SOPHIE COTSIS: The submission was put in on 29 April 2013—that is more than three years ago. The Government has had three years to make these changes and has the entire bureaucracy at its disposal. Do not give me this technical argument, because we have been raising this issue for more than three years. Opposition members raised this last year and the year before, Labor leader Luke Foley put out a five-point plan about this, and we have been urging the Government to make the change. We are calling on the Government to support our amendments with regard to expenditure caps. In 2012 the Coalition passed changes to the Local Government Act which allowed councillors to vote on matters in which they have a pecuniary interest. The Labor Opposition strongly opposed those changes. I opposed those changes, as the shadow Minister at the time. I said:

The Opposition also opposes the proposal in this bill to allow councillors to be present and to vote in meetings in which they have a pecuniary interest if the matter being considered relates to the making or amendment of an environmental planning instrument. Frankly, this proposal is unnecessary and creates a risk for possible corruption that does not currently exist.

I am not predicting the future. It is just logical that the Government, in allowing this, opened up not just the cookie jar but the cake shops. It has been rife in one particular council, but I reckon further investigations will find even worse corruption. The Labor Opposition warned the Government that its changes could cause corruption. The Coalition persisted with the changes, and the hardworking ratepayers of Auburn City Council have been defrauded of millions of dollars as result. Make no mistake, in 2012 the Coalition legalised corruption in local government. The Government might be trying to undo its actions now, but the damage to local communities has been done. Indeed, across New South Wales we have seen the damage that Liberal councillors and Liberal-aligned Independents can do to local communities.

Just look at Liberal-aligned property developer and former Lord Mayor of Newcastle Jeff McCloy and the revelations at ICAC of his efforts to buy off Liberal politicians with bags full of cash. This bill will still allow property developers to spend big in trying to influence elections because it does not impose a cap on expenditure during election campaigns. Such caps already exist at the State level. They provide a healthy check against the unwarranted influence of money in elections. Caps on expenditure help to reduce the influence that big advertising purchases can have on elections. Put simply, if a candidate and their opponents can only spend \$100,000, then

they only need to raise \$100,000 and the rest of their time can be spent on activities such as talking to voters, attending community events and holding street stalls, getting out there and talking to people about their policies.

The Hon. Dr Peter Phelps: How is Canterbury going?

The Hon. SOPHIE COTSIS: Fantastic, thank you very much. Failing to impose caps on expenditure means it will still be possible for property developers like Jeff McCloy, Salim Mehajer and others—the sharks out there—to try to buy their way into public office by spending big in an election. This is not how local government should work. As was noted by previous speakers and particularly by my colleague the Hon. Peter Primrose, we—and I include all members in this place and the other place—want diversity in local government. We want to see more women, people with disabilities and Indigenous people representing their communities.

This Government is going to merge these councils and make them as big as Tasmania or the Northern Territory, with budgets bigger than those of State government departments. That will place a big responsibility on local councillors in the future. This is why it is so important that there are caps on expenditure for the elections in September this year, in two or three months. The councils that are going to election now have not been merged but they are still fairly large councils. The councils that the Government is merging by stealth will have populations of 250,000, 300,000 or 400,000 and budgets bigger than those of the Northern Territory or the Australian Capital Territory.

This is why transparency and openness is so important, and this is an opportunity for the Government. The Leader of the Opposition, Luke Foley, asked the Premier about it in May and the Premier said "Yes". He should commit to what he said in the Parliament. I call on The Nationals and Liberal members in this place to support Labor's amendments and to ensure that there is a level playing field. At this point in time less than 25 per cent of people in local government are women, and it is going to get worse, not better. A cap on electoral expenditure means a level playing field. Most women who want to enter politics or local government are not big high-rollers. They are involved in the local parents and citizens group or the local sporting group and they want to represent their local community. We want to see a level playing field.

In our robust democracy we want to see people from all walks of life have an opportunity to stand before their communities, put forward their policies, talk to the community and have a real go at participating in democracy. It should not be about how much money you have or how much the dollar drives. It should be about the values that you have, regardless of what party you are in or whether you are a true Independent—not an Independent with the Liberal or The Nationals tag taken off after resigning from the party six months earlier. Do it properly. If you are a Nat, you run as a Nat. If you are a real, true Independent, you should run as an Independent.

I encourage people to run at the council elections in September. Go forth, run, put your name forward and participate in local council elections. But let them be fair. This is the first opportunity the Government has to right its wrongs; here it is today. If the Government wants to get this legislation through, it should right its wrongs. I call on everyone not to be half-baked and say, "Yes, we support donation caps but there is a technical issue so we are not going to support Labor's amendments." Go the full throttle. Go forth and support Labor's amendments. In May this year the Leader of the Opposition, Luke Foley, asked the Premier during question time in the other place:

My question is directed to the Premier. Will the Government legislate prior to the winter recess to introduce caps on political donations and spending so that they will be in place for council elections that will take place this year?

The Premier's answer was:

Yes.

So here is the opportunity. Unfortunately, the Premier has either gone back on his word or has been rolled by the spivs in his own party, because the expenditure caps which the Premier committed to introduce are nowhere to be found in this bill. Do not give me a technical argument when you are in Government and have thousands of bureaucrats available. There are smart people out there. We in Labor have done it. We have an amendment. Our shadow Minister went out there and got an amendment. Support our amendment. I add that the Liberals' approach to integrity in local government is particularly troubling in light of their forced council amalgamations across New South Wales.

We have seen the damage that Liberal councillors and Liberal-aligned Independents have done over the past four years. With the Baird Government's forced amalgamations, the alliances of local Liberal Party hacks and dodgy property developers will have even greater playgrounds to enrich themselves. Finally, it is appalling that this bill has been introduced in such a rush. Clearly the Government has dropped the ball on local government issues. It has been forced to rush this bill through in the final sitting week before the winter break. If the Minister understood the doctrine of ministerial responsibility, he would do the honourable thing and resign.

The Hon. SHAOQUETT MOSELMANE (12:29): I speak in debate on the Local Government and Elections Legislation Amendment (Integrity) Bill 2016. I reiterate the words of the shadow Minister for Local Government, the Hon. Peter Primrose, and also condemn the way in which the bill is being rammed through this House. The bill should have been called the "Baird Local Government and Elections Legislation Amendment (Dishonesty) Bill". The antonym of the word "integrity" is "dishonesty". The Baird Government is not being honest with the people of New South Wales, particularly those involved in local government. My Labor colleagues in this House and the other place have been talking all day about the fact that there are no caps on election expenditure.

On 31 May the Leader of the Opposition directed to the Minister for Local Government the same question that he asked of the Premier about donations and expenditure caps being similar for local and State government. The Minister refused to answer. The Premier said "yes" but the Minister refused to answer. There is clearly confusion among Liberal Party members. Whether they are confused or are misleading the people of New South Wales, there is dishonesty in this bill. It has taken more than 10 months for the Premier and the Minister to follow through on promised local government reforms. They have chosen to ram through in one day—again without proper consideration—this dishonest bill. That is typical of this arrogant Government. One will always question this process and whether there is democracy, transparency, due process and community engagement. Where is the proof of the community consultation process that this Government said it would follow?

It has taken the Premier 21 days—from 31 May until today—to formulate a response to Parliament, which he delivered on budget day to ensure that there would be no media coverage of it. That is a smokescreen. It is an attempt to ram this bill through while the Opposition and others are examining the budget. Such an approach is clearly dishonest. People are livid. People have every right to be angry with the Baird Government and that is why they are holding "Maintain the Rage" rallies. Such rallies have occurred at every local government meeting. The people of New South Wales are maintaining their rage. The Baird Government must acknowledge that the people of New South Wales are not happy about what it is doing.

Yesterday Premier Mike Baird used the New South Wales budget as a smokescreen to try to hide a broken promise about cleaning up local government through integrity reforms. While all eyes were on the budget announcement, Mr Baird attempted to sneak through the Local Government and Elections Legislation Amendment (Integrity) Bill 2016, which does not include caps on spending for local government elections. This is a crucial element of the bill that a number of my colleagues have elaborated on. I call on Minister Ajaka, who is at the table, to listen to and heed the call of our colleagues to withdraw the bill and amend it to ensure that it includes proper integrity and honesty. The Minister is smirking and smiling at me.

The Hon. John Ajaka: Point of order—

The Hon. SHAOQUETT MOSELMANE: It is true.

The Hon. John Ajaka: The assertion by the Hon. Shaoquett Moselmane is outrageous and out of order. He should focus on his speech.

The Hon. SHAOQUETT MOSELMANE: I only described what I saw.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): Order! Members do not normally describe the facial expressions of other members in the House. The Hon. Shaoquett Moselmane should concentrate on his comments.

The Hon. SHAOQUETT MOSELMANE: Although the Minister was smirking, I will not describe his facial expressions. It is funny that the Government has called this bill an "integrity" bill. I ask the Minister to tell us where is the integrity and due process in this bill? How has the Premier dealt with this bill with integrity? On 31 May this year the Leader of the Opposition, Luke Foley, put a question to Mike Baird in question time about his intention to implement bans and caps. He said:

My question is directed to the Premier. Will the Government legislate prior to the winter recess to introduce caps on political donations and spending so that they will be in place for council elections that will take place this year?

The Premier said, "Yes, that will happen." But the opposite has occurred. Despite his personal commitment, Premier Baird's legislation does not include spending caps for candidates in council elections. As a number of my colleagues in this place have reiterated, the Government's legislation also fails to ban property developers or real estate agents from running in local council elections. Labor has been calling for this measure not only to be in this bill but also to apply to the election of local government candidates, whether they represent the Labor Party, Liberal Party or other parties. That is what the people of New South Wales want. They want proper local government representatives, not property developers or real estate agents who are governed by self-interest. I agree with the shadow Minister for Local Government, the Hon. Peter Primrose, who said:

The Baird Government has made a dog's breakfast out of the State's local government legislation. This was an opportunity to start cleaning up council elections but it has been squandered by the Liberal-Nationals Government.

I also agree with the Leader of the Opposition, Mr Luke Foley, when he said:

Mr Baird has broken a clear and unequivocal commitment to introduce spending and donation caps for council elections. Caps on donations are not much use without limits on election spending.

He went on to say:

Predatory interests will be able to spend as much as they like to capture control of a local council.

This Government is interested only in gaining control of local government. That is why it has forced local government amalgamations without proper community engagement and due process. That is the reason councils are fighting in court. Where is the sense or integrity in amalgamating Kogarah with Hurstville and not Rockdale? It makes sense to have Rockdale, Kogarah and Hurstville constitute the St George council, not a local government political fix comprising Kogarah and Hurstville that will go Liberal—

Mr Jeremy Buckingham: Go Green.

The Hon. SHAOQUETT MOSELMANE: Or Green. It wants to have Waverley and Randwick go Liberal and then amalgamate Rockdale with Botany, which is on the other side of the world from Rockdale. There is the bay, Port Botany, the airport and then the Botany community. There is no community of interest between those two councils, yet this Government has sought to amalgamate Rockdale with Botany. The people of Botany are angry, and rightly so. They do not want to amalgamate at all, but if they must do so they should amalgamate with the neighbouring councils of Waverley and Randwick. That would be the right thing to do. It would represent integrity in decision-making. This Government lacks that integrity, as is shown by the introduction of this bill today. That is why this whole subject of amalgamations has been a shambles. As the Hon. Peter Primrose said, this has been a real dog's breakfast. For this and a million other reasons, the bill should be amended in the interests of integrity.

The Hon. LOU AMATO (12:40): I speak in support of the Local Government and Elections Legislation Amendment (Integrity) Bill 2016, introduced by the Minister for Local Government. The bill builds on the Government's earlier reforms to promote and enforce appropriate ethical and behavioural standards in local government and to address poorly performing councils. Together with the Government's Fit for the Future reforms, this legislation evidences the Government's commitment to an effective, community-focused and high-performing local government sector in this State. I am particularly pleased to see that the bill seeks to repeal the loophole in the Local Government Act that allows councillors to vote on a change in development standards without disclosing a pecuniary interest in the matter. That loophole permitted a councillor to participate in a decision from which he stood to benefit to the value of \$1 million because it did not alter the permissible use of his land.

I am also pleased to see that the bill proposes a more effective deterrent to misuse by councillors of their office for personal benefit. It provides a mechanism to compel councillors who have profited from a proven breach of their obligation not to participate in the consideration of matters in which they have a pecuniary interest to forfeit the financial benefit they received by doing so. I also will reflect on some of the measures foreshadowed by the Minister. It is imperative to achieving this State's long-term community and development goals that the community has confidence in our planning system and in the decisions made under it. Local councils play a key role in that system by setting and applying planning controls and making and enforcing decisions on development. Community confidence in local councils, the councillors elected to them and the decisions they make is therefore key to promoting confidence in the integrity of the State's planning system.

Under the existing prescribed ethical standards, councillors are not permitted to participate in the consideration of matters in which they have pecuniary or significant non-pecuniary conflicts of interest. However, there is concern that some councillors with property development interests may have been able to circumvent those requirements and ensure the approval of planning applications they have before their council by entering into covert arrangements with other councillors with similar interests to support each other's planning applications. I firmly believe the measures proposed in this bill, together with those foreshadowed by the Minister to be addressed through future reforms, will operate effectively to address this risk and allay the understandable community concern at the actions of the very small minority of elected officials who have allegedly misused their civic office to advance their personal business interests.

It is to be hoped that they will go some way to restore community confidence in local councils and to provide an ongoing assurance about the integrity of councils and the decisions they make. They will do this by giving the community confidence that planning applications submitted by councillors, general managers, their spouses and relatives will be dealt with at arm's length from the council in a manner that minimises the risk of

undue or improper influence. The measures will also send a very clear message to anyone contemplating standing as a candidate at the upcoming local government elections for the purposes of advancing their property development interests and encourage them to think again. Not only will such persons be obliged to disclose that they are a property developer when nominating as a candidate but also, if elected, they and their fellow councillors will be prevented from being able to make decisions on any planning applications they submit to the council. I congratulate the Minister on this bill and commend it to the House.

Mr JEREMY BUCKINGHAM (12:44): I speak in debate on the Local Government and Elections Legislation Amendment (Integrity) Bill 2016. I join the Hon. Shaoquett Moselmane in expressing the opinion that there is a lack of integrity intrinsic in this bill. The legislation is built on an unbelievable amount of artifice and hypocrisy. Corruption remains deep at the heart of the bill. Until it is dealt with, people will continue to lose faith in the democratic process in New South Wales and in our systems of governance at State and local levels. People need to be certain that their elected representatives are there for the common good: to serve the public interest.

For generations local government has been infested with carpetbaggers, shonks, charlatans and other corrupt individuals who were there for their own personal advancement. They sought to gain a financial benefit for themselves or their associates rather than do what they were elected to do, which is to represent their constituents. I saw it firsthand on Orange City Council. Again and again I saw property developers—the largest property developers in that town—real estate agents and conveyancers elected to the council. The first time I was elected to Orange City Council, in 2004, the council was dominated by people from those three trades.

The Hon. Dr Peter Phelps: I bet they were happy to see you.

Mr JEREMY BUCKINGHAM: There was a big pushback. There was a scandal. There was a lot of pushback because Orange City Council was then overseeing unprecedented growth, and continues to do so. Huge residential subdivisions and commercial areas were being released. Who did those releases benefit? Again and again those on the council benefited substantially—to the tune of tens, if not hundreds of millions of dollars—from massive changes to local planning instruments and to permissible land use. The Government removed the requirement for councillors to excuse themselves from making such decisions. That was high farce. The Greens commented on it at the time. I remember saying in this Chamber, "This is not a corruption risk; this is a corruption inevitability." And it turned out to be so, time and time again.

The Government has put a wafer-thin veil over its abysmal local government reforms by rushing through this integrity bill, which goes only a tenth of the way to dealing with the issue. The Greens welcome the fact that this bill provides for donation caps. When the Election Funding and Disclosures Amendment Bill passed through Parliament in 2012, it needed to deal with local government. Expenditure caps were key to that legislation. Otherwise there would be a war of attrition—whoever put the most materiel into the campaign would inevitably win. We would end up with a system dominated by those who have the deepest pockets. It is all well and good to have donation caps but the reality is that those people—the real estate agents, the property developers, the conveyancers and their cohorts—have deep pockets.

I cite the example of Councillor Chris Gryllis, who is a long-serving member of the Orange City Council and with whom I worked closely over a period. He was a real estate agent and property developer. When I asked him why he was a member of the council, he would say, despite butchering the metaphor slightly, "The bee needs to be near the honey pot." That was his motivation for being a councillor. Over and over again we saw massive property interest campaigns that outspent community groups, interested individuals and people who had a desire to serve their community. People who were hell-bent on being elected, gaining control of and dominating council and running a tight preferencing arrangement outspent all other candidates. And in which areas, more than any other area, were those hell-bent people seen working in unison? It was in relation to the local environmental plans [LEPs] and development control plans [DCPs].

That cohort of interests pushed back against environmental groups who were saying, "Let's have less land released for subdivisions. Let's have more sensitive design. Let's make sure that property developers pay more through various contributions." Community and environmental groups were pushed out by those interests over and over again, which is an absolute disgrace. This bill will not stop that. Successive governments have delivered larger councils with more power and more influence. Some of the biggest developments in the State's history range from low density to medium and high density across Sydney and now include enormously expanding regional centres as a result of the overflow from Sydney. They represent massive windfall gains. I cite the example of Orange. If a landowner has 100 hectares of land zoned rural land use—which may be worth approximately \$2 million—and it is rezoned as residential development, the property will be worth tens of millions of dollars.

It is absolute madness to create a situation in which the owner of the property can be involved in the council's decision on rezoning and vote in favour of that rezoning. That is not just one example from one city council. If we closely examine the decisions of local councils in New South Wales, we will find that property

developers have made millions of dollars in relation to almost every council in the State. That is the reality. That is why that cohort of property interests wanted to be elected to councils. They were not elected to make sure that local services were being provided or to increase community amenity. They got themselves elected to make a buck at the expense of the community. That is a disgrace.

The Greens recognised that and championed those reforms. It galls me somewhat to see members of the Labor Opposition carry on in this House about how the Government's reforms are terrible and local government reforms are overdue, when they spent most of 2011 railing against amendments to the Electoral Funding, Expenditure and Disclosures Act. Subsequently the unions challenged in the High Court reforms that cleaned up politics in New South Wales. The key factor in that legislation was the imposition of a cap on donations and election expenditure of \$150,000 for each electoral district. The capped election expenditure amount was adequate. No-one said it was too much money, and no-one said it was not enough. It is about right. It allows a fair contest of ideas so that people do not have to raise a fortune to run for election.

The issue of whether we proceed towards publicly funded local government elections is open for discussion. I agree that local government elections should be run by the State Electoral Commission and my personal view is that they should be publicly funded. But we must have expenditure caps to ensure that elections do not descend into total warfare and that people with deep pockets do not dominate the system. The Greens are proposing reforms to introduce expenditure caps, which are absolutely essential. My colleague Mr David Shoebridge is proposing expenditure caps that are modelled on the State system—\$1.50 per registered voter and third-party campaigner caps of 50¢ per registered voter. His proposal is eminently sensible and ultimately inevitable. The key factor is the imposition of a ban on certain people being elected to councils.

The Hon. Dr Peter Phelps: Socialists.

Mr JEREMY BUCKINGHAM: We certainly need to make sure that fascists like the Hon. Dr Peter Phelps—

The Hon. Dr Peter Phelps: Point of order—

Mr JEREMY BUCKINGHAM: I withdraw. He is a crypto-anarchist.

The Hon. Dr Peter Phelps: The two descriptions that have been made of me by Mr Jeremy Buckingham are both completely false, as he well knows. I ask him to withdraw them.

The DEPUTY PRESIDENT (The Hon. Paul Green): Order! The member will withdraw the remark without reservation.

Mr JEREMY BUCKINGHAM: I withdraw. We must ensure that people who wish to serve the community are elected to councils. Property developers and real estate agents should be banned from being elected to councils. The Greens will move an amendment to that effect, which is just common sense. I also believe people who are involved in conveyancing, people who from time to time are consultants to councils, people who are associated with some of the big planning firms, such as GHD Australia, and all other people who benefit from council contracts should not run for election to councils. People who have a direct pecuniary interest in the decisions of a council should not be members of that council. The first step is to ban the developers and real estate agents. I invite any officer of the New South Wales Office of Local Government to phone me. I will be pleased to speak to them about the subdivision in Orange and what went on in relation to that. It was an absolute disgrace. In fact, it is one of the things that motivated me to nominate as a candidate for election to local government.

The corruption I saw in the former Labor Government disgusted me. I saw firsthand the cabals of councillors who were meeting, caucusing, lobbying and saying, "Mate, I'll look after you. The decision is made." Some of those former councillors are now sitting back on the Gold Coast with tens of millions of dollars in the bank, after making decisions that were to the massive detriment of the environment, social cohesion and amenity of the city I loved—Orange. They were working for themselves, not for the people of Orange or New South Wales. It is the very same story around the State. The Greens amendments are good. This bill is like lipstick on a pig. The Government is attempting to draw a wafer-thin veil over its outrageous local government reforms. The Greens will seek to amend the bill. If those amendments are not accepted we will continue to see corruption in this State.

The Hon. LYNDIA VOLTZ (12:57): I note The Greens have indicated that they will move amendments to the Local Government and Elections Legislation Amendment (Integrity) Bill 2016. I look forward to them being circulated so they can be examined closely. I hasten to add that I understand the difficulty with drafting amendments to this bill: Until yesterday no member of this House was aware of the bill. No-one had seen the bill. Indeed, the shadow Minister telephoned yesterday to ask for a briefing, but there is little point in obtaining a briefing after the bill has been introduced. The manner of the bill's introduction makes the task of Opposition members very difficult. We would expect a bill introduced in this House to reflect comments that have been made

by the Premier in the other place. The Premier said he would introduce a bill that addressed caps on both donations and election campaign expenditure. It has been widely canvassed in this House that that simply has not happened. In New South Wales there are caps on donations but there are absolutely no caps on election campaign expenditure.

All members know that election campaign expenditure is an area in which numerous problems have emerged, particularly in relation to local councils. I could cite a long list of examples that would include the election expenditure of Jeff McCloy in Newcastle. The Labor Opposition knows from experience that the rules, the legislation and the requirements of the electoral funding Act are ignored. As I have stated in debate in this House, candidates at the State election did not even bother having campaign accounts. I do not know how the Government got KPMG to do its local government reform report because it seems to have missed important facts when auditing the Liberal Party's accounts for the 2015 State election. Despite being an explicit requirement under the law, some Liberal candidates did not have campaign accounts.

The DEPUTY PRESIDENT (The Hon. Paul Green): I will now leave the chair and cause the bells to be rung at 2.30 p.m.

The PRESIDENT: Order! According to sessional order business is now interrupted for questions.

Questions Without Notice

STATE BUDGET AND GAS PROJECTS

The Hon. ADAM SEARLE (14:30): My question without notice is directed to the Minister for Roads, Maritime and Freight. Given yesterday's Budget Paper No. 3, page 6-3, stated that the Baird Government is committed to supporting gas projects across New South Wales, especially in regional areas, why has the Liberal-Nationals Government broken its promise to the families, farmers and Knitting Nannas on the North Coast?

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (14:30): I thank the Hon. Adam Searle for the Dorothy Dixier. If it was not for this Government, the North Coast would not be gas free. The leading light of the Government at the time, the Hon. Walt Secord, did not see a gas project that he could not support. The Labor Party and its friends approved gas projects from one end of the coast to the other.

The Hon. Adam Searle: Point of order: I asked the Minister a question about the budget papers. He is debating the question and not being generally relevant.

The Hon. Greg Pearce: To the point of order: We have seen a rather disturbing trend in the last couple of sitting weeks where Opposition members ask questions and less than 30 seconds into the answer take points of order to prevent the Minister from giving a proper answer. It would be useful to the operation of the House if members would not take these points of order, which are just debating and disruption points, and allowed the Minister to answer the question.

The Hon. Penny Sharpe: To the point of order: The point of order of the Hon. Adam Searle referred to the Minister debating the question and not being generally relevant. It was specifically a point of order about debating the question, which we know this Minister does on almost every question.

The PRESIDENT: Order! I do not think the Minister was debating the question. I refer the Minister to the terms of the question he was asked.

The Hon. DUNCAN GAY: I thank you for your ruling, Mr President. The question that was asked was, "What are you doing?" What we have done is fix up what the Opposition put in place. The Hon. Walt Secord was the leading light of the former Labor Government. There was not a Premier in this State who did not owe his policies and backroom deals to the Hon. Walt Secord. That is when it was put in place. That is when Ian Macdonald, Eddie Obeid and the Hon. Walt Secord—

The PRESIDENT: Order!

The Hon. DUNCAN GAY: We said we would remove them on the North Coast and we have. As of today, because of the work that the Government has done, the North Coast is free of the dirty Labor deals that had spread across the area.

WESTERN SYDNEY ROADS FUNDING

The Hon. SCOTT FARLOW (14:34): My question is addressed to the Minister for Roads, Maritime and Freight. Will the Minister update the House on the New South Wales Government's record roads investment for Western Sydney in the 2016-17 budget?

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (14:34): I thank the member for his question. This is the second day following the release of the budget and we have had no questions on regional New South Wales. There is only one country Labor member left in the Chamber and he seems disinterested. This concerns the supposed heartland of the Labor Party, Western Sydney, even though none of them lives there. The first question has to come from the Government.

The PRESIDENT: Order!

The Hon. DUNCAN GAY: Today is a great day for the people of Western Sydney. I am delighted to update the House that today's record roads budget will provide almost half a billion dollars for critical projects in one of the fastest growing regions of the State. We want to continue the momentum with this funding injection to show how serious we are about delivering first-class roads and infrastructure to support population and business growth. Some of the major highlights include \$34 million for the Narellan Road upgrade. That will reduce traffic congestion by removing a notorious pinch point and improve access to the TAFE and Western Sydney University. We have allocated \$32 million to finish the Old Wallgrove Road widening, which will slash congestion and redirect trucks from residential streets to the M7 and M4. Together with the Federal Government, the second airport at Badgerys Creek will receive \$338 million in joint funding as part of the Western Sydney infrastructure plan. Western Sydney is undergoing a huge transformation. I know those opposite do not know where it is, so I will tell them.

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

The Hon. DUNCAN GAY: Businesses are telling us that their phones are ringing off the hook with offers of work. There are 350 full-time staff presently working on those projects and it has helped to deliver more than \$23 million worth of contracts to Western Sydney suppliers. That number will rise as more businesses move into construction. This year the Government will provide \$32 million to start work on new sections of the Northern Road. This will increase capacity on a critical road link to service the new airport. Additional funding will ensure work and progress on the Northern Road between Camden Valley Way and Peter Brock Drive at Oran Park and on Bringelly Road. Money has been allocated to finish the Werrington Arterial Road and continue work on Bringelly Road.

In addition to this bonanza, last Saturday morning I was pleased to join the Federal Minister for Major Projects, the Hon. Paul Fletcher, the Federal member for Lindsay—what a great member she is—and my colleague the member for Penrith to announce a \$100 million commitment to widen Mulgoa Road. If ever there was a road in Sydney that needed attention, it is Mulgoa Road. Everyone waited for 16 years for Labor to do something, and it did nothing. This upgrade includes \$80 million from a re-elected Turnbull Government and \$20 million from the New South Wales Government. That is a big announcement and important money for that area. Money will progress planning to fast-track relief for motorists on this congested road and ensure the project is delivered as quickly as possible. The Government has a plan and the budget showcases its clear objective to deliver this program of work for the people of Western Sydney.

CONCORD HOSPITAL FUNDING

The Hon. WALT SECORD (14:38): My question without notice is directed to the Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism. Given the independent Bureau of Health Information reported that as of 31 March 2016 Concord Hospital had 2,212 patients waiting for elective surgery, why did the Government commit only \$700,000 in planning money in yesterday's budget towards the proposed \$150 million upgrade?

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (14:39): I refer the honourable member to the answer I gave yesterday, which I intend to continue to give because I ran out of time before I finished it. The 2016-17 budget includes funding to commence detailed planning at 10 hospitals in this State, including Concord Hospital. As will happen at the Westmead and St George hospitals, the Government will ensure that proper planning is completed before any major upgrade commences so that hospitals are futureproofed. The Hon. Walt Secord forgets that over 16 years the Labor Government failed to plan properly or to upgrade hospitals, including Concord Hospital. That was a complete failure on the part of members opposite; they did absolutely nothing. Had they planned and budgeted for upgrades during their 16 years in office, we would not have to worry about upgrades now because they would have been delivered already. This Government must repair the mistakes that members opposite made over 16 years. I draw the attention of the House to the \$500 million that members opposite spent on the Rozelle metro.

The Hon. Niall Blair: What metro?

The Hon. JOHN AJAKA: Yes, indeed: What metro? I ask members to imagine what would have happened if members opposite had spent that \$500 million on Concord Hospital and other hospitals around

New South Wales. We would not be having this discussion now if that had happened. This Government is providing funding to plan properly for the hospital. Members opposite do not like it. Not only has this Government provided for the greatest infrastructure—

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

The Hon. JOHN AJAKA: —that this State has ever seen, it has done it while maintaining a budget surplus. That is completely foreign to members opposite. This Government is displaying proper economic management; it is making proper provision for services in this State, and it will continue to do so. Of course, once the planning is completed, the Government will provide funding for the construction phase. That is what an effective government does: it plans first, then it determines what funding will be required and provides it. Members opposite have never understood that. They spent \$500 million without doing any planning and, as the Leader of the Government continually reminds us, produced glossy brochures and nothing else. I am proud of the fact that that planning has been done, and not only for Concord Hospital. Planning has been undertaken for 10 major hospital projects at Nepean, Inverell, Campbelltown, Concord, Coffs Harbour, Hornsby, Mudgee, and Cooma, and also at The Children's Hospital at Westmead. Thank you, the Hon. Jillian Skinner.

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

NATIONAL DISABILITY INSURANCE SCHEME

Ms JAN BARHAM (14:42): I direct my question to the Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism. With the expression of interests process for the transfer of specialist disability services, including specialist accommodation, closing this Friday, will the Minister advise how the next stage will ensure that people with disability, their families and advocates will have genuine input into the selection of providers for their supports and accommodation? What steps is the Government taking to ensure that each person living in specialist disability accommodation in New South Wales, including those living in group homes, will have genuine choice and the capacity to change their arrangements for both the support they receive and their housing arrangements?

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (14:43): I thank the member for her continued commitment to delivering better outcomes for people with disability in this State. As I have stated at length in this House, a new era of disability services in New South Wales will arrive next week. The historic and life-changing National Disability Insurance Scheme [NDIS] will roll out across half of New South Wales. The NDIS replaces the current disability support system and will improve the lives of tens of thousands of people with disability and their families.

A cornerstone of the NDIS is choice. We are giving people with disability the power to choose what supports they want and by whom they want them delivered. The NDIS will give people with disability real and meaningful choice and control over their lives, allowing them to live life their way and on their own terms. To support the transition to the NDIS, the Government will transfer all of its specialist disability services to the non-government sector by 2018. That transfer will help to support a vibrant, diverse and competitive disability services market that will give people with disability the greatest choice. It is a market in which people with disability can choose the services they want and by whom they want them delivered. Importantly, the transfer is strongly supported by the disability services sector. National Disability Services Senior Manager, State Operations, Tony Pooley, said:

NDIS strongly supports the decision to transfer services to the non-government sector.

I am pleased to advise the House that the transfer is progressing well and is on track. Earlier this year the Government successfully transferred the Home Care Service of NSW, with its more than 4,000 staff, to Australian Unity. To ensure that we get this reform right, the Government has been consulting extensively. It has been getting feedback from people with disability, their families, carers and providers from across New South Wales. More than 150 client forums and dozens of market soundings with providers have already been held. These market soundings have confirmed that there is strong interest and capacity in the non-government sector to deliver specialist disability services. Furthermore, the New South Wales Government, through the Department of Family and Community Services, is regularly briefing key stakeholders, including but not limited to the NSW Council for Intellectual Disability, Family Advocacy, NSW Carers Australia, the NSW Council of Social Service, and the Public Service Association.

Recently I announced that the Government was entering the next stage of the transfer process. An expression of interest [EOI] process for all specialist disability services, which includes group homes and specialist supported living, opened in mid-May and will close this Friday. The EOI is a critical step in the process. It will give the Government a clearer picture of who wants to deliver services, where they want to deliver them, and how they propose to deliver them. Following the EOI process, a formal procurement process will select new

providers. I assure the House and the honourable member that the Government's foremost priority during the transfer is the needs of people with disability. In addition to ensuring continuity of care for people with disability, the Government is working to ensure that the views of people with disability and their families deeply inform the transfer process.

The feedback the Government has received already indicates it is important to people with disability and their families that service providers are experienced, have the capability to deliver the right services, and have a local presence. The Government is already working to ensure that clients, families and carers can have input into the selection of new service providers. Importantly, the transfer strategy proposes the separation of assets, which is consistent with the National Disability Insurance Agency's preferred position. It is an approach that will ultimately provide capacity for residents to select different accommodation and support providers. Furthermore, the Government will do even more to listen to and to engage with people with disability, their families and carers. *[Time expired.]*

STATE BUDGET AND NSW AGEING STRATEGY

The Hon. DAVID CLARKE (14:47): I address my question to the Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism. What is the Government doing to help older people in New South Wales?

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (14:48): I thank the honourable member for that important question. This Government has one eye on the future. It is not simply looking to next month or next year; it is looking to the next five, 10 and 50 years. This Government is about making New South Wales a great place to live not only in 2016 but also in 2066. The recent release of the Government's intergenerational report triggered widespread debate in the community about the ageing of our population and what it means for New South Wales. The report makes it clear that who we are is changing—we are getting older and we are living longer. If Australia were to look in the mirror, it would see an older face looking back. This change is creating challenges. It is forcing governments of all sizes and persuasions to take stock, and to consider how they deliver the services and infrastructure that older people need.

But the ageing population also creates opportunities. If we are ready and able to seize these opportunities, the rewards will be vast. That is why the New South Wales Government is investing in the future. The New South Wales budget will help people not only live longer but also live better. Our budget supports our Government's vision for our seniors to live healthy, happy and active lives as they age. The New South Wales budget provides more than \$6.5 million to implement the renewed NSW Ageing Strategy. The renewed NSW Ageing Strategy will build on the achievements of the first strategy and help us ensure people not only live longer but also live better than ever before.

As part of this \$6.5 million investment, the New South Wales Government is investing more than \$1 million for the Liveable Communities program to make our communities more accessible and inclusive; more than \$600,000 for the Elder Abuse Helpline and Resource Unit to address elder abuse in our community; and \$500,000 to make the highly successful Tech Savvy Seniors program even bigger and better, including continuing the regional roadshow and offering an online banking course. Since 2012 over 30,000 older people from more than 130 locations have been trained under the Tech Savvy Seniors program. This funding will help us to reach a further 9,500 with training places across both metro and regional locations. This further funding will support the program's continued expansion, with training also offered in eight community languages and a second Tech Savvy Seniors Roadshow.

The New South Wales budget also provides more than \$1 million in funding for key ageing advocacy peaks until 1 July 2017 to continue to empower and engage older people. Furthermore, we know every dollar counts for our seniors. That is why this budget provides more support to help ease seniors' cost-of-living pressures. In news that will no doubt delight the State's more than 1.4 million Seniors Card holders, the New South Wales Government is investing a further \$500,000 in the NSW Seniors Card program. This significant funding boost will help make this highly successful and much-loved program even bigger and better. We are talking about the number of Seniors Card holders growing by approximately 200,000, rising from 1.4 million to close to 1.6 million. We are talking about 1,200 more businesses in the program offering great discounts. This budget delivers our Government's election commitment to make our community a more inclusive, accessible and safe place for our seniors. I look forward to updating the House on our progress throughout the coming year.

AUSGRID EMPLOYMENT CONDITIONS

Reverend the Hon. FRED NILE (14:52): I ask the Leader of the Government, the Hon. Duncan Gay, representing the Premier, a question without notice. Is it a fact that the Government accepted my amendments to

legislation on major leasing projects such as poles and wires and ports, et cetera, to guarantee five-year employment by the new owner of those employees? Is it a fact that Ausgrid is advising the union secretary, Mr Butler, that its employees do not have a five-year guarantee of employment but are subject to certain conditions? Will the Government ensure that Ausgrid employees will have this five-year guaranteed employment protection, which was the clear intention of the New South Wales Parliament and of the Christian Democratic Party?

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (14:53): I thank the honourable member for his question. It is not without the odd trap there, I suspect, if I do not get it right. It bears some resemblance to a motion that is on the *Notice Paper* as well. It is a detailed question and I understand the point that Reverend the Hon. Fred Nile is making. It is certainly one that I will take on board and on which I will get a detailed answer from the Treasurer and the Premier.

MINISTER FOR ROADS, MARITIME AND FREIGHT COMMENTS

The Hon. LYNDA VOLTZ (14:53): My question without notice is directed to the Minister for Roads, Maritime and Freight. Has the Premier asked the Minister to apologise to the member for Miranda for saying that "building a road is not like buying a handbag"? If not, will he now apologise to the member?

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (14:54): I thank the member for her question. I acknowledge it is an important question that should have been asked, and it has been. First, I acknowledge that I respect the role of local members of Parliament to advocate for projects that will benefit their particular communities—that is what they do. That is certainly part of the process of Government.

Naturally, in the Roads portfolio I have lots and lots of meetings with members not only from my own side but also from the other side on a whole range of projects and policy issues. Within those meetings at times there will be robust conversations as various views are discussed and accepted or not accepted. It is important that issues can be debated freely and confidentially. That is part of working to look after the electorate. However, I will take this opportunity to clarify some aspects of one recent meeting, which was alluded to in the member's question, that was held in my office to discuss progress with the F6 or M1 extension with local members. During that meeting the scale and complexity of various motorway options was discussed, and I made a number of comparisons to put the difficulty and expense of road building into context.

The PRESIDENT: Order! I call the Hon. Rick Colless to order for the first time.

The Hon. DUNCAN GAY: Within that conversation my exact words at one point were, "Building a road is not like buying a handbag or a car." Certainly no offence was meant by my words. If any was taken, I apologise and have apologised. I have spoken to the member for Miranda and personally conveyed those thoughts to her, as I should. I have reflected on what I said and understand my choice of words should, frankly, have been better. I will continue to welcome the views of local members as they bring issues and representations to my office. This Government will continue to plan and deliver the key projects that are sorely needed right across New South Wales.

BROKEN HILL WATER SUPPLY

The Hon. SARAH MITCHELL (14:57): My question is addressed to the Minister for Primary Industries, and Minister for Lands and Water. Will the Minister update the House on the New South Wales Government's solution to secure Broken Hill's water supply?

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water) (14:57): I thank the member for her question. Last Thursday was historic for the State's far west. For the first time in this State's history, Broken Hill and surrounding communities no longer need to rely on the notoriously unreliable Darling River and no longer need to live from drought to drought. I had the pleasure of joining Premier Mike Baird, Deputy Premier Troy Grant, Parliamentary Secretary for Western NSW Sarah Mitchell and member for Barwon Kevin Humphries in Broken Hill to announce that the New South Wales Government will invest around \$500 million to construct a new pipeline from the Murray River near Wentworth to Broken Hill's water treatment plant.

The Menindee Lakes are experiencing the lowest inflows on record, even worse than the previous lows of the millennium drought, and the dire water situation is holding the region back from reaching its full potential. Securing Broken Hill's water supply is backed by the \$500 million investment package consisting of a range of short-term water projects, such as a new reverse osmosis plant, and the new pipeline that secures the city's water supply for decades to come. The new 270-kilometre pipeline will provide a reliable water supply to Broken Hill and provide certainty to businesses and residents to give the region every opportunity to prosper. The majority of

the route will follow the Silver City Highway and will be underground. The benefits of this investment will also be felt right across the State, as a supply option for Broken Hill that does not rely on the lakes and allows New South Wales to keep water in productive use within the basin plan and realise the full economic value of this precious water resource.

It is a once-in-a-lifetime opportunity and the pipeline solution has been selected following an extensive assessment by water, financial, engineering and infrastructure experts of 19 possible project options. I am also aware that there is concern among the local community as to what the pipeline means for the management of the Menindee Lakes. I repeat what the Premier last week confirmed—the lakes will not be decommissioned. In fact, now that the long-term solution for Broken Hill has been confirmed, we can get on with the task of developing a business case to manage the lakes more efficiently. Importantly, there is an additional \$150 million investment available from the Federal Government to do just that. Detailed planning, design and procurement work on the Murray River to Broken Hill pipeline will start immediately, with onsite construction to commence in early 2017, and works will be completed by the end of 2018—well before the short-term water supply runs out in April 2019.

When it comes to the most precious resource—water—those opposite and their allies in The Greens are intent on picking winners and losers. They continue to pit regional communities against regional communities, and food and fibre producers against people who live in our regional towns. While they fumble to get a quick media hit in one region, they are more than happy to sacrifice another. That is not how Government works. It is about finding a balance that ensures that no community is punished and that every community is given every opportunity to grow and prosper. I am proud that after decades of uncertainty about Broken Hill's water supply this community is now well and truly open for business.

VOLUNTEER ANIMAL RESCUE ORGANISATIONS

The Hon. MARK PEARSON (15:02): My question is directed to the Minister for Roads, Maritime and Freight, representing the Minister for Local Government. Does the 2016-17 budget provide financial assistance to volunteer animal rescue and adoption organisations approved for the purposes of clause 16 (d) under the Companion Animals Regulation 2008 to care for and rehome dogs and cats that would otherwise be on death row in pounds and shelters around the State? Given that these organisations currently rely on donations from the public only, if they are not to receive any financial assistance as part of the budget, why not?

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (15:02): I thank the member for his question about whether local government has provisioned payment for volunteers. The short answer is I do not know. The work of the volunteers is important across those communities. I will refer the question to my colleague to obtain an answer.

LOCAL LAND SERVICES FUNDING

The Hon. PENNY SHARPE (15:02): My question without notice is directed to the Minister for Primary Industries, and Minister for Lands and Water. How will the Minister ensure effective monitoring of native vegetation clearing in New South Wales, given that yesterday's budget indicates that \$6.1 million has been cut from employment expenses, or 8 per cent of staff, within Local Land Services?

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water) (15:03): I thank the member for her question. It must be pointed out that what was announced in the budget papers this week relating to Local Land Services [LLS] is not about the capacity required by LLS for the implementation and the oversight of the biodiversity reforms. We have not determined what the role ultimately will be for Local Land Services in biodiversity. Therefore, we have not determined what will be the resource allocation that is required for LLS throughout the biodiversity reforms. We are in the consultation period, working out what needs to happen when it comes to funding for biodiversity. I can assure the House that the allocation that has been made to Local Land Services is well positioned within this budget. In some cases, Local Land Services are able to continue their services by finding efficiencies within the organisation.

Those opposite find foreign the idea that an agency or Government can continue to provide outstanding services to the community and stakeholders and be efficient in doing so. In some cases, Local Land Services has been able to identify other ways in which it can deliver those services, other businesses it can partner up with, and other types of grants and funding sources to carry out its services. This Government supports the staff and the organisation of Local Land Services. They have a fundamental role in being the frontline service provider to most of our regional communities.

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

The Hon. NIALL BLAIR: Whether it is in biosecurity, emergency management, natural resource management or in extension services, Local Land Services is doing a terrific job. Those opposite continue to talk down the role of Local Land Services.

The PRESIDENT: Order! I call Mr Jeremy Buckingham to order for the first time.

The Hon. NIALL BLAIR: This Government is working hard with Tim de Mestre, Chair of Local Land Services, to see how we can expand the role of Local Land Services so that it can continue to provide frontline services. In the near future I will provide those opposite with every opportunity to show how much they support Local Land Services. I look forward to the opportunity for those opposite to stand in this House and talk up the plans we have for Local Land Services and support what we are doing.

STATE BUDGET AND ROAD SAFETY

The Hon. BRONNIE TAYLOR (15:07): My question is addressed to the Minister for Roads, Maritime and Freight. Will the Minister inform the House how the New South Wales Government is improving road safety through this year's record budget?

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (15:07): I thank the member for her question. If there was less noise coming from the Opposition, I would be able to answer it. This year's budget has delivered a record spend for our roads when it comes to road safety. This funding commitment is no different. I am pleased to announce the 2016-17 New South Wales budget includes a record \$309 million for road safety.

Mr Jeremy Buckingham: How much?

The Hon. DUNCAN GAY: A record \$309 million, which is the largest in the State's history. It is an important area in which we need to be spending money. It is a top priority for the Government, which is why we continue to pour high levels of funding into vital initiatives and projects to save lives and reduce tragedy on our roads. It builds on the \$1.2 billion spend we have already invested over the past five years as the Government does all it can to drive down the road toll and get people home safely. Funding will be invested in road improvements, education and boosting police enforcement. We have continued our commitment to fund more high visibility police enforcement with a massive \$25 million in 2016-17.

Mr Jeremy Buckingham: Police State.

The Hon. DUNCAN GAY: This is about saving lives. That comment is typical of The Greens. Mr Jeremy Buckingham—

Mr David Shoebridge: Point of order—

The PRESIDENT: Order! The Minister will resume his seat.

Mr David Shoebridge: Point of order: The Minister is responding to an interjection and he is out of order.

The PRESIDENT: While that may be true—and I counsel the Minister not to respond—I also ask the member not to interject.

The Hon. DUNCAN GAY: Mr President, I will not listen to Mr Jeremy Buckingham anymore, and I suggest no-one else listens to him. He was lucky his leader saved him. The Government has allocated \$20 million over five years to roll out road treatments to reduce fatigue-related crashes. The Government is also rolling out 200 vehicle-activated speed signs at high-risk locations over the next three years to remind speeding drivers to slow down. These signs respond to the speed that the car is going. They tell the driver the speed and remind him or her of the safe speed on a particular corner. It is a great idea. It is just one of those sensible, good things that the Government is doing.

A record \$68 million has been allocated to the Safer Roads program to deliver hundreds of crucial projects to improve safety at blackspots from the bush to the beach. Those projects will improve the surface of roads, improve corners and remove trees that might be in inappropriate spots on corners. If someone slips in the wet or the snow, there will be a safe area to run off into. The funding includes \$10 million to improve popular high-risk routes, including the Oxley Highway, Appin Road and the Princes Highway, as well as money for pedestrian timers, traffic lights and more. In addition, \$5.2 million has been allocated to continue targeted education programs for early childhood centres and schools. It is crucial that road safety values are imparted to our children from a young age.

The 2016-17 road safety budget includes a contribution from the New South Wales Community Road Safety Fund, where every cent from speed camera fines goes. This funds safer driver courses, alcohol interlock

programs, school zone flashing lights and important campaigns like Towards Zero. This is the biggest road safety budget New South Wales has seen, as part of its record roads budget. Even NRMA President Kyle Loades noticed, saying, "You can't ask for more than a record spend on both road and transport infrastructure." This is a big win for New South Wales.

FORESTRY CORPORATION SOFTWOOD PLANTATION ESTATE

Mr DAVID SHOEBRIDGE (15:12): My question without notice is directed to the Minister for Primary Industries, and Minister for Lands and Water. Will the New South Wales Government commit to taking no steps for the term of this Parliament to privatise, either in whole or in part, the New South Wales Forestry Corporation's softwood plantation estate?

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water) (15:12): I thank the member for his question. I am not aware of any plans to privatise Forestry Corporation or the softwood plantations.

CROWN LAND REFORM

The Hon. PETER PRIMROSE (15:12): My question without notice is directed to the Minister for Primary Industries, and Minister for Lands and Water. Will the Minister guarantee that local councils which receive transferred Crown land under the \$24 million program announced in yesterday's budget will be unable to classify the land as operational land and then sell it off?

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water) (15:13): I thank the member for his question. In relation to the local land pilots with respect to Crown lands and local government, I have previously pointed out a couple of things in this House. Firstly, under the pilots and the proposals, although no land has changed hands yet, this would be an opt-in system for the councils. People have been raising their concerns that the Government would be putting land into council hands. I want to take the opportunity to dismiss that; it is an opt-in system.

Secondly, I expect that if land is identified through this process—I am probably being a little bit premature because legislation with respect to Crown lands reform has not been introduced; we have worked this through with the pilot councils—community use would be maintained for that land by those councils. We are working through this issue with the stakeholder groups including Local Government NSW and the Aboriginal Land Council. This matter will return to this House. The Government has responded to the white paper and said that legislation will be brought back to this House with respect to Crown lands reform. I expect to see that in the Spring session of parliament.

STATE BUDGET AND COMMUNITY SERVICES

The Hon. SHAYNE MALLARD (15:15): My question is directed to the Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism. What is the New South Wales Government doing to build stronger communities in New South Wales?

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (15:15): I thank the honourable member for his question. As the Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism, and Minister responsible for youth, carers and volunteering, I am privileged to meet and work with people who are committed to building strong, resilient and inclusive communities. In 2016-17 the New South Wales Government is continuing to invest in projects and initiatives devoted to building stronger communities. This investment includes \$23 million to improve community infrastructure; \$6.5 million to implement the NSW Ageing Strategy, including the highly successful Tech Savvy Seniors and Liveable Communities programs; \$4.5 million to support carers; \$3.9 million for youth participation programs; \$2.5 million to continue to support the implementation of the NSW Disability Inclusion Plan; \$2 million to support the implementation of the second NSW Volunteering Strategy; and \$500,000 to expand discounts on key costs of life for older people.

These projects and initiatives are building stronger communities in New South Wales. The Community Building Partnership program helps improve community infrastructure by providing funding for projects that foster participation, inclusion and cohesion. Two great examples are providing funds for the new 21-seater bus for the Chester Hill Neighbourhood Centre, and helping to refurbish the restrooms at the Scouts Hall in Bega. Since the program began, close to 10,000 projects have received around \$225 million in funding, and I am very pleased to note that a further \$23 million will be provided in 2016-17 to continue this valuable program.

The New South Wales Government will continue to work with people with disability, young people, carers and volunteers to build stronger communities. In 2016-17 the New South Wales Government will invest \$3.9 million in youth participation programs, including \$270,000 in grants to local councils for Youth Week

activities; \$2.6 million for the Youth Frontiers, a mentoring program for students in years 8 and 9 that focuses on leadership, skill development and involvement in community activities; and \$1 million for the Youth Opportunities program, which provides grants of up to \$50,000 for projects that engage young people to lead and participate in community development activities.

Research shows that with proper support and opportunities young people can address a range of risk factors in their lives and play a greater role in their communities. Supporting carers is also important for this Government. One in 10 people in New South Wales is a carer. The Carers (Recognition) Act 2010 helps us recognise the role and contribution of carers in our community. The New South Wales Government's Carers Strategy, which sits under this Act, supports the Care for a Carer campaign, carer awards and carer grants program. The Government is investing \$4.5 million to support these projects and initiatives in 2016-17.

This plan is about ensuring government and communities across New South Wales consult with, involve and plan in consideration of people living with disability to ensure a more inclusive, stronger society. We are investing \$2.5 million to support projects and initiatives under the New South Wales Disability Inclusion Plan in 2016-17. The common denominator in these initiatives to build stronger communities is volunteers. We recognised their importance and, as such, we are also investing an additional \$2 million to implement the second New South Wales Volunteering Strategy. As part of the second iteration of the strategy, we will focus on innovation—new ways to support existing organisations and helping to address emerging social, economic and environmental issues.

BROKEN HILL WATER SUPPLY

Mr JEREMY BUCKINGHAM (15:19): My question without notice—

The PRESIDENT: Order!

The Hon. Greg Pearce: You haven't been given the call, ning-nong.

Mr JEREMY BUCKINGHAM: I couldn't hear over the din.

The Hon. Greg Pearce: What—the dinging in your ears?

Mr JEREMY BUCKINGHAM: The din!

The PRESIDENT: Order! Mr Jeremy Buckingham makes a very good point. When members are asking a question and Ministers are giving their answers, it is very difficult for everyone in the Chamber to hear—particularly Hansard, but also me—if there is a lot of discussion, even if it is not necessarily interjection.

Mr JEREMY BUCKINGHAM: In directing my question without notice to the Minister for Primary Industries, and Minister for Lands and Water I refer to his previous indication to the House that the Government assessed 19 potential options in regards to the Broken Hill water supply issue. I ask: Will the Minister publicly release the detail of the Government's assessment of those 19 options? If not, why not?

The Hon. NIALL BLAIR (Minister for Primary Industries, and Minister for Lands and Water) (15:20): I thank Mr Jeremy Buckingham for his question. He is right. If he had been present earlier during question time or if he had been here when I gave my earlier answers, he would know that I reiterated that the Government considered 19 different options as part of the Broken Hill business case. The 19 options were clearly articulated in one of the community consultation documents that was released when I went to one of the meetings in Broken Hill late last year. The Government clearly listed 19 different options, which were indicated in those documents. Some of those options were ruled out quite quickly during the process. We came down to four detailed options, which were the ones that were put to Infrastructure NSW.

The four options were subjected to the rigorous processes of Infrastructure NSW until last week's announcement. They are the ones that had been assessed in detail by engineers, hydrologists and other experts. The Government has the final solution and has announced it will be funded for the people of Broken Hill. Of the four options that were analysed, each had advantages, but some of them had disadvantages. A whole range of issues needed to be taken into consideration. For example, the existing pipeline from Menindee to Broken Hill—a distance of more than 100 kilometres—is an ageing asset. Last week staff from Essential Water told me they spend millions of dollars each year simply to maintain that pipeline. Replacement of that 100-kilometre pipeline would have required a large investment.

They are some of the factors that had to be taken into consideration. That is why we can have confidence that the experts have examined all of the options and have come up with the right solution for Broken Hill and its surrounds. As I stated earlier in question time, the Government now will move into the procurement stage. Presently the Government will push the project out to the market because we want to begin construction. With the

reserves at Menindee and backed up in the short term by shallow bore fields, the Government is confident that we can get well and truly into 2019 if there are no more inflows that can be used for Broken Hill.

The Government wants to get underway with construction of the pipeline. The Government anticipates that it will be completed towards the end of 2018, which will provide plenty of time for commissioning. The Government is making sure that the issue of a water supply for the people of Broken Hill is placed at the forefront of policy objectives. The Government wants to make sure that the people of Broken Hill have peace of mind, knowing they have a Government that has invested a record amount to preserve their way of life and to ensure that Broken Hill continues to prosper. This Government does not want Broken Hill to merely survive. Rather, this Government wants Broken Hill to prosper and have a bright future.

STATE BUDGET AND MULTICULTURAL NSW

The Hon. SOPHIE COTSIS (15:24): My question without notice is directed to the Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism. Given the 11.4 per cent budget cut to Multicultural NSW in yesterday's budget—

The Hon. Greg Donnelly: How much?

The Hon. SOPHIE COTSIS: It is 11.4 per cent, which amounts to a \$3 million cut to Multicultural NSW. I ask: How will the Minister guarantee that this budget cut will not affect the delivery of vital services to culturally and linguistically diverse communities in New South Wales?

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (15:25): I thank the Hon. Sophie Cotsis for her question. The answer is very simple: It is called efficiency. It is all about ensuring that appropriate services and, in the case of Multicultural NSW, appropriate grants are administered in an efficient manner. Efficiency is a concept that Labor Opposition members know nothing about. Let me make a comparison of Labor's version of efficiency and the efficiency of the Government, which is something that Labor has continuously failed to appreciate. Let me compare the revenue and expense growth percentages of this Government to Labor's. In Labor's last year in government, revenue growth was at 6 per cent and expense growth was 6.5 per cent. Put simply, Labor kept spending more than it could afford and achieved no efficiencies.

The Hon. Penny Sharpe: Point of order: My point of order relates to relevance. The question was very specifically about Multicultural NSW and budget cuts. It was not a general question about the state of the New South Wales budget.

The PRESIDENT: Order! I have been listening to the entire answer given by the Minister. The thrust of the answer the Minister is giving is a continuance of his narrative. There is no point of order.

The Hon. JOHN AJAKA: Let me compare 6 per cent of revenue growth and 6.5 per cent expense growth under Labor to this Government's 2015-16 figures. The Government's revenue growth was 5.2 per cent and expense growth was 4.3 per cent. This Government knows how to manage a budget. What is the effect of properly managing a budget? It means more services for the people of New South Wales, and that applies also to Multicultural NSW. Last year there was a transformation in Multicultural NSW. The Government ensured that the transformation would result in more efficiencies in Multicultural NSW, and that is what has occurred. Additional funding was provided for that transformation. As a result, there currently is increased efficiency. There is less back office and more frontline services—something that the Labor Opposition will never understand. For Labor, it is all about back office and never about frontline services. As a result of the Government's efficiency drive, there is more funding for the provision of frontline services by Multicultural NSW.

Moreover there has been a substantial increase in grants funding—which also is something that Labor does not like—which includes \$400,000 in funding over four years for Parramasala. Labor thought this Government would never be able to provide the funding for Parramasala, but we have been able to fund that through efficiencies, and this Government will continue to do so. How does this Government save funds? I will cite one really good example: Service NSW. We are able to provide more services right across New South Wales for the convenience of clients at far less expense than when we were providing services from one, two or three locations in New South Wales—efficiencies, more services, lower costs. The budget expenditure goes down because we are more efficient. But funding for those services and funding for the programs has increased, and those opposite hate it. That is the end result, and we are proud of our record.

The Hon. SOPHIE COTSIS (15:29): I ask a supplementary question. Will the Minister elucidate his answer in relation to more services. What are those services and where are those services?

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (15:30): Let me identify a couple of budget highlights for the honourable member. The budget

includes \$9 million for 45,000 interpreting and translation services in more than 100 languages and dialects, an increase of 1,000 services. It includes \$3 million for Multicultural NSW's new COMPACT program, another additional service. There is a massive 23 per cent increase, to \$2.8 million, in grants for community projects, activities and partnerships to foster community engagement and celebrate our cultural diversity. I am sure that those opposite will agree that that is an increase in services. One of my favourite budget measures is \$1 million for the development of a telephone interpreting service to improve efficiencies and services. That is something those opposite never thought of during their 16 years in power and it is part of the improved Multicultural NSW. I thank the member for her Dorothy Dixier and for giving me the opportunity to talk about those budget measures.

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (15:31): If members have further questions, I suggest they put them on notice.

Bills

TAXATION ADMINISTRATION AMENDMENT (COLLECTION AND DISCLOSURE OF INFORMATION TO COMMONWEALTH) BILL 2016

MARINE LEGISLATION AMENDMENT BILL 2016

Returned

The PRESIDENT: I report receipt of messages from the Legislative Assembly returning the abovementioned bills without amendment.

POINT TO POINT TRANSPORT (TAXIS AND HIRE VEHICLES) BILL 2016

First Reading

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

The Hon. DUNCAN GAY: According to sessional order, I declare the bill to be an urgent bill.

The PRESIDENT: The question is that this bill be considered an urgent bill.

Declaration of urgency agreed to.

The Hon. DUNCAN GAY: I move:

That the second reading of the bill stand an order of the day for a later hour.

Motion agreed to.

LOCAL GOVERNMENT AND ELECTIONS LEGISLATION AMENDMENT (INTEGRITY) BILL 2016

Second Reading

Debate resumed from an earlier hour.

The Hon. LYNDIA VOLTZ (15:34): As we know from the State election, there is already scant regard for the Election Funding, Expenditure and Disclosures Act, particularly in relation to establishing campaign accounts. We know that members of Parliament stated they did not bother to have campaign accounts, as required by the Act, and so could not put their payments for electoral expenditure through such accounts. The person in charge of setting up such an account in the seat of East Hills was Bankstown Councillor Jim Daniel, who in the course of overseeing the campaign sent invoices to convicted money launderers and erected illegal billboards at the Queen Street Car Hire. We know employees of this company were the geniuses in charge of shutting down a street to facilitate the wedding of Auburn Deputy Mayor Salim Mehajer. They also put their phone number on the bottom of a flyer delivered to households during local government election campaigns.

Despite a notice to remove the billboard, it was only when I lodged a freedom of information request with Bankstown City Council, some two or three months after it was erected, that it was taken down. Yet that illegal billboard—which displayed photographs of both the member for East Hills, Glenn Brookes, and Premier Mike Baird—did not appear on any return in the Liberal Party's documentation for the campaign. In fact, KPMG—the company that is responsible for advising the Government on local government reform—audited Liberal Party accounts but somehow missed that its members did not have campaign accounts, as required by law. If I had engaged auditors that somehow missed the absence of campaign accounts, I would probably not have them look after my campaign account. Jim Daniel has a long history—

The Hon. Dr Peter Phelps: Point of order: While the powers of the Parliament are virtually unlimited, it is an accepted convention of this place that members do not transgress upon matters that are before the courts or may be before the courts in the near future. Mr Deputy President, on that basis I ask you to draw the member's attention to the long title of the bill and ask her not to digress into areas that may be considered prejudicial to matters that are before or soon to be before the courts in New South Wales.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I will take that as two points of order: one relating to general relevance and the second regarding the sub judice convention. With regard to the sub judice convention, it is only a convention. I am not aware of where matters are up to, so I will not deal with that issue. However, I encourage the Hon. Lynda Voltz to consider the long title of the bill. The member has begun to stray beyond the normal rules governing second reading contributions. Therefore, I draw her back to the long title of the bill.

The Hon. LYNDIA VOLTZ: The bill specifically sets out requirements for parties, and inherent in that, on page 5 of the bill in new section 96 (3) it states:

- (3) It is unlawful for a party to make payments for electoral expenditure:
 - (a) for a State election campaign unless the payment is made from the State campaign account of the party kept in accordance with this section, or
 - (b) for a local government election campaign unless the payment is made from the local government campaign account of the party kept in accordance with this section.

That is perfectly consistent with what I said but—

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I encourage the Hon. Lynda Voltz not to cavil with my ruling.

The Hon. LYNDIA VOLTZ: I certainly was not doing that. I was clarifying my statement for the Hon. Dr Peter Phelps, who I guess from his point of order is either worried about something or has not read the bill that is before the House.

The Hon. Dr Peter Phelps: Point of order: The member suggests that I am worried about something. She should at least ask me whether I am worried about something before seeking to make an assertion as to my mental state. Mr Deputy President, I ask you to direct her to leave aside my feelings and move on to the substance of the bill.

The Hon. LYNDIA VOLTZ: To the point of order: That it is the second point of order in a row. Members should refer to the standing order under which they are taking a point of order rather than constantly making debating points.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I remind members with the call that they should resume their seat when a point of order is taken. There is no point of order. The Hon. Dr Peter Phelps was clearly making a debating point. Members who make debating points as opposed to taking genuine points of order will be called to order. Under the rules of this House, members are not required to do anything other than indicate what their point of order is about. They do not have to refer to a particular standing order.

The Hon. LYNDIA VOLTZ: Mr Daniel's experience in council elections and running campaigns extends well into the past. I note that Ned Mannoun—"I tell it as it is"—said at the bottom of his—

The Hon. Dr Peter Phelps: Point of order: My point of order is relevance. The member is again flouting your ruling and turning to matters that are outside the long title of title of the bill.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I uphold the point of order.

The Hon. LYNDIA VOLTZ: The long title of the bill states that it will bring integrity into the electoral process of local government. Four years ago this Government changed the regulations and allowed councillors to involve themselves in decisions on development applications that were to their own benefit. At the time Labor raised concerns. As a result of those changes, it has been open slather with regard to councillors looking after themselves in local councils. I am surprised that members opposite do not wish to hear a contribution about a bill that is meant to engender integrity in the electoral process. The bill is meant to direct election campaigns. When councillor Jim Daniel authorises posters for other councillors such as Ned Mannoun—

The Hon. John Ajaka: Point of order—

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! A point of order has been taken. The member will resume her seat.

The Hon. John Ajaka: Mr Deputy President, you have ruled previously on this issue. My point of order is relevance. I am happy to read the long title of the bill.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): I have a copy of the bill.

The Hon. LYNDIA VOLTZ: To the point of order: I refer members to the title of the bill, which contains the word "integrity".

The DEPUTY PRESIDENT (The Hon. Trevor Khan): The long title of the bill is:

An Act to amend the Election Funding, Expenditure and Disclosures Act 1981 to impose caps on political donations in connection with local government elections and to amend the Local Government Act 1993 to make further provision with respect to the disqualification of persons from civic office and the disclosure by councillors of their pecuniary interests.

I indicated previously that the Hon. Lynda Voltz was straying from the long title of the bill, but I do not believe her recent comments were outside it. The member may proceed. There is no point of order. Referring to the names of councillors does not take the member's contribution outside the leave of the bill. Members should consider carefully what we are dealing with. The Hon. Lynda Voltz has the call.

The Hon. LYNDIA VOLTZ: The *Sydney Morning Herald* reports that Ned Mannoun was caught running a business out of a local community centre without the approval of his own council. At the time Liverpool council general manager Farooq Portelli was quoted in the article as follows:

... no application for a building certificate had been approved for a job agency run inside the Masonic centre. "Council officers have inspected the site and have determined that a business is operating from these premises. Council is currently in the process of taking appropriate enforcement action to ensure that the business is either ratified or the premises are restored to their original condition." Mannoun, a former watch repairer who also ran as an independent in the Werriwa by-election after Mark Latham took his toys and left politics, found himself in this column in 2008. Back then he had forgotten to report his use of a prominent office in Liverpool's George Street in his electoral returns.

The Hon. John Ajaka: Point of order: I have given the member ample opportunity—

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! The Minister will state his point of order.

The Hon. John Ajaka: It is relevance. The member's comments are not relevant to the long title of the bill. Whether a business is being run or not being run and whether a councillor had previously run as a Federal candidate—as an Independent or otherwise—is not relevant to the long title of the bill.

The Hon. LYNDIA VOLTZ: To the point of order: As I just said, Mr Mannoun "had forgotten to report his use of a prominent office in Liverpool's George Street in his electoral returns". Offences under the Electoral Act are explicitly outlined in the bill.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Part of the long title of the bill is:

... to amend the Local Government Act 1993 to make further provision with respect to the disqualification of persons from civic office and the disclosure by councillors of their pecuniary interests.

I consider that the member's current comments fall within the long title of the bill.

The Hon. LYNDIA VOLTZ: The article continued:

Back then he had forgotten to report his use of a prominent office in Liverpool's George Street in his electoral returns. And just like in 2008, Mannoun took Naked Eye's number down and promised to refresh his memory and call us back. We're still waiting.

You can see a pattern of behaviour amongst councillors such as Jim Daniel on Liverpool and Bankstown councils. They walk in to the council chamber and ignore the electoral requirements of the Act and the interests of the local community. The Government rolled back the provisions for councillors to make pecuniary interest announcements, which allowed people such as Salim Mehajer to walk into the Auburn council chamber and vote in his own interests. Following public display of the development proposal, Jim Daniel went to Bankstown council and, without public knowledge, voted to increase the height of property developments for Carl Trad, the convicted money launderer. I have received many letters from people in that electorate. A person who attended the council meeting was distressed by what occurred, and wrote:

The first two to three rows were filled with men who all appeared to know each other. Mr Daniel arrived and as he walked to his station he high-fived each of the men sitting in the front rows. We were absolutely gob smacked later to find these rows of men were all developers. Jim Daniel appeared to take control of all the planning processes in that meeting and seemed to get the majority of the proposals through. He seemed to be the only one on his feet all night. It is mind blowing. Not only in Revesby did Mr Daniel approve high-rise out of control but the Padstow precinct seemed to have him high-fiving all those developers in the front row.

I do not know these people; they have written to me out of concern. Another resident wrote:

A developer pulled up in my driveway in a Porsche late on a Sunday night. This was six weeks before the plans actually were voted on. They said they had acquired all the properties in the area. Now, sadly, not to my surprise, I find out that all these properties

were at the last minute passed at eight storeys in the final council meeting. That is following their display in the public domain as four-storey developments.

Those opposite interject to prevent my contributing to the debate but the reality is that there must be some integrity in local government. Those guys were not using campaign accounts. Who knows where they were getting their money from? We do not know because there are no campaign accounts for anyone to check. We do not know how much money is involved. Members should look at Jim Daniel's return. There are no donations recorded and there is no mention of fundraising. From where did he get the money? No-one knows. The Government will allow people with a lot of money to spend as much as they want feathering their own nests. The people who are doing the right thing—and they include members opposite as well members on this side of the Chamber—are being discredited by people who ignore the electoral system and the law.

We have heard not one word of apology from those people. Instead, when I raise these issues in this place, I am subjected to interference from members opposite for six minutes. They want to stop me speaking on this bill. Mike Baird said he would limit electoral expenditure. He has not. It was a Liberal Government that rolled out the ability for councillors to feather their own nests. This Government should go further because we know what these people are doing, and it is time that Mike Baird took some serious action to deal with them. He should not sit back and refuse to say anything. He should seriously reform the local government sector.

The Hon. COURTNEY HOUSSOS (15:50): The Local Government and Elections Legislation Amendment (Integrity) Bill 2016 could have seriously reformed the local government sector. It could have injected a long-lost sense of integrity following this Government's forced merger program and dealt with the repeated issues involving property developers and other rent seekers using local councils as their personal ATMs. Only three short weeks ago the Premier assured members in the other place during question time that prior to the winter recess he would introduce legislation imposing caps on political donations and expenditure for the upcoming local council elections. Yet here we are debating a bill that makes no mention whatsoever of spending caps for local government candidates.

It is becoming painfully obvious that this Government is not serious about meaningful local government reform. If it were, it would not have sacked hundreds of democratically elected councillors at the stroke of a pen and following a farcical process that gave no weight whatsoever to the voices of affected communities. If the Government were serious about meaningful local government reform, it would have introduced spending caps for local government candidates similar to those that apply to candidates in State government elections. Even the New South Wales Liberal Party supports both donation and expenditure caps for local government elections. It is a shame that its message has not reached the Premier. If this Government were serious about meaningful local government reform, it would also have banned property developers from running in council elections.

These issues were forcibly relayed to me at a community meeting I attended in Cooma last week. I was accompanied by the Leader of the Opposition, Luke Foley; the Hon. Peter Primrose; the member for Campbelltown, Greg Warren; and the Federal candidate for Eden-Monaro, Mike Kelly. We heard stories of disenfranchised local communities being ignored by their local Liberal and Nationals members. Passionate locals were genuinely upset by the way in which they had been treated by this Government. Record numbers of people turned up to community meetings—hundreds in Bombala and 750 in Tumbarumba.

The shire of Tumbarumba has a population of just 3,000 people. In addition to the 750 people who attended the meeting, 650 public submissions were made to the delegate appointed by this Government. That delegate was convinced that the council should not be merged and made a recommendation along those lines. However, with a stroke of a pen in Sydney, with no reference to the fact that the council was deemed fit for the future and ignoring reason and the local community, it was merged into Tumut Shire Council. Last weekend thousands of people rallied in protest around the State, including in Tumbarumba, Queanbeyan, Gloucester, Harden, Taree and even in my hometown of Forster.

We all know that local government in New South Wales will embrace meaningful change. However, instead of working collaboratively with communities in their best interests, this Government continues to ride roughshod over them. Instead of putting in place rules and regulations that would ensure integrity in local government, this Government has fallen well short and failed to do so. Thanks to the hard work of the shadow Minister for Local Government, the Hon. Peter Primrose, the Labor Party has been leading this debate for months. Labor members have been vocally pursuing the need for integrity measures—which this bill introduces in part—since the last election and before.

Last year in this place my Labor colleagues and I supported the Leader of the Opposition, Luke Foley, when he outlined a clear three-point plan that would address the issue of councillor misconduct by banning developers from becoming councillors, introduce donations expenditure caps, and ensure that we have popularly elected mayors. As the Leader of the Opposition said, councillors should not be involved in making decisions that

result in personal benefit, and having developers as councillors creates too much conflict when considering the public good. Just as those seeking election to this place are subject to donation and expenditure caps, local councillors should be subject to sensible restrictions on donations to ensure that the decisions they take are made for the public good and not for personal benefit.

Here we are a year later debating a half-baked bill. As my colleagues have done, I draw the attention of the House to Port Stephens Council. If ever there was a clear, real-life example of why developers should not be councillors, it is in Port Stephens. A developer mayor has used his position to further his own business interests, with total disregard for the local community. I took the opportunity last year to pay tribute to my friend and colleague the member for Port Stephens for her effective, diligent, tireless and incredibly ethical advocacy on behalf of her community, which was crying out for representation. Now, a year later and less than three months before the next local government elections, the Minister has finally got around to introducing legislation—which still needs to be improved by Labor amendments—to deal with the issues that have arisen as a direct result of this Government's 2012 changes to the Local Government Act. The Labor Party warned at the time that those changes would be disastrous for integrity in local government.

We know that the best integrity measure that could be introduced in the local government sector would be to remove the unelected administrators who have been appointed by the Baird-Grant Government. This Government should stop shying away from the tough decisions and act to keep property developers out of local councils. It should enforce spending and donation caps in local government elections similar to those that apply in State government elections. If Mike Baird and Paul Toole want integrity in local government, they should stop being part of the problem and support the Opposition's amendments.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I remind the member that she should refer to members of the other place by their correct titles.

The Hon. PAUL GREEN (15:57): I speak on behalf of the Christian Democratic Party in debate on the Local Government and Elections Legislation Amendment (Integrity) Bill 2016. The object of the bill is to ensure that we have a level playing field in local government elections and on local councils. More specifically, the bill will extend State caps on political donations to local government elections. Parties and groups cannot accept donations of more than \$5,800 a year, and councillors, candidates and third-party candidates cannot accept more than \$2,500 a year from the same donor. The bill also amends the Local Government Act 1993 to disqualify a person from holding civic office if that person has been convicted of an offence against the Election Funding, Expenditure and Disclosures Act 1981 relating to unlawful political donations or a failure to disclose donations or electoral expenditure, or who has been convicted of any other crime that is punishable by five years of imprisonment or more.

The bill also will repeal a loophole in the Local Government Act 1993 that allows councillors to vote on a change in development standards without disclosing a pecuniary interest in the matter. Finally, the bill will enable the chief executive of the Office of Local Government to apply to the Supreme Court for an order to recover when a councillor has been found to have contravened the disclosure obligations. This bill is about keeping locals in local government. It will give Independent candidates a fair go. As members know, money can make a major difference to campaign results. This bill does not restrict self-funding; it just caps the donations at \$5,800 in total to a party and \$2,500 in total to an Independent. It provides us with a level playing field and evens up the talent base. This bill aims to restore public confidence in the integrity of local government elections and local councils. I was the chair of the General Purpose Standing Committee No.6 which inquired into local government in New South Wales. Recommendation 15 in the committee's report states:

That the NSW Government consider amending the electoral legislation to introduce donation and spending caps for candidates at local government elections.

The committee found:

Several inquiry participants predicted that the cost of election campaigns would rise in amalgamated councils and could threaten the diversity of candidates. For example, Cr Peter White predicted the minimum cost of campaigning will rise to \$150,000 per candidate or more, which independents and smaller groups may not be able to afford. Warriewood Residents Association also pointed to the "lax rules with no donation caps and inadequate disclosure requirements" embedded in local government elections, posing a "huge risk" that councils will become controlled by political and developer interests.

The committee also heard from Save our Strathfield group, which asked:

How are persons without the big party machines and donations going to compete with the power and might of the major political parties?

I am pleased that the Government is taking steps to address the recommendation and to ensure that we have a level playing field. The Government advised that this is the first step towards addressing the Schott report on political donations. The Christian Democratic Party looks forward to further amendments when that report comes

to light. When I ran as an Independent, I did not have a lot of money behind me, as is the case with many other candidates. Candidates do their best, especially when they are not politically aware but they genuinely want to make a change in their community. One of the wonderful ways of doing that is by running for local council, as councillors can have a say in the way in which their community is run.

These are the sorts of people that we want in local government; we do not want it politicised. Country people hate it when there is politicisation of local councils. Local councils used to be filled with good people who had a genuine interest in doing the best for their community. The Hon. Sophie Cotsis spoke earlier of diversity and how we want more women in local government and at other levels of government. We must ensure that the financial hurdles are not too high, that people receive the recognition they deserve and that they are able to advance the policies in which they believe.

In the area of corruption, in 2009 almost every council in New South Wales faced difficulties getting through the local environmental plan [LEP] process. Many councillors had an interest in their cities but they were voting on legislation to do with city rezoning. Shoalhaven council often did not have a quorum and many councillors expressed an interest in rezoning different areas, for example, housing areas and cities. More often than not they had to obtain exemptions, or the general manager took responsibility for rezoning areas, which can be complicated on occasions.

This legislation goes a long way towards addressing some of the issues experienced by local councils. In regional and remote areas many council staff own property and they are able to derive a benefit from these decisions. The code of conduct and laws that are written for councillors must also be embraced by staff members. If the value of a property is more than half a million dollars, that property is peer assessed by another council to ensure there are no conflicts of interest for either councillors or staff.

The Christian Democratic Party is not against property developers being able to run for council, as candidates for local government election should be drawn from the broader community. We do not want councils full of developers, like Dracula in charge of the blood bank, and we do not want them full of The Greens, who would sterilise every development that ever came through. There has to be a balance. When I first became a councillor in 2004, I did not know anything about local councils. There were councillors who knew about development and there were The Greens who knew a lot about the environment, sustainability and other issues that they tried to champion. They taught me a lot about local government and they helped me to become an efficient and effective local councillor. I was trained by those councillors and I took on board their views. At first I did not know much about floor space ratios, minimum lot sizes or how much a square metre of construction cost, but they were aware of all those issues.

My council was not located in an area where 20-storey or 40-storey buildings were constructed. These issues would be matters of concern in metropolitan areas. We should not throw the baby out with the bathwater. We obviously have legislation to stop those who are being corrupt. Members should remember that laws are in place to deal with conflicts of interest. As in many other areas, some people do not do the right thing. We can never enact adequate legislation to prevent corruption, as people will always find loopholes in the law—a developer who has corruption in mind or a councillor who does not declare his or her pecuniary benefits. Councillors must always declare their pecuniary interests and ensure that they do not participate in rezoning debates. Mayors and general managers of councils must ensure that these issues are dealt with sensitively and that they are managed correctly and transparently.

Mr David Shoebridge: What if the mayor is a property developer?

The Hon. PAUL GREEN: I did not say that this legislation was foolproof. If someone wants to engage in corrupt conduct, he or she will find loopholes in the law. Most people who run for election in New South Wales are decent and good people who will make a contribution to their communities. They are not in it for themselves, for benefit or for corruption; they genuinely care. We are enacting legislation to deal with a small number of people who do not abide by the law. That is what this legislation is trying to capture. We must not tar people in local government with the same brush. Believe it or not, whatever portfolio they run, we can have good developers. We can have good members from The Greens, the Liberal Party, the Labor Party, the Christian Democratic Party and the Independents.

Mr David Shoebridge: You did not say The Nationals.

The Hon. PAUL GREEN: I acknowledge that interjection; there are some good Nationals. There are good members from the Shooters, Fishers and Farmers Party, and the Animal Justice Party.

Mr David Shoebridge: Love youse all.

The Hon. PAUL GREEN: Love you all. Maybe we should have a group cuddle. Let us not tar everyone with the same brush. There are wonderful people doing great jobs. These laws create a level playing field so that those good people can get a hand up to win a position in local government. They want to return local government to local people who will use their voices to raise local issues, thus strengthening their communities and building much-needed infrastructure to ensure jobs growth and to maintain the quality of life that they deserve. I commend the bill to the House.

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (16:11): In reply: I thank all members for their contribution to this debate—the Hon. Peter Primrose, Mr David Shoebridge, the Hon. Sophie Cotsis, the Hon. Shaoquett Moselmane, the Hon. Lou Amato, Mr Jeremy Buckingham, the Hon. Lynda Voltz, the Hon. Courtney Houssos and the Hon. Paul Green. The proposals for reform contained in this bill will help to restore public confidence in the integrity of local government elections and local councils. It will do this by removing large donations from all levels of the New South Wales political system and by providing a more effective deterrent to noncompliance with electoral funding and expenditure requirements prescribed under the Election Funding, Expenditure and Disclosures Act 1981, that is, by disqualifying persons who have been convicted of a breach of that Act from holding office in a council.

The bill will ensure that candidates who stand for election to councils are fit and proper persons by disqualifying persons who have been convicted of offences carrying a minimum prison term of five years. It also will repeal the loophole in the Local Government Act 1993 that has permitted a councillor to participate in a decision that he stood to benefit from to the value of \$1 million because it did not alter the permissible use of his land. It will provide a more effective deterrent to councillors who misuse their office for personal benefit by providing a mechanism to compel councillors who have profited from a proven breach of their obligation not to participate in the consideration of matters in which they have a pecuniary interest and to forfeit the financial benefit they would have received by doing so.

A number of concerns were raised during the consideration in detail of this bill and in the proposed amendments. The Government acknowledges that the public policy concerns raised today are genuine and that the proposed amendments are well-intentioned, but the changes are simply unworkable and should not be pursued. In relation to the concerns raised about expenditure caps, the Government has consistently stated that it intends to pursue local government expenditure caps as part of a broader review of the State's election funding legislation. The Government has committed to undertake that review as soon as the Joint Standing Committee on Electoral Matters reports on its review of the Schott report on political donations. We look forward to receiving the report of that committee as soon as possible.

The Government has been advised by the Electoral Commission that expenditure caps could not be successfully introduced for the upcoming September elections. This is not simply a resourcing issue for the commission. The commission advises that there are complex information technology requirements that underpin its ability to enforce expenditure caps. Parties, candidates and councillors must also have time to become acquainted with any new obligations to comply with spending caps, as these would necessarily be different from those that apply to State elections. Implementing donation caps is the first workable step towards reducing the potential influence of big donors on council decision-making, while ensuring that ordinary electors are still able to contribute financially to the local candidates that they support.

I briefly note again the Government's concerns relating to the proposal to ban developers outright. A blanket disqualification on property developers holding office in a council would be highly problematic. The Government's reform proposals, on the other hand, respond appropriately to the constitutional limits that exist in this area as well as to the need for real reform. A blanket ban would introduce significant legal uncertainty through complex and potentially ambiguous definitions. This would make the administration of a ban challenging. Inevitably, ambiguity and uncertainty increases the risk of litigation around council elections. It does not enhance the integrity of the system to introduce unworkable disqualification criteria.

Instead, the measures proposed in this bill, and foreshadowed for future reform, are more proportionate to and better targeted at the risk posed by property developers who serve on councils. I note the incorrect and irresponsible suggestion of Mr David Shoebridge that property developers are able to make political donations for the purposes of local government elections. I am pleased to remind the House that this is not the case under the current laws. Property developer donations are already prohibited at State and local government levels. Indeed, this has been the position in New South Wales since 2009 when the ban on property developer donations was first passed by the Parliament.

Section 83 of the Election Funding, Expenditure and Disclosures Act clearly states that part 6 of the Act, including the ban on property developer donations in division 4A, applies to State and local government elections. In addition, the Government has moved quickly to put in place a regulation that increases transparency around

property developers and their close associates who stand for election in September. Importantly, the new candidate information disclosure rules still allow electors to make their own choice about whether to elect such persons to their local council. These are strong and appropriately adapted measures that increase council integrity without diminishing the ability of the whole community to participate in local government.

The new prohibition on the making and acceptance of political donations that exceed the applicable caps will apply from 1 July 2016. The Government does not believe it would be appropriate to impose criminal liability on individuals for past donations that were not unlawful at the time they were made. Retrospective donation laws would run counter to well-established principles of criminal law. The NSW Electoral Commission has been consulted and supports a commencement date of 1 July, which will align with the commencement of the 2016-17 disclosure period under the Election Funding, Expenditure and Disclosures Act. These are strong and appropriately adapted measures that increase council integrity without diminishing the ability of the whole community to participate in local government. I commend the bill to the House.

The DEPUTY PRESIDENT (The Hon. Bronnie Taylor): The question is that this bill be now read a second time.

Motion agreed to.

In Committee

The CHAIR: There being no objection, the bill will be taken as a whole. I have two sets of amendments, being Opposition amendments appearing on sheet c2016-060A and The Greens amendments appearing on sheet c2016-061. We will deal with Opposition amendment No. 1 which appears on sheet c2016-060A and then The Greens amendment No. 1 which appears on sheet c2016-061, which deals with the same clause as Opposition amendment No. 2. We will deal with those together. We will deal first with Opposition amendment No. 1 on sheet c2016-060A.

The Hon. PETER PRIMROSE (16:18): I move Opposition amendment No. 1 on sheet c2016-060A:

No. 1 **Caps on electoral expenditure for local government elections**

Page 7, Schedule 1 [24]. Insert after line 31:

Caps on electoral expenditure for local government elections

It is the intention of Parliament that regulatory provisions be made for the imposition of caps on electoral expenditure for future ordinary or mayoral local government elections.

This amendment will ensure that regulatory provisions are included in the legislation to impose caps on electoral expenditure for future ordinary or mayoral local government elections. In arguing for this amendment I will not canvass all the matters I raised in my contribution to debate on the second reading. Having received this bill only late yesterday, it was impossible for Opposition members and for Parliamentary Counsel to draft the detailed and complex legislative amendments required to implement such a proposal. We accept that but we believe it is appropriate to make it clear—as per the Premier's undertaking to the Parliament—that the Government will introduce, by way of regulation, subordinate legislation with respect to electoral expenditure caps in time for the September 2016 local government elections.

The Opposition will not indicate what that subordinate legislation should be; it believes that is a matter for the Government in consultation with the Electoral Commissioner. We would be delighted to participate in discussions with the Government and the Electoral Commission but we have not yet been given an opportunity. Given the time that has been made available to us, we simply propose that there be regulatory amendment and that the legislation makes it clear. As I said earlier, I will not canvass all the matters to which I referred in my contribution to debate on the second reading. Only three weeks ago the Premier gave us an undertaking. Members in this place and interested community members would be aware that the Premier of New South Wales, the Minister responsible for the Electoral Commission, without any hesitation said, "Yes," in response to a question from the Leader of the Opposition that caps on political donations and spending would be in place for council elections later this year. That was a pretty firm undertaking.

Interestingly, Minister Ajaka just said that one of the reasons this could not be introduced was that candidates would need to take time to understand the full implications. It is fascinating that those same candidates do not need time to acquaint themselves fully with the requirements of donation caps. For some reason that I do not comprehend, they need additional time to understand expenditure caps, which is bizarre. Only three weeks ago the Premier clearly and readily gave us an undertaking. The Premier is the Minister responsible for the Electoral Commission. It is probably difficult to implement donation caps but, as I mentioned earlier, this issue was flagged three years ago by the Liberal Party of New South Wales in its submission to the Joint Standing Committee on Electoral Matters. It is difficult, therefore, to believe that some work has not been done by the

Electoral Commission in preparation for the local government elections, given that this issue was highlighted three years ago. Clearly there would be a draft to this effect.

The Opposition is not proposing that it be presented to this Chamber. Surely, within the span of a month—given the fact that that work would already have taken place—there would be a draft available for consideration by the Government to introduce subordinate legislation. To paraphrase St Augustine, the Minister's attitude is, "Make me pure, but not yet." He is saying, "Let us wait until after the 2016 council elections have taken place and then we will introduce this." That is not good enough. The Premier led the community to believe that expenditure caps would be in place. Given that the Government chose to introduce legislation that we have supported, it should simply get on with it, do its work and implement regulatory provisions so that this legislation does not have to be subsequently amended. That expenditure cap could well and truly be in place before 1 July.

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (16:24): The Government opposes Opposition amendment No. 1. It may well be that Opposition amendment No. 1 is outside the leave of the bill. Further, it may well be that the amendment would have no legal effect whatsoever. It does not set any caps on expenditure, as the Opposition spokesperson the Hon. Peter Primrose has stated. It simply notes that it is "the intention of Parliament that regulatory provisions be made" for such caps for future elections.

It is not clear that the regulation-making power in the Election Funding, Expenditure and Disclosures Act 1981 would even permit the making of such regulatory provisions. Further, the maximum penalty that may be imposed by the regulation is only 20 penalty units, meaning that there would be insufficient penalties for breaches of the proposed spending caps. In any event, it is not appropriate for such a significant policy to be implemented by way of regulatory provisions. The Government has already committed to pursuing expenditure caps by way of legislative amendments as part of a comprehensive review of the Act. The Government opposes the amendment.

Mr DAVID SHOEBRIDGE (16:25): The Greens support Opposition amendment No. 1—an unusually worded amendment—which proposes to insert on page 7 of schedule 1 to the bill caps on electoral expenditure for local government elections. It reads:

It is the intention of Parliament that regulatory provisions be made for the imposition of caps on electoral expenditure for future ordinary or mayoral local government elections.

I support that intention and I hope that all members support the intention of the amendment—to do this either by way of regulation or by way of substantive law. It is an unusually worded provision but, despite its somewhat novel terms, its intention is clear and good. On at least one view of it, the intention of the amendment is to empower the Government to issue regulations that will put caps on electoral expenditure for future ordinary or mayoral local government elections. Like the Labor Opposition, The Greens endeavoured to produce more carefully crafted statutory amendments that would have put in place an expenditure cap regime. Like the Labor Opposition, The Greens were unable to do that in the time that was available to them—24 hours from the time we received the bill to debating it in Committee, and the bill has been through both Chambers.

I do not criticise the Opposition when I say that the wording of its amendment is novel. The Opposition did its best in the time available to it, and we support the amendment. It is remarkable that the Government, with all the resources it has at its disposal, is not in a position to put forward a rational proposal for expenditure caps in local council elections. The Government has spent countless millions of dollars in sacking councils. The Government has \$590 million in the budget ready to continue stacking councils and putting in administrators in its Orwellian Fit for the Future campaign, but it apparently is not able to put two draftspeople on duty to draft legislation relating to caps on expenditure in local government. It is not a hard task to come up with the structure.

The structure needs to involve a cap on the amount of expenditure that is linked to the number of registered voters in either the ward or the council area. A global cap must sit on top of that, which will seriously reduce the amount of money available in local council elections. Without some kind of statutory restraint on expenditure, at the end of September a bunch of Liberal or Liberal-aligned councillors, bankrolled by corporate Australia, literally will be buying council elections in Sutherland, Bankstown, Wollondilly, Hawkesbury and some other larger coastal regional councils. They are all ready to buy the council elections with glossy brochures and endless advertisements—all of which have been paid for by corporate Australia—because this Government has not seen fit to devote resources to oversee the implementation of a sensible statutory regime before September. For the reasons I have stated, The Greens support the Opposition's amendment.

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (16:29): In response to matters raised in particular by Mr David Shoebridge, I will read the contents of a letter from the Electoral Commission by Linda Franklin, who is the acting Electoral Commissioner. The letter is dated 22 June 2016 and it is addressed to the Premier, Mr Mike Baird. The letter states:

Dear Premier

Local Government and Elections Legislation Amendment (Integrity) Bill 2016 (the bill)

I confirm that the NSW Electoral Commission has been consulted in relation to the bill, specifically the possible introduction of donation and expenditure caps at local government level to apply at the upcoming September 2016 local government elections.

I confirm that on May 31, 2016, an officer of the Commission advised an officer of the Department of Premier and Cabinet that it is impossible to successfully implement expenditure caps at this point in the election calendar. We advise that it would be difficult for the Commission to implement all of the necessary changes to the system and process the material in such a short time period between passage of the bill and date of the commencement.

Mr DAVID SHOEBRIDGE (16:30): I thank the Minister for reading that letter onto the record because it makes a couple of things clear: firstly, that it would be difficult for the Electoral Commission to put in place a regime—and I do not doubt that it would be difficult but that is why we have Government and, hopefully, a competent Government that can address those difficulties, adequately resource resolution of the difficulties and implement the regime; and, secondly, that the correspondence is dated 31 May.

The Hon. John Ajaka: I am sorry, the correspondence is dated 22 June.

Mr DAVID SHOEBRIDGE: The correspondence is dated 22 June, but it referenced a position that was made clear on 31 May, as I understand it. In other words, in correspondence dated today the commission said that on 31 May they said it was going to be difficult, given the time frame, to implement the necessary reforms. What is really surprising about that is that it looks like the Government does not own a Google calendar and has not been aware of the fact that for four years September 2016 has been the date upon which New South Wales would hold local government elections. Despite the fact that the Government has tried to pull out a whole bunch of them by sacking councils and installing administrators, approximately half of the State's councils will have their council elections in September this year—as we knew eight years ago.

It appears that the Government first asked the Electoral Commission to assist by putting caps in place on 31 May. Not surprisingly—because the Government waited so long, sat on its hands and enjoyed the ride that Salim Mehajer gave it—this Government got advice on 31 May that it is too late and too difficult to implement expenditure caps, given how slow the Government has been in getting out of the blocks and considering serious reform. In large part the letter, which I assume is being tabled, confirms that there has been a gross and culpable lack of diligence on the part of the Government which has led to the Government's failure to put in place the necessary statutory reforms and make the forthcoming council elections a process of integrity.

The CHAIR: Order! I indicate that the Minister asked whether the letter could be tabled. He has been advised that it cannot be tabled during the Committee stage. The Minister may table it after the conclusion of the Committee stage.

Mr David Shoebridge: I thought I made it clear that I was not taking issue about tabling.

The Hon. PETER PRIMROSE (16:33): Chair, you must be prescient. I request that the Minister table the letter at the appropriate stage.

The Hon. John Ajaka: I will be pleased to do so.

The Hon. PETER PRIMROSE: I wish to clarify with the Minister that the letter related to advice on 31 May.

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (16:33): Yes. The letter states—and this is where Mr David Shoebridge is incorrect—that it confirms an officer of the commission advised an officer of the Department of Premier and Cabinet on 31 May. It is not the case, as Mr David Shoebridge indicated, that a request was received from the Department of Premier and Cabinet on that date.

The Hon. PETER PRIMROSE (16:34): I thank the Minister because 31 May is a date that may go down in infamy. We now know that at 2.55 p.m. on the afternoon of 31 May the Leader of the Opposition asked the Premier, "Will he introduce caps on political donations and spending so that they will be in place for council elections that will take place this year?" The Department of Premier and Cabinet received advice from the Electoral Commission that the commission believed it would be administratively impossible to introduce donation and spending caps in time for this year's council elections, but the Premier nevertheless advised the lower House that it would occur.

The Hon. John Ajaka: But you do not know what time on 31 May that came, so you cannot say that.

The Hon. PETER PRIMROSE: It is very interesting that it was 31 May.

The Hon. Shaoquett Moselmane: We will remember that date, John.

The Hon. PETER PRIMROSE: Yes, we will remember that date.

The Hon. Dr Peter Phelps: "We will remember them."

The Hon. PETER PRIMROSE: We will not forget.

The CHAIR: Order! The question is that Opposition amendment No. 1 on sheet c2016-060A be agreed to.

The Committee divided.

Ayes16
Noes21
Majority.....5

AYES

Ms Barham
Mr Buckingham
Ms Cotsis
Mr Donnelly (teller)
Dr Faruqi
Ms Houssos

Mr Mookhey
Mr Moselmane (teller)
Mr Pearson
Mr Primrose
Mr Searle

Ms Sharpe
Mr Shoebridge
Mr Veitch
Ms Voltz
Mr Wong

NOES

Mr Ajaka
Mr Amato
Mr Blair
Mr Borsak
Mr Brown
Mr Clark
Mr Colless

Mr Farlow
Mr Franklin (teller)
Mr Gallacher
Mr Gay
Mr Green
Mr MacDonald
Ms Maclaren-Jones (teller)

Mr Mallard
Mr Mason-Cox
Ms Mitchell
Reverend Nile
Mr Pearce
Dr Phelps
Ms Taylor

PAIRS

Mr Secord

Ms Cusack

Amendment negatived.

The CHAIR: We now move to The Greens amendment No. 1 on sheet c2016-061. It has been pointed out to me that Opposition amendment No. 2 on sheet c2016-060A and The Greens amendment No. 1 on sheet c2016-061 are in identical terms. So whatever happens with The Greens amendment, the Opposition amendment will lapse upon the moving of The Greens amendment.

Mr DAVID SHOEBRIDGE (16:43): I move The Greens amendment No. 1 on sheet c2016-061:

No. 1 **Disqualification of real estate agents and close associates of corporate property developers**

Page 8, Schedule 2. Insert after line 13:

[2] Section 275 (1) (i) and (j)

Insert at the end of section 275 (1) (h):

, or

- (i) if he or she is while holding that office a real estate agent, except as provided by subsections (8) and (9), or
- (j) if he or she is while holding that office a close associate of a property developer, except as provided by subsections (8) and (9).

[3] Section 275 (8)–(10)

Insert before the note at the end of the section:

(8) If:

- (a) on the commencement of this subsection, a real estate agent or close associate of a property developer is a councillor or mayor, or

- (b) after the commencement of this subsection, a councillor or mayor becomes a real estate agent or close associate of a property developer,
the person is not disqualified from holding civic office because of subsection (1) (i) or (j) for the balance of the person's term of office as a councillor or for the period of 2 years (whichever is the shorter period).
- (9) Despite anything to the contrary in this Chapter, a real estate agent or close associate of a property developer is not disqualified because of subsection (1) (i) or (j) from being nominated for election or being elected to a civic office. If elected, the person is disqualified from holding that civic office unless:
 - (a) the person has ceased to be a real estate agent or close associate of a property developer before the first meeting of the council concerned after the election, or
 - (b) it is an election as mayor by the councillors during the period that the person is not disqualified by the operation of subsection (8).
- (10) In this section:
close associate of a property developer means a person of the kind referred to in section 96GB (1) (b) of the *Election Funding, Expenditure and Disclosures Act 1981*.
real estate agent has the same meaning as in the *Property, Stock and Business Agents Act 2002*.

This amendment does what the people of New South Wales have been demanding Parliament do for over a decade. The people of New South Wales demand that we say finally, once and for all, that property developers and real estate agents can no longer run for council. It says in unambiguous terms that if somebody wants to be a property developer they cannot be a councillor, and if they want to be a real estate agent they should go for their life and be a real estate agent but they cannot be elected to council. They cannot be a property developer or a real estate agent while they sit on council deciding planning and development matters as a local councillor. The people of New South Wales want the Parliament to pass this law. The people of New South Wales are sick of good councillors being tarred with the brush of the ugly conduct of a minority of councillors who are property developers or real estate agents and who get on council in order to feather their own nest or to vote in favour of the interests of their friends and corporate colleagues in the property development or real estate industry. Enough is enough.

Premier Mike Baird talks about wanting to restore integrity in local government. The Coalition makes the noises about wanting to restore integrity in local government, and here it has the chance to do that. The legislation is now before this House to finally once and for all ban property developers and real estate agents from running for local council. This is what The Greens amendment does. We challenge the Premier to put his money where his mouth is, take the money out of the hands of the property development industry and for once put the interests of the community and the people of New South Wales ahead of the interests of the property lobby, the Property Council of Australia and the like. We know that the property lobby is constantly in the Premier's ear to reduce community say in development matters and to get more and more property developers and the like elected to council. This is the chance to vote for integrity, and that is why we are moving this amendment.

The Hon. PETER PRIMROSE (16:45): Both The Greens and the Opposition asked Parliamentary Counsel how to amend the Local Government and Elections Legislation Amendment (Integrity) Bill 2016 to ensure that real estate agents and property developers are no longer able to be on local councils in New South Wales. Not surprisingly, Parliamentary Counsel came back with almost identical forms of amendments. The Labor Party obviously fully supports The Greens amendment because it is almost identical to the amendment we have submitted. Both parties have come up with this amendment for much the same reason. We have argued this case many times in this place and I suspect, if I can be prescient about the forthcoming division, that we will be here on a number of future occasions until we finally achieve what the people of New South Wales want, which is to have developers and real estate agents taken out of local councils in New South Wales.

I stress that we have no problem with people being developers or people being real estate agents. They are perfectly legitimate professions that we as a community use. We need real estate agents for their expertise and their advice, and we need developers to develop property, which is where their expertise lies. However, there is too much of a conflict of interest in being a developer or a real estate agent and sitting on a local council. This is stunningly obvious to every person in New South Wales, but it seems it is not stunningly obvious to the Government. I am sure the Minister will give a range of arguments for opposing this amendment in relation to issues to do with legality. All of these issues have been knocked on the head many times in earlier debate. What is crystal clear is that it is the wish of the people of New South Wales that real estate agents and developers not sit on local councils in judgement on their own applications or on matters that could influence future applications.

This amendment by The Greens, which is almost identical to the amendment of the Opposition, would achieve precisely that. This is what the people of New South Wales want. I urge the Government to listen to the people.

Mr JEREMY BUCKINGHAM (16:48): I think this is an excellent amendment and one that is an inevitability, although perhaps not tonight in this Chamber. It must happen because, as was covered in the debate on electoral funding reform at the State level, the community demands it. It defies logic that this amendment would not pass. It flies in the face of the wishes of the people of New South Wales that the Government argues that it is necessary and acceptable that property developers and real estate agents have a role in making decisions from which they benefit to the tune of tens of millions of dollars. Some of the councillors I have worked with made decisions that benefited them. They sat there and argued the case. It is not like they just sat there and then at the time of decision-making stuck their hand up to indicate yes or no; these councillors argued in meetings one way or the other. They may argue for an amendment—

The Hon. Dr Peter Phelps: That is generally how people argue: one way or the other.

Mr JEREMY BUCKINGHAM: Of course they do. The one way they argue is to benefit themselves to the tune—

The CHAIR: Order! The member will address his remarks through the Chair and not respond to interjections.

Mr JEREMY BUCKINGHAM: —of tens of millions of dollars. I saw firsthand the manner in which property developers and real estate agents—sometimes they are the same person—moved amendments to local environmental plans [LEPs] that flew in the face of the recommendations from council staff. Years of planning and consultation is gazumped through last-minute amendments moved by councillors to local environmental plans, development control plans and building height limits. It is all to benefit themselves. It is utterly and completely corrupt. It is amoral. It is wrong. It completely destroys the integrity—

The Hon. Daniel Mookhey: That is immoral.

Mr JEREMY BUCKINGHAM: It is both.

The Hon. Dr Peter Phelps: It cannot be both.

The CHAIR: Order! I ask the Hon. Dr Peter Phelps to cease interjecting or he will be called to order. The member is entitled to be heard in silence. The member will address his remarks through the Chair. That will keep a degree of order to proceedings.

Mr JEREMY BUCKINGHAM: Not only does this bill not deal with corruption, it builds corruption into the system. It is inevitable. Government members may roll their eyes and huff and puff as if this is a laboured and irrelevant point, but it is not. This undermines the integrity of the planning system of this State. It means that there will be absolutely abysmal planning decisions. If we do not deal with it now, we will have to deal with it in the future. The Greens—through Ms Lee Rhiannon, the late Dr John Kaye and Mr David Shoebridge—will not stop fighting for this provision into the future. It will restore integrity to the system of local government and planning. It will make sure the fox is not in charge of the hen house. It will ensure that the decisions that councils make are in the interests of the people in the community and not an individual's back pocket.

The Hon. JOHN AJAKA (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) (16:52): The Government opposes The Greens amendment No. 1. Can I confirm that the Committee is dealing with that amendment and not the Opposition amendment?

The CHAIR: We are dealing with The Greens amendment. I again make clear that The Greens amendment and the Opposition amendment are the same. Once The Greens amendment has been dealt with, the Opposition amendment will lapse.

The Hon. JOHN AJAKA: This amendment illustrates why a ban of this kind will not work. It is a slippery slope towards banning other candidates who might have links to property—such as builders and other tradespeople, engineers, lawyers, strata managers, architects, accountants and even ecological consultants, just to name a few. All of these occupations potentially benefit from property development, but none of them should be banned from being elected. What about the close associates of all these occupations? Should spouses, children, business associates, shareholders of property developers and other professions I mentioned also be banned just because a conflict of interest might arise at some point?

The Government does not believe that local people should be prevented from contributing to the governance of their local communities on the basis only of potential conflicts of interest. Instead, the right way to manage conflicts of interest of councillors is to stop them from making decisions that they stand to benefit from. In 2015 the Government put a stop to councillors voting on changes to LEPs where they have a pecuniary interest

that is not their principal place of residence. The Government has also announced that it will make a number of other changes to the way planning decisions by councils are made to avoid conflicts arising. These include stopping councils deciding development applications made by their own councillors or by councillors' relatives. The Government is also proposing to include a contentious disclosure obligation for councillors in the model code of conduct. A sensible pecuniary interest management regime is the right and prudent way to respond to the public policy concerns expressed here today.

The Hon. SOPHIE COTSIS (16:55): I will make a brief contribution to the debate. The Government has indicated that it is not going to support The Greens amendment in relation to disallowing developers or real estate agents to run for local council. The Government has sent a signal today to potential candidates that they can run in September 2016 and when the Government announces council elections next year. The Government's integrity measures are half-baked. It looks more like a wink, wink. They can still run for election.

If the Government were serious about its integrity measures in local government, it would support the amendment to stop property developers and real estate agents from running for election on local government. It would also support amendments in relation to expenditure caps. This is a sensible and practical amendment. The Government has sent a signal to developers that they can still run amok in local government. Labor is concerned that the proposed mergers will create councils with 300,000 to 400,000 in population and billions of dollars worth of assets. There will be fewer community representatives on council.

[Interruption]

Yes, it is related to this amendment.

The CHAIR: Order! The member should not respond to interjections.

The Hon. SOPHIE COTSIS: There will be large councils with fewer community representatives. There will be a large asset base and large budgets and less accountability. That is dangerous. The Government is signalling that it is okay for developers and real estate agents with a pocketful of money and no expenditure caps to access councils and make self-serving decisions. One of the concerns is that community assets will be sold. Those assets are important to communities. That will occur over the next two years. The Government has signalled that it is okay for developers to run for council and there will be no expenditure caps or transparency.

Ms JAN BARHAM (16:58): I speak in support of The Greens amendment. I have a sad tale to tell about my local community. I served for 13 years on local government. I believe that anyone should be able to serve in local government. People should not be judged for their occupation or what role they serve. Being a real estate agent is a necessary function of our society. In Byron shire we had a real estate agent who was a much-loved, well-respected, green real estate agent. She charged low commissions and gave a personalised service. People loved her. She supported them through the most important purchase of their life, their home. Rose, from Rose Realty, was such a person. She was much loved in the community and she demonstrated integrity in her role.

Like the Minister, I said that we should not judge people by their profession. We could say the same about politicians. I believe in integrity, particularly at the community level. Locally elected community representatives are subject to close scrutiny, when we go shopping, when we walk on the beach, when we walk our dog and so on. Whatever we do, people will provide feedback and we are subject to far greater accountability. There is a trust, a connectedness and a belief in the integrity of our role.

When I was under a lot of pressure in my community, it was Rose who supported me. She encouraged other local businesspeople to support me when I sought election as mayor in 2008. Everyone said that because I was a member of The Greens I was terrible and that I hated business; they stereotyped me. Rose then joined The Greens and stood as a candidate at the next election. The community subsequently had an extensive debate about whether someone could be a real estate agent and a member of The Greens. I stood up for Rose's integrity and her right to stand for election. I acknowledged the responsibility that she displayed in her profession and recognised the importance of her representing the entire community. I believed she could set aside any business-focused ideology.

Sadly, I was wrong. I have spent the past four years watching 13 years of my work and 30 years of other people's work being pulled apart. When Rose became mayor, she did not understand that she was responsible to the entire community. She fell into the real estate agent mindset and heavily promoted the value of developing land. It has been frightening for the community as they have watched years of work torn asunder. That was difficult to accept when the community trusted and believed their elected representative knew the difference between her professional role and her community role. They believed their representative would behave with integrity and honour the responsibility that she owed the community. It has been heartbreaking for many people.

We must draw a line. We must accept that this happens too often to trust that people will be able to differentiate between their professional role and their role as an elected representative. I am comfortable changing my mind when I have new information. I must accept that I was wrong and that perhaps I was a little naive in having faith that integrity would govern representation. Sadly, in this case I have been proven wrong, and unfortunately my community has levelled some blame at The Greens for being too trusting and naive. It will not happen again, and I hope it does not happen to any other council or any other community. That is why this amendment should be supported as a safeguard and because it represents a precautionary approach. Three years ago when we were presented with amendments, we said they were wrong and that we could not allow people to vote on motions related to their property interests. But my colleague Mr David Shoebridge was howled down.

The CHAIR: Order! Although Ms Jan Barham is drawing her contribution to a close, I remind her to speak to the amendment.

Ms JAN BARHAM: We have been proved right before, and I am sure that we will be proved right again. I encourage all members to support the amendment.

The Hon. PETER PRIMROSE (17:04): I have already highlighted the logical antinomy in respect of this amendment. However, I point out a fallacy. I am concerned that the Minister's arguments could be applied equally to donors when he said it was important that people can work in and represent their local communities and that everybody has a role. However, we already have prohibited donor legislation in New South Wales. I hope he is not suggesting that the Government is changing its position. If not, then we will have the perverse position in New South Wales, should this amendment fail, where one can be a prohibited donor if one is a property developer but not a prohibited candidate. That seems to me to be illogical.

The Hon. PAUL GREEN (17:05): The Christian Democratic Party does not support the amendment. We are aware that the Government is making substantial changes, having received the Schott report. It will respond to that report, and I am sure that in the not-too-distant future we will be debating substantial legislative change in this area.

Mr DAVID SHOEBRIDGE (17:05): It is fair to say that in discussions with various parties and with members of this place and the other place, it has been made clear that plenty of people—regardless of their party affiliation—realise we have a problem. They realise that we need to do something to provide integrity measures that will stop local government having the appearance of being at the mercy of the development industry. Many people would in their private moments acknowledge that the clearest way to restore integrity to local councils is to pass legislation providing that people with such obvious conflicts of interest, such as property developers and real estate agents, should not be councillors.

There may be some politics in this at this point in the parliamentary cycle that says this amendment cannot be supported. However, its time will come. I am sure that if we had a conscience vote on this amendment a majority of members would support it. It is now the collective job of members of this and the other place to ensure that our collective conscience is ultimately reflected in legislation by including this integrity measure. I heard the argument put by the Hon. John Ajaka that we could create a slippery slope if we ban property developers and real estate agents and that we could end up banning bricklayers and tradespeople. I do not know the Liberal definition of a "tradesperson". However, we must deal with the legislation before the Committee now, which has enormous community support. No-one wants to prohibit bricklayers or tradespeople from running for council, but pretty much everybody in the State—apart from the Property Council of New South Wales—wants to prohibit property developers and real estate agents from running for council. It is time we did it.

The CHAIR: The question is that The Greens amendment No. 1 on sheet C2106-061 be agreed to.

The Committee divided.

Ayes 15
Noes 19
Majority.....4

AYES

Ms Barham (teller)
Mr Buckingham
Ms Cotsis
Mr Donnelly
Dr Faruqi (teller)

Ms Houssos
Mr Mookhey
Mr Moselmane
Mr Pearson
Mr Primrose

Mr Searle
Ms Sharpe
Mr Shoebridge
Mr Veith
Ms Voltz

NOES

Mr Ajaka
Mr Amato
Mr Brown
Mr Clarke
Mr Colless
Ms Cusack
Mr Farlow

Mr Franklin (teller)
Mr Gallacher
Mr Gay
Mr Green
Mr MacDonald
Ms Maclaren-Jones (teller)

Mr Mallard
Mr Mason-Cox
Reverend Nile
Mr Pearce
Dr Phelps
Ms Taylor

PAIRS

Mr Secord
Ms Mitchell

Mr Wong

Mr Harwin

Amendment negatived.

The CHAIR: The question is that the bill as read be agreed to.

Motion agreed to.

The Hon. JOHN AJAKA: I move:

That the Chair do now leave the chair and report the bill to the House without amendment.

Motion agreed to.**Adoption of Report**

The Hon. JOHN AJAKA: I move:

That the report be adopted.

Motion agreed to.**Third Reading**

The Hon. JOHN AJAKA: I table a letter from the Electoral Commission dated 22 June 2016 to the Premier, the Hon. Mike Baird.

Document tabled.

The Hon. JOHN AJAKA: On behalf of the Hon. Duncan Gay: I move:

That this bill be now read a third time.

The DEPUTY PRESIDENT (The Hon. Shayne Mallard): The question is that this bill be now read a third time.

Motion agreed to.**POINT TO POINT TRANSPORT (TAXIS AND HIRE VEHICLES) BILL 2016****Second Reading**

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (17:19): 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 Point to Point Transport (Taxis and Hire Vehicles) Bill 2016 represents the second stage of the implementation reforms arising from the Point to Point in Transport Taskforce. Members will recall that in July 2015 I commissioned Professor Gary Sturgess, AM, aided by Dr Tom Parry AM, to undertake an examination of the future sustainability of taxis, hire cars and other emerging point to point transport providers with a view to making recommendations about the complex issues facing the industry. The taskforce presented its findings to me in November 2015 in a comprehensive report that contained 57 recommendations.

The New South Wales Government responded positively to the taskforce's vision to improve and modernise the point to point transport industry. The Government's response to the report is aimed at freeing up the industry of unnecessary red tape to allow for greater innovation and to improve customer choice, as well as to create more opportunities for industry and to boost the State economy.

Research by the Grattan Institute backs this up and noted that the collaborative economy had the effect of boosting employment and incomes for those on the fringe of the labour market. The first stage of these reforms in December 2015 allowed rideshare drivers to provide services legally so long as they met certain safety requirements. At the same time a number of prescriptive regulations which imposed unnecessary costs on taxis and hire cars were repealed.

It is heartening that, coinciding with these changes, business remains positive for the taxi industry. The New South Wales Taxi Industry Association has confirmed that network bookings for taxis are up 5 per cent year on year. There have also been significant increases in the number of people wanting to become taxi drivers. In the first five months after these changes, more than 2,200 people successfully applied to become taxi drivers. This is nearly three times as many as in the same period for any of the previous five years.

This bill represents the next and most substantial stage in the implementation of the task force findings: the establishment of a new regulatory framework for the point to point transport industry. The bill is set to give industry even greater flexibility in meeting customer demand while ensuring safety standards are maintained. The bill will apply to services in vehicles with 12 or fewer seats. It will not apply to services that are free of charge or only available to defined groups, such as community transport and courtesy transport. It allows other service types to be captured, or not, as necessary. It allows a less rigid industry structure which provides a more level playing field and allows innovation. Significantly, it creates two authorised entities: providers of taxi services and providers of booking services.

Booking services may be provided anywhere in the State, whether in a taxi or a hire vehicle. Only taxis, however, can undertake rank and hail work. There are severe penalties, including a custodial sentence, for providing a taxi service without an appropriate taxi licence. We are doing this with community safety first and foremost in mind. Importantly, in line with the task force recommendations, the bill creates a risk-based regulatory scheme with clear accountabilities based on work health and safety legislation. In line with the Point to Point Transport Taskforce recommendations, the regulatory framework should incentivise those entities whose brand is associated with the service so that they take accountability for safety outcomes. Taxi companies and booking services, including rideshare companies, will have an obligation to ensure that services are safe. They will have general safety duties, there will be clearly defined safety standards and there is a graduated penalty regime in place for noncompliance.

The bill also creates a dedicated regulator, the Commissioner for Point to Point Transport, with significant and wide-ranging powers. The task force did not specifically recommend an independent regulator. However, it is the Government's view that the creation of the commissioner's role signals a new approach to industry regulation. The commissioner will support the new framework, with an emphasis on industry accountability, safety and compliance. The new regulatory framework will promote innovation and competition. In order to encourage the existing taxi and hire car industry to adapt to changed circumstances, the Government has approved an industry adjustment package valued at \$250 million. This assistance package is amongst the most generous in the world. Many other jurisdictions that have implemented substantial reforms to taxi and hire car regulation have offered much smaller or in some circumstances no adjustment assistance to licensees.

The bill provides for the establishment of a transitional assistance panel which includes representation from the NSW Taxi Council to oversee the distribution of assistance funds, including advising the Minister on eligibility. In addition, in order to fund the industry assistance package, the Government has agreed to the establishment of a short-term passenger service levy for up to five years. The bill provides for a levy of \$1 per trip on all point to point transport trips. It will be at the service provider's discretion whether or how to pass the charge on to customers.

The Government has heard directly from the taxi industry that the cost of compulsory third party insurance is one of the biggest overheads in their business. Independent Pricing and Regulatory Tribunal [IPART] data estimates insurance costs, including compulsory third party insurance, to be the fourth-largest outgoing expense to a taxi operator after fuel, driver earnings and taxi licence lease costs.

The task force also heard from the industry that in order to have a level playing field, the categories that the insurance industry relies upon to calculate compulsory third party [CTP] would need to be reviewed in order to reflect new business models, such as rideshare. Accordingly, the task force recommended that the Government review the current CTP regime for point to point vehicles in an effort to provide a system that is fairer, more equitable and reflective of risk for the point to point industry.

Following on from the task force recommendation, a review of CTP insurance for point to point vehicles was recently commenced by the State Insurance Regulatory Authority [SIRA], which regulates the New South Wales CTP scheme to ensure greater fairness in premium settings for the sector and support ridesharing alongside more traditional point to point providers such as taxis. Separately, SIRA is also reviewing its premium system, which includes a review of CTP premiums for taxis and hire vehicles, with a primary aim of allowing insurers to innovate in underwriting and to move towards greater levels of risk-based pricing.

Both reviews are informed by recommendations made in the recent "Report of the Independent Review of Insurer Profit within the NSW Compulsory Third Party Scheme", including the development of more transparent mechanisms such as risk pools to deal directly with the issue of premium affordability. SIRA is continuing to work closely with key stakeholders to develop a fair solution and create business practices and processes to ensure the CTP framework provides a level playing field for point to point vehicles. CTP premiums are set and sold in a competitive market by licensed CTP insurers within the Motor Accidents Compensation Act and business rules and guidelines set by SIRA.

Information on taxi and hire vehicle usage and claims is required in order to assist SIRA and CTP insurers to accurately determine the individual risk profiles of taxis and hire vehicles to set appropriate risk-based CTP premium prices. To ensure SIRA has the information it needs to make this assessment, the bill will provide SIRA with powers to collect data from the booking service and taxi service providers to help determine the appropriate CTP premiums for taxi and hire vehicles. The bill also ensures that commercially sensitive information obtained by SIRA from the booking service and taxi service providers is treated as protected information under the Motor Accidents Compensation Act 1999, which prevents that information from being divulged directly or indirectly except in limited circumstances.

As honourable members would be aware, most workplace relations issues have been referred to the national framework through the Commonwealth. However, some industries have legacy arrangements in place, including the bailment arrangements for taxi drivers in New South Wales. These are subject to the jurisdiction of the NSW Industrial Relations Commission, which may make contract determinations with respect to bailment arrangements for taxis and hire cars. Under the contract determination in place for

Sydney taxi drivers, the New South Wales Taxi Industry Association represents bailers, the owners of the taxi, and the Transport Workers Union represents bailees, the drivers.

The Point to Point Transport Taskforce discussion paper asked for comment and what steps could be taken to make taxi drivers' incomes more sustainable. The Transport Workers Union did not make a submission to the task force. The submission of the NSW Taxi Council focused on the importance of amending the current contract determination as per its application currently before the NSW Industrial Relations Commission, which has been adjourned pending the Government's broader reforms. The Government is of the view that it makes sense that the issue be looked at more thoroughly, particularly now. I note that the chair of the Legislative Assembly Standing Committee for Transport and Infrastructure is in the Chamber. The committee will be asked to investigate industrial relations across the point to point transport industry and to report back quickly.

The New South Wales Government is not alone in having to deal with the impact of new technology on transport services and the rise of the sharing economy. Jurisdictions across Australia and internationally are finding ways to deal with new disruptive business models that facilitates ridesharing and has transformed booking services with booking, tracking and payment technologies. The decision to establish the Point to Point Transport Taskforce in July 2015 arose from the desire to seek expert advice and to consult with the community on the best way forward.

The inquiry promoted huge interest. The task force had about 140 meetings with different stakeholders and received over 5,600 submissions from industry, emerging players, community transport providers, business groups, government agencies, representatives of people with disabilities, and members of the public. Responses were varied but many carried a similar message. The NRMA, for example, argued that "public transport and private vehicles will continue to do the heavy lifting in getting people around, but there is a growing demand for transport services that are more flexible than public transport but cheaper than a taxi". The motoring organisation argued that one answer to limited infrastructure capacity and congestion lay in the latent capacity in the empty seats in under-utilised private vehicles.

The NRMA's claim that ridesharing services had been well received by the community in New South Wales was supported by the numbers. Several thousand rideshare customers made submissions to the task force, and many of those gave detailed reasons in support of their choice. Further, since the first stage of the reforms in December 2015, a survey conducted on behalf of the Independent Pricing and Regulatory Tribunal [IPART] in February 2016 found that around 22 per cent of the Sydney population had used ridesharing services. Price and the perception of reliability are the two main reasons given for using a ridesharing service rather than a taxi.

Those representing the transport disadvantaged reported particular difficulties with existing taxi services. The Physical Disability Council of New South Wales complained of "no shows" and of drivers "cherry-picking" jobs and refusing to provide short-distance trips. The South West Community Transport, representing the frail aged and younger people with a disability, reported the lack of a positive attitude in the taxi industry towards this vulnerable section of the community. The NSW Council of Social Service [NCOSS] suggested to the task force:

... accessible and affordable transport is a key component of social inclusion. New forms of point to point transport, such as ridesharing services, have the potential to improve transport access for people with disability and older people.

Evidence was presented that the current regime, with its overly prescriptive regulations, increased the cost of delivering services and limited the ability of industry participants, particularly the taxi industry, to innovate. IPART argued that the taxi industry is currently burdened with higher costs compared with other modes of transport due to "inappropriate or outdated regulatory obligations". For example, until the regulation was repealed in December last year, at the recommendation of the task force, it was unlawful to operate a vehicle licensed as a taxicab in Sydney if the vehicle was more than six years old.

At the same time, according to the Australian Bureau of Statistics, the average age of all vehicles registered in Australia was 10.1 years in 2015. If a vehicle is well maintained and roadworthy, its age is irrelevant. That point was made in several of the expert submissions to the task force, including by the Taxi Council and insurers. Interestingly, the task force argued that as well as deterring innovation, the system of prescriptive regulation was not ensuring good safety outcomes. The regulator's central role in compliance meant that taxi operators had a largely passive attitude to safety.

For example, an audit in 2014 conducted by the NSW Police Force found that nearly half of the taxis surveyed in the Sydney CBD had roadworthiness defects. The new regulatory framework will impose safety duties on responsible entities, such as providers of taxi and booking services and vehicle owners, to ensure that vehicles are roadworthy at all times and to keep records relating to the vehicle's maintenance. In terms of industry costs, the task force demonstrated that the system of taxi licensing that had evolved over many years was unproductive and uncompetitive.

Roads and Maritime Services data show that only 25 per cent of taxi licence holders actually operate a taxi; the rest are passive investors who lease licences to operators for considerable rent. "Taxi licences," Professor Sturgess reported, "contribute nothing to the delivery of better customer service and yet they add ... around 20 per cent to the cost of a fare." Taxi licences are a substantial asset and a barrier to entry into the industry. Muswellbrook Shire Council's submission to the task force, which was concerned about the lack of availability of services in the town, stated that the cost of taxi licences "places the running of a taxi business out of the reach of most".

As the NSW Small Business Commissioner advised the task force, new market entrants can provide alternatives to customers, inspire innovation and raise service standards across an industry. The Government should respond to market changes by regulating for effective competition and implementing policy settings that provide a level playing field for market participants.

As indicated previously, the Government embraced the spirit and the intent of the task force's recommendations, including a regulatory model that incorporates the range of existing and emerging point to point transport services, initiating a new safety framework for the industry headed by a dedicated regulator, ensuring consumer protection and providing industry assistance for transition to move to a more competitive market.

Certain elements of the current system will be retained. Safety standards for drivers will be kept. As I have told honourable members, only taxis will be allowed to undertake rank and hail services, which, incidentally, account for 60 per cent of taxi work in Sydney. Providers of taxi services must be authorised by the regulator and taxis must be licensed. The penalty for providing a taxi service in a vehicle without a taxi licence is \$110,000 for a first offence. A second or subsequent offence within five years incurs a similar fine or two years' imprisonment, or both. These safeguards are important because taxis are subject to more

regulations for the safety and security of passengers due to the anonymous nature of rank and hail services. Taxis providing rank and hail services will continue to be clearly branded, drivers must be able to be identified and vehicles will still need to have security cameras, vehicle tracking and duress alarms.

The Government, on the advice of the Independent Pricing and Regulatory Tribunal [IPART], will continue to set maximum fares for rank and hail taxi services, and the rates must be clearly displayed within the vehicle. This prevents price gouging. Moreover, as is the case at the moment, companies can charge less than maximum fares. Drivers of wheelchair-accessible taxis will continue to be required to be competent in the safe loading, restraining and unloading of customers in wheelchairs. The requirement that taxis be maintained by a licensed mechanic will continue for all vehicles used to provide point to point transport services. Nevertheless, much will change under the new regulatory framework to allow for the development of new business models, improved safety outcomes and increased competition. While taxi licences will continue, only annual licences will be issued via tender, with the market setting the price. This is expected eventually to reduce the cost burden on industry and customers.

There will no longer be licences for hire vehicles and no need for regulatory plates. This will remove red tape and expense especially in relation to vehicle registration transfers and renewals, as identified in industry submissions to the task force.

Mandatory operator affiliation with taxi networks will be abolished: The task force found this an unnecessary layer within the industry, adding to compliance costs without evident benefits to taxi operators, drivers or customers. Drivers of point to point vehicles will no longer need to be authorised by Roads and Maritime Services, removing a cumbersome, costly and time-consuming process. However, all drivers of taxi and hire vehicles will continue to have to meet certain conditions. These include the driver holding an unrestricted Australian driver licence for 12 months of the previous two years, having undergone criminal background checks and meeting national medical standards for commercial drivers. All point to point drivers will be subject to special range prescribed concentration of alcohol offences of 0.02 per cent, which is effectively zero blood alcohol. Importantly, under safety standards in the regulations, taxi and booking service providers will be responsible for determining requirements that drivers must meet, including those for English language proficiency. In addition, the legislation will clearly set out offences that would disqualify a person from driving a point to point passenger service.

The requirement that taxis undergo two annual inspections is to be replaced by annual inspections similar to those for light vehicles more than five years old. The task force found little positive impact on safety of the existing inspection regime as many taxi owners tended to rely on mandated inspections to find faults rather than developing proactive maintenance regimes. In addition, inspections relating to taxi comfort and service quality are to be abolished. It is up to the service provider to decide what the level of quality should be; it is not for the Government to tell them. It is a reasonable expectation that a more competitive market will encourage an improvement in service standards. That is a big change culturally, particularly for the taxi industry. The task force found that prescriptive regulatory requirements for taxis relating to security equipment not only had added to compliance costs but also had discouraged the industry from taking advantage of improvements in technology. The legislation will remove obsolete and prescriptive equipment specifications, allowing taxi service providers flexibility in meeting safety and security outcomes.

The biggest changes are to the booked market. Industry protested to the task force about the cost of hire car licence fees and limits arising from operational boundaries. The task force recommended that there be no restrictions imposed on the supply of booking service providers or vehicles. Accordingly, a hire car licence is no longer needed to provide a hire car service; this means that hire car operators no longer need to pay the annual fee of \$8,235 in metropolitan Sydney, or around \$3,000 in regional New South Wales. HC number plates will no longer be issued and geographic boundaries for all booking services, including hire cars, have been removed. Hire cars that were licensed before 18 December 2015 will keep their existing HC number plates, and continue to access bus lanes for the next four years while a long-term transition is determined in consultation with industry. To this end, I thank the hire car industry for its help in raising this issue with the Government and for working with us on this transition.

Importantly, immediate or on-demand bookings will be allowed. In addition, fares will not be regulated. However, booking service providers—whether they provide booking taxi or hire vehicle services—will be obliged to provide a fare estimate for a journey before a customer accepts the booking. The bill ensures that fare estimates must be given in Australian dollars so prospective passengers will know the amount they would need to pay. This is one of the ways in which the bill provides for consumer protection. Booking services, especially ridesharing services using a smartphone app, record the customer and driver booking transaction process. The exchange between the passenger and the driver is not anonymous, the transaction is cashless and the journey is tracked on the global positioning system [GPS]. Nevertheless, the legislation will ensure that all booking services keep sufficient records to establish driver and customer identity as well as the origin, destination, time and date of travel.

The new regulatory regime introduces stiff penalties for the provision of an unauthorised taxi service or booking service. Authorisation ensures that directors and managers are nominated; that they, or close associates, have not been convicted of a disqualifying offence; that they take responsibility for ensuring compliance with safety standards for drivers and vehicles; and that they keep accessible records. Authorisation is important for accountability and public safety. Accordingly, providing an unauthorised taxi service or booking service is a serious issue. The repeat offence of providing such a service attracts a fine of up to \$10 million for a corporation.

In its investigations the task force found that the existing regulatory regime for point to point transport services allowed participants to deflect responsibility for public safety and regulatory compliance. The purpose of this bill is to place safety accountability where it clearly belongs—with industry participants. The bill establishes safety duties and safety standards, both concepts that are common to modern regulatory safety schemes such as the Rail Safety National Law but are new to the point to point transport industry.

The bill establishes that the providers of taxi services and booking services "must ensure, so far as is reasonably practical, the health and safety of drivers and other persons while they are engaged in providing the service..." As the task force report recommended, the primary duty of care created in the bill "... imposes a requirement that a person evaluate the particular risks associated with their business and put systems in place to identify, manage, mitigate and, where possible, eliminate those risks." A person may have more than one duty under the legislation. There are three categories of safety duty offences with a descending scale of penalties according to seriousness. For example, a category 1 safety duty offence, which results in death or serious injury, incurs a maximum penalty for an individual of a \$300,000 fine or two years imprisonment, or both. The fine for a corporation is \$3 million. Importantly, the bill will allow directors to be prosecuted in safety duty offences by corporations and other matters, such as providing an unauthorised taxi or booking service. The bill also provides for safety standards for taxi service providers, booking service providers, drivers and vehicle owners or holders of taxi licences.

The regulations will specify: safety standards in relation to driver licence requirements, competence and criminal records; vehicle registration, safety and insurance; the reporting of safety incidents; records relating to vehicles, drivers and bookings; the provision of information to passengers; and safety management systems. There are penalties for the contravention of a safety standard or failure to ensure compliance with a safety standard. Members will be aware that the purpose of safety duties and safety standards in legislation is to promote a safety culture in industry from the top to the bottom. This shows how serious the Government is about ensuring the safety of everyone involved in the point to point transport services industry. That is why we are establishing an independent regulatory entity, the Point to Point Transport Commissioner.

Evidence presented to the task force strongly suggested that the current regulatory regime is overly prescriptive and largely ineffective, while the powers of the regulator are deficient. The new regulator will have wide-ranging functions and powers. The bill provides for compliance and enforcement powers similar to those used for heavy vehicles and rail transport operators. Importantly, authorised officers will have a range of compliance tools at their command: audit notices, improvement notices, prohibition notices, penalty notices and enforceable undertakings. The bill allows appeals to a Local Court against certain decisions of the regulator. The new regulator will move away from the traditional "tyre kicking" methods of enforcement to more sophisticated ways of ensuring that providers of passenger and booking services meet safety outcomes and other regulatory requirements. Audits of safety systems, for example, will be important to ensure that vehicles are regularly maintained and serviced.

The commissioner will use information and communication technologies to assist in his or her task, with real-time online access to criminal charge information as well as driver licensing and vehicle registration information. The bill will also allow the commissioner to provide certain information to the authorised providers of taxi and booking services to enable them to fulfil their safety duties in relation to drivers and vehicles. This new, best-practice regulatory framework will allow competition and services that better meet consumer needs. The Government is aware, however, that regulatory change will bring about further transformation on top of that already brought in by the digital disruption that led to the advent of ridesharing. The Point to Point Transport Taskforce recommended that transitional assistance payments be provided to current taxi licensees to partially offset any reduction in income. It also recommended a hardship fund, to be overseen by a panel, to provide assistance to those who are especially adversely affected, such as those at or near retirement with few other assets or sources of income.

Accordingly, as I mentioned before, a \$250 million package will provide transitional assistance to industry incumbents. This includes: a \$142 million fund for taxi licensees facing hardship as a result of the changes; \$98 million for transition assistance of \$20,000 per perpetual licence, for up to two licences, for taxi licensees who obtained a licence before 1 July 2015, to help them adjust to a more competitive market, and to offset a reduction in income; and up to \$10 million for a buyback scheme for perpetual hire car licensees. The bill establishes a Transitional Assistance Panel to oversee the distribution of the funds to help those most adversely affected, taking into account changes in the market over time and individual circumstances. The panel will be chaired by the Secretary of the Department of Transport and comprise the Secretary of the Department of Premier and Cabinet, the Secretary of the Treasury, or their delegates, as well as the Chief Executive of the NSW Taxi Council. The Government will provide other assistance to the existing point to point transport industry to ease the transition to a new market place.

No annual licences for taxis will be issued in the Sydney area for the next four years. Business advisory services provided by the Office of the NSW Small Business Commissioner are available to industry participants to help them adjust to these changes and to make informed decisions about their businesses. The focus of all these efforts, including the removal of unnecessary regulation, is to encourage the taxi industry to be more competitive and sustainable. The bill also allows me to review the impacts of these reforms on the industry. A report on the outcome of the review of the bill will be tabled in both Houses of Parliament. The bill provides for the imposition of a passenger service levy to recover the cost of the industry assistance package. The levy is a tax and is collected with the authority of the Chief Commissioner of Taxation under the Taxation Administration Act 1996. A temporary charge of \$1 will be levied on all point to point journeys involving taxi services and booking services and is payable by each provider. The Point to Point Transport Commissioner will be given powers to assist the chief commissioner with the collection of the levy, including the ability to take compliance and enforcement action in certain circumstances.

Much of the Government's efforts to improve access and social inclusion fall outside this stage of the implementation of the task force's recommendations, but it would be remiss of me if I did not mention them. Members will be aware of my commitment to the disadvantaged in our community, especially to those people who meet the challenges of transport disadvantage. I am also committed to those with disability and those in regional areas, such as the electorate I represent, where the impact of transport disadvantage is more profound. In the words of Carers NSW, it "renders services inaccessible, entrenches social isolation and negative impacts on participation in employment and education, and on health and wellbeing". The Government has already announced commitment of an additional \$15.5 million a year to support wheelchair-accessible services. Already wheelchair-accessible taxi licence fees in metropolitan areas have been reduced. From 1 July the Taxi Transport Subsidy Scheme cap will be raised from \$30 to \$60 for each journey and the wheelchair-accessible taxi incentive payment will increase from \$7.70 to \$15, excluding GST, per trip. This is along with the wheelchair-accessible taxi interest-free loan, which will be expanded from \$1 million to \$5 million, with a maximum loan sum to rise from \$30,000 to \$100,000. We will also provide a longer loan term to cover the cost of a new wheelchair-accessible taxi or to retrofit an existing vehicle. Transport for NSW is also working to subsidise the centralised booking service for wheelchair-accessible taxis in Sydney, saving these service providers \$2,130 per year in fees.

Transport for NSW will also give priority to implement the task force recommendation for the Government to examine a provider-neutral scheme to better target subsidies and incentives for services for people with disability. Submissions to the task force were overwhelming on this issue—people wanted access to alternative service providers. However, it is important that the viability of service providers receive close attention, and this review will be careful in its consideration of how these incentives and subsidies are targeted.

The Government anticipates that the new regulatory framework, which this bill will establish, should enhance the supply, extent and flexibility of point to point transport services, while upholding safety and consumer protection. Innovative services—including business models such as carpooling—will provide alternative transport services to meet growing demand. We have heeded the NRMA's advice that in its regulatory response the Government must be "mindful not to impose burdensome requirements that could hinder competition, stifle innovation or effectively encourage a non-compliant black market".

The bill will bring change to existing industries while preserving certain elements such as the exclusive right of taxis to undertake rank and hail services. Research in overseas jurisdictions, such as Oregon and New York City in the United States, has shown that the additional competition provided by ridesharing services has increased overall the number of journeys people take. We believe

in cities like Sydney, which is experiencing a significant population increase, there will be opportunities for the point to point market also to grow significantly.

One of the key aims of the reforms is to give customers more choice—and for the community of New South Wales to exercise that choice. To this end, customers are already exercising their buying power and embracing more choice in the market, and as a consequence building the market and the benefits it offers. Recent data from a survey undertaken on behalf of IPART suggested that, overall, there has been a growth in point to point transport services. In 2012, 55 per cent of the 2,000 Sydney adults surveyed had used a taxi in the past six months. This figure rose to 61 per cent in February 2016. The broader point to point market has also grown in the past six months, driven by hire cars, up from 21 per cent to 24 per cent, and ridesharing services, up from 19 per cent to 22 per cent.

The evidence suggests that given the choice of services, many people are opting to go out more. Indeed, the freeing up of existing markets; the generation of employment, especially part-time drivers of booking services; the reduction in compliance costs; and the removal of unnecessary licensing, accreditation and inspection requirements should be beneficial to the people of the State. I will continue to consult with industry representatives to explain the regulatory framework and to fine-tune efforts to mitigate the impact of change through the assistance package and other measures. I am confident that by removing obsolete regulations and attendant costs and allowing the taxi industry to respond more flexibly to the challenges and opportunities of technology the industry will emerge in a more sustainable form. Governments must be up to meeting the challenges of the collaborative economy and industry must strive harder to provide a quality customer service as a means of attracting new customers and repeat business.

One of the hallmarks of a fair society is that governments provide reasonable assistance to those affected by regulatory change. The industry adjustment package in this bill recognises that thousands of mum and dad investors and self-funded retirees who invested in a highly regulated market will have their income affected and may experience hardship as a result of these changes. The package, and the bill more broadly, helps the hardworking people of the taxi and hire car industries to adapt to the new environment, and gives them greater opportunities to innovate and thrive. I recognise the leadership of the taxi industry. It has been a tough issue for the sector. Hardworking drivers, through the industry leaders, have been working around the clock to deliver a level playing field for the taxi industry. We want the taxi industry in this State to grow, thrive and survive. I commend the bill to the House.

The Hon. PENNY SHARPE (17:19): I speak on behalf of the Labor Opposition in debate on the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016. As the shadow Minister for Transport in the other place noted, this bill has been a long time coming. When I was the shadow Minister for Transport, we started to talk about these things quite a few years ago. A year ago Labor called for a regulatory framework that recognised ridesharing services in New South Wales. The Government has moved to try to make up for the lack of planning regarding the changes that are happening in the New South Wales economy and other economies around the world. While technology is part of the reason for the rise of the sharing economy—and ridesharing is part of that—other factors are at play. These have been well defined by Rachel Botsman, who is the author of *What's Mine is Yours*. Botsman identifies three other drivers of the sharing economy.

A shift in values in the digital age means that people are rethinking consumerism, ownership and sharing and what it would mean for their own consumption. Tougher economic times and notions of wealth, assets and growth are adding to our concerns about environmental pressures as our communities, governments and individuals look at ways to make better use of finite resources. In a consumer-driven world, the sharing economy is creating new jobs, providing new income sources, reducing waste, driving innovation, building community and reducing isolation. But by its very nature, the sharing economy relies less on regulation and more on peer-to-peer trust and reputation. This is a different model from the traditional capitalist consumer provision of goods and services. The truth is that legislation and regulations have failed to keep pace with the growth of the sharing economy. There have been bumps—and some very big bumps—in the road as some services have grown in a policy and regulation vacuum.

The bill before us goes some way to addressing issues about ridesharing and the changes that are happening in point to point transport with taxis and hire vehicles. This will be the first but definitely not the last bill that this and other Parliaments will deal with as we try to grapple with the changes that are happening around us. Members on this side of the House have seen the changes coming for some time. Last year the Leader of the Opposition, Luke Foley, called for such a bill in the lower House. The bill before us seeks to establish a review of the regulatory framework for the point to point transport industry and a new standalone regulator. It introduces measures to ensure compliance by ridesharing services and other emerging business models and provides a mechanism for industry assistance funded by a temporary levy on service providers. We note that it does not set the final amount of the assistance.

The bill provides for the establishment of a transitional assistance panel to oversee the distribution of assistance funds, including advising the Minister on eligibility. The panel will be chaired by the Secretary of the Department of Transport and comprise the Secretary of the Department of Premier and Cabinet, and the Secretary of Treasury or their delegates, as well as the chief executive of the NSW Taxi Council. The panel will determine the procedures for applications for assistance, recommend criteria for payment of additional funds, advise the Minister on the disbursement and use of funds, and make recommendations as to payments or funds for particular applications. Labor notes that the Minister will have a discretion to determine an amount payable to a person. The Opposition supports the idea of the panel. However, I flag, as the shadow Minister did in her second reading speech, that we will move amendments at the Committee stage to have a driver representative included on the

panel. We also have concerns about the use of ministerial discretion. Again, we will move amendments in Committee to address those concerns.

The bill establishes an industry adjustment package. We know significant changes have occurred in the way that taxis and hire cars operate and about the emergence of rideshare in New South Wales. I understand that rideshare now has 135,000 drivers on the streets of New South Wales providing transport. It has grown enormously in a short time. That has also caused a lot of changes to the way taxis and hire cars operate. This industry adjustment package is about trying to get to grips with the dynamic changes that are happening within this market and also to look at ensuring that people are not unduly disadvantaged as a result of those changes.

The Government has stated that it has approved an industry adjustment package valued at \$250 million, which includes \$142 million for taxi licensees facing hardship as a result of the changes; \$98 million for transition assistance at \$20,000 per perpetual licence for up to two licences for taxi licensees who obtained a licence before 1 July 2015 to help them adjust to a more competitive market and to offset a reduction in income; and up to \$10 million for a buyback scheme for perpetual hire car licensees. We are told that applications for the \$20,000 will be made online and will require licensees to provide information to demonstrate eligibility. The transition assistance panel will provide advice to the Minister about how the hardship funds will be distributed.

The Opposition notes that the \$250 million is a policy decision that is not contained in the bill. We also note that other parts of the adjustment package include a commitment to there being no new taxi plates released for the next four years, an agreement to leave rank and hail services for the exclusive use of taxis, and a reduction in compliance measures across the board to implement an easier, and hopefully less costly, impost on taxis. Labor believes there needs to be closer scrutiny and a review of the adjustment package. I again flag that we will move amendments during the Committee stage, when my colleagues will go into this in more detail.

To fund the industry assistance package, the Government has agreed to the establishment of a short-term passenger service levy for up to five years. The bill provides for a levy of \$1 per trip on all point to point transport trips. This levy will be collected with the authority of the Chief Commissioner of Taxation under the Taxation Administration Act 1996. The Commissioner for Point to Point Transport will be given powers to assist the chief commissioner with the collection of the levy, including the ability to take compliance and enforcement action in certain circumstances. The levy period is at the discretion of the Minister. Again, the Opposition will address this at the Committee stage.

The bill creates a dedicated regulator—the Commissioner for Point to Point Transport—with significant and wideranging powers. The commissioner is appointed by the Minister for a period of five years but for no more than two terms. The office of the commissioner will be a statutory office and will support the new framework, with an emphasis on industry accountability, safety and compliance. The commissioner has the following functions, including administer the authorisation and licensing schemes established by the Act; manage the enforcement of the Act and the regulations; recommend safety and other standards for passenger services or booking services; assist in the determination of liability for and enforcement of the payment and passenger service levy; and advise the Minister on matters relating to passenger services and booking services.

There are significant changes to taxi services and booking services in the bill. Authorisation to become a taxi or a booking service must be made by the commissioner. Authorisation will ensure that directors and managers are nominated, that they or close associates have not been convicted of a disqualifying offence, that they take responsibility for ensuring compliance with safety standards for drivers and vehicles, and that they keep accessible records. Mandatory operation affiliation with taxi networks will be abolished. Drivers associated with booking services will be subject to the same licensing and other requirements as taxidriver and their vehicles will be subject to the same roadworthy standards. The bill provides for a graduated compliance regime, including improvement notices, prohibition notices and enforceable undertakings as well as prosecutions.

The bill establishes that the providers of taxi services and booking services "must ensure, so far as reasonably practicable, the health and safety of drivers and other persons while they are engaged in providing service". The primary duty of care created in this bill "imposes a requirement that a person evaluate the particular risks associated with their business and put systems in place to identify, manage, mitigate and, where possible, eliminate those risks. The Opposition notes that these provisions are an improvement on the present situation and are consistent with the Work Safety Act 2011. However, we would say they are still not perfect.

I am sure there will be a longer discussion about industrial relations during the Committee stage. Currently chapter 6 of the Industrial Relations Act 1996 regulates working conditions for taxidriver in New South Wales. There is currently no regulation in place to ensure minimum working conditions for rideshare drivers. The Opposition will move amendments at the Committee stage regarding the absence of any mechanism in the bill to set or enforce minimum working conditions, including remuneration for the point to point transport industry.

One issue that the taxi industry has raised constantly is the cost of compulsory third party [CTP] insurance, which we are all familiar with. It is one of the biggest overheads for the taxi industry. A review of CTP insurance for point to point transport was commenced recently by the State Insurance Regulatory Authority [SIRA], which regulates the New South Wales CTP scheme to ensure greater fairness in premium settings for the sector and support for ridesharing alongside more traditional point to point providers such as taxis. SIRA is also reviewing its premium system, including a review of CTP premiums for taxis and hire vehicles, with the primary aim of allowing insurers to innovate in underwriting and to move towards greater levels of risk-based pricing. Both reviews are informed by recommendations made in the recent report of the Independent Review of Insurer Profit within the New South Wales Compulsory Third Party Scheme. This bill provides for SIRA to compel booking services and taxi service providers to provide SIRA with information to calculate CTP premiums. The Labor Opposition supports this.

The new regulatory framework will impose safety duties on responsible entities such as providers of taxi and booking services and vehicle owners to ensure that vehicles are roadworthy and to keep records relating to the vehicle's maintenance. The requirement that taxis be maintained by a licensed mechanic will continue for all vehicles used to provide point to point transport services. The requirement that taxis undergo two annual inspections is to be replaced by annual inspections similar to those for light vehicles more than five years old. Taxis will no longer have to be replaced after five years. In addition, inspections relating to taxi comfort and service quality are to be abolished. It is up to the service provider to decide what the level of quality should be. There is an expectation that a more competitive market will encourage an improvement in service standings.

If one speaks to any of the consumers of point to point transport one discovers that passengers are looking for a clean, good service that is safe and that gets them from A to B at a reasonable price and within a reasonable time. It will be important to watch how this rolls out over time to ensure that the level of service continues. Taxis will continue to be required to have safety cameras. This is obviously important. Taxis will continue to have rank and hail rights. A person who hails a cab from the street will not necessarily be able to identify the driver, so having safety cameras is important. Labor supports that requirement.

In relation to hire cars, there will be significant changes. There will no longer be licences for hire vehicles and there will be no need for regulatory plates. There is a \$10 million buyback scheme in the bill for perpetual car licences. This means that hire car operators will no longer pay the annual fee of \$8,235 in metropolitan Sydney or around \$3,000 in regional New South Wales. Existing hire car licence holders will be able to keep their current hire car plate for a four-year transition period beginning from 1 July this year. No new hire car plates will be issued. Hire cars will continue to have access to bus and transit lanes for the next four years.

There will be some changes to fares. Fares will not be regulated. However, as is currently the case, the Independent Pricing and Regulatory Tribunal [IPART] will be asked to determine the maximum fares for services. The Government will also continue to set maximum fares for rank and hail taxi services. The rates must be clearly displayed within the vehicle. As is the case at the moment, companies can charge less than the maximum fares. Booking service providers, whether they provide taxi or hire vehicle services, will be obliged to provide a fare estimate for a journey before a customer accepts the booking. The person who provides the service must not demand a fare for the service that exceeds the amount agreed with the passenger. Another part of the adjustment package is in relation to taxi licences. As I said previously, no new taxi licences, other than wheelchair accessible licences, will be released for the next four years. Replacement licences may be issued.

Only taxis will be able to undertake rank and hail work. There are severe penalties including a custodial sentence for providing a taxi service without an appropriate licence. Providers of taxi services must be authorised by the regulator and taxis must be licensed. Taxis that provide rank and hail services will continue to be clearly branded. Drivers must be able to be identified and vehicles will still need to have security cameras, vehicle tracking and duress alarms. The Government will continue to set maximum fares for rank and hail services on the advice of IPART and rates must be clearly displayed within the vehicle, as I have previously said.

Drivers of point to point vehicles will no longer need to be authorised by the Roads and Maritime Services. However, all drivers of taxi and hire cars will continue to have to meet certain conditions. These include that the driver must hold an unrestricted Australian driver licence for 12 months of the previous two years, must have undergone criminal background checks, and must meet national medical standards for commercial drivers. Under safety standards in the regulations, taxi and booking service providers will be responsible for determining requirements the drivers must meet, including those for English language proficiency. In addition, the legislation will clearly set out offences that would disqualify a person from driving a point to point passenger service.

One of the things that Labor is concerned about is the review mechanism that is set out in the bill. The bill allows the Minister to review the impacts of these reforms on the industry. If the review is undertaken, a report on the outcome of the review will be tabled within 12 months. Any review is to be undertaken as soon as possible, and the Act will be reviewed after five years. To be clear to members of the House, Labor believes that the

adjustment package also needs review. We will be looking for that after the first 12 months of this legislation coming into operation.

In summary, Labor does not oppose this bill. In fact, Labor members have been calling for a regulatory framework from the Government in relation to point to point passenger services for some time. When I was the shadow Minister for Transport I had many conversations with ridesharing organisations—not just with Uber—and with taxidriviers in this State. What we really care about is safety and the ability for people to get out and about, particularly those who cannot drive themselves and who rely on point to point services to get to work and to live their lives. We want the legislation to be fair. As I flagged, Labor will introduce a range of amendments during the Committee stage, but it does not oppose the bill.

Dr MEHREEN FARUQI (17:35): I speak on behalf of the Greens in debate on the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016. The bill is the next step in the reform of the structure and regulation of the point to point industry, which began last year after a State election in which changes to the industry became a particularly hot issue. The Point to Point Transport Taskforce was established. The task force took a significant number of submissions from many stakeholders to determine ways forward for the industry. The Greens put in a submission and was the first party to support having a regulatory framework for newer services such as ridesharing applications.

For us it did not make any sense—it still does not—to have these technologies operating outside the law. It is Parliament's responsibility to devise careful and comprehensive legislation to ensure fairness in industrial change but not to turn a blind eye to how consumer trends and technologies are rapidly evolving. After a string of regulations were introduced late last year to "legalise" the new services, hopefully this bill will go some way towards establishing a framework that is robust and reasonable while providing a much-needed review of the broader regulation of the industry that in many ways had become out of date and irrelevant in some cases.

I acknowledge at this point, as I have before in this House, that I consider myself to be a friend of taxidriviers. Indeed, my husband was a taxidriver when I arrived in Australia from Pakistan in the early 1990s. I am aware of the difficulties of life as a taxidriver and for the families of drivers, and I bring this life experience to the table when addressing this legislation. I also acknowledge the stakeholders from across the taxi and other point to point industries who took the time to meet with me, in some cases multiple times, over the course of discussions about the task force, the December 2015 regulations, and this bill's eventual introduction to Parliament. I value their input.

The Greens will be supporting the bill but will be raising some concerns about aspects of the bill that we want the Minister to address in his speech in reply. The point to point transport legislation provides a new regulatory framework for the point to point transport industry. It establishes two authorised entities with different obligations and regulations: providers of taxi services and providers of booking services. It also establishes a new standalone regulator, the Commissioner for Point to Point Transport, to regulate and monitor the industry. There is a focus on safety in the legislation, and the bill introduces a new safety regime, with companies held directly accountable for the safety of vehicles and drivers operating under them.

The bill introduces severe penalties for providing a rank and hail taxi service or booking service without a licence, or for breaching one of the safety duties which are set up and described in the legislation. Taxis are given the exclusive right to rank and hail services. An acknowledgment is implied in the legislation that hailing a cab or going to a rank on the street sets up a different customer relationship and a different level of guaranteed safety to otherwise booking a journey in advance through an application, where technology such as GPS may be used and identification displayed on the part of both parties. It makes sense to deal with those types of journeys differently.

The legislation sets up an industry assistance package and a transitional assistance panel to oversee the distribution of assistance to help the taxi industry to transition to the new economy and the new industry. The Government has said though that this is not legislated and that the package will be valued at \$250 million and will run for up to five years. Of the \$250 million, \$142 million will be allocated for licensees who are facing hardship, \$98 million will be for transitional assistance at \$20,000 per perpetual licensee for up to two licences, and \$10 million will be for a buyback for perpetual hire car licences. The package will be funded by a \$1 levy on all point to point trips.

The industry assistance package is an important part of the discussion today. We know the taxi industry is facing significant change, and it is fair that industry participants are helped through this. We understand the taxi industry has concerns about the amount of compensation at the moment. They, and we, do not know how the \$250 million figure was arrived at, what factors were considered and who was consulted. I would appreciate some clarification on this. The Greens hope that the \$142 million hardship fund is fairly allocated and is distributed among those who have invested a huge proportion of their savings in the industry. They paid hundreds of

thousands of dollars to the Government for the licence plates. If more compensation is deemed to be appropriate for the purpose of structural adjustment in the future, The Greens would be willing to consider it.

The fact is that right now we do not know whether the quantum of that fund is appropriate, how quickly it will be accumulated through the levy, and how it will be allocated. All those aspects are outstanding and are difficult to predict in the current circumstances, since it largely is dependent on the customers of New South Wales taking a certain number of trips. No-one can really tell how long the allocations will take to happen, given the rapidly changing industry and the new regulatory framework established by this very bill. It is appropriate that we keep a close eye on how it is rolled out. I understand the Opposition will be seeking to incorporate a review of transitional assistance in the legislation as well as some industrial relations measures and amendments to the composition and functioning of the assistance panel. I will be outlining The Greens position on these matters at the Committee stage.

In regard to fare regulation, I am pleased that maximum fares will continue to be regulated for the taxi industry. However, I am concerned that booking services are under no such obligation. Instead, the Government has attempted to provide assurance to consumers about exorbitant fares through clause 79, which stipulates that a fare estimate must be provided by a booking service to a passenger before the journey commences. In my eyes, the obligations are not quite clear and I seek clarification from the Government on this point. The legislation requires only that a booking service provide a fare estimate; it does not specify how that fare estimate is provided in respect of whether the customer expressly agrees to it or even sees it when he or she is making a booking. For example, a fare estimate may be provided but buried in a click-through menu in the application and not displayed to a customer before he or she accepts a journey.

My attention has been brought to this consumer protection problem in the past when Uber customers have been given a surge multiplier, such as 6.2 times, but not an actual fare estimate up-front that would let them know that their fare will be more than six times higher than usual as a result of surge pricing. The legislation provides that the commissioner approve the manner in which fare estimates are provided. I request a response from the Minister on what factors may be taken into account when this approval process is underway. Moreover, the transport Minister stated during his second reading speech that the fare estimate must be provided in Australian currency but the legislation provides that the estimate must be given in Australian currency or any other manner provided by the regulations. I am a little concerned that this may leave open the possibility that more opaque units may be used, such as the multipliers I mentioned earlier, and therefore leave the customer worse off. I request that the Government expand on what other units for fare estimates it envisages could be used.

Also in relation to ensuring fairness provided by booking services, The Greens have lingering concerns about disability access on ridesharing services. We note that some assistance services have been set up by ridesharing companies but we would like to see ridesharing companies work closely with the Government to ensure that the needs of people with disabilities are attended to. This legislation in itself does not deal with compulsory third party [CTP] insurance reform. I understand this is currently under review by the State Insurance Regulatory Authority [SIRA]. However, it provides a power for SIRA to compel booking and taxi services as well as others to provide them with information to calculate CTP premiums. I look forward to the outcome of the review as I understand and acknowledge that for many years high costs have been a source of concern for the taxi industry.

The Taxi Council also raised concerns with me and others that the bill is currently insufficient in ensuring that a corporation seeking authorisation to provide point to point transport services in New South Wales has a corporate entity in Australia. Corporations should not be allowed to offshore their accountabilities to overseas locations, thereby placing them outside the purview of Australian law. If corporations are able to operate without the concern of being held to account by the regulations, we might as well not try to regulate them at all. I request a response from the Minister that the legislation is intended to, and in fact does, cover this matter. The Greens support fair industrial change that does not leave people hanging out to dry. In light of this, new regulation and industrial assistance are both appropriate. The Greens support the bill but seek responses to the concerns and matters I raised this evening. The Greens will consider Opposition amendments at the Committee stage.

Reverend the Hon. FRED NILE (17:46): On behalf of the Christian Democratic Party I am pleased to support the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016 and to congratulate the Minister for Transport and Infrastructure, Mr Andrew Constance, on its introduction at this time. As members know, there has been a great deal of tension and hardship in the taxi industry in New South Wales, as well as deep concern about the future of the taxi industry. This legislation will remove a great deal of that uncertainty and in the long term hopefully will put to rest many of the concerns expressed by taxidriver and taxi owners.

The bill establishes a new stand-alone regulator and an associated safety regime for the point to point transport industry. This became necessary because of the introduction of Uber, which has had a big impact on the taxi industry. As members also know, I moved a motion to disallow the regulation establishing Uber, not because

I was totally opposed to its operation but because I believed that far more thought and preparation should have preceded the introduction of legislation and regulations in New South Wales. Of course, my warning proved to be correct, which is why this bill has been introduced. It is possible that more legislation will be introduced in due course.

I have worked closely with the taxi industry and with the New South Wales Taxi Council. I have had a long-term interest in this issue because, as members also know, my father emigrated from England to Australia as a young man and purchased his own taxicab in Kings Cross. In the 1930s taxis were known as Red and Black cabs. I often heard about and saw the operation of the taxi industry, which has kept in my mind a sincere interest in the wellbeing of the New South Wales taxi industry. The Christian Democratic Party is pleased to support the bill because it meets not only the concerns of the Christian Democratic Party but also the concerns of taxidriviers and taxi owners in metropolitan and country areas of New South Wales. Members will be aware that there are two categories of interest groups in the taxi industry: one is the taxi owners, who own the vehicles, and the other is the taxidriviers.

The bill has strong new measures to ensure compliance by ridesharing services and other emerging business models, such as Uber, while encouraging competition and innovation in the industry as a whole. It provides increased responsibilities for safety outcomes for the business providing the services, not just the driver. It also provides for industry assistance funded by a temporary levy on service providers. I note the Government's use of the word "temporary", and I emphasise the word "temporary". Governments, when introducing a levy, are often tempted to extend the levy, sometimes indefinitely. I urge the Government to keep to its word to abolish the levy at a suitable time.

In November 2015 the chairman of the Point to Point Transport Taskforce, Professor Gary Sturges, AM, presented a report with recommendations concerning the future sustainability of taxis, hire cars and other emerging point to point transport providers. The report found that the traditional point to point transport industry has been challenged by the emergence of new business models such as ridesharing services, including Uber. It also found that the industry was overregulated and stifled by outdated rules and unnecessary costs. Safety outcomes were highly variable under the pre-existing legislation. The Point to Point Transport Taskforce recommended legalising ridesharing and modernising the regulatory regime. The Government accepted 56 of the 57 recommendations. These reforms were designed around creating a more level playing field within the new regulatory framework focusing on safety and accountability, encouraging innovation, and providing industry assistance for transition. We congratulate the Government on working out the industry assistance package that is part of this legislation.

This bill is consistent with the Government's policy outlined in the collaborative economy position paper. The bill itself creates two different authorised entity providers of taxi services and providers of booking services. However, only taxis can undertake rank and hail work, as is the case under the Passenger Transport Act 1990. In my discussions with the Taxi Council and with taxidriviers, I have heard that they are pleased that the Government has recognised the importance of that provision giving priority to taxis to undertake rank and hail work. I understand more than 70 per cent of their income comes from that activity.

The bill provides safety duties on industry participants with clear accountabilities for taxi service providers and bookings service providers for safety outcomes. It also creates an industry regulator, the New South Wales Point to Point Transport Commissioner, with substantial powers to undertake compliance and enforcement. That is another positive aspect of this legislation. It will be a challenge for the Government to appoint the right person to this position, a person with the ability to carry out that role. The bill also provides substantial fines for operating an unauthorised taxi or booking service of up to \$10 million, or for a breach of a safety duty \$3 million.

The bill allows for the deregulation of booked fares but requires customers to be given an estimate of the fare up-front. Rank and hail fares remain regulated. We have heard that some passengers of Uber driver-owners have suddenly found that their fare has increased from the expected \$70 to \$700. I am pleased that this regulation will be enforced through this legislation. The bill also provides for the \$250 million adjustment assistance funds. As members know, the introduction of Uber has severely reduced the value of taxi plates, which many owners were counting on as almost a retirement fund, believing that they could sell these plates at some point for tens of thousands of dollars. Suddenly they have found to their disappointment that the value of these plates has plunged to a very low figure.

The bill also sets out a transitional assistance panel, with representation from the NSW Taxi Council, to oversee the transition assistance package. I am pleased that the Taxi Council is involved in that way. The bill also establishes a temporary passenger service levy of \$1 on point to point journeys to pay for the \$250 million industry adjustment assistance fund. As I said, the emphasis should be on this being a "temporary" levy. The bill also provides a power for the State Insurance Regulatory Authority [SIRA] to compel booking service and taxi service providers and others to provide the SIRA with information to calculate compulsory third party [CTP] premiums.

This is another point of contention because Uber drivers' cars are treated as private cars, which attract a CTP premium of between \$600 and \$700, whereas taxis attract a CTP premium of between \$7,000 and \$8,000. There is obviously an urgent need to even out these premium amounts to make them fairer for all involved. A public awareness campaign will begin once this bill is passed to ensure consumers are aware of the changes and know where to seek further information.

I am pleased that the bill provides for a \$250 million industry adjustment package. This includes \$98 million for transition assistance of \$20,000 per perpetual licence for up to two licences for taxi licensees who obtained a licence before 1 July 2015 to help them to adjust to a more competitive market. As I mentioned, the decrease in the value of taxi plates is a sore point. Obviously, the \$20,000 compensation is not a great deal of money, but it is far better than nothing, and perhaps more will be available in the future. There is also \$142 million allocated for taxi licensees facing hardship as a result of the changes. The taxi licensees will have to apply to the hardship panel to get further assistance. Up to \$10 million has been provided for a buyback scheme for perpetual hire car licensees. This is the most generous scheme for the industry in Australia, possibly the world, and I approve of that. Applicants for the \$20,000 payment will be able to apply online and licensees will be required to provide information to demonstrate their eligibility such as proof of identity and that they are the licensee for an eligible licence.

The transitional assistance panel will provide advice to the Minister about how the \$142 million hardship fund should be distributed. Again, it is critical that there be a panel of people who understand the industry to make sure that the hardship fund operates fairly. Sometimes these funds are established and, as has happened in some of the major tragedies such as the bushfires, it is difficult for those experiencing hardship to get money from the funds. We must make sure that the system is simplified and accessible and can rapidly assist individuals facing hardship. Other measures include a package of business advice from the NSW Small Business Commissioner. Consistent with the Government response to the task force report, no new taxi licences, other than wheelchair accessible taxi licences, will be released in Sydney for the next four years, but replacement licences may be issued.

The passenger services levy is important. The taxi industry assistance package is being funded by a temporary levy on all point to point transport providers equivalent to \$1 per trip for up to five years. It will be up to service providers to decide whether or how they pass on this cost to their customers. There is a need to provide regulation for ridesharing services, and I am pleased the bill does that. It permits ridesharers by removing unnecessary red tape, such as limitations on vehicle types, and regulates for rideshare companies in the new regulatory safety regime.

Once the new regulator is established, the provisions of the legislation will commence and the providers of the booking services, such as Uber, may be authorised by the new regulator. Unauthorised provision of a taxi or booking service attracts a maximum penalty of \$10 million for a corporation for a repeat offence. There is a need for such a significant penalty because there have been signs that Uber, which operates from overseas, has remained independent of government involvement or concerns. It is important that a penalty has been introduced in this legislation. The bill outlines that the new regulator must not grant an application for authorisation unless satisfied that the applicant meets the general standards for authorisation. This includes that the nominated manager is directly involved in the day-to-day management and that at least one nominated manager must be a resident of New South Wales. It is very important to have this based in our State.

There is also a requirement for authorised entities to keep accessible records in New South Wales. I understand that Uber has been reluctant to provide information from its head office. Drivers affiliated with booking services will be subject to exactly the same licensing, vehicle road worthiness standards and other requirements as taxi drivers. That is important. How will the Government keep track of those vehicles and ensure that they are safe to carry passengers? Taxis will continue to be required to have security cameras, given the anonymous nature of rank and hailing trips. I note there is no mention of Uber being required to have security cameras. I know that is a cost but I believe it is something to be considered by the Government.

The safety regime in the new regulatory framework is similar to that which applies under work health and safety and national rail safety legislation. The bill provides clear accountabilities for safety outcomes. Companies at the top will now be held directly accountable for the safety of the vehicles and drivers operating under them. Taxi service providers and booking service providers will have a primary duty of care to ensure the health and safety of drivers and passengers and other persons in the provision of the service. They must identify, eliminate or mitigate any risk to health and safety. Breaches of safety duties have harsh penalties. Drivers, service owners and taxi licence holders are subject to safety standards, including a safe driving record and maintenance of vehicles. That should apply to all vehicles carrying passengers in New South Wales, whether Uber or a taxi.

The bill has also introduced other reforms that are outside of the bill in areas where the Government is providing follow-up on the issue of disability improvements. The 2016-17 budget will provide an additional \$15.5 million per year to increase the taxi transport subsidy scheme cap, the wheelchair accessible driver

incentives scheme and the wheelchair accessible taxi interest free loan fund. They are recommendations from a task force supported by the Government. I am pleased that with regard to industrial relations the Legislative Assembly has authorised the Standing Committee for Transport and Infrastructure to investigate the application of industrial relations legislation to the point to point transport industry and to report back. That is an issue that the Opposition will raise through amendments. Following discussions with other individuals involved in the taxi industry the Christian Democratic Party considers that some of the matters the Opposition is concerned about should be referred to the Legislative Assembly Standing Committee for Transport and Infrastructure.

The taxi industry has raised concerns regarding the high cost of the compulsory third party [CTP] premiums for taxis compared to those of competitors. Green slips are a major cost of keeping a taxi on the road and can exceed \$7,000 in metropolitan areas, which is 10 times the cost of CTP for a rideshare Uber driver. One is \$700 and the other is \$7,000. Obviously that is a serious matter that must be rapidly dealt with. I know that following a recommendation of the task force the State Insurance Regulatory Authority [SIRA] is reviewing CTP categories for the point to point transport industry. It is common knowledge that insurance companies like to maintain high premiums. There will be resistance from the industry to reduce that cost of \$7,000 for taxidriver green slips. It should be examined and reduced to bring it into line with what Uber drivers are paying, which is only \$600 or \$700.

With regard to insurance, to assist the SIRA and CTP insurers to accurately determine the risk profile of taxi and hire vehicles in order to set the CTP premium price, appropriate risk information on taxi and hire vehicle usage and claims is required. The bill facilitates collection of data by the SIRA from booking services and taxi service providers. According to the claims and insurance industry, the cost of insurance is related to the high level of accidents on Friday and Saturday nights, especially in the inner city areas of Sydney and Kings Cross. Perhaps the Government's successful proposal for reducing violence in Kings Cross through lockouts will help reduce the high level of accidents involving taxis— *[Time expired.]*

The Hon. ADAM SEARLE (18:06): I will make a contribution on the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016. It is a matter of record that the Labor Opposition set the standard in relation to engaging public policy with the emerging rideshare operation in New South Wales. It is not a question of whether one is for or against the so-called sharing economy; it is here, and customers are availing themselves of the services it affords. It is a matter of record that the existing regulatory framework did not properly engage with what was happening on the street. It is also a matter of record that Transport for NSW was not enforcing the laws that then applied.

The Hon. Daniel Mookhey: Bungling it.

The Hon. ADAM SEARLE: I acknowledge that interjection: bungling the application of existing regulatory standards. It was the Labor Opposition that said that public policy had to change to recognise, embrace and regulate the activities of those providing services in the sharing economy. The Labor leader in the other place, Mr Luke Foley, set three key principles that would guide Labor in the way in which we developed policy in this space. One was raising the standard of services provided to the wider public. The second was reinforcing and enhancing public safety standards. The third was reinforcing or indeed creating the framework to properly underpin minimum driver remuneration standards. Labor believes that these three key principles should apply to all service providers in what is termed the point to point transport industry for the purposes of the bill before the House.

Applying those three principles to the bill before us, we do not oppose the terms of the bill. There are many provisions in the bill that are good and worthwhile. We recognise, for example, that the creation of safety duties and standards for providers of both taxi services and booking services and for the provision generally of passenger services, including the mechanisms for the enforcement of these standards, are new developments in this space and are good. Although we have voiced criticisms about the work health and safety standards adopted by this Government—which we think are inferior in substance and in the way in which they are enforced compared to the former occupational health and safety regime—we welcome the fact that the provisions embedded in this legislation are at least consistent with the general health and safety standards in workplaces in this State, and it does not create differential standards. The Opposition thinks that is a good thing, but it would like to raise those standards.

I will not canvass all of the aspects of the legislation that members have already addressed. However, I will address a couple of issues that we will debate in detail in Committee of the Whole. The Opposition believes there are significant concerns in respect of driver remuneration. We understand that chapter 6 of the Industrial Relations Act deals with the taxi industry. However, it is a matter of record that no minimum driver remuneration standard applies to Uber or to any other entity that may provide services in this space. If I were a member of the Taxi Council, a taxi plate owner or a network operator, I would be concerned that the taxi industry continued to be required to meet minimum labour standards when, under this Government's regime, Uber and other service

providers get, as it were, a free ride. All service providers in the point to point transport space should be required to meet the same standards, and that should be an accepted and cross-partisan position.

I note that the Minister with carriage of this legislation in the other place referred to the relevant parliamentary standing committee inquiring into industrial relations issues. Frankly, some of its terms of reference are deficient and misconceived. A number of Acts have been referred to the committee. The way in which these various legislative enactments are said to apply to this emerging industry is misconceived in the sense that they simply do not apply. Chapter 6 of the Industrial Relations Act has no application to Uber or like service providers. The Independent Contractors Act may have application, but not in the sense of creating a regime to provide for the enforcement of minimum labour standards. The committee understands the shortcomings of the Minister's reference and will fill in the gaps under "any other associated matter".

This legislation is marred by the fact that there is not even a cursory effort to create a level playing field for all operators in the industry for what the Opposition believes are core minimum labour standards for everyone working in this space. Regardless of whether one is a taxi driver, an Uber driver, or a driver for any other passenger service, a relevant minimum labour standard should apply. There should be a mechanism that a driver can access to ensure they get a fair day's pay for a fair day's work. I would not have thought that in the early twenty-first century that would be a radical or exceptional proposition. I know that some service providers in this space have embraced the notion of freedom of contract, that is, people should be free to agree to any standard of remuneration, no matter how low. Such an Ayn Rand theory of the world is naive because it fails to—

The Hon. Dr Peter Phelps: Horrible freedom. You wouldn't want too much of that.

The Hon. ADAM SEARLE: The problem with that notion is that it fails to acknowledge any reality. People who provide labour, whether it be an employee or an independent contractor, often do not have the same bargaining power as those offering work and who ultimately determine the circumstances in which people derive remuneration to support themselves and their family. From time to time even the Conservative parties of this State and this nation have paid lip service to the notion that we need an industrial regulatory framework to set minimum standards.

The Hon. Daniel Mookhey: A few election defeats remind them of that.

The Hon. ADAM SEARLE: I acknowledge that interjection.

The DEPUTY PRESIDENT (The Hon. Paul Green): I welcome to the public gallery tertiary students from the University of Sydney who are participating in a bridging course before they commence studying law. I hope they enjoy their time here. They are watching one of the best at work.

The Hon. ADAM SEARLE: Let us not get carried away. State or Federal award minimums do not provide workers with a lavish standard of living. They are the bare minimum, and they should be a bare minimum for everybody working in the point to point transport industry. The Opposition has lodged proposed amendments seeking to flesh out the commitment that we on this side of the House have to all working people. There should be a framework setting minimum standards wherever people work and whoever they are. Given that the legislation is seeking to iron out the inconsistencies in the point to point transport industry between service providers such as taxis companies and others who are now not fully regulated, an obvious point of difference would be to provide some labour market regulation.

The Opposition is seeking to fill the void in this legislation. We understand that our amendments may not gain support at this time, and we understand that there will be a parliamentary inquiry. However, we will keep pressing to ensure that minimum labour standards and the appropriate enforcement mechanisms apply across the board in and for this industry. The Opposition also has concerns about the adjustment assistance package or regime provided for in schedule 3. We understand that a panel will develop the criteria for how the funds that the Minister referred to in his second reading speech will be applied. We are also concerned about schedule 3, division 2, new section 4 (1), which gives the Minister discretion to determine additional assistance. As I construe the legislation, that ministerial discretion is not bound or restricted by the panel. The Minister may have regard to the panel's guidelines and processes but he will not be bound by them. As long as he or she says, "Okay, I have looked at what the panel has said and at its process and principles of operation, but I will do something completely different."

The Hon. Dr Peter Phelps: It is not a reduction.

The Hon. ADAM SEARLE: No, it is not. However, we are giving a Minister of the Crown, a political operative, a discretion—dare I say, an "uber" discretion—over a significant body of funds without any published guidelines, or any ability to have them audited or scrutinised. This is not a reflection on the current officeholder, but the bill creates a significant corruption risk. A public official will have discretion with regard to the

\$142 million in this adjustment package, or indeed the \$98 million providing up to \$2,000 per plate holder that has been collected from the public; it will be collected from passengers.

How will it be applied, and who will benefit? Will it only benefit taxi plate owners? Will it potentially only benefit taxidriviers for loss of income in some circumstances or will it go to other bodies and persons? The bill does away with the notion of accredited drivers. I note, for example, that at present there are a number of bodies, and one of them is in the line of business of providing driver accreditation. Will they suffer hardship as envisaged in this bill and will they be in line to receive some of this significant body of public money? If it is the latter category, I do not think people in this House or indeed in the other House who are considering this bill would understand that the money is going to those recipients.

Beyond a general notion that those in this industry suffering hardship will get access to this money according to some guideline and some principles, we have no further idea why. Because although the framework for collecting the money and for applying the money is set out in the bill, there is a large body of work not sketched out in the legislation that will have to be filled in by regulation and by the panel and its deliberations. But none of that affects the Minister's discretion. So long as he or she has regard to the panel, the Minister can do whatever he or she wants.

We do not know whether an amount of money will be allotted to the panel only, whether the Minister will abrogate to himself another amount of money, or whether the Minister and the panel will jointly disburse the two or three lots of money—the \$10 million for hire cars, the \$98 million for hardship for plate owners and the \$142 million adjustment package. Will the panel and the Minister both be doling out the same amounts of money or will they be limited to different pots? These are all questions to which no Government Minister has provided an answer. I look to the Minister to provide those answers to the House in reply. We have significant concern about giving such discretion without guidelines or restriction to a member of the Executive Government.

The Hon. Dr Peter Phelps: How many years have act of grace payments been in existence?

The Hon. ADAM SEARLE: What we will propose is that the ministerial discretion as envisaged in item 4 of the schedule—

The Hon. Shaoquett Moselmane: Point of order: The Hon. Dr Peter Phelps knows that he should not interject while the member has the call.

The DEPUTY PRESIDENT (The Hon. Paul Green): Order! I uphold the point of order. It is at all times disorderly to interject. I ask that the member be heard in silence.

The Hon. ADAM SEARLE: Our answer to these concerns is twofold. We note that clause 159 provides that the Minister may—but does not have to—have a review of the whole of this Act in 12 months. But we certainly think that schedule 3, the adjustment regime, must be reviewed in 12 months because this is an industry in transition. To evaluate the ongoing efficacy of the different provisions, there should be a review of that adjustment package and its mechanisms in 12 months of the operation of the legislation. That is Opposition amendment No. 4. We also think that the ministerial discretion should be removed from the Minister and folded into the panel that is created to determine these matters. The panel, of course, will be composed of representatives from the Taxi Council and from senior public servants from relevant agencies of government. It is an appropriate body to have this discretion folded into. We do not think the panel is adequately composed. We think that there should be a voice representing driver interests and we will have amendments that deal with that.

The Hon. Dr Peter Phelps: Let me guess: a Transport Workers Union official perhaps.

The Hon. ADAM SEARLE: We think that the voices of drivers should be heard in this forum and we are not at all embarrassed about those propositions.

The Hon. Dr Peter Phelps: You appear to be too afraid to say it.

The Hon. ADAM SEARLE: No, I acknowledge it. It is in the amendments. Yes, we propose a nominee of the Transport Workers Union. There is no mystery about that because the Transport Workers Union, like the Taxi Council, is the only registered—

The Hon. Shaoquett Moselmane: Point of order: The Leader of the Government and the member on the backbench will have the opportunity to speak. In the meantime, I ask that they be directed to cease being disorderly by their constant interjecting.

The DEPUTY PRESIDENT (The Hon. Paul Green): Order! I ask members to be mindful of the rules relating to interjections and to refrain from interjecting. The next time members interject, I may have to go further and call them to order.

The Hon. ADAM SEARLE: The fact is that the Transport Workers Union, like the Taxi Council, is a registered industrial organisation under the Industrial Relations Act. Like the Taxi Council, it is a respondent to various awards and determinations made by the Industrial Relations Commission of New South Wales, and as far as I am aware it is the only legally recognised and registered voice of drivers in this industry. That is why we nominate the TWU as the body to nominate a driver representative to the panel. We have no issue with the Taxi Council being on the panel. We just think that the relevant voice for working drivers should also be heard.

In conclusion, we welcome the sharing economy. We do not shy away from that and we recognise that organisations such as Uber can play a positive role in providing a wider array of services to the travelling public. But any transition should be done in a sensible and balanced fashion. Hitherto it has not been adequately regulated nor, indeed, regulated at all. We recognise this legislation is a significant and good step towards creating a proper regulatory framework for all those in the point to point industry. But there are many outstanding issues, of which driver minimum remuneration standards is but one.

Previous speakers mentioned compulsory third party insurance. It is a matter of record that in regional areas taxis have to pay \$3,000 or more and in cities \$8,000 or more to insure their vehicles, whereas Uber and like drivers apparently pay only a few hundred dollars, often telling their insurers that their vehicle is a private vehicle. I would have concerns about whether such an insurance policy would be responsive in the circumstances of any accident. I do not know what other policies Uber may have in place or whether other like providers have adequately addressed this. But I certainly notice that this is very much a work in progress and it is one of the many areas in which there needs to be a balancing out of rights and interests. We will join with the Government in taking a big step forward in providing a proper regulatory framework, but we are unembarrassed about proposing what we see as improvements to the bill before the House and we will prosecute those vigorously both in this debate and in the days, weeks and months to come if they are not successful.

The Hon. DANIEL MOOKHEY (18:27): I am always inclined to wax lyrical in detail about everything to do with the taxi industry. I am equally inclined to wax lyrical at great length about the history and development of the concept of chain of responsibility as the default principle around which transport law should be constructed. I take this opportunity to note that hitherto that is a proposition that has been resisted by conservative governments in this jurisdiction and many others as well, so it is pleasing to see the current Government bring legislation to this Parliament that has as its default position a chain of responsibility approach. I will, of course, abstain from providing the House in full detail all my views about the taxi industry and the development of taxi laws. I will equally abstain from developing and bringing forward all my views on chain of responsibility and rather pick up the debate from where it was left off after we concluded the disallowance motion moved by Reverend the Hon. Fred Nile earlier this year.

The Point to Point Transport (Taxis and Hire Vehicles) Bill 2016 is the first and the most substantial regulatory and legislative response to the emergence of the sharing economy pursued by any Parliament in this country and one of the first in the world to be pursued in a manner that is comprehensive both from a regulation perspective and a legislation perspective. It is important therefore to understand the extent to which this law is doing everything that is possible to adopt an ideal market design for ridesharing and a regulatory model that channels the disruptive potential of the technology that has emerged to the most socially productive use. I for one am not at all offended by the emergence of ridesharing. I celebrate innovation, welcome competition and recognise that in the taxi and point to point industry—which is not necessarily regarded as the most innovative—the emergence of such practices is indeed something to be welcomed.

This is not a debate about whether Uber or Lyft is great or bad. The question before this Parliament is whether we are taking advantage of all the opportunities being presented by this emerging technology to deliver on the three principles that were set out by Luke Foley in his budget reply speech last year and reiterated by my colleague the Leader of the Opposition. We must ensure that we are channelling this technology to provide a better standard for customers and that those opportunities ensure better safety standards across the board. We should take the opportunities presented by Lyft to ensure that people are deriving sufficient remuneration for their work to enable them to live a good, middle-class life. We ought to assess this legislation against those three principles and whether we start a race to the top concerning customer safety and driver pay.

Unsurprisingly, the Baird Government has expressed its preference to react rather than act. It only introduced this bill because it had to arrive at the position where Labor led from last year. Absent the intervention of the Leader of the Opposition in the other place last June, it is likely that the Baird Government would have continued with its bungling behaviour and enforced an outdated regulatory model. It is apt that this House recall precisely the Baird Government's record regarding enforcement in the point to point transport industry. Last year 24 criminal prosecutions were commenced against ridesharing drivers. Those prosecutions were bungled and thrown out of court in a hail of free publicity for ridesharers, and the taxpayers of New South Wales were saddled with the high financial price of that litigation.

The reality is that the Baird Government has never known whether it is for or against the sharing economy and it has never understood how the two intermingle. If it did, we would have a far more ambitious bill than the one before us today. For example, the Baird Government would have taken the opportunity presented to it by the ridesharing industry to deal with the problem of last mile transport, which is being used in Portland. We must figure out how to use the emerging sharing technology to resolve the hardest problem facing transport planners: What is the most efficient and effective way to transport someone from a railway station, bus stop or parking station to their home? This bill could have taken up all those opportunities. It ought to include the provision to embed such data in the transport planning system. That is not present.

The bill could also have seized the opportunity to address traffic congestion management. The future of congestion management is in crowd source data. People will use their smart phones to provide real-time data to the traffic management centre. The bill could have introduced measures similar to those in force in Boston, where ridesharers and taxis have access to real-time data and report on congestion conditions. The reality is that the data provisions contained in this bill prevent that from being enabled. We will have to come back to Parliament to amend the bill when this technology reaches maturity.

The third untreated aspect of the bill is industrial relations. If the future of work is akin to what is happening in the sharing economy, then members of this Parliament and many others will have to answer the question of how people will be able to sustain their remuneration levels when working outside an employment contract. The ridesharing industry is not the first industry to pose this question. The truth is that the ridesharing industry is establishing normative behaviour in these categories. The default behaviour of what is allowable is being set in ridesharing because it is the most developed and aggressive industry to assert an alternative model in labour regulations.

Unsurprisingly, the Labor Party takes the simple view that people ought to earn enough from their work to support themselves and their families. We do not think that principle ought to be contested. In fact, we welcome cross-partisan support for that principle and will not pay lip service to it. We do not believe it is a nice consideration, but it is a secondary consideration that we can farm off to a lower House committee, which will hopefully come forward with a solution. We understand that if that question is not answered in a bill that will set normative behaviours in ridesharing, we are giving up the balance not only between taxis and ridesharing but also between the sharing economy in other work areas. No credible person would suggest for one second that because someone is using a new form of technology to organise their work they are therefore exempt from all the requirements and social expectations that are attached to work. If that is the Government's position, then it ought to come forward and state it.

Government members in this place and in the lower House have not acknowledged the fact that New South Wales has a unique, longstanding system that has been in place since 1979. The system was initiated by a Labor Government and reviewed by a Liberal-Nationals Government in 1991, 1993 and 1995. It remains in chapter 6 of the Industrial Relations Act and applies to the entire transport system. The system is one aspect of New South Wales law that distinguishes us from every other State. It has enjoyed cross-partisan support for nearly four decades.

The Hon. Sophie Cotsis: Tell us which Liberals supported it.

The Hon. DANIEL MOOKHEY: I will acknowledge that interjection. Chapter 6, in its current form, was designed by Kerry Chikarovski when she was the Minister for Industrial Relations in 1995. I will not take up any more time talking about the Liberals and The Nationals who supported chapter 6, or I will be here for some time. When it comes to transport—be it taxis, couriers, trucks, concrete mixers, or the complicated machinery that is required to move cars—Labor understands that special conditions call for an approach that is independent of the employee-and-employer approach. It calls for a special jurisdiction that is able to deal with minimum standards in the industry. We are suggesting that the standards that exist now and have existed for a long time in the taxi industry ought to be applied as a base condition in ridesharing.

The consequence is parity. The Government's argument is that through this law, parity will emerge between ridesharing and taxis and there will be no competitive or commercial advantage accorded to either one by virtue of regulation. However, that will not happen if the industrial relations aspect is left untreated. The reality is that this bill will be passed tonight and taxis will still be subject to chapter 6—as they should be—but ridesharing will not. That is the disadvantage the Government will endorse and will tolerate from here forth. I heard various comments from the Minister in the other place about all the unintended consequences that are likely to flow if we have the temerity to suggest that drivers ought to have minimum pay and conditions.

The Minister at the table may wish to refer to those unintended consequences. I look forward to his setting out what unintended consequences he fears, because one might be that drivers are paid for all the hours they have worked. The fiction in the taxi industry that these conditions are paid may be tested by evidence. Then the race to

the top will start. We know what the consequence will be if the amendments are not passed. My colleague flagged that Labor will move amendments to the application of chapter 6, having a driver representative on the panel, and the authority of the Commissioner of Point to Point Transport to enforce conditions. Data tells us that it is not correct that workers in the taxi industry are getting paid all they are owed.

The other consequence of the Government's failure is that there will be no standards for how ridesharers treat their drivers. The default position of unilateral contract that is available through Uber will continue. A driver would have to go to a court in the Netherlands in order to get their contract enforced. That is the consequence of the Government's omission. Had the Government treated all work-related issues in relation to the ridesharing industry in the main part of this debate—if the Government had regarded this as a core issue that required a Government response—Government members would have acquainted themselves with the history and would understand a lot better the complexities of industrial relations in this sector. It is telling that the task force set up by the Government and led by Professor Gary Sturgess, which preceded the earlier regulatory legislation, was not asked to consider industrial relations at all. As a result of that omission, the Government did not take the early opportunity to get acquainted with the full complexity of what happens in this sector.

In response to the grave concerns that have been raised publicly and by the Labor Party in this place, the Government has farmed off the legislation to a lower House committee. It has said, "We will eventually get around to it", treating it like a second-class issue. It is not a second-class issue. How people earn a living is a first-rate issue that requires a lot more of the Parliament's time. There ought to be a response to that issue in this legislation, but that has not happened. I will reserve the rest of my comments for the Committee stage of the debate on this bill, but I want to acknowledge a few of the people who have helped me to develop my views on this legislation. They have been very generous with their time. I start by acknowledging the NSW Taxi Council, which has always been very vocal in letting us know what it thinks. In addition, I acknowledge the NSW Point to Point Transport Association, the NSW Hire Car Association, and all the work done and provided to me by Michael Jools. I am very proud to acknowledge the strong contribution made to this debate and to other debates by the Transport Workers' Union of NSW. I look forward to the opportunity to consider the bill further during the Committee stage.

The Hon. SOPHIE COTSIS (18:36): I contribute to the debate on the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016. My Labor colleagues have spoken eloquently about several aspects of this very comprehensive bill, which makes a number of changes. I will focus on the changes with respect to people with disability and I will also talk about some of the concerns relating to the taxi plate owners. I acknowledge my colleague the Hon. Daniel Mookhey for representing the views of many parties in this sector. I thank him because I have learnt quite a bit about the ridesharing industry over the past year and a half. A lot more work needs to be done in relation to the industry as a whole. I acknowledge Labor leader Luke Foley, who has been at the forefront in drawing the Parliament's attention to the issues associated with the ridesharing industry.

The bill represents the New South Wales Government's response to technological change in the point to point transport industry. Technological change often causes economic disruption, and this phenomenon has played out many times throughout history. Two hundred years ago the introduction of mechanical looms caused weavers in Britain's wool and cotton industries to lose their jobs. Those workers sought to hold back the tide of change. But the tide of technological change cannot and should not be held back. From mechanical looms to the iPhone, technological change has increased living standards and created new opportunities for people to live their lives on their own terms.

The Hon. Dr Peter Phelps: Thank you, capitalism.

The Hon. SOPHIE COTSIS: Thank you, Paul Keating, for opening up the economy to competition and providing the structural adjustments and the assistance—

The Hon. Penny Sharpe: Point of order: The Hon. Dr Peter Phelps has interjected continually on Labor members throughout this debate. I ask that he be called to order.

The Hon. Trevor Khan: To the point of order—

The DEPUTY PRESIDENT (The Hon. Paul Green): I know the Hon. Trevor Khan will agree with the Hon. Penny Sharpe. There will be no more points of orders; I do not want a petition against the Hon. Dr Peter Phelps. I uphold the point of order. If the Hon. Dr Peter Phelps interjects again he will be called to order.

The Hon. SOPHIE COTSIS: Our Prime Minister likes to romanticise about the disruption caused by technological innovation. That is fair enough, because the tech boom has made him a multimillionaire—and good on him for his success. But the experience of disruption often leaves many people behind. Like the unemployed weavers of nineteenth century England, others who experience the negative effects of technological disruption can be left feeling that they have been cast aside through no fault of their own and despite all their hard work. Uber and other ridesharing services are the epitome of modern disruptive technologies. However, they have given

consumers greater choice—that has been demonstrated by the number of people who use Uber—and created new opportunities for people to earn income as drivers. There has been major disruption to point to point transport services like taxis; however, the taxi industry has been overregulated, and I welcome the deregulation of some areas. As other speakers have said, we need more information about how this is going to work.

Like Labor leader Luke Foley, I believe we should embrace change and the capacity of technology to create new opportunities and improve productivity in our economy. I note that it has been a year since Labor leader Luke Foley called on the Government to get with the times and update our regulatory framework to recognise ridesharing services. The Leader of the Opposition in this place, the Hon. Adam Searle, and the Hon. Daniel Mookhey have said that the Labor leader set down three principles: raising the standard of service, reinforcing public safety, and reinforcing a framework for proper remuneration. Labor has also called for there to be compensation for those who are negatively impacted by this change. When changes have occurred, particularly over the past 25 or 30 years, in the economy and in industries, Labor governments—and I acknowledge that Coalition governments have done this too—have provided assistance packages to those who were affected.

Assistance has been given to those who have invested their labour, their time or their savings in industries that have been affected by changes or by government regulations. My point is that we should not stand by and allow the waves of economic disruption—which will benefit the consumers and, in the long run, the economy—to overwhelm those who have been negatively affected. Many of us have been contacted by members of the public and have attended local community meetings about this issue. I have been contacted by those representing taxi plate owners. I also attended a small meeting with a number of representatives, many of whom were mum-and-dad investors and seniors from poor communities.

They are people who migrated to Australia several decades ago. They worked very hard and saved for their retirement. They chose to invest in taxi licence plates—a sensible investment that carried an implicit government guarantee that was part of a highly regulated taxi industry. As noted by Reverend the Hon. Fred Nile, who preceded me in this debate, the value of the licences has decreased. People who invested their life savings in those licences have been adversely affected. They made the investment in good faith and they did so with the understanding that the investment would enjoy a government guarantee. A consequence of this bill is that the guarantee will change.

I note that the Government has included a compensation package, which the Labor Opposition called for. However, more information should be provided about that package, as my colleagues the Hon. Adam Searle and the member for Strathfield and shadow Minister for Transport and shadow Minister for Roads, Maritime and Freight have done a fantastic job in pointing out. Many people who have lost money as a result of the Government's policy decisions are concerned about how compensation will be distributed. I share those concerns. The Government has not released any modelling about how it will determine what compensation should be paid. In the absence of any modelling, it is impossible for anyone to know whether the compensation offered by the Government is adequate to address the losses that people have suffered.

The arrangements for allocating compensation are also profoundly worrying. Based on the limited information available, it appears that the Government proposes to establish a giant pool of money from which payments can be made, essentially at the discretion of the Minister for Transport and Infrastructure. The fund will be divided into separate parcels: \$98million will be allocated to taxi plate owners and is based on \$20,000 per perpetual licensee for up to two licences; and \$142 million, the distribution of which will be overseen by a panel of bureaucrats. The Opposition is hopeful, if Opposition amendments are agreed to, that an employee representative will be appointed to the panel. I understand that the Taxi Council will be represented and I am hopeful that taxi plate owners will also be well represented on the panel. I would have preferred the establishment of an independent expert panel. I also hope that the Government appoints women to the panel.

The Hon. Duncan Gay: So you don't want the TWU?

The Hon. SOPHIE COTSIS: The Minister did not hear what I said.

The Hon. Duncan Gay: I did.

The Hon. SOPHIE COTSIS: They are more expert than the Minister.

The Hon. Duncan Gay: But they are not independent.

The Hon. SOPHIE COTSIS: Yes, they are. Clearly, more oversight is needed in relation to the manner in which compensation will be allocated. The Opposition will move amendments at the Committee stage that I hope will be supported by the Government. I do not think it is right that a Minister for transport—I do not refer to the current Minister for Transport and Infrastructure—should be able to disburse \$142 million at his or her

discretion without outlining the hardship criteria that will be applied. We need to know that information as soon as possible.

I will now deal with the effect of these legislative changes on people with disability. Point to point transport is a vital service for people with disability, particularly those who have visual impairment and mobility issues. Being able to move around freely is an essential human right. Access to transport services is essential for people to access other services such as health and education, to go visiting, to not feel isolated—and in fact not be isolated—to gain and maintain employment, and generally to participate in the community. The New South Wales Labor Opposition welcomes the Government's decision to increase the subsidy provided through the Taxi Transport Subsidy Scheme. New South Wales Labor also welcomes the Government's initiative to increase incentives that are available for people to invest in wheelchair-accessible taxis. I am very pleased with that initiative.

Labor has a policy of supporting increases in the Taxi Transport Subsidy Scheme, particularly with the advent of the National Disability Insurance Scheme [NDIS] rollout. This measure is not only timely but also overdue, but it is nevertheless very welcome. The Labor Opposition also welcomes the Government's commitment to developing a provider neutral scheme so that people with disability will have greater choice about how they access transport services. I hope that the Government will engage with people with disability, their families, carers and the wider disability sector to ensure that the needs of people with disability are put front and centre and will be addressed by the reforms. I hope that the Minister or his representative in reply will ensure that peak body representatives of people with disability are engaged in the process and are consulted.

It is most important for the Government to consider moving beyond the present system of paper vouchers that are linked to the Taxi Transport Subsidy Scheme. Currently, scheme recipients receive a book of vouchers. People who are visually impaired have difficulty with the current system. I have received representations from Vision Australia about the implementation of an electronic system as part of changes to the scheme. Paper vouchers are an outdated method of payment. Advocates for people with visual impairment and people with intellectual disabilities have long argued that the paper vouchers system is difficult to use. I hope that the Minister for Roads, Maritime and Freight, and the Minister for Disability Services, who are in the House, will pay close attention to that matter as well. In the age of credit cards, Opal cards and apps, we can and should do better. While the National Disability Insurance Scheme is being rolled out, it is important that the New South Wales Government continues to fund programs such as the Taxi Transport Subsidy Scheme to help people with disability access transport services. The point to point services industry is a vital part of our economy.

The Hon. Dr Peter Phelps: We are doubling the value of the vouchers from 1 July.

The Hon. SOPHIE COTSIS: The Government continues to fund the program. I have welcomed that and I am urging the Government to continue to fund the program, that is all.

The Hon. Dr Peter Phelps: It would be nice if you acknowledged the fact that the Government is doubling it.

The Hon. SOPHIE COTSIS: I acknowledged it three times. It is pleasing that the Government is heeding the call by the Leader of the Opposition, Luke Foley, for the law to be updated with a proper regulatory system. I hope that the Government and crossbench members will support Labor's amendments.

The DEPUTY PRESIDENT (The Hon. Paul Green): I will now leave the chair. The House will resume at 8.00 p.m.

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (20:02): In reply: I thank all members who have taken part in the second reading debate on the Point to Point Transport (Taxis and Hire Vehicles) Bill 2016 for their contributions. This is indeed an historic bill that overhauls outdated transport regulations for taxis, hire cars and rideshare services. Members of the Labor Party have referred in hushed tones to the budget reply speech of the Leader of the Opposition last year about supporting Uber.

The Hon. Daniel Mookhey: His excellent budget reply speech; one that you wish you had made.

The Hon. DUNCAN GAY: No-one needs help from the Hon. Daniel Mookhey, least of all an Opposition leader, because I am sure it would make him very uneasy. However, the only thing we saw from the Opposition was five months later when the Leader of the Opposition lodged a notice of motion for a private member's bill on the last sitting day before the election, but he never introduced the bill—a bit of rhetoric and nothing else. Labor also had the opportunity to support an inquiry into the taxi industry that was moved by The Greens and supported by the Coalition back in 2010, yet Labor members did not support it. There was no sign of Labor support—one of the few occasions when it did not support The Greens.

The Hon. Daniel Mookhey: How many years was that before Uber was invented?

The Hon. DUNCAN GAY: Labor did not care about the taxi industry when it was in Government and now its fading interest frankly reeks of a cheap political stunt. When it comes to the point to point industry, Labor is at sixes and sevens. This is no more evident than in the contribution to the debate made by a former member of the Transport Workers Union [TWU]—and who is to say whether he really is a former member—

The Hon. Greg Donnelly: He may still be a member.

The Hon. DUNCAN GAY: He may still be under the union's control, the puppetmaster, the Hon. Daniel Mookhey.

The Hon. Greg Donnelly: Is he the puppetmaster or under control?

The Hon. DUNCAN GAY: He resembles that. While Labor members have sat on their hands, this Government has sought to reform the entire point to point transport market, which is unheralded across this country. This bill represents the second stage of the implementation reforms arising from the Point to Point Transport Taskforce. This new regulatory regime encourages innovation, removes red tape, rationalises bureaucracy and reduces compliance costs. But we recognise that widespread reform of this nature means more competition for existing service providers.

Where industries have been the subject of significant regulatory reform in the past, government has provided assistance packages to help with the transition to the new market, and so it should. This bill enables a \$250 million industry adjustment package that includes \$98 million for transition assistance of \$20,000 per perpetual licence for up to two licences for taxi licensees who obtained a licence before 1 July 2015; \$142 million for taxi licensees facing hardship as a result of this change, to be distributed by a transition assistance panel that includes the chief executive officer of the NSW Taxi Council; and a \$10 million buyback scheme for hire car licensees. This bill also establishes a new regulator with significant powers to seek court-imposed jail time and fines of millions of dollars to ensure that the industry is abiding by the rules and that customer safety is protected. For the first time this regulator will be able to tackle the companies at the top, and not just the drivers.

Dr Mehreen Faruqi and the Hon. Sophie Cotsis both raised the issue of supporting people with a disability. We want to make sure that people with a disability are supported throughout this transition. So we have announced a \$15.5 million annual package to ensure the continued provision of wheelchair-accessible taxis [WAT], including increasing the WAT driver incentive payments from \$7.70 to \$15 per trip and the doubling of the Taxi Transport Subsidy Scheme cap from \$30 to \$60 per journey. I am surprised that the shadow Minister in this area was not aware of this provision, because other people in the Chamber were aware of it.

As a member of The Nationals, I know how crucial taxis are in rural communities around New South Wales, particularly as other public transport options are limited. These reforms will help reduce cost and red tape for taxi businesses in regional areas and will help to make taxi businesses more sustainable. With a much smaller percentage of work in rural and regional areas being from the unbooked rank and hail market, these reforms allow for existing operators to move into the booked market, where there are significantly lower overheads and much more freedom to tailor services to those required in country towns. The Opposition and crossbench members have raised a number of issues during the debate. The Shooters, Fishers and Farmers—and sometimes nurses—Party—

The Hon. Robert Brown: And others.

The Hon. DUNCAN GAY: —and others raised the issue of ensuring that the requirements from the old hire car licence conditions about plying and standing for hire appear in the regulations for this bill. In addition to the severe penalties, including the possibility of a custodial sentence, I can assure those members that under clause 47 of the bill there will be a clause in the regulation for drivers, similar to the one that exists under the 2007 regulation, which makes it an offence for the driver of a hire vehicle to stand or ply for hire.

In relation to the Shooters, Fishers and Farmers Party query regarding the skillset of the commissioner to be appointed, I can advise that the Minister for Transport and Infrastructure will ensure that the person appointed to be the Commissioner for Point to Point Transport is someone respectful and objective and who builds confidence amongst all industry stakeholders. It will be someone independent and respected. The commissioner will have skills and background in the point to point industry. The Minister will also ensure that the commissioner has significant powers for meaningful and effective compliance and enforcement. The commissioner will work in good faith with all industry participants and help the industry through this turbulent time. I thank the industry for making sure that those conditions are part of what we are doing with this bill and the regulation.

Questions were asked about how the Government decided on \$250 million for the industry adjustment package. I would say that this package is generous by world standards. In many jurisdictions little or no adjustment assistance has been offered. For example, in Ireland the total assistance offered was €16 million. In Western

Australia \$20,000 has been offered to taxi licensees, but there is no hardship fund. In the Australian Capital Territory, Tasmania and New Zealand no adjustment assistance was offered. The task force recommended transitional assistance to partially offset the expected reduction in income as well as a hardship fund for people especially adversely affected. If necessary, the bill allows for a review to take place on how these reforms are impacting industry.

A review could investigate whether the adjustment assistance amount was appropriate. Whilst the bill does not specify the amount of \$250 million, it states that the Parliament may appropriate an amount for this purpose. The Treasurer's appropriation bill provided for these funds, and they are set out in the budget papers in the Transport for NSW allocation. The bill makes a distinction between the \$20,000 payments and the hardship fund. In relation to the \$20,000 payment, the panel's role is to determine the procedures for applicants and advise the Minister on how the fund should be distributed. The advice of the panel will inform the development of regulations which govern how the \$20,000 payment scheme will be administered by Transport for NSW on behalf of the Minister.

These regulations will include: details about who is eligible, that being \$20,000 per licence, for all perpetual licensees for up to two licences; the amount that may be paid; how applicants prove they are eligible; how long the application process would be open for; any conditions that may be imposed on payment of the funds; any additional information required to be provided by applicants; and any review of decisions if a licensee wishes to make an appeal. The Transport for NSW application and payment process for the \$20,000 payments has been put through an independent quality assurance process by an audit firm to make sure it is rigorous in minimising fraud risk, is fair and meets the requirements of the Public Finance and Audit Act. The transition assistance panel will receive a copy of the report on this quality assurance process.

In relation to the \$142 million hardship fund, the panel's functions will be to recommend eligibility criteria for the payment and set procedures and other matters described in relation to the \$20,000 payments. Any decision of the panel with respect to the hardship funds must be unanimous. The panel's recommendations to the Minister will form the basis of regulations which, as members would be aware, are disallowable instruments that will govern payments out of the fund. Regulations will cover issues such as applications for funds, the amount payable, proof of eligibility, the period for applications, the provision of additional information and reviews of decisions about applications in the event of an appeal. The bill permits the Minister to delegate his functions in relation to these funds.

The bill before us provides for a new regulatory regime that increases competition and encourages innovation whilst strengthening customer safety. It removes unnecessary regulations and frees up the industry participants to run their own businesses without government interference. While many jurisdictions around Australia and the world have simply stuck their heads in the sand, the New South Wales Government is today leading the way, ensuring that the point to point transport market will survive and flourish over many decades to come. I congratulate the Minister for Transport and Infrastructure, Andrew Constance, on tackling a problem that many other jurisdictions have not tackled appropriately and forthrightly and for fighting Cabinet and Treasury to obtain an appropriate package. The Minister provided the best solution that is available. It has been done with passion, strength, innovation and decency. I commend the bill to the House.

The DEPUTY PRESIDENT (The Hon. Bronnie Taylor): The question is that this bill be now read a second time.

Motion agreed to.

In Committee

The CHAIR: There being no objection, the Committee will deal with the bill as a whole.

The Hon. ADAM SEARLE (20:18): By leave: I move Opposition amendments Nos 1 to 3 on sheet c2016-057B.02 in globo:

No. 1 Functions of authorised officers

Page 38, clause 111 (1). Insert after line 8:

- (b) to determine the extent of compliance with relevant awards or determinations under this Act or the *Industrial Relations Act 1996* in the taxi and hire vehicle industry;

No. 2 Functions of Point to Point Transport Commissioner

Page 49, clause 139 (1). Insert after line 30:

- (d) to monitor compliance with relevant awards or determinations under this Act or the *Industrial Relations Act 1996* in the taxi and hire vehicle industry;

No. 3 Industrial matters relating to drivers

Page 53. Insert after line 30:

Part 11 Industrial matters relating to drivers

149 Vehicle as workplace

For the purposes of the *Work Health and Safety Act 2011* and any other law of New South Wales (including common law), a taxi or hire vehicle is, while it is being used to provide a passenger service, a workplace.

150 Minimum remuneration for drivers

- (1) In any contract for the provision of a passenger service by a driver of a taxi or hire vehicle, the consideration for the contract is not to be less than the remuneration set by any award or determination under the *Industrial Relations Act 1996* for a person performing the work as an employee or, if there is no such award or determination, the remuneration that could reasonably be expected to be paid to a person performing the work as an employee.
- (2) A person commits an offence if the person (other than as a driver of a taxi or hire vehicle used to provide a passenger service under the contract) enters into, or offers to enter into, a contract that does not comply with this section.
Maximum penalty: 100 penalty units.
- (3) This section does not apply to a contract entered into with a passenger for the provision of a passenger service by means of a taxi or hire vehicle.

151 Applications to Industrial Relations Commission

- (1) An application may be made to the Industrial Relations Commission to have a question, dispute or difficulty affecting a driver of a taxi or hire vehicle or drivers of taxis or hire vehicles and a provider of a booking service, passenger service or taxi service determined by conciliation and, if necessary, arbitration, by:
 - (a) a driver, or
 - (b) a driver acting on behalf of the driver and a number of other drivers, or
 - (c) an industrial organisation (within the meaning of the *Industrial Relations Act 1996*) acting on behalf of a driver or a number of drivers, or
 - (d) the Point to Point Transport Commissioner.
- (2) The Industrial Relations Commission may conduct such a dispute resolution process in any manner the Commission considers appropriate.
- (3) The Industrial Relations Commission may make such orders in relation to such a question, dispute or difficulty as the Commission considers fair and reasonable in the circumstances, including orders making awards or determinations of remuneration levels for drivers.
- (4) Any award or determination of remuneration levels for drivers must take into account all time worked by drivers, including time when the driver is not driving passengers in a taxi or hire vehicle but is on duty and driving to a location where the driver is to or may pick up passengers or waiting to be assigned a passenger service to provide in a taxi or hire vehicle.
- (5) An order of the Industrial Relations Commission under this section is enforceable under the *Industrial Relations Act 1996* as if it were an order made under that Act.
- (6) This section is in addition to, and does not derogate from, any action or proceedings that may be taken under the *Industrial Relations Act 1996*.

These three amendments will provide a uniform platform for the point to point transport industry of minimum labour standards. The taxi industry has long been regulated by chapter 6 of the Industrial Relations Act. That Act has not been touched or amended by this bill, so it is outside the leave of the bill to propose amendments to chapter 6. Therefore, we must craft a new mechanism. We have done that and it is embodied in amendment No. 3, which provides for minimum driver remuneration in the transport industry. It achieves that in proposed new section 150 (1) by establishing a benchmark, that is, any award or determination made under the Industrial Relations Act for a person performing work as an employee if there is no such award or determination for remuneration that could reasonably be expected to be paid to a person performing the work of an employee.

At the moment, it applies only to the taxi industry. Uber and other service providers get a free ride, and drivers working in that part of the industry have no minimum working entitlements. The Opposition believes that that is not good enough. We understand that those issues have been referred to the relevant parliamentary standing committee. However, it will take some time to consider the issues, and it will table its report in September. During its five years in office, this Government has not been noted for making laws and regulations that support working

people. It has done plenty of things to working people but not much for them. The Opposition believes that there should be a minimum standard for all persons working in the industry.

Proposed new section 151 provides a flexible dispute resolution mechanism based on section 130 of the Industrial Relations Act and reflects section 20 of the Entertainment Industry Act. It gives the Industrial Relations Commission broad and flexible powers to resolve all manner of disputes arising in the industry. As provided for in proposed new section 151 (3), such a dispute resolution outcome may result in orders for awards or determinations setting remuneration levels for drivers as well as resolve all other issues such as underpayment safety and the like. The Opposition believes that that is a fair and reasonable thing to do. Amendments Nos 1 and 2 relate to the powers to be given to the Point to Point Transport Commissioner. The bill provides powers to the standalone statutory officer and regulator for the purpose of enforcing safety standards, investigating, requiring improvements, requiring documents and so on.

This is no reflection on the NSW Industrial Relations, but the Opposition believes the Point to Point Transport Commissioner should have the ability to enforce the minimum driver remuneration standards created in this legislation. The Opposition provides for that in proposed new section 151 by enabling the commissioner to bring claims on behalf of a driver or group of drivers. However, amendments Nos 1 and 2 also give other regulatory powers to the commissioner to ensure that matters do not fall between the cracks. It may be that in the course of investigating a safety matter, the commissioner discovers one-off or perhaps systemic underpayment issues with a certain provider and would then be required to invite a different government regulatory agency to deal with the matter. The Opposition believes that the commissioner should be empowered to be a one-stop shop.

The three amendments together provide a reasonable, balanced and fair minimum remuneration regime for all drivers in the industry. Importantly, they put the new entrants—Uber, Lyft or any other ridesharing operator—on a similar platform as taxis, which are the current primary service provider. We recognise the existence of the sharing economy and we will facilitate the entrance of new service providers. However, as the legislation stands, it gives those service-provider businesses a leg-up by not requiring them to pay their workers any minimum standard. By any interpretation of fairness and reasonableness, that is not a sensible proposal. It is unfair to those working in the industry. More importantly, it creates an economic distortion against the taxi industry. It perpetuates a financial advantage for the new entrants and disadvantages the taxi industry.

Many speeches have been made about fixing up compulsory third party insurance, putting the two components of the point to point industry on a level playing field and providing a regulatory framework to ensure there is no systemic discrimination in favour or against any kind of operator. However, if we are serious about providing a level playing field, we must acknowledge that this is a key area in which the current legislation distorts the system against the taxi operators and in favour of the new entrants. I am not against the new entrants. Despite what the Leader of the Government said, the Opposition has led the way in having this State engage with the sharing economy.

The Hon. Daniel Mookhey: And the nation.

The Hon. ADAM SEARLE: I acknowledge that interjection. However, we must do it fairly, reasonably and in a way that treats the taxi industry no less favourably than the new entrants. I ask the Committee to support the Opposition's amendments.

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (20:25): The Government does not support these amendments.

The Hon. Adam Searle: I am shocked.

The Hon. DUNCAN GAY: Of course, the Leader of the Opposition would be shocked. Amendments of this nature relating to industrial relations should not be made on the spot in Parliament. Doing that risks failing to take into account all the issues that may cause significant unintended consequences. Frankly, it is akin to making policy on the run. Reverend the Hon. Fred Nile approached the Minister about these proposed amendments and suggested that they would be better considered as part of the inquiry now being conducted by the Legislative Assembly Committee on Transport and Infrastructure into workplace arrangements in the point to point industry.

I am happy to be able to advise members that the Government has spoken to the chair of the committee, who has said that he is happy to include these matters in that inquiry. The Government agrees that these issues should be dealt with by that committee because it can take submissions and consider all the issues. That is more likely to result in balanced and fair policy that will stand the test of time. The Leader of the Opposition indicated that this Government has done nothing for working people in this State. I remind him that when we took office New South Wales was an economic basket case. We have done nothing other than provide people with jobs. We have taken this State from the bottom to the top.

Reverend the Hon. FRED NILE (20:27): I thank the Leader of the Government for responding to my request of the Minister that these three amendments relating to industrial relations be referred to the Legislative Assembly Committee on Transport and Infrastructure as part of its inquiry into workplace arrangements in the point to point transport industry. I am pleased that the chair of that committee has agreed to consider the matters raised by the Opposition. I believe that is the best way to proceed. It is obvious that a great deal of work has been put into the Opposition's amendments. They almost constitute a new bill dealing with industrial relations issues, and I am sure that the Legislative Assembly committee will take note of them in its inquiry. The Christian Democratic Party does not support the amendments, but they will be considered by the committee.

Dr MEHREEN FARUQI (20:28): The Greens support the provision of legislated industrial relations safeguards for all point to point drivers. In my submission to the Point to Point Transport Taskforce in September 2015 as The Greens transport spokesperson, I stated:

It is essential that the rights and protections of drivers and consumers are paramount in devising these new regulations.

I went on to specify that drivers who engage in ridesharing must have their rights protected, including fair pay and conditions. We understand there is currently a Legislative Assembly committee receiving submissions on the matter of workplace arrangements in the point to point industry and that it was set up several weeks ago. However, I recognise the valuable opportunity provided by the debate on this bill today to introduce industrial relations arrangements into legislation that will protect all drivers from exploitation and, in particular, low wages. It is not particularly onerous or unrealistic to require that minimum and basic wage protections for drivers working under contracts be put in place and that consideration for all drivers will not be less than the remuneration set by any award or determination under the Industrial Relations Act for a person performing the work as an employee or reasonable expectation of remuneration if there is no such award for determination.

With this amendment the Industrial Relations Commission will be able to act as it ordinarily does in dispute resolution. From around the world we hear stories of drivers being hung out to dry as booking service companies arbitrarily change the fares, including significant reductions. Of course customers may like the reduced fares, but in reality this means the drivers whose incomes are tied to fares, many of whom do not drive in their spare time to earn extra cash but do it as a primary form of income, are completely vulnerable to widely different incomes week to week. This amendment provides some level of protection to stop rideshare companies exploiting drivers. The Greens support these amendments.

The Hon. ADAM SEARLE (20:30): I thank Reverend the Hon. Fred Nile and the Leader of the Government for indicating that our amendments will help inform the Legislative Assembly standing committee looking into the industrial relations aspects of the point to point transport industry. That is certainly better than nothing. I just think it is a shame that we are taking such good strides in this legislation as a State, providing this new legislative framework, but as a Parliament we appear to not consider that providing fair minimum labour standards for all workers in the industry should be a minimum condition in the legislation.

Taking an extra few weeks—if that was what was needed—to make sure that such an aspect of the legislation was properly crafted as part of this package surely could not have been beyond the wit or wisdom of this Parliament. We think these proposals are sound and balanced. We would urge members to reconsider their position. But even if we do not succeed on this occasion, we will continue to press the case for fair minimum labour standards for all workers in the point to point transport industry, no free ride for the new entrants, no systemic disadvantage against the taxi industry, and a level playing field for all who provide services in the industry.

The Hon. ROBERT BROWN (20:32): I had indicated that I was not going to speak on this bill but I now feel that I must. I applaud the Opposition spokesperson and leader for their attempt to bring forward what may very well be necessary parts of this sort of legislation. But it is not a matter of just waiting a few extra weeks. Parliament rises for five weeks now, and this would have to be brought back on the agenda. So the solution provided by Reverend the Hon. Fred Nile, whilst not delivering what I think the Opposition would like immediately, probably is the proper way to do it, given that we craft our legislation very carefully. We are very jealous of what is in the leave of the bill, the long title of the bill and so on. I assure the Opposition that I and my colleagues—and, I am sure, the other crossbenchers—will keep a very close eye on any deliberations of that committee. I agree with Reverend the Hon. Fred Nile, I think it probably is the correct way to go. It is something that that committee has agreed to do, but it should do so with all speed to bring that inquiry to a swift conclusion. Unfortunately, we will not support the Opposition's amendments. I think the solution offered by Reverend the Hon. Fred Nile is probably the right way to go.

Mr DAVID SHOEBRIDGE (20:34): I commend the words of my colleague Dr Mehreen Faruqi on these amendments and again state that The Greens support each of the Opposition amendments Nos 1, 2 and 3. I will deal with them quickly. Amendment No. 1 would allow those authorised officers to determine the extent of

compliance with relevant awards or determinations either under this Act or under the Industrial Relations Act 1996 in the taxi and hire vehicle industry. One of the concerns that has been raised by the Government is whether this is to the exclusion of the existing rights that are contained in the Office of Industrial Relations to have that kind of monitoring and compliance role. I think pretty clearly from the legislation it is not intended to be. It is intended to have parallel monitoring and compliance powers. For the sake of any concerns about the ambiguity, that is how The Greens understand it. I assume that is the basis upon which the Labor Opposition is putting it forward.

The Hon. Adam Searle: It is.

Mr DAVID SHOEBRIDGE: I note the interjection from the Leader of the Opposition that it is. The Greens believe that would be the best legislative solution anyhow—to have dual compliance and dual monitoring powers. I would say the same in relation to the Opposition amendment No. 2 about the functions of the Point to Point Transport Commissioner. Dealing with Opposition amendment No. 3, the proposed new section 149 that would state unambiguously that for the purposes of the Work Health and Safety Act and any other law of New South Wales including the common law, which of course is important for litigation purposes and for the recovery if there has been some tortious claim, a taxi or hire vehicle while it is being used to provide a passenger service is a workplace.

I am sorry I was in another place earlier, so I did not hear the Government's reason for opposing this amendment. But I would have thought, at best, the reason for opposing such a proposed amendment would be that that is the state of the law anyhow on any reasonable view of the law: Whilst a vehicle is being used to give somebody work to transport somebody from A to B, as a matter of general law and when one looks at the definition of a "workplace" under the Work Health and Safety Act, one would have thought it reasonably unambiguously that the vehicle is a workplace. However, the reason I said it is reasonably unambiguous is because, to the extent that there is any ambiguity, we should clarify it with clear words of legislative intent.

If we do not do it tonight, I would hope that there is a collective commitment to make it apparent—black and white in legislation—that when somebody is being driven about in somebody's motor vehicle that is for hire, then they are in a workplace and therefore all the safety arrangements under the Work Health and Safety Act should kick in and the various obligations at common law and statute should kick in about ensuring that that workplace is a safe place and people's health and safety are protected. In terms of the minimum remuneration for drivers, at the moment—I am sure like many other members in this House—I catch Ubers, taxis and the bus—

The Hon. Adam Searle: I don't.

Mr DAVID SHOEBRIDGE: The Hon. Adam Searle says he does not catch Ubers, but I do. Often I am at some point where there are no taxis and I open up the Uber app. Sometimes, apart from shoe leather, that is the only way of getting home from a meeting or a late-night event.

Reverend the Hon. Fred Nile: There are always taxis available.

Mr DAVID SHOEBRIDGE: I will not do this continually but I note the interjection from Reverend the Hon. Fred Nile that there are always taxis. There actually are not always taxis. It would be great if every time I stepped out there was a little yellow light. The taxi industry in this State tends to be unfairly maligned. Almost all the taxi drivers I have are polite and competent and do their job with diligence. But when there are no taxis, I will from time to time get an Uber to take me from place to place. As a general rule, when I talk to the drivers, they say that they are quite happy working for Uber and reasonably content with the rate that they get. A few weeks ago two of them raised concerns with me that Uber had unilaterally changed the terms and conditions under which they would provide their services to Uber. They were concerned about the prospect of in the future having further unilateral determinations by Uber—

Reverend the Hon. Fred Nile: No consultation.

Mr DAVID SHOEBRIDGE: Without any consultation, that would potentially greatly reduce their remuneration and their conditions. Of course, if a new entrant tries to mimic the Uber business model, the pressure on prices from a new entrant may drive conditions down further as Uber and the new entrant seek to compete on price. Ultimately it will be the drivers who are potentially at peril of having greatly reduced conditions and returns. We should not think this is a far-off concern; it is a real concern. It is already happening that Uber unilaterally is in a position to determine its rates because of its power, and with the potential of new entrants, the pressure will only be tougher.

We must protect not only the conditions in the taxi industry but also the interest of drivers in the balance of the point to point market. We must have a floor in place. The Opposition amendment to section 150 will set a minimum remuneration for drivers. If we do not do it tonight—and I get a sense we will not get the numbers

tonight—it is a matter of genuine urgency that we put something similar to this in legislation so that we do not have a race to the bottom, which will not only affect Uber and any potential new competitors, it will also ultimately destroy the conditions of taxidriver.

The Hon. DANIEL MOOKHEY (20:40): I wish to start my comments in Committee by responding to the comments made by the Minister. The gist of his opposition to our amendments is process, not substance. I note that in his speech the Minister did not once make the point that not one aspect of the Government's law deals with the matters about which we are talking. One can only assume that he agrees with Labor that the law is silent on that question. I also note that at no point did he evidence any aspect of familiarity with the legal rights that are available to taxidriver or how those rights are displayed to the marketplace, which is giving rise to the concerns that the Leader of the Government has spoken about.

I welcome the commitment that Reverend the Hon. Fred Nile has received from the Government that these matters will be treated by a committee. I hope, in fact, that he has received a commitment that the Government will act accordingly should it find that the Opposition amendments are correct and that it will come forward and support our amendments. It is apt for us to consider the indeterminate amount of time it will take between now and when the committee completes its work and when the Government formulates a response and therefore introduces laws to this place to deal with these questions. In the meantime, the status quo will prevail in the absence of these amendments.

I wish to go to the key aspects that the taxi industry is currently subject to, which, in the absence of these amendments, ridesharing passengers will not be subject to. I will commence with remuneration and the fare component. Currently taxis do not have a unilateral right to set their fares and they will not be able to do so under this law. The Independent Pricing and Regulatory Tribunal [IPART] determines the maximum rate at which people can be charged, but with respect to the split of revenue between the owner and the taxidriver, it is subject to the bailment system that is reflected in chapter 6.

That means that the taxi industry is able to bring applications but so are the workers. No such provision exists in ridesharing. If we look at the one contract in ridesharing that is setting normative behaviour, unilateral rights determining splitting of fares belongs to the ridesharing company, not its drivers. I am not naming the company for the simple reason that we are not regulating for one company; we are regulating for an industry and there is more than one current provider in the ridesharing industry. It is wrong to assume that ridesharers have a universal view about how it should work. One company has a firm view but another company operating in the New South Wales market has a different view and is amenable to the concept of parity with taxis concerning remuneration and fares.

The second aspect which is commonly used to judge the comparative rights is dispute rights. Should the parties have a dispute and be unable to come to an agreement, where can they go to have it resolved? With respect to one of the prevailing contracts in the ridesharing industry, the relevant jurisdiction—because the Government is not going to accept this amendment—will apply, which states, "accept as otherwise set forth in this agreement, the agreement shall be governed and construed in accordance with the laws in the Netherlands". Under the Government's proposition, should a driver be involved in a dispute with a ridesharing company, they have the right to seek the intervention of a court of competent jurisdiction. However, they will have to go to the Netherlands. I would encourage drivers to avail themselves of their contractual rights. If we leave it to the commercial marketplace—

The Hon. Duncan Gay: You would be right at home in The Hague.

The Hon. DANIEL MOOKHEY: I accept the interjection of the Minister that perhaps his preferred position is for drivers to go to The Hague.

The Hon. Duncan Gay: Point of order—

The Hon. DANIEL MOOKHEY: I withdraw my comment. I refer to termination provisions. Currently if a bailee is terminated, they have the ability to seek the intervention of the Industrial Relations Commission. In the absence of this amendment, under the prevailing contract that is setting the normative behaviour in the ridesharing industry, there are no appeal rights, unless, of course, people wish to sue in the Netherlands. Regarding the key aspect of legal liability, the taxi industry under the employment laws allows a whole set of obligations to which taxi owners and licensees are subject. Incidentally, under this law we would also allow for them to be held liable for the conduct of their drivers, which is right, and that provision is made for sound public policy reasons.

In the absence of such an amendment, the prevailing standard that will apply in the marketplace until this Parliament considers its position again is that which is stated in this agreement: a person agrees to indemnify the company and its affiliates from any actions against any claims by any person, entity regulators or government authorities based on such implied employment agency or representative relationships. A function of the history of

the common law is that an employer is deemed liable for the dealings of their employee or, in a contract, where there is a sufficient element of control that is exercised. If ever a rideshare was to be subject to the common law control test, there is no doubt they will be found to be in control and held liable. This condition says otherwise. In fact, it is a total reversal.

The point is that if the Parliament has to reject this amendment and refers the matter to a lower House committee and waits for the committee to deliberate, it should be conscious of the practices that are happening in the marketplace, which it is condoning. The reason it is a matter of urgency is because, as we all know, once this law is passed and proclaimed, there will be a rush of ridesharing companies coming to the marketplace. That is good because we want competition in ridesharing. We do not want the high barriers to entry that have prevailed in the taxi industry for a long time to replicate themselves in ridesharing. It means it is imperative on the Parliament to set the base. If competitive advantage can only be obtained by one ridesharing company over another ridesharing company and the harshness of the conditions that they impose on their drivers, the reality is that instead of setting off in a race to the top, as I referred to in my second reading speech, we will be endorsing a race to the bottom.

Reverend the Hon. FRED NILE (20:48): I thank the Government for listening to my concern about those amendments. In hearing the Opposition presenting its case, it reminds me why they did not support my disallowance motion earlier to prevent the ridesharing organisation commencing without any regulations or control. We are doing it back to front. We have allowed something to happen and now we are trying to patch it up and work out how to deal with it. If I were in government I would have said, "No. Until we work out how to control it and how to provide proper consideration for the drivers and so on, we will not allow this." The Opposition has made a good case for my position on this issue. Nevertheless, we will do the best we can with the situation we now confront.

The CHAIR: The question is that Opposition amendments Nos 1 to 3 on sheet c2016-057B.02 be agreed to.

The Committee divided.

Ayes15
Noes20
Majority.....5

AYES

Ms Barham
Mr Buckingham
Ms Cotsis
Mr Donnelly (teller)
Dr Faruqi

Ms Houssos
Mr Mookhey
Mr Moselmane (teller)
Mr Pearson
Mr Primrose

Mr Searle
Ms Sharpe
Mr Shoebridge
Mr Veitch
Ms Voltz

NOES

Mr Amato
Mr Blair
Mr Borsak
Mr Brown
Mr Clarke
Mr Colless
Ms Cusack

Mr Farlow
Mr Franklin (teller)
Mr Gallacher
Mr Gay
Mr Green
Mr MacDonald
Ms Maclaren-Jones (teller)

Mr Mallard
Mr Mason-Cox
Ms Mitchell
Reverend Nile
Dr Phelps
Ms Taylor

PAIRS

Mr Secord
Mr Pearce

Mr Wong

Mr Ajaka

Amendments negated.

The Hon. ADAM SEARLE (20:57): I move Opposition amendment No. 4 on sheet c2016-057B.02:

No. 4 **Review of Schedule 3**

Page 58. Insert after line 18:

160 Review of Schedule 3

- (1) The Minister is to review the effectiveness of Schedule 3 (Adjustment assistance for taxi and passenger hire vehicle industries) in achieving its policy objectives.
- (2) The review is to be undertaken as soon as possible after the period of 12 months from the date of assent to this Act or, if Schedule 3 is repealed before then, as soon as possible after that repeal.
- (3) A report on the outcome of the review is to be tabled in each House of Parliament within 2 months after the period of 12 months or the repeal of Schedule 3 (as the case requires).

As I indicated in my contribution to the second reading debate, this amendment is to mandate a 12-month review—not of the whole of the Act but of schedule 3, the adjustment assistance for taxi and passenger hire vehicle industries—to make sure that the legislation is achieving its policy objectives. The Minister made the point in his second reading speech that by world standards this package is comparatively generous.

I note the contributions of my Labor colleagues to the debate in the other place, citing feedback from the taxi industry, and we have received submissions from the NSW Taxi Council to the same effect, that, given the disruption caused to the industry by the arrival of ridesharing, the loss of value of the assets ascribed to the taxi plates has been considerable and that the package outlined does not provide an adequate compensation for those whose businesses have been adversely impacted. They noted that it is not a free market; it is a highly regulated market. It has been regulated for generations by various forms of legislation, where people have traded the plates on certain understandings.

Without getting into the details or unpacking those propositions, I can say that what we have, as outlined by Ministers in the other place and in this place, is a sketch of how this will work. We can see the building blocks and the moving parts in the legislation but we do not really know what the substance will be, because that will be the subject of regulations and of the fleshing out of policies and processes by the panel provided for in the legislation.

It is important that the Parliament and the wider community is informed no later than 12 months from the commencement of the Act. I note there is a review mechanism in the bill, but it says the Minister "may". It does not require the Minister to do the review, and it is a review of the whole of the Act. Of course, this bill is so much more than just schedule 3. We think there needs to be a focused review of schedule 3. I notice that in his speech in reply the Minister said that the \$142 million so-called hardship package was to compensate participants in the taxi industry. I am not sure whether he said the participants were the drivers or the owners of the plates. I ask him to indicate, as far as he knows, exactly who are the intended recipients of the \$142 million.

The Hon. Duncan Gay: It is hardly relevant to the amendment.

The Hon. ADAM SEARLE: It is to do with the adjustment package and it is one of the reasons why the amendment is needed. I ask the Minister to state whether there are other participants around the edges of the industry, particularly those in the accreditation providing process, who may also be intended recipients of that money. We think a 12-month review is a sensible proposition. We urge the Government—in the spirit of cross-partisanship underpinning this legislation—to embrace this amendment.

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (21:01): The Government does not support this amendment. As the Leader of the Opposition indicated, clause 159 already includes a mechanism that allows for a review of how the reforms are impacting the industry. The Minister for Transport and Infrastructure has asked that I put on record that he intends to conduct a review of all of the reforms, including schedule 3 as the Leader of the Opposition has requested, 12 months from the commencement of part 3 of the Act.

The Hon. DANIEL MOOKHEY (21:02): Briefly in reply to the Minister, if the Minister for Transport and Infrastructure is going to undertake a 12-month review anyway it is hard for us to understand the Government's objection to making the review public and allowing all people to come forward in a transparent manner to put their view. There are two additional reasons why a review or at least the mechanism that may lead to a review within five years in clause 159 to which the Minister referred are not adequate to address the concerns that the Leader of the Opposition has raised. First, Government members make repeated reference to the generosity of their scheme, but they have not in this place or the other place laid out any of the modelling, data, cost models or econometric models that cause Government members to conclude that—

The Hon. Duncan Gay: Point of order: The amendment before the Committee relates to a review of schedule 3. The member is digressing into another area that he is interested in but that is not part of that review. This is a discrete amendment.

The Hon. Adam Searle: To the point of order: The Opposition understands that it is a discrete amendment and that the rules of debate are more narrowly focused than during a second reading contribution. Nevertheless, a speaker to an amendment is able to elaborate on the reasons that they speak in favour of the amendment. The amendment seeks to create a review of the schedule. The Hon. Daniel Mookhey is elaborating on the underpinning factors in favour of the amendment, which relate to issues around the compensation package.

The Hon. DANIEL MOOKHEY: I am also responding to what the Minister said.

The Hon. Adam Searle: I think the comments by the Hon. Daniel Mookhey are to the point.

The Hon. Duncan Gay: But not to the amendment.

The CHAIR: Order! I was reading the amendment because I became concerned that the Hon. Daniel Mookhey was beginning to stray beyond the leave of the amendment. The Hon. Daniel Mookhey volunteered the reason for speaking, which related to a matter raised by the Minister, which is indicative that the Hon. Daniel Mookhey was speaking beyond the leave of the amendment. I encourage him to return to the leave of the amendment.

The Hon. DANIEL MOOKHEY: Sure. The other very simple reason that the 12-month period in the Opposition's amendment is superior to the position set out by the Minister is that it is imperative for Parliament to understand the impact this law will have. The reality is that the 12-month period stipulated in clause 160 allows us to again consider, first, whether schedule 3 is meeting its stated objectives; and, second, whether the requirement for tabling a report within 12 months after the end of the period of five years from assent allows us to review schedule 3 in relation to the impact on asset valuation of taxi licences within 12 months. In other words, we do not have to wait for five years to elapse for an issue to be revealed if the Opposition's amendment is agreed to.

The effect of schedule 3 is contested by many people who take the view that the period structuring and informing schedule 3 is too late to enable this Parliament to make meaningful adjustments—either to schedule 3 or to the policies that will be reviewed pursuant to, hopefully, the amended clause 160. The point is that the positions to which I have referred are not mutually inconsistent. Schedule 3, specifically, can be reviewed and the mechanism referred to by the Minister in his expressed opposition to Labor's amendment can be undertaken pursuant to clause 159.

Reverend the Hon. FRED NILE (21:07): It has been mentioned that the Government, in drafting this legislation, has already adopted something that is often done by the crossbench, that is, adding amendments to require a review to be undertaken. In this instance, the Government has included two clauses for review: clause 159, which relates to a review of taxi and hire vehicle industries' impacts, stipulates that a review must be undertaken as soon as is possible after the period of 12 months from the commencement of part 3, and provides that a report on the review must be tabled in each House of this Parliament; and clause 160, which provides for a review of the legislation, not just an aspect of it, as soon as possible after the expiration of five years from the date of assent. Both clauses stipulate that reports on the reviews must be tabled in each House of this Parliament within 12 months after five years. In my view, the review requirements in the bill are adequate.

Ms JAN BARHAM (21:08): The Greens support the amendment. It is appropriate in this circumstance to have a review in 12 months, given the large amount of money that will be distributed and current uncertainties regarding to whom it will be distributed and how. The requirement is not particularly onerous and is in the interests of good government. It is therefore appropriate for a review to be conducted in a year's time of the adjustment assistance fund for taxi and passenger hire vehicle industries.

The CHAIR: Order! The question is that Opposition amendment No. 4 on sheet c2016-057B.02 be agreed to.

The Committee divided.

Ayes15
Noes20
Majority.....5

AYES

Ms Barham
Mr Buckingham
Ms Cotsis
Mr Donnelly (teller)
Dr Faruqi

Ms Houssos
Mr Mookhey
Mr Moselmane (teller)
Mr Pearson
Mr Primrose

Mr Searle
Ms Sharpe
Mr Shoebridge
Mr Veitch
Ms Voltz

NOES

Mr Ajaka
Mr Amato
Mr Blair
Mr Borsak
Mr Brown
Mr Clarke
Mr Colless

Ms Cusack
Mr Farlow
Mr Franklin (teller)
Mr Gallacher
Mr Gay
Mr Green
Mr MacDonald

Ms Maclaren-Jones (teller)
Mr Mallard
Reverend Nile
Mr Pearce
Dr Phelps
Ms Taylor

PAIRS

Mr Secord
Mr Mason-Cox

Mr Wong

Ms Mithcell

Amendment negatived.

The Hon. ADAM SEARLE (21:16): By leave: I move Opposition amendments Nos 5, 6 and 11 to 16 on sheet c2016-057B.02 in globo:

No. 5 **Panel to determine applications for funds**

Page 68, Schedule 3, clause 4 (1), lines 2–5. Omit all words on those lines. Insert instead:

(1) The Panel:

- (a) may, on application, determine that an amount of additional assistance funds is payable to an applicant if satisfied that the applicant is or was involved in or connected with the taxi or hire vehicle industry and is detrimentally affected by changes made to regulation of those industries under this Act; and
- (b) if it does so, must inform the Minister accordingly so that the amount may be paid.

No. 6 **Panel to determine applications for assistance funds**

Page 68, Schedule 3, clause 4 (4)–(6), lines 12–20. Omit all words on those lines.

No. 11 **Panel to determine applications for assistance funds**

Page 69, Schedule 3, clause 8 (a) and (b), lines 11–13. Omit all words on those lines. Insert instead:

- (a) to determine applications for assistance funds;

No. 12 **Panel to determine applications for assistance funds**

Page 69, Schedule 3, clause 8 (e) and (f), lines 18–22. Omit all words on those lines.

No. 13 **Panel to determine applications for assistance funds**

Page 69, Schedule 3, clause 9 (4), lines 33–35. Omit all words on those lines. Insert instead:

- (4) The nominee of the Chief Executive of the NSW Taxi Council and the nominee of the Secretary of the Transport Workers' Union of New South Wales are each entitled to be present at, and participate in, meetings of the Panel but neither are entitled to vote at a meeting.

No. 14 **Panel to determine applications for assistance funds**

Page 70, Schedule 3, clause 11, lines 24–38. Omit all words on those lines.

No. 15 **Panel to determine applications for assistance funds**

Page 71, Schedule 3, clause 13 (2), lines 16–18. Omit all words on those lines. Insert instead:

- (2) The Panel may refuse an application for payment of assistance funds on the grounds that the applicant has engaged in improper conduct in relation to an application for, or payment of, assistance funds and, must do so, if the Minister advises the Panel that the Minister is satisfied that the applicant has engaged in such conduct.

No. 16 **Panel to determine applications for assistance funds**

Page 71, Schedule 3, clause 13. Insert after line 22:

- (4) If the Panel advises the Minister that it is satisfied that an amount of assistance funds has been paid to an applicant who has engaged in improper conduct in relation to the

application for, or payment of, assistance funds, the Minister must take action in relation to that applicant under subclause (3).

All these amendments deal with the panel to determine the application of the adjustment package fund. Essentially, clause 4 of schedule 3 to the bill deals with the additional funds discretion reposed in the transport Minister, or the Minister having carriage of the Act. We seek to fold the discretion reposed in the Minister in this bill into the functions of the panel, as proposed by clause 8 of schedule 3. It will collapse those two functions into the one body, for the reasons I outlined in my contribution to the second reading debate. Given the significant body of funds, we think the unrestricted, unregulated, unreviewed allocation of moneys by a member of the Executive Government is risky and not sufficiently transparent. We believe adding that role to the roles of the panel is the appropriate course of action.

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (21:18): The Government does not support these amendments, which give the panel the power to determine applications. The bill provisions will mean that processes for adjustment assistance, including how applications are handled, review of decisions, et cetera, will be set out in regulations. Regulations are stronger than guidelines. These make it robust and fair. Having the panel decide on individual applications is inappropriate, particularly as industry representatives are likely to be conflicted.

The CHAIR: The question is that Opposition amendments Nos 5, 6, and 11 to 16 on sheet c2016-057B.02 be agreed to.

The Committee divided.

Ayes15
Noes20
Majority.....5

AYES

Ms Barham
Mr Buckingham
Ms Cotsis
Mr Donnelly (teller)
Dr Faruqi

Ms Houssos
Mr Mookhey
Mr Moselmane (teller)
Mr Pearson
Mr Primrose

Mr Searle
Ms Sharpe
Mr Shoebridge
Mr Veitch
Ms Voltz

NOES

Mr Ajaka
Mr Amato
Mr Blair
Mr Borsak
Mr Brown
Mr Clarke
Mr Colless

Ms Cusack
Mr Farlow
Mr Franklin (teller)
Mr Gallacher
Mr Gay
Mr Green
Mr MacDonald

Ms Maclaren-Jones (teller)
Mr Mallard
Ms Mitchell
Reverend Nile
Mr Pearce
Dr Phelps

PAIRS

Mr Secord
Ms Taylor

Mr Wong

Mr Mason-Cox

Amendments negatived.

The Hon. ADAM SEARLE (21:27): By leave: I move Opposition amendments Nos 7 to 10 on sheet c2016-057B.02 in globo:

No. 7 **TWU representation on Taxi and Hire Vehicle Industries Assistance Panel**

Page 68, Schedule 3, clause 7 (1), line 36. Omit "4". Insert instead "5".

No. 8 **TWU representation on Taxi and Hire Vehicle Industries Assistance Panel**

Page 68, Schedule 3, clause 7 (2). Insert after line 38:

(b) 1 is to be the Secretary of the Transport Workers' Union of New South Wales, or the Secretary's nominee; and

No. 9 TWU representation on Taxi and Hire Vehicle Industries Assistance Panel

Page 69, Schedule 3, clause 7 (3). Omit the subclause. Insert instead:

- (3) If the NSW Taxi Council ceases to trade or is wound up or the Transport Workers' Union of New South Wales ceases to be an industrial organisation of employees within the meaning of the *Industrial Relations Act 1996*, the organisation's representative ceases to be a member of the Panel and the Panel is to consist of the remaining members.

No. 10 TWU representation on Taxi and Hire Vehicle Industries Assistance Panel

Page 69, Schedule 3, clause 7 (5), line 5. After "nominee" insert", and the Secretary of the Transport Workers' Union of New South Wales or the Secretary's nominee,".

These amendments deal with providing an additional driver representative on the Taxi and Hire Vehicle Industries Assistance Panel to be nominated by the secretary of the Transport Workers Union of NSW. The Transport Workers Union [TWU] is the only registered and legally recognised body in this State representing the interests of drivers for a range of purposes, not only industrial purposes. Labor has no issue with the rest of the panel as presently constituted and we welcome the inclusion of the Taxi Council. We note that the Taxi Council along with the TWU is respondent to the industrial instruments applicable at present in the point to point transport industry, and we think it is balanced and appropriate if the driver representative as well as the representative of plate owners was to be included on this panel. We ask in the spirit of non-partisanship for the Government to adopt this set of amendments—although I am not hopeful.

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (21:28): The Government does not support these ridiculous amendments to include the Transport Workers Union on the Taxi and Hire Vehicle Industries Assistance Panel.

The Hon. Daniel Mookhey: I thought you were their friend.

The Hon. DUNCAN GAY: I am a friend of the Federal president.

The CHAIR: Order! I ask for a drop in the general level of conversation.

The Hon. DUNCAN GAY: I was indicating that I am a friend of the Federal President of the Transport Workers Union and we share many visions, but this is not one of them. This has its genesis in the New South Wales branch of the TWU. The TWU represents a tiny percentage of the industry. We estimate it is much less than 5 per cent, and that is being pretty generous. So how could it possibly claim to represent the whole of the industry? Payments recommended by the industry assistance panel are for those who have risked their capital and invested in the taxi and hire car industries. Given the TWU's previous attempts to have their superannuation invested into the TWU super fund, how can we trust it to make a constructive contribution to the process for licence holders? If this was such an issue of importance for the TWU, one has to ask: Why did it not bother to make a submission to the Point to Point Transport Taskforce? What deal has Labor done with the TWU to push for this role on the industry assistance panel when almost no-one in the taxi industry is a TWU member? It is a fair question and I hope that we get an answer from Labor—but I will not hold my breath.

The Hon. DANIEL MOOKHEY (21:30): I shall respond to the comments of the Minister.

The CHAIR: Order! I ask the Hon. Daniel Mookhey to address the amendments.

The Hon. DANIEL MOOKHEY: I will address the amendments. The Minister, in objecting to this amendment to the schedule, said that the assistance funds have been levied for the purpose of capital owners. I refer him to schedule 2.4 (1), which states:

Additional assistance funds

- (1) The Minister may, at the Minister's discretion, determine that an amount of additional assistance funds is payable to a person who is or was involved in or connected with the taxi or passenger hire vehicle industry and who is detrimentally affected by changes made to regulation of those industries under this Act.

Presumably this is the provision that enables the Minister to exercise his discretion and his authority in respect to the hardship funds. No aspect of that provision precludes a driver from being able to make a claim. So the policy position that the Minister just outlined is not consistent with the legislative position the Government is asking us to endorse. The Minister says that the Government only cares about capital owners in the hardship sense and he is declaring now that his policy is to ignore the plight of the 23,000 drivers, many of whom are also complaining about income loss. If the Minister says that the Government has no relevant interest in this and that is the Government's position, the Minister should say so.

Approximately 5,100 licences are operating in this State. In relation to the income loss we are told that these people are likely to incur—and clause 4 is the catch-all that allows any other factors, be it capital losses, to

be included—the whole point about having a driver representative is to ensure that that perspective is represented on the panel. That is the purpose of these amendments. Unless the Government wishes to declare that it does not care about the plight of drivers and the Minister is here to tell us that the panel will ignore the income loss of drivers, the Government needs to consider the inclusion of a driver representative.

The Minister states that he is a friend of the Federal President of the Transport Workers Union, but I think he might mean the Federal Secretary of the Transport Workers Union. Putting that quibble aside, the reason the Transport Workers Union is the suitable representative is that it is one of the two respondent organisations to the contract determination system that governs the income of drivers. So in respect to income loss, which is not precluded as a claim to be brought under this section, the people who understand how driver income is set by the commission in the contract determination system—they are not employees and have never been considered employees—have a unique legal status under chapter 6. The people who have great understanding of that, from the driver perspective, are union members who have been maintaining that determination since the formulation of the system in 1979.

That is why the Opposition is pursuing these amendments. The Opposition has no objection to the panel membership including the secretaries of the Department of Transport, the Department of Premier and Cabinet, and the Treasury, or their delegates. Nor does it have any objection to the chief executive officer of the NSW Taxi Council or his delegate being a member of the panel. That is a reasonable inclusion. However, if drivers have the opportunity to make claims—despite what the Minister said, his legislation allows them to do that—they should also be represented on the panel.

Dr MEHREEN FARUQI (21:35): The Greens agree that drivers should have a representative on the Taxi and Hire Vehicle Industry Panel. The bill provides that the panel membership will include the secretaries of the Department of Transport, the Department of Premier and Cabinet, and the Treasury, or their delegates, and the chief executive officer of the NSW Taxi Council, or his nominee. It is important that workers have a voice in this setting because they are the people experiencing hardship. The Opposition amendments include a representative of the Transport Workers Union on the panel. I note that even with the inclusion of the union representative, government representatives would continue to be in the majority. It is my understanding that the Transport Workers Union does not have high membership density among taxidriver. However, the fact remains that it is the union representing this sector. If we want to establish a panel that includes a drivers' voice, including the Transport Workers Union in the panel membership makes more sense than including any other union or employee group.

The Hon. ADAM SEARLE (21:36): I support the contribution made by the Hon. Daniel Mookhey, who enunciated the reasons that the Opposition has moved these amendments. However, there is another reason. When there are different parties in an industry, the Labor way is to ensure that representatives of bodies, panels, task forces and all manner of organisations that have important work to do in that industry are gathered in the one room. We want all voices and all perspectives heard. We have always taken that approach, whether in Government or in Opposition, and will do so when we once again govern this State.

When something as important as allocating \$250 million appropriated from passengers is involved, the Opposition believes it is an extraordinary, indeed an outrageous proposition that there be no place on the panel for the legally recognised and registered voice of drivers in this State. We can have all sorts of debates about the union's membership density in the industry, but the fact is that there is one registered organisation representing driver interests in this State. It is the body that is a party to the industrial instruments in the point to point transport industry along with the Taxi Council. The council is in the room and on the panel and the Transport Workers Union should be with it. Doing anything else sends a clear signal that this Government and this Parliament want to do business only with people at the top end of town. That is a poor message to send. However, if that is the message the Government wants to send, it can go its hardest.

The CHAIR: The Hon. Adam Searle has moved Opposition amendments Nos 7 to 10 appearing on sheet c2016-057B.02. The question is that the amendments be agreed to.

The Committee divided.

Ayes15
Noes20
Majority.....5

AYES

Ms Barham
Mr Buckingham
Ms Cotsis

Ms Houssos
Mr Mookhey
Mr Moselmane (teller)

Mr Searle
Ms Sharpe
Mr Shoebridge

AYES

Mr Donnelly (teller)
Dr Faruqi

Mr Pearson
Mr Primrose

Mr Veitch
Ms Voltz

NOES

Mr Ajaka
Mr Borsak
Mr Brown
Mr Clarke
Mr Colless
Ms Cusack
Mr Farlow

Mr Franklin (teller)
Mr Gallacher
Mr Gay
Mr Green
Mr MacDonald
Ms Maclaren-Jones (teller)
Mr Mallard

Mr Mason-Cox
Ms Mitchell
Reverend Nile
Mr Pearce
Dr Phelps
Ms Taylor

PAIRS

Mr Secord
Mr Blair

Mr Wong

Mr Amato

Amendments negatived.

The CHAIR: The question is that the bill as read be agreed to.

Motion agreed to.

The Hon. DUNCAN GAY: I move:

That the Chair do now leave the chair and report the bill to the House without amendment.

Motion agreed to.**Adoption of Report**

The Hon. DUNCAN GAY: I move:

That the report be adopted.

Motion agreed to.**Third Reading**

The Hon. DUNCAN GAY: I move:

That this bill be now read a third time.

Motion agreed to.*Adjournment Debate***ADJOURNMENT**

The Hon. DUNCAN GAY (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council) (21:47): I move:

That this House do now adjourn.

SEXUAL ABUSE OF WOMEN

The Hon. GREG DONNELLY (21:48): To quote directly from evidence given to an inquiry undertaken by this Parliament last year:

Of significance is consistent recent reporting which alleges large scale networks using Asian students as sex slaves throughout New South Wales and other States ... Once again, it is likely these figures are well below the actual rate of incidence due to regulation falling outside of NSW Police responsibility, thus not entirely visible to us.

There is some ... being forced to do things they do not want to do, including the taking of hard drugs with clients during sessions.

The girls will often reside on the premises ... working extremely long hours and seeing large numbers of clients.

At times they may be threatened with violence.

The results from our analysis and thinking indicate that there are clearly issues in the industry in terms of servitude, the use of illegal workers and extortion ...

These comments were from the recently retired NSW Police Force Deputy Commissioner Nick Kaldas. In evidence given to the same inquiry, senior representatives from the Australian Federal Police [AFP] confirmed that sex trafficking is a feature of the commercial sex industry in Australia. This included various egregious examples of either suspected or actual sexual servitude. They noted that it was not uncommon for investigations not to proceed because victims did not wish to speak with police or have police take any action. Given that organised criminals were involved in these grossly exploitative enterprises, as the AFP witnesses acknowledged, it is no surprise that the women, and in some case girls, are cowered into silence.

This evidence—and it is just a sample—was given last year to the inquiry into the regulation of brothels undertaken by a select committee in the other place. Its report was tabled in November. On 9 May this year the Parliament received a response to the report from the Minister for Innovation and Better Regulation, the Hon. Victor Dominello. I encourage honourable members who have not yet read the inquiry report and the Government's response to take the time to do so.

In my view, what is going on in the so-called "sex industry"—a term I personally find abhorrent—in New South Wales is a public scandal. It is not true to say that what is going on in organised prostitution and massage services is a "dirty little secret". It is not little and it is certainly not a secret. I specifically mention the proliferation of so-called "Asian massage clinics". While no doubt there are some bona fide therapeutic massage providers operating in New South Wales, as evidence to the inquiry attested a number of these operations are fronts for brothels and other sexual services. Indeed the cold, hard truth is that often they are not even fronts—they are what they are.

Moreover, as the Chief Executive Officer of the Australian Association of Massage Therapists—the peak body for the industry—Tricia Hughes, recently told me in a discussion I had with her via phone, the activities undertaken by those whom I will call "black market operators" are doing an irreparable damage to both the name and the reputation of genuine therapeutic providers. In speaking out against the conclusions of the inquiry report and indeed the Government's response, I have described the whole matter as a manifest breakdown in the body politic of this State. I believe that both individually and collectively we should hang our heads in shame. Evidence to the inquiry from New South Wales Health referenced a study undertaken by three academics. I will quote directly from their answer to a question on notice. It said:

...[we] interviewed 72 female street-based sex workers [in the greater Sydney area] and found that just under half of the sample met the criteria for post-traumatic stress disorder. All but one of the street-based sex workers interviewed reported experiencing trauma, with the majority reporting multiple traumas that typically began in early childhood. Injecting drug use was highly prevalent in this sample.

One would think that explicit evidence like this would prompt politicians of all political persuasion to vigorously demand that such injustice be challenged and addressed. However, there is nothing but silence in Macquarie Street on this. There is so much more that I could say on this were there enough time. I conclude by saying to the strong and courageous women speaking out—including Melinda Tankard Reist, Caroline Norma, Helen Pringle, Vicki Dunne, Meagan Taylor, Genevieve Gilbert and Andrea Tikaju—that far from being the end of the matter the inquiry and the Government's response should be seen as a line in the sand, identifying the commencement of a determined, coordinated and perhaps long campaign to protect, care for and support some of the most vulnerable people in this State.

MARRIAGE EQUALITY

The Hon. MARK PEARSON (21:52): I speak in support of marriage equality. Yesterday Senator Penny Wong delivered the Lionel Murphy Memorial Lecture in Canberra. During her speech Senator Wong spoke about the abuse she receives as a gay woman and her fear of more abuse if the Federal Government's planned plebiscite on same-sex marriage goes ahead. Earlier today I and my Animal Justice Party colleagues went on the public record in support of marriage equality. This position is completely in line with the Animal Justice Party's ethos of compassion, inclusiveness and a better life for all.

As an openly gay parliamentarian, I am all too well aware of the pain and suffering experienced by lesbian, gay, bisexual, transgender and intersex people that Senator Wong spoke about so eloquently yesterday. I came out in a Catholic high school over 40 years ago. I have always had the support of my family. My father said, "You do what you want in your life, son, as long as you do not cause harm to anyone." And that instilled a confidence in me.

Just as same-sex marriage is unlawful now, so was same-sex or homosexual intimacy and relationships four decades ago. In 1978 I joined friends from Newcastle and was one of the 78ers participating in the first Mardi Gras in Australia, which was a distressing but also celebratory experience. I was obviously quite young at

17. I was looking at the police as they were arresting people and putting them into paddy wagons. To one officer I said, "I think one day the police will actually march with us in this parade." He said, "You might be bloody right, son, but you better get out of here or you will end up in that paddy wagon." I departed and was free. Five years later, unfortunately two of my friends died from AIDS. Personally I am not that interested in the institution of marriage, but I believe that everyone should have the right to enjoy the institution if they so wish. If any two people seek to be married under any creed or institution, then that right must never be denied by any civilised society. This inclusive and respectful position would surely be natural to any compassionate and wise member of Parliament.

MEDICARE AND HEALTHCARE SYSTEM

The Hon. Dr PETER PHELPS (21:56): Tonight I comment on the disgraceful scare campaign that is currently being run by the Australian Labor Party relating to the health system of Australia and Medicare. The simple fact is that the Coalition Government is fully committed to the core principles of Medicare, which is universal access. We would not know it from Labor's lies and hypocrisy, but spending on Medicare per person will increase by nearly 12 per cent over the next four years and has increased by nearly 60 per cent over the past decade. There is only one way to protect Medicare and that is to grow the economy to ensure that we are living within our means and that we are repairing the budget.

I wish to talk about various items, the first of which is the freeze on payments to general practitioners [GPs]. We have heard some stories saying that if the freeze continues, it will result in a \$25 cost increase. I said to myself, "How could that possibly be?" If we take a look at the schedule fee for a B level GP visit, it comes to \$37.05. If we inflate that by the current inflation rate of 1.5 per cent, that gives the doctor 56¢ next year. I said, "Okay, maybe that is unfortunate. I will go over the entire forward estimates." It came to a total of \$2.50. Where does the \$25 suggestion come from? It is yet another Labor lie as part of its scare campaign. The simple fact is that the 2014-15 average for GPs in respect of what they received from Medicare—not any additional payments on top—was \$300,000. In fact, it was \$302,256, which is up from two years previously when it was \$298,797, which is up from two years previously when it was \$279,105, which is up from two years previously when it was \$265,277. The argument that GPs are somehow on the breadline and that they will have to hang out their shingle because they are suffering with only \$300,000 a year is an absolute load of nonsense.

In 2006-07 it was 77.4 per cent, two years later 79.2 per cent, two years later 80.2 per cent, two years later 82.2 per cent and at the current time it is 84.3 per cent. The Coalition Government is responsible for that result. The Coalition Government has driven up bulk billing rates to almost 85 per cent of the population. I thank the Coalition Government for doing the right thing by health consumers across this nation. From 1 April 2016 we will, through the Council of Australian Governments [COAG] hospital agreements, continue to fund hospitals on an activity-based funding model that uses the national efficiency price [NEP]. Labor put this in place and we have continued it because it is good policy. The Commonwealth share will be 45 per cent of the NEP, capped at 6.5 per cent growth. In 2012 Labor's agreement was a share of only 50 per cent. This is approximately \$2.9 billion in extra funding for public hospitals during the next three years.

We have also linked the funding to three key reforms around quality and safety for patients. Firstly, reducing avoidable hospital readmissions for the benefit of patients and also the cost of health care will reduce fees. In 2013-14 there were 285 avoidable readmissions with estimations that they cost more than \$1 billion. Secondly, the Coalition Government is working together in the Commonwealth's primary health care reform pilot site, which is aimed at keeping people with chronic or complex health problems better cared for in the community. Finally, we are putting quality and safety in the pricing system, which will look at potentially reducing funding if there are adverse or preventable outcomes caused by a person's stay in hospital.

STATE BUDGET AND CANTERBURY INFRASTRUCTURE

The Hon. SOPHIE COTSIS (22:01): The budget handed down by the Baird Government yesterday is a slap in the face to the people of Canterbury. The budget did not provide a single dollar to upgrade Canterbury Hospital, and it leaves Canterbury schools continuing to struggle with a maintenance backlog worth \$7 million. Canterbury is already one of the fastest growing areas in New South Wales. The Baird Government's plans to develop the Sydenham-to-Bankstown corridor promises even more growth in our area. Indeed, the draft Sydenham-to-Bankstown corridor strategy released last October called for the number of homes in Belmore, Campsie, Canterbury and Hurlstone Park to double, from just under 15,000 now to more than 32,000 by 2036. There has been a lack of consultation, input and innovation in the way of doing things. The Government must act immediately and consult with many groups and local communities about the Sydenham to Bankstown corridor.

This growth would require massive investment in services and a concerted effort to enhance community facilities, parks, open space and job creation. Yet the budget shows the Baird Government has no plan to invest in services and infrastructure for our community. The budget does not allocate a single dollar to upgrade

Canterbury Hospital. This is despite the latest figures from the Bureau of Health Information that show that emergency department attendances have grown by 6 per cent in the last year, and more than 1,150 patients were stuck on the elective surgery waiting list at the end of the last quarter. The latest figures show that patients are waiting 297 days for knee replacements, 227 days for orthopaedic surgery, and 179 days for ear, nose and throat surgery. Indeed, the Canterbury Hospital Strategic Plan for 2013 to 2018 states that there is a need to establish a dedicated aged care and rehabilitation service, and to expand the space and capacity of the emergency department and other clinic areas. The Strategic Plan for Canterbury Hospital states on page 5:

Population growth, ageing and increasing births are projected to result in a significant increase in healthcare demands on Canterbury Hospital's services over the next decade and may require additional enhancement to the current services. Yet not one dollar was allocated in the budget to meet the recognised need for better services at Canterbury Hospital. Canterbury schools also miss out under the Baird Government's budget. The school maintenance backlog for New South Wales stands at \$732 million, yet the money allocated in the budget for school maintenance does not even cover half of this backlog. According to information obtained by the Opposition and a very good campaign run by the shadow Minister for Education, Jihad Dib, Canterbury schools currently have a maintenance backlog worth more than \$7 million. Yesterday's budget simply does not come close to addressing the maintenance backlog at our local schools, let alone provide the funds that are necessary to cope with the additional 32,000 units.

What is more, the Government has continued its policy of dismantling TAFE. The Government's budget yesterday revealed that 5,200 TAFE teachers and support staff—including staff who help students with disabilities—have been cut across New South Wales since 2012. These cuts are having a devastating impact on the ability of people to develop the skills they need to gain employment. The youth unemployment rate for Sydney's inner south-west is currently 14.8 per cent, according to the Australian Bureau of Statistics. TAFE is a bridge to employment for young people, but this Government is determined to blow up that bridge and leave young people stranded. The Coalition's TAFE cuts are having a particularly negative impact on people with disability. The loss of vital support staff who help students with disability attend TAFE has seen the number of people with disability enrolled at TAFE fall by 14,500 since 2012.

I was also surprised to see this year's budget cut \$3 million from Multicultural NSW. Multicultural NSW plays an important role in providing translation services and funding important community initiatives. But clearly the Coalition does not value this work, otherwise it would not have cut \$1 in \$10 from the agency's budget. The cuts to multicultural funding will hit hard in Canterbury—one of the most multicultural communities in New South Wales. Sixty-two percent of people in Canterbury speak a language other than English at home, and Canterbury is home to people from almost every nationality on earth. The Baird Government has also cut funding for the Sydney Women's Counselling Centre's successful bilingual program to assist women fleeing domestic violence. This is an appalling decision, which will make it harder for women from culturally and linguistically diverse communities to access services and escape domestic violence.

LOCAL GOVERNMENT AMALGAMATIONS

Mr DAVID SHOEBRIDGE (22:06): How much does it cost to sack 45 councils, remove local democracy and appoint 19 hand-picked, unelected and unaccountable council administrators to run your agenda? Apparently it costs at least \$590 million. Mike Baird is costing New South Wales taxpayers and ratepayers nearly \$600 million to do a job on local communities and rush through a deeply undemocratic process—a process that is now being challenged in the courts by a number of brave councils and councillors who know that their residents and their ratepayers deserve far better than what the Mike Baird Coalition is delivering.

While Mike Baird is boasting about the 19 amalgamations that he has forced through, nine forced amalgamations have been unable to proceed. The councils of Woollahra, Ku-ring-gai, Mosman, Strathfield, Hunters Hill, North Sydney, Lane Cove, Oberon, Cabonne and Shellharbour are all in the Land and Environment Court. The former mayor and deputy mayor of Gundagai are also in court on behalf of their recently sacked council. These four cases have exposed just how shambolic and maligned the entire process of the Baird Government has been. The Government has already admitted that it cannot proceed with the current delegate's report for the forced amalgamation of Strathfield, Burwood and Canada Bay. It did so in open court. That was because, as I understand it, the delegate failed even to comprehend what the definition of the word "community" meant in the Local Government Act. The Government is still arguing with residents about what the effect of its admission means at law. This arrogance by the Baird Government to try to cut legal corners has already left one forced amalgamation in obvious legal limbo.

Without pre-empting the outcome of the other cases currently being considered by the courts, now is a good time to summarise the issues that have been raised in those courts by the councils standing up for their ratepayers. In each case there are individual arguments relating to the individual councils. There were specific issues raised by rural councils, individual communities and individual delegates, but there are a number of

common arguments that show just how deeply dysfunctional, and arguably unlawful, the process has been across the State. In the course of the litigation a July 2015 KPMG options analysis report was produced. KPMG is the consultancy firm that the Baird Government hired to conduct financial modelling on council amalgamations. That report was quickly stamped "Cabinet-in-confidence" to ensure that it was never seen by the public—or at least so the Government hoped.

The Government had good reason for hoping that the public would never see the report because it appears from the July 2015 KPMG report that that organisation was up to its neck in the Coalition's forced amalgamation process before the Independent Pricing and Regulatory Tribunal [IPART] had even completed its Fit for the Future review. We now know that there was no independent review of the KPMG report, as Premier Baird and Minister Toole claim. KPMG came up with the alleged savings in the first place and then effectively marked its own homework.

Only after the mythical KPMG savings were signed off on did a flawed public process begin. An almost universal complaint from councils was that they were not given reasonable notice of the public meeting for the delegate's inquiry. In Woollahra's case, the first public notice of the meeting was given on 20 January 2016—a time when many people are not paying attention to public affairs. The public meeting was held quickly thereafter, on 4 February 2016. Given the hundreds of pages of reports, the partial and inadequate financial material then available and the complexity of the issues, nobody could describe that as reasonable notice.

Many councils have also argued that the delegate's role in the inquiry was a charade. They noted that their delegate refused to ask, take or answer questions on any substantive matters. The councils say that surely an inquiry requires the person undertaking it to do more than sit mutely and receive submissions. Many other councils have said that when Baird's hand-picked delegates had completed their reports, the reports were reviewed and basically rubberstamped by the Boundaries Commission. They say that the reports were not subject to a genuinely independent review. What does a review mean? Many councils say that the Boundaries Commission was required to do more than just a tick-a-box reading of the reports to say whether the delegate had mentioned the relevant provisions of the Local Government Act. That is all the Boundaries Commission did. It never conducted a proper review.

The councils also say that before the Boundaries Commission did a job on them and signed off on the delegates' reports the councils, at common law and as a general principle of administrative law, had a right to procedural fairness. The councils were entitled to exercise those rights before the Boundaries Commission made decisions as potentially impactful as handing the reviews to the Minister with big green ticks. Across the State the messages have been the same. Chaos and disarray have dominated Mike Baird's forced amalgamation agenda, with local democracy being trashed in a deeply flawed process. We will be watching the outcome of these cases closely and calling on the Baird Government and all members in this House to respect any decision that the courts hand down on these appalling forced amalgamations.

CONSTITUTION EDUCATION FUND AUSTRALIA

The Hon. NATASHA MACLAREN-JONES (22:11): The Constitution Education Fund Australia, also known as CEFA, is a nonpartisan and non-profit organisation dedicated to educating Australians on civics and citizenship and to increasing public understanding and appreciation of the Constitution, its history and its contemporary relevance. CEFA believes all Australians, young and old, including those born here and those who have come to our country, should have a broad understanding of the system of government that has made our country one of the most successful democracies in the world. Australia has much to celebrate as one of the world's oldest continuous democracies. We owe so much of our success to our constitutional foundations. Thanks to our Indigenous Australians, we are the oldest culture in the world. We have welcomed people from hundreds of other places and made them equally proud Australian citizens. Our Constitution took more than 10 years to draft. We are a nation born not through civil war but through a commitment to democratic values and principles.

CEFA is dedicated to raising awareness and understanding of Australia's system of government by engaging young Australians through education programs. It runs projects in schools and universities that promote parliamentary democracy, our heritage and history, our values, our rule of law and its evolution, our rights and responsibilities, our system of government, and our traditions and English language. CEFA is establishing the Australian Constitution Centre, which is to be based in Canberra. It will include a major exhibit complemented by a Virtual Australian Constitution Centre that will develop interactive and web-based educational programs for primary and secondary school students as well as undergraduates and first-time voters. Topics will include specific constitutional matters such as referendums to amend the Constitution.

The Governor-General's annual university prize run by CEFA has been awarded for more than 10 years and is regarded as one of the most successful and prestigious essay competitions in Australia. It provides university students with the opportunity to be recognised for their academic skill, talent and research. It is judged annually

by justices of the High Court. Students must be enrolled in an undergraduate degree at an Australian university to participate and write a 2,500 words essay on one of the eight topics. The topics are quite broad, with one question being:

In what circumstances can the Commonwealth detain individuals indefinitely without judicial sanction in wartime or in peacetime? Discuss with reference to the High Court's decision in *Lloyd v Wallach*, which upheld Commonwealth legislation giving a minister the power to detain any person who, in the minister's opinion, could pose a threat to the Commonwealth's defence during the First World War.

Another topic is:

Why did Prime Minister Billy Hughes conduct plebiscites on conscription in 1916 and 1917? Was this necessary, desirable, or effective?

The CEFA provides education projects to students on a needs basis and is currently developing resources for trainee teachers to measure school students' knowledge of civic and constitutional matters. The most recent results show that only 44 per cent of year 10 students and only 52 per cent of year 6 students across Australia have an understanding of our Constitution. Research shows that 1.5 million people, out of a possible 15.5 million eligible Australians, were not enrolled to vote at the 2010 Federal election. Furthermore, approximately 900,000 of those 14 million registered to vote did not actually vote, and 730,000 House of Representatives votes were informal. According to research revealed by the CEFA, less than 50 per cent of young Australians understand what democracy really means. With a Federal election due to occur in just over a week from now, it is vitally important that all Australians exercise their democratic right to vote, a vote that is a privilege to cast freely in our country.

The DEPUTY PRESIDENT (The Hon. Shayne Mallard): The question is that this House do now adjourn.

Motion agreed to.

The House adjourned at 22:16 until Thursday 23 June 2016 at 10:00