



New South Wales

Legislative Council

PARLIAMENTARY DEBATES (HANSARD)

**Fifty-Sixth Parliament
First Session**

Thursday, 22 June 2017

Authorised by the Parliament of New South Wales

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LEGISLATIVE COUNCIL

Thursday, 22 June 2017

The **PRESIDENT (The Hon. John George Ajaka)** took the chair at 10:00.

The **PRESIDENT** read the prayers.

Documents

STATE BUDGET 2017-2018

Production of Documents: Order

The Hon. ADAM SEARLE (10:01): I move:

That, under Standing Order 52, there be laid upon the table of the House within 21 days of the date of passing of this resolution the following documents, excluding the Budget Estimates and related papers for the financial year 2017-2018, in the possession, custody or control of the Premier, the Treasurer, the Minister for Finance, Services and Property, NSW Treasury, the Department of Finance, Services and Innovation, or the Department of Premier and Cabinet:

- (a) all advice, correspondence, briefing papers and documents provided by New South Wales government departments, agencies and public trading enterprise sectors to the Treasurer, NSW Treasury or the Department of Premier and Cabinet relating to the 2017-2018 budget, including but not limited to:
 - (i) any documents that assess the impact of any of the measures outlined in the budget; and
 - (ii) any models or documents that estimate the revenues to be raised as a result of the measures outlined in the budget;
- (b) all advice, correspondence, briefing papers and budget kits provided to any members of Parliament relating to the 2017-2018 budget handed down on 20 June 2017;
- (c) any documents, excepting any budget papers tabled in Parliament, provided to individual members of Parliament outlining regional electorate capital works summaries, by electorate, including but not limited to, documents described as electorate reports and regional reports in the NSW Treasury Capital Online Entry System;
- (d) any documents, excepting any budget papers tabled in Parliament, which refer to capital expenses by electorate, by agency, funded by appropriations from Parliament as well as funds from asset sales and other sources, including, but not limited to, documents described as electorate reports and regional reports in the NSW Treasury Capital Online Entry System;
- (e) any other documents, excepting any budget papers tabled in Parliament, which refer to capital and recurrent expenses by electorate, including, but not limited to, documents described as electorate reports and regional reports in the NSW Treasury Capital Online Entry System; and
- (f) any legal or other advice regarding the scope or validity of this order of the House created as a result of this order of the House.

Motion agreed to.

BUDGET FINANCES 2017-2018

Production of Documents: Order

The Hon. ADAM SEARLE (10:02): I move:

That, under Standing Order 52, there be laid upon the table of the House within 21 days of the date of passing of this resolution the following documents in the possession, custody or control of the Premier, the Treasurer, the Minister for Finance, Services and Property, NSW Treasury, the Department of Finance, Services and Innovation or the Department of Premier and Cabinet relating to the Government's 2017-18 budget finances:

- (a) any document detailing recurrent and capital estimates at agency level for the financial years 2016-2017 (revised) to 2017-2018 inclusive, noting that printouts provided from Treasury's Financial Information System should only be the version consistent with the 2017-2018 State Budget;
- (b) any document identifying uncommitted, unallocated funds or contingencies within those forward estimates, noting that printouts provided from Treasury's Financial Information System should only be the version consistent with the 2017-2018 State Budget;
- (c) all estimates relating to projects included in the State Infrastructure Plan, Rebuilding NSW, Restart NSW, State Infrastructure Strategy, Metropolitan Strategy and the State plan NSW 2021;
- (d) any document showing economic and other assumptions underpinning the estimates for the financial years 2017-2018 to 2020-2021 inclusive;

- (e) any document identifying or qualifying risks and contingent liabilities that might impact the financial years 2016-2017 (revised) to 2019-2020 inclusive;
- (f) any document that relates to the State's future financial position as revealed in the estimates;
- (g) any documents pertaining to 2016-2017 actual budget performance not requested elsewhere in this order;
- (h) all documents pertaining to revenue estimates 2017-2018 to 2020-2021 inclusive; and
- (i) any legal or other advice regarding the scope or validity of this order of the House created as a result of this order of the House.

Motion agreed to.

Motions

LIQUOR LICENCE APPLICATIONS

Mr JUSTIN FIELD (10:02): I seek leave to amend Private Members' Business item No. 1482 by omitting paragraph 1 (c).

Leave granted.

Accordingly, I move:

- (1) That this House notes that:
 - (a) the Government is currently taking public submissions on the process surrounding the community impact statement requirement for liquor licence applications; and
 - (b) a community impact statement is an important step in the liquor licence approval process that determines whether the overall social impacts of a liquor licence will be detrimental to the wellbeing of the community.
- (2) That this House calls on the Government to publish on the Liquor and Gaming NSW website, all public submissions on the evaluation of the community impact statement requirement for liquor licence applications, once the submission period has closed and before any decisions are made to ensure the most open and transparent consideration of these issues.

Motion agreed to.

AUSTRALIAN SEABIRD RESCUE

Dr MEHREEN FARUQI (10:04): I move:

- (1) That this House notes that:
 - (a) Australian Seabird Rescue is a wildlife rescue group based in Ballina that has rescued thousands of seabirds, shorebirds and turtles over the past 25 years;
 - (b) Australian Seabird Rescue's objective is to reduce the human impact on wildlife through rescue, research and education, and to raise awareness about the human impact on the environment, including that of marine plastic debris; and
 - (c) Australian Seabird Rescue provides a vital wildlife rescue and community education service to the community.
- (2) That this House congratulates the staff and volunteers at Australian Seabird Rescue on their twenty-fifth anniversary this year.

Motion agreed to.

WORLD FSHD DAY

The Hon. NATASHA MACLAREN-JONES (10:05): I move:

- (1) That this House notes that:
 - (a) World FSHD Day is held annually on 20 June to raise public awareness of facioscapulohumeral muscular dystrophy;
 - (b) FSHD is a highly complex, genetic neuromuscular disease characterised by the progressive weakening and loss of skeletal muscles, affecting approximately 870,000 individuals worldwide; and
 - (c) despite being considered one of the most common forms of muscular dystrophy in adults and children, with a prevalence rate of one in 8,333, there are no treatments and no cure for FSHD.
- (2) That this House acknowledges:
 - (a) that the FSHD Global Research Foundation has raised more than \$8.6 million, funding two medical research grants across nine countries, and is committed to advancing global medical research, education and collaboration to improve quality of life and ultimately find a cure for FSHD; and

- (b) Mr Bill Moss, AO, an Australian businessman and philanthropist who has FSHD, founded the FSHD Global Research Foundation in 2007.
- (3) That this House congratulates and commends Mr Bill Moss, AO, and the FSHD Global Research Foundation for the important and vital work it undertakes to find a treatment and a cure for FSHD.

Motion agreed to.

MERMAID POOL RESTORATION PROJECT

Dr MEHREEN FARUQI (10:05): I move:

- (1) That this House notes that:
- (a) the Mermaid Pool restoration project at Manly Vale has been active since Clean Up Australia Day 2002, when 71 volunteers removed more than four tonnes of rubbish from the site, and since that time volunteers have worked to collect rubbish, remove weeds and plant thousands of native saplings; and
- (b) as a result of their work, the pool is significantly restored, water quality has improved and local wildlife is reappearing.
- (2) That this House recognises the volunteers who have devoted a significant amount of time and effort to restoring the Manly Creek environment over the past 15 years and extends its congratulations to them on their work.

Motion agreed to.

BOWEL CANCER AWARENESS MONTH

The Hon. NATASHA MACLAREN-JONES (10:06): I move:

That this House notes that:

- (a) Red Apple Day was held on 21 June 2017 as part of Bowel Cancer Awareness Month to raise public awareness of a disease that claims the lives of 80 Australians every week and is the third most common type of newly diagnosed cancer in Australia;
- (b) Australia has one of the highest rates of bowel cancer in the world with 14,962 Australians told they have bowel cancer each year, including 1,313 people under the age of 50;
- (c) bowel cancer is the second most common cause of cancer death in Australia, claiming the lives of 4,071 Australians every year, including 213 people under the age of 50;
- (d) the survival rate for bowel cancer patients is 68 per cent, which is lower than other patients with common cancers such as breast, melanoma and prostate with survival rates of around 90 per cent;
- (e) Bowel Cancer Awareness Month is an initiative of Bowel Cancer Australia and their message is "saving lives through early detection", because bowel cancer is one of the most treatable types of cancer if found early; and
- (f) Australians are encouraged to purchase a Bowel Cancer Awareness Ribbon on Red Apple Day to support the vital work of Bowel Cancer Australia.

Motion agreed to.

Documents

TABLING OF PAPERS

The Hon. SCOTT FARLOW: I table the following papers:

- (1) Independent Pricing and Regulatory Tribunal Act 1992—Report of the Independent Pricing and Regulatory Tribunal entitled "WaterNSW: Review of rural bulk water services from 1 July 2017 to 30 June 2021—Determination and Final Report", dated June 2017.
- (2) Work Health and Safety Act 2011—Report of Department of Finance, Services and Innovation entitled "Work Health and Safety Act 2011: Statutory Review Report", dated June 2017.

I move:

That the reports be printed.

Motion agreed to. [*During the giving of notices of motion*]

Notices

PRESENTATION

The PRESIDENT: Order! I have ruled on a number of occasions that members giving notices of motions will be heard in silence. There will be an opportunity for debate when the motion is being dealt with. I do not wish to repeat this ruling.

*Committees***PORTFOLIO COMMITTEE NO. 1 - PREMIER AND FINANCE****Membership**

The PRESIDENT: I inform the House that this day the Clerk received advice from the Leader of the Government of the following changes in membership:

Mr Martin in place of Mr Khan.

PORTFOLIO COMMITTEE NO. 2 - HEALTH AND COMMUNITY SERVICES**Membership**

Mr MacDonald in place of Mr Mason-Cox.

PORTFOLIO COMMITTEE NO. 3 - EDUCATION**Membership**

Mr Martin in place of Mr Gay.

*Business of the House***POSTPONEMENT OF BUSINESS**

The Hon. ADAM SEARLE: I move:

That Business of the House Notices of Motions Nos 1 and 2 on the *Notice Paper* for today be postponed until Thursday 10 August 2017.

Motion agreed to.

*Special Adjournment***SPECIAL ADJOURNMENT**

The Hon. DON HARWIN: I move:

That this House at its rising today do adjourn until Tuesday 8 August 2017 at 2.30 p.m. unless the President, or, if the President is unable to act on account of illness or other cause, the Deputy President, prior to that date, by communication addressed to each member of the House, fixes an alternative day or hour of meeting.

Motion agreed to.

*Business of the House***SUSPENSION OF STANDING AND SESSIONAL ORDERS: ORDER OF BUSINESS**

The Hon. NATASHA MACLAREN-JONES: I move:

That standing and sessional orders be suspended to allow the moving of a motion forthwith relating to the conduct of the business of the House.

Motion agreed to.

ORDER OF BUSINESS

The Hon. NATASHA MACLAREN-JONES: I move:

- (1) That the order of Private Members' Business be as follows:
 - (a) Private Members' Business item No. 1496 outside the Order of Precedence standing in the name of the Hon. Lynda Voltz relating to TAFE funding;
 - (b) Private Members' Business item No. 1169 outside the Order of Precedence standing in the name of the Hon. Robert Borsak relating to the Local Government Amendment (Amalgamation Referendums) Bill 2017;
 - (c) Private Members' Business item No. 1068 outside the Order of Precedence standing in the name of Mr Justin Field relating to the Gaming Machines Amendment (Transparency) Bill;
 - (d) Private Members' Business item No. 3 in the Order of Precedence standing in the name of Reverend the Hon. Fred Nile relating to the Crimes Amendment (Zoe's Law) Bill 2017;
 - (e) Private Members' Business item No. 1283 outside the Order of Precedence standing in the name of the Hon. Walt Secord relating to the Public Health Amendment (Vaccination of Children Attending Child Care Facilities) Bill 2017; and
 - (f) Private Members' Business item No. 5 in the Order of Precedence standing in the name of the Hon. Natasha Maclaren-Jones relating to Vietnam War veterans.

- (2) That following the conclusion of the valedictory speech of the Hon. Duncan Gay, debate on Government Business take precedence for the remainder of this day.

Motion agreed to.

Motions

TAFE NSW

The Hon. LYNDA VOLTZ (10:16): I move:

- (1) That this House notes:
- (a) the continued decimation of TAFE under the Berejiklian Government with budget documents confirming that a further \$105 million was cut from the TAFE recurrent budget and \$30.4 million from the capital funding;
 - (b) there are now 63,000 fewer enrolments in our TAFE colleges than in 2012;
 - (c) 5,689 teachers and support staff have been sacked since 2012;
 - (d) recurrent expenditure on education has fallen to 20.3 per cent of the State budget; and
 - (e) with skills shortages at crisis levels across many industries, the Berejiklian Government has shown a complete disregard for vocational education and the future workforce of New South Wales.
- (2) That this House calls on the Berejiklian Government to immediately reverse these cuts and reinvest to reverse the damage done to TAFE since 2012.

This motion deals with the continued decimation of TAFE under the Berejiklian Government. The budget documents confirm that a further \$105 million will be cut from its recurrent budget and \$30.4 million from the capital funding. There are now 63,000 fewer enrolments in our TAFE colleges than in 2012 and 5,689 teachers and support staff have been sacked since that time. Recurrent expenditure on education has fallen to 20.3 per cent of the State budget. I am sure members have noted that the skills shortage in some industries is at crisis level. In Australia we have been debating 457 visas and the need for employers to get skilled staff and young people to get jobs. Fundamental to that is the TAFE education system, the bedrock of our skilled workforce.

There is a fundamental debate within Australia around skills. Clive James once remarked that you go to university to learn to think. That is true, but we know that you go to TAFE to learn to do. That is where people learn how to do things. TAFE staff are fundamentally important in teaching our young people the skills necessary to do quite dangerous jobs. Construction is an area we should be particularly looking at because one worker a week dies in that industry. The support staff that TAFE provide alongside the teachers are fundamental to that safety regime. Yet here we have a budget that cuts more backroom jobs from TAFE—I am surprised there are any left—and more teachers from TAFE.

One example is the toolshed staff. They are the support staff who give out and set up the equipment and make sure the students have what they need for the job they are doing. Those staff members have now all gone and the teachers are leaving students unattended in classes while they try to sort out whether they have the correct equipment to do their job. A good example is an Illawarra employer who had nine apprentices doing their electrical apprenticeship at the local TAFE. The practical hours were cut so low that he believed it was no longer safe to have his apprentices taught through the TAFE system. He was concerned that the hours did not give the apprentices the opportunity to learn the skillset needed to do the dangerous work of electricians.

If we are not training our own people to be safe, where is workplace safety headed and where will our skilled workers come from? New South Wales is more fundamentally linked to the global economy than any other State in Australia. When the world economy booms, our economy booms and, in particular, construction booms. But there is a great disconnect because we are not training people in the construction industry and not getting enough of them into TAFE. We are either bringing in a lot of people from overseas or finding a disconnect where the skilled workers are going to the mining States and New South Wales is missing out on skilled staff.

The cuts to the TAFE system are putting pressure on that, because we are no longer training up local residents to do the jobs that we will need in the future. People are finding it harder and harder to get that kind of training. The motor mechanics' course at Padstow is another example of the effects of this Government's cuts. The Government closed that course and said the students could go to Wetherill Park. I am not sure if many Government members know how far it is from Padstow to Wetherill Park—I am pretty sure the Hon. Lou Amato does. It takes one hour and 40 minutes to get from Padstow to Wetherill Park. That is two trains, one bus and a 10 minute walk twice a week, which adds more than three hours to a TAFE apprentice's day, on top of all the practical and skills work they are doing, because this Government closed down their local TAFE.

This Government talks about how it is making it easy to get around Sydney. I assume what Government members mean by that is they are forcing more people to travel further around Sydney, because that is what is

happening in the TAFE sector as courses are closed down and coalesced into one area, meaning that people are not able to get there. Government members might want to look at how much apprentices are paid; it is not a lot of money. The further away they have to go for training—and the longer it takes to get there—the less likely they are to do it.

The TAFE restructures will impact the entire State. They are impacting regional communities in particular. At the Great Lakes TAFE in the mid North Coast courses are no longer available that are available in Sydney. People now have to travel to Wagga Wagga to do courses they could previously do in Griffith. That is a two-hour trip. I am not sure why the Government thinks apprentices on low salaries are able to drive two hours from Griffith to Wagga Wagga to do their courses. It is not just their low salaries that are creating a problem; it is also the higher fees that this Government has placed on courses in this vital education sector. Some courses now cost up to \$27,000 and others up to \$40,000.

In fact, it is now more expensive to do an assistant in nursing course through TAFE than to do a nursing degree through a university, because a nursing degree is heavily subsidised. At the end of the day we know we have an ageing population and that in 15 or 20 years the pressure is going to be on the aged-care sector. To make an assistant in nursing course more expensive than a nursing degree is a false economy. Why would someone do an assistant course when they could choose the more attractive option of doing a nursing degree to gain a higher level of skill and greater remuneration? Nursing assistant courses are good for people who want that skill set and they should be as affordable as possible, because our State is going to require trained nursing assistants. That is the kind of workforce we will need.

Graphic design courses at TAFE cost \$27,000. We are living in a technological age in which people want to study those types of things, but \$27,000 is an extraordinarily large amount of money to be asking young people to pay. TAFE campuses that provide practical skills training particularly for people in the construction, motor and painting industries are competing with the private sector. We are finding that TAFE is now offering courses that rely heavily on large investments, so TAFE is being asked to provide courses at the pointy end of the education sector, while private providers are picking up the low-cost, high-volume course students.

To some extent the Government has allowed the system to undermine TAFE. TAFE needs to provide a mix of courses to make it sustainable including those that cost a lot of money, take a lot of time and are so important to our future. What has happened to TAFE since 2012 is hugely disappointing. Last Tuesday was the National TAFE Day, which recognises the rich contribution that TAFE has made. It was greatly disappointing that within the same week the Government made more cuts to the TAFE sector. There will be fewer enrolments in TAFE as a result. In addition, it takes two months to enrol in TAFE using the Government's disaster of an enrolment system, which has been well covered in this Chamber. Centrelink does not give welfare recipients who want to retrain two months to enrol in a course. People are either working, not working or part of the system. We need to get much better TAFE enrolment outcomes. Two months is far too long for someone to wait to find out whether they have been accepted.

The cuts in this budget make it more difficult for TAFE to deliver what it needs to in a timely manner. Every \$1 that we invest in TAFE returns \$6.40 to the economy. That must be the highest return on government spend anywhere in the budget, yet the Government has consistently attacked the TAFE sector year in and year out. It is a false economy. There is no point having a budget surplus if in 20 years this State has no capacity to provide people who are trained in the important skills that underpin our economy and ensure our future. Fundamental to that are our school and TAFE systems. Indeed, without the TAFE system—at the rate we are going, it will be completely decimated in another few years—where does this Government think its skilled force will come from in the future?

The Hon. BEN FRANKLIN (10:29): The Government opposes this motion. The New South Wales Government is not "decimating TAFE", as this motion asserts, and the budget documents do not show any cuts to the TAFE budget. Let us briefly step through the facts and take a look at what is actually in the 2017-18 budget papers in relation to TAFE NSW. The budget papers show that we have maintained TAFE NSW's operating budget, with \$1.7 billion allocated for this coming financial year; that more than 540,000 students were enrolled in TAFE NSW in 2016, an increase of more than 100,000 on the previous year; and that in the coming financial year the New South Wales Government will invest more than \$130 million in capital works in TAFE NSW, a significant increase of \$33.9 million on last year, to invest in continuing and new capital projects across the State to modernise and improve the student learning experience. I repeat: We have maintained the operating budget, we have increased the number of students and we have increased capital works funding.

Under the economic boom that New South Wales is experiencing, this Government's record investment in infrastructure needs a strong supply of skilled workers. Our commitment to upskilling the New South Wales workforce can be seen most fully in our successful efforts to reform the whole vocational education and training sector, of which TAFE is just one part. As announced in this week's budget, the New South Wales Government

is investing \$2.2 billion in skills development and training programs to deliver the skilled workforce to meet our State's industry and jobs growth needs. Under the Smart and Skilled reforms all training providers, including TAFE, now compete on quality, not price. The New South Wales Government has outlined a clear vision for a strong, modern, and publicly owned TAFE NSW. We have introduced the One TAFE reforms to ensure that TAFE NSW adapts to become modern, flexible and agile to meet the needs of students, teaching staff and employers.

Labor's model of TAFE, which we inherited, saw 10 separate and autonomous institutes across the State. It saw more money spent on administration and back-office management and less money being invested on skilling and training delivery for our young people. As a direct result of Labor's policy, today between 40¢ and 60¢ in every dollar provided to TAFE is spent on overheads and administration—money from TAFE's expenditure budget that is not directly training students and being wasted in the back office. The New South Wales Government is committed to maintaining TAFE NSW's position as the public provider for vocational education in New South Wales. Where there is a TAFE today, there will be a TAFE tomorrow and in the future. We are also committed to growing TAFE NSW's presence in regional and remote New South Wales. One TAFE will meet the needs of tomorrow's workforce.

The vocational education and training market is more competitive. TAFE NSW needs to change and adapt to ensure that it can effectively compete in that market and deliver the high-quality training that industry and students need to meet the skills shortages of today and tomorrow. Under this Government's reforms, TAFE NSW is investing heavily in improving course delivery and content, so that regardless of where a student lives they can expect the same high-quality, industry-related course content. Under this Government's One TAFE reforms, TAFE NSW is also becoming more efficient—a hallmark of this Government. We are committed to reducing back-office inefficiency and to ensuring that there is increased investment in frontline delivery, including employing more teachers to ensure that more students get training. TAFE NSW is creating a student-centred workforce and systems, comprising more diverse and flexible roles and employment conditions.

We have set out this Government's clear vision for TAFE NSW, but let us take a moment to examine the record of those opposite. Labor has no credibility when it comes to the management of TAFE NSW. It left TAFE in a mess, with the broken institute model seeing spiralling operating costs, duplication and inefficiency across the State, excessive wastage on back-office administration and middle management, and teachers grappling with crippling overheads. This meant less money invested in skilling and training delivery for our young people. In my home patch of the North Coast, for example, the mismanagement of TAFE under Labor led to TAFE owning and maintaining a disused paddock, the cost of which was diverting resources from frontline teaching and service delivery. Under Labor, around 50 per cent of TAFE's facilities maintenance contracts are not providing optimal value. Labor also has a dodgy record when it comes to counting enrolments in TAFE. Historical enrolment data prior to this Government fixing up the system shows that Labor's management of TAFE included separate "co-enrolments". Labor's system meant that a single student was often counted as two or even more enrolments.

As I mentioned earlier, the New South Wales Government is investing \$2.2 billion for skills development as part of the 2017-18 budget. Those opposite may not have read the documents so I will explain what that includes: \$1.7 billion for TAFE NSW, including more than \$130 million for capital works projects; \$759 million for skills development and training programs, including training through TAFE NSW and registered Smart and Skilled providers; \$65 million over three years for the Youth Employment Program to assist young people into employment; \$19 million over three years for the Disability Sector Scale Up program, which grows the workforce as part of the National Disability Insurance Scheme rollout—I know that is very dear to Mr President's heart; \$15 million over four years for the AgSkills strategy, working in partnership with Cotton Australia and the Grains Research and Development Corporation to attract new works and retain and upskill workers; \$12 million in 2017-18 for Smart and Skilled fee-free scholarships for 200,000 students, including victims of domestic violence and disadvantaged groups; and \$8 million over four years for the Infrastructure Skills Legacy Program to increase apprentices, trainees and Aboriginal people employed on New South Wales Government-funded infrastructure projects.

The One TAFE reforms that this Government is delivering are transforming TAFE NSW into the pre-eminent public vocational education and training provider in the country. Under this Government's reforms TAFE NSW has four clear goals: to skill the State's workforce of the future as the provider of choice; to be a contemporary, commercial and sustainable business; to serve local communities; and to develop a customer-driven, proud and productive TAFE NSW team. These reforms are doing just that. They are fulfilling all four requirements. Those on this side of the House are only interested in the truth when it comes to TAFE NSW, not the bluster we have heard from the Opposition. We are committed to ensuring that TAFE NSW is delivering the training that our State deserves, and we make no apology for that. The Government opposes this motion.

The Hon. JOHN GRAHAM (10:39): I commend this motion to the House. I congratulate the Hon. Lynda Voltz on moving it. We had concerns before the budget and our concerns are greater now having seen in the budget a further \$105 million cut from the recurrent funding and \$30.4 million from the capital funding for TAFE. There are now 63,000 fewer enrolments in TAFE colleges and 5,689 fewer teachers and support staff than there were in 2012. Those are the concerns of the Opposition, as outlined by the Hon. Lynda Voltz, and I share those concerns. Two issues worry me most particularly. One of those is the real cuts over time to the role that TAFE used to play. TAFE provides a second chance for citizens of New South Wales to get their Higher School Certificate and to get back on track with their education. For whatever reason, people can be diverted from school, and TAFE always played a crucial role in giving them a leg-up, a second chance, in education. That role has been diminished over time, and that is a real concern to me.

The second issue that worries me is the impact all the changes in the sector has had on the number of apprentices coming through the system. Having a good pipeline of apprentices is fundamental to the economic future of New South Wales, but that has been decimated, particularly the number of women apprentices. Until we can get back on track with that it will be a real problem for the New South Wales economy, and these measures in the budget make it worse. I refer to the last element of this motion—that is, what is going on with education funding more generally in this budget. As a proportion of the State's recurrent budget, this budget puts just 20.3 per cent towards education. In the last budget the proportion was 21 per cent and in 2003 the proportion was 26 per cent. We are doing less educating than ever in this budget, and that is a real shame. That is a massive collapse in the amount of the State budget that is dedicated to education.

The Hon. Dr Peter Phelps: Oh, come on. In percentages when you know the pie has increased that is completely ridiculous.

The Hon. JOHN GRAHAM: It is just clear. As a proportion of what the State does, in this budget education has fallen from 26 per cent to 20.3 per cent.

The Hon. Dr Peter Phelps: But in real terms it has grown under us. It's just because the State is doing so fantastically.

The Hon. JOHN GRAHAM: I acknowledge the interjection. Inflation is up, the economy is up, and we are doing less educating than ever. That is the reality of this budget. These figures show that the State is backing out of education—it is down to 20.3 per cent in this budget, and that is the wrong direction. In a world where increasingly we are competing globally, in a world where companies move around, the one thing a country needs to do is invest in its citizens, and we are doing that less as a proportion of the State budget than we have in decades. It used to be higher than 26 per cent; it used to be 28.5 per cent of what the State did three decades ago. We are doing less than ever at a time when it is more important than ever, and I think that is a real pity.

Some outstanding evidence was put in front of the Standing Committee on State Development recently by Engineers Australia, which spoke about what is going on with our school retention rates in this State. Engineers Australia put forward three things. First, that New South Wales is falling behind the rest of the nation in its retention of year 12 students—we now rank the third lowest in Australia for year 12 student retention. We are ahead of Tasmania and the Northern Territory and that is good, but not good enough. Secondly, Engineers Australia pointed out that New South Wales reached a retention rate of only 80 per cent across the board. Thirdly, and most concerning, Engineers Australia stated that regional retention rates for year 12 students reached a high of only 63.9 per cent in the Central Coast and Newcastle, but in the north-west of the State those retention rates are as low as 56.2 per cent. That is just not good enough for the modern world. Kids who are not making their way through the education system are going to struggle—that is the truth of employment for those kids in the modern world and we need to improve those retention rates. Cutting this funding as a proportion of where we are up to is not good enough.

Education also contributes to the economic wellbeing of the State. One of the best measures of that contribution is the Fairfax Lateral Economics wellbeing index. The good news is that that is going up rapidly for the country—it rose 5.8 per cent in 2016 compared with a growth of 2.4 per cent in annual gross domestic product. One of the key reasons for that is Australia's investment in the knowledge and skill of its population—its human capital—which is driving the growth in our national wellbeing, particularly the proportion of adults with a higher qualification. One of the reasons though for that index not being higher is that the performance of our school students, as revealed in international tests, is slashing billions of dollars from our national and State wellbeing. Dr Nicholas Gruen, who devised some of the parameters of that wellbeing index, said that the international test results suggest our teenagers are learning less in school, which is reducing their knowhow and earning capacity.

Dr Gruen estimated that that cost the nation \$5.4 billion in 2016 or around 0.3 per cent of gross domestic product. About one-third of that is in New South Wales, and that is what we are missing out on as the State backs out of this important area of policy. Our competitors—other countries and other States—know that as a nation we

are only spending at the Organisation for Economic Co-operation and Development [OECD] average for education. That is good, but not good enough. The activities of this State and this State's decisions, including in this budget, are not keeping up and we have to do better. I commend the motion to the House.

The Hon. Dr PETER PHELPS (10:46): I will start by refuting one of the spurious points made by the Hon. John Graham, and that relates to the percentage of the budget which is spent on education. The percentage of the budget which is spent on education is a factor of the entire size of the budget. You could have a budget of \$20 billion, of which 50 per cent is spent on education—so \$10 billion. Or you could have a budget which is \$100 billion, of which you spend only 25 per cent on education—so \$25 billion. Which in real terms is higher? The answer is it is the one which has the higher budget in the first place. And that is what this Government has done. Through stringent economic management we have been able to grow the size of the budget so that we do not have to have cuts. What we have in New South Wales is a continual series of real increases in education expenditure over the life of the Coalition Government. That has only been able to be achieved because we on this side of the House believe in responsible economic management.

If what we have done is so terrible to the vocational education students of New South Wales, surely that would show up in the statistics. I refer members to the latest report of the National Centre for Vocational Education Research on apprenticeships and trainees, which relates to the December quarter and previous years. What do we find in that report? Remember, the Labor Government says that we have done horrible things for vocational education in New South Wales. Let us have a look. Between December 2011, for which we have the earliest figures available, and December 2016, for which we have the latest figures available, I note that in-training by State and Territory has fallen by 55 per cent. But over that same period, the socialist utopia of South Australia has also seen a drop of 55 per cent. From September 2014—the last figures we have before the Victorian Labor Government came in—there was a drop of 20 per cent in in-training, which exactly mirrors the in-training drop in New South Wales. In Queensland, when the Palaszczuk socialist government came in, after December 2014 we saw a drop of 17 per cent in in-training for vocational education students as opposed to only 14 per cent in New South Wales.

Over that same period, comparing like with like, we find that vocational education training outcomes in the socialist utopias around Australia in other State governments are the same, or worse, than what we have in New South Wales. Let us look at commencements, also comparing the New South Wales Coalition achievements with the socialist Labor governments. Between December 2011 and 2016 in New South Wales commencements fell by 54 per cent. In South Australia there was a 64 per cent fall in commencements. From September 2014 in Victoria there was a 26 per cent fall in commencements as opposed to only 14 per cent in New South Wales. From December 2014 in New South Wales and Queensland jurisdictions there has been roughly a 10 per cent fall. What do we say to this?

Let us have a look at cancellations and withdrawals because disaffection with the system is another metric used to show how well the vocational education system is working in our State as compared to others. In the socialist utopia of South Australia there was a drop in cancellations of 27 per cent but over the same period in New South Wales the drop in cancellations was 44 per cent. In other words, significantly fewer people are dropping out of the system, withdrawing or cancelling in New South Wales compared to South Australia. In Victoria there was a 12 per cent drop in cancellations or withdrawals but over the same period there was a 21 per cent drop in New South Wales for cancellations and withdrawals. Again, with Queensland and New South Wales over the same period of time it was roughly 10 per cent for both jurisdictions.

In respect of actual numbers, people coming into the system, commencements and withdrawals from the system, we are either at parity or better than every significant comparable Labor Government around Australia over a measurable period of time. That is not Peter Phelps speaking; it is the National Centre for Vocational Education and Research's latest set of statistics in relation to apprenticeships and trainees. Why has this problem come about? Unfortunately, Labor is fixated on the idea that money equates to outcomes. We know that is simply not the case. I quote from a recent report in *The Australian*.

The Hon. Penny Sharpe: That will be good. An authoritative source.

The Hon. Dr PETER PHELPS: It was quoting figures from the Organisation for Economic Co-operation and Development [OECD]—that well known Liberal Party institution! The 2016 OECD report from the "Program for international student assessment: Low performing students" notes that past a minimum expenditure level there is no correlation between increased investment and stronger student performance. Based on an analysis of test results from 64 countries the report concludes, "Despite the conventional wisdom that higher investment leads to greater gains there is no clear evidence that increasing public expenditure on education guarantees better student performance once a minimum level of expenditure is reached." That is the OECD. The Menzies Research Centre report—Gonski revisited—

The PRESIDENT: Order! Members will cease interjecting. While there is silence in the Chamber I take the opportunity to welcome to the public gallery students from the Young Women's Leadership Program from metropolitan schools in the State.

The Hon. Dr PETER PHELPS: As I was saying, a Menzies Research Centre report finds "abundant evidence to show that beyond a certain level of funding the allocation of funding has little impact on educational outcomes". This can be seen in the OECD Programme for International Student Assessment [PISA] figures. It shows that despite continual increases in Federal and State funding over a period of time the academic results for maths, reading and science have all gone down between the period 2006 to the present day. In fact, what we do know is this: the cutting edge of education reform overseas is a market model based on three factors—autonomy, diversity and choice.

Ironically, those are the three things that the left bitterly opposes in education at all levels in this State and around the nation. Autonomy, diversity and choice give students the ability to select outcomes that suit them and not those imposed by the predetermined agenda of governments, bureaucrats or politicians. That is what we know about what works. The other thing we know is that the decline in vocational education training has been because of the progressive demonisation of manual labour by the left in this country. There was a time when the Labor Party used to represent the cream of the working class. Now, unfortunately—I will not use the full quote—we know what Kim Beazley Senior said about the contemporary Labor Party.

The Hon. Lynda Voltz: About 100 years ago?

The Hon. Dr PETER PHELPS: Yes. He was talking about how the Labor Party used to be the representative of the best of the working class and is now representing the worst of the middle class.

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

The Hon. Dr PETER PHELPS: They need to know that the progressive demonisation of manual labour by the Labor Party and Labor affiliates continues to this very day. One has to look at how they have overestimated the utility of universities and the emphasis that Labor has placed on university education to the detriment of vocational education.

The Hon. Lynda Voltz: You are saying that to me?

The Hon. Dr PETER PHELPS: No, I do not blame the Hon. Lynda Voltz, but I blame her party, which gave us the Dawkins revolution. I am old enough to remember when the colleges of advanced education were unilaterally forced to become universities. The editors of the book *Dawkins Revolution* made it clear: Dawkins turned colleges of advanced education into universities, free education into the higher education contribution scheme [HECS], elite education into mass education, local focuses into international outlooks, vice chancellors into corporate leaders, teachers into teachers and researchers, and he remodelled how higher education was funded—and in only a few years.

The consequence of that has been devastating to vocational education and to traditional university education. What we have now is a situation where there is corporate managerialism in universities, not caused by the universities themselves but directly caused by government policy. There is a decline in freedom of academic speech and enquiry, a loss of academic collegiality, especially with the increased militancy of the National Tertiary Education Union [NTEU], greater pressure placed on academics to seek external research grants and be rated on their ability to do so, a publish or perish culture leading to a proliferation of bogus or trivial publications, lower entrance criteria because funding is based on student numbers, and a dumbing down in higher education because of the fact that we have to have a situation where people do not fail.

More importantly, the Dawkins reforms specifically changed student expectations. They were going to university to get credentials for jobs that do not now exist. Recently a person who received a Bachelor of Journalism from the University of South Australia whinged on Mumbrella that his degree was useless and what took three years could have been done in six months. That is a factor that is a function of government policy. Excessive credentialism is one of the problems that has been exacerbated by the Labor Party and caused a decline in student enticement into the vocational education sector.

What is this about if it is not about improving standards or numbers? Unfortunately, this motion is all about trying to appease the education unions. The Labor Party and The Greens are in a battle for the love of the education unions—the NTEU, the Australian Education Union and the Teachers Federation. It is virtue signalling on the basis of trying to woo the affection of the education unions in this State and it is terrible. The simple fact is that the programs that were introduced and pursued under this Government are effective and useful, and continue to work for the students of New South Wales.

Ms DAWN WALKER (10:59): On behalf of The Greens I support the motion of the Hon. Lynda Voltz. TAFE is a central pillar in our public education system that is being neglected. It is vital in creating a strong and prosperous society and equipping workers with skills and trades that are vital to the service sector of our State. The privatisation agenda of this Coalition Government is actively working to diminish the value of TAFE, and it must stop. This week the Coalition Government revealed that \$100 million will be stripped from TAFE assets in the 2017-18 State budget. This Government has continued to undermine our public TAFE system and it is time we received answers about why there is a \$100 million loss in assets.

The Coalition must stop selling off important public assets and keep TAFE in public hands. We need to invest in our world-class vocational education system and finish this fixation with privatisation. I thank the Hon. Lynda Voltz and Labor for moving this motion. The Greens will work to ensure this commitment to keep TAFE securely in public hands is realised when Labor is in Government. I hope that Labor and The Greens can work together to reverse the short-sighted vision of the Coalition to sell and degrade our public education system. Tomorrow I will head to Dapto to kick off my Teachers not Terminals Tour to expose the detrimental effects that the privatisation and defunding agenda of this Government has had on TAFE.

I will be joined by the NSW Teachers Federation and the local community to push back against the plan by this Government to strip TAFE of teachers and replace them with computer terminals. Highly skilled and qualified TAFE teachers are now being replaced by Connected Learning Centres in a bid to cut costs. Dapto TAFE was once a comprehensive centre for education with more than 650 students. It has been replaced by a pop-up shop front with no library services and minimal support for its students. This Government plans to roll this model out across New South Wales, closing TAFE campuses, cutting teaching staff and face-to-face learning, which is crucial for many of the practical courses that TAFEs offer. Those courses will be replaced with online learning modules and shop fronts. The changes will have a devastating effect on students because it will mean that many of them will not receive the support they need to learn.

The Greens are proud defenders of a strong public TAFE system and are committed to seeing the reversal of privatisation and competitive tendering policies in TAFE and the remainder of the vocational education and training system. Unlike Labor and the Liberal-Nationals, The Greens are committed to investing 100 per cent of public funds into TAFE. It is high time the Government recognised that its agenda to privatise vocational education is failing. It must restore funding to the public TAFE system. I support the motion to reverse cuts to TAFE and to reinvest in our public vocational education system.

The Hon. PENNY SHARPE (11:03): I speak in favour of this important motion. We have heard a lot of interesting comments from Government members about TAFE.

The Hon. Dr Peter Phelps: They are called facts.

The Hon. PENNY SHARPE: Let us talk about some of those facts. This week the Treasurer talked about our State budget being the envy of the world. I do not know how he can say that this budget is the envy of the world when \$105 million has been cut from its recurrent budget and \$30 million has been cut from capital funding. The vocational education system is a public system that has been in operation for decades. It has touched every community and provided skills, training and education to many thousands of families across this State. Since 2012, there have been 63,000 fewer enrolments in TAFE. Let us not talk only about enrolments. Every person who is not able to enrol in TAFE is being denied an education. Their opportunity to learn skills to gain employment is being denied because they are not able to go to TAFE. If that situation is the envy of the world, we are living in a sad world.

Since 2012, 5,689 teachers and support staff have been sacked. That is almost 6,000 staff. Most of those staff have been lost from regional areas. It is unbelievable that The Nationals are defending this motion. Permanent head teachers have gone from those communities. For decades people in those communities have worked with employers and young people to enable them to enter trades. They are now gone from those communities forever. The support staff in outreach who tracked down kids who were not attending school are no longer there. They are no longer talking to the kids who did not finish year 12 and saying, "We have a course for you. We can give you another go at education." They are gone. If that situation is the envy of the world, it is a very sad day in New South Wales.

TAFE is one of the most successful public policy programs that has been implemented in Australia. It is a public commitment to public education, vocational education and training. It has trained the many thousands of tradies that we rely on every day to build our infrastructure and houses, to look after our plumbing, and to ensure we are not electrocuted. It has also trained many women as childcare assistants who stayed at home when their kids were small and then worked part-time while their kids were at school. My mum was one of them. My mum started off as a secretary and became a childcare assistant after going to TAFE. Tens of thousands of stories like this exist. Many people have lost their jobs and have had career changes. They have trained as accountants or

enrolled nurses. We understate the value of TAFE at our peril. It is not only about apprenticeships and blue-collar jobs. It is about career changes and people being able to learn and stay in lifelong work.

Many kids find studying for the traditional Higher School Certificate [HSC] very challenging and we have lost many of them along the way. TAFE has always been an important safety net. Most of the outreach programs are now defunded. Every TAFE had caring and skilled people in outreach. I have met them. Most members in this Chamber have probably met them. Those people are extraordinary because they will go to any length to find the spark in kids that reignites their interest in education so they find a pathway back to gaining skills and qualifications. I have had experience of second chance education. I used to be a foster carer and the kids I looked after never did well at school. They found it hard and it was second chance education in an adult learning environment with caring outreach workers and social workers that allowed them to return to school to complete their HSC. It is an extraordinary outcome.

TAFE is also important when it comes to Aboriginal and disability education. TAFE has delivered more qualifications to Aboriginal people in this State than any other training provider. Again, those opportunities are gone in all regional areas where jobs are thin on the ground. Indigenous peoples are missing out, particularly those in remote and rural New South Wales. Members have mentioned figures on disability education. TAFE is the only public system that has the supports in place so that students with disabilities are able to complete their certificates. Those opportunities are gone. This Government has a wrong and twisted view if it is prepared to throw out TAFE and thinks its budget is the envy of the world. This is not the only budget to blame; it is all the Government's budgets since it has been in office.

The DEPUTY PRESIDENT (Dr Mehreen Faruqi): Order! There is too much audible conversation in the Chamber.

The Hon. PENNY SHARPE: I refer to what has happened in the regions, particularly on the South Coast. The South Coast has the lowest workforce participation in Australia with only 45 per cent of its population participating in any sort of work. It has the highest youth unemployment in New South Wales at 27.3 per cent, so more than a quarter of those people cannot participate in education because the Government has got rid of every pre-apprenticeship training course at TAFE in those areas on the South Coast. People who live in Tuross Head, Moruya, Batemans Bay, Ulladulla or Nowra have to travel to Wollongong to get pre-apprenticeship training. We know in those areas very little transport is available and it is impossible for young people on the South Coast to access pre-apprenticeship training.

In this area of high unemployment and low workforce participation there has been a 21 per cent decline in apprenticeships in the Shoalhaven. While we all agree it is terrible to have no apprenticeships, every apprenticeship has a story of a young person who has found an employer to work with to get the skills they need so they can build for their future. The decline in apprenticeships is a disgrace. For The Nationals and the Liberal Party to say that we have never had it better and commencements are terrific is appalling because they are not terrific on the South Coast. The Government has got rid of all pre-apprenticeship training and the Government thinks that is a reasonable outcome. In relation to meeting the needs of the local communities, Ulladulla is one of the most important—

The Hon. Paul Green: High youth unemployment.

The Hon. PENNY SHARPE: High unemployment but where are the jobs? The jobs are in tourism and hospitality but those courses no longer exist in Ulladulla and the last permanent teacher has just been sacked. The idea that everything in TAFE is wonderful and that this Government is investing in TAFE is wrong. If we talk to anyone in any regional community about the raw numbers of job cuts they will say the opposite. Smart and Skilled has been nothing of the sort and is one of this Government's most Orwellian-named programs. The program has jacked up fees, sacked staff and limited access for people to what used to be, what should be and what must be a publicly provided vocational education training system that allows people to get the skills they need for the future. TAFE allowed people who did not work well in year 12 to have a second chance at education, to train and to change careers, and to make a contribution to our community. If we do not find pathways for them to gain the education that will enable them to bloom we will do ourselves and our State a great disservice. I commend the motion to the House.

The Hon. PAUL GREEN (11:12): I appreciate the contribution from the Hon. Penny Sharpe. I was chair of General Purpose Standing Committee No. 6 that conducted a substantial inquiry into vocational education and training in New South Wales and made 25 recommendations in its report on 15 December 2015. The committee wanted to steer the Government towards the right approach. Recently the Government announced a \$759 million investment in 2017-18 in skills development and training programs through TAFE NSW and other providers. I take on board what the Hon. Penny Sharpe said. Access to TAFE in regional areas is very hard. Pre-apprenticeship opportunities and school-based apprenticeships are the way of the future in regional areas.

Students should not be moved across towns and villages to attend TAFE; they should be able to travel to and from school on the school bus—because some of them live a long way out of town—and do their pre-apprenticeship at school.

The committee was of the strong view that the Government should look at school-based apprenticeship because accessibility to different TAFEs is difficult. People who live in Sydney can quite easily access any one of the 700 courses they want to undertake at TAFE in various locations but if they live in the Shoalhaven, Byron Bay or further out west it is very difficult to attend a TAFE that offers the course they are so passionate about and it will cost a lot or they will have to relocate because the roads, rail or transport are not available, which compromises regional areas. Ulladulla has more than 20 per cent youth unemployment—

Mr David Shoebridge: Twenty-five.

The Hon. PAUL GREEN: I was going to say 20-plus. We should be increasing access to TAFE in those types of areas. The Shoalhaven Anglican School at Milton used to offer pre-apprenticeship courses but unfortunately that closed down. Accessibility to TAFE is very important to ensure that our kids are trained. The Christian Democratic Party realises that university is a part of the pathway to learning but it is not for everyone. About 30 to 40 per cent of people go to university and it would be crazy for the Government to cut TAFE for the remaining 60 per cent. Many areas across New South Wales are suffering from a skills shortage. Now more than ever we need to be offering apprenticeships, which are already in short supply, for our children. It is one thing to have one of the best budgets delivered in New South Wales this week with \$73 billion being spent across four years but it is another thing to have services and apprenticeships for tradespeople to pick up the slack and take advantage of the opportunities it will bring.

We need to make sure that we have the balance right: a great infrastructure budget across New South Wales and people having the opportunity to train into apprenticeships or professions. We have an ageing population with 3 million people over the age of 65 years, which is projected to be 7.2 million people over 65 by 2050. We must ensure that our children not only can go to university but also can have a pathway through TAFE, especially in regional and rural areas, for example, to become an enrolled nurse and play a very important part in our ever-growing and burdened health system. The Christian Democratic Party believes TAFE is very important and different governments will run it as it sees fit. This Government has chosen the way it wants to go. General Purpose Standing Committee No. 6 acknowledged the two distinct views but ultimately the House has to come together to give our youth the opportunities they deserve. We know what happens when people are unemployed—they lose their way and their hope. They get depressed and mental illness thrives. We do not want to cultivate that situation.

We need to use one of the best budgets we have had in New South Wales to put a distinct focus on our regional and rural TAFE systems to ensure that they thrive as they will be the lifeblood of our future in professions and trades across New South Wales. I know the Hon. Lynda Voltz is very passionate about this matter and I commend her and the Opposition for keeping the Government accountable because TAFE is worth keeping. I congratulate the Hon. Lynda Voltz on her motion. The Christian Democratic Party will continue to ensure that that the Government does not leave TAFE behind.

Mr SCOT MacDONALD (11:18): I oppose the motion moved by the Hon. Lynda Voltz. The Central Coast and the Hunter are almost like two universes: the Labor mindset of TAFE in the 1950s and 1960s, teachers wearing socks and thongs, hundreds of management staff in old buildings and facilities where they are comfortable, and the modern TAFE that we need in vocational education. When I go to Belmont TAFE or Tighes Hill TAFE or Gosford TAFE, the world I see is completely different from the world view of the Labor Party. Usually I go there not long after the shadow Minister has been there and she has scared the local community, frightened the students, talked down TAFE and talked a lot of nonsense about what is on offer and the future of TAFE. This motion encapsulates the two approaches to vocational education.

There is a lot of old stock out there. For example, on the western side of Belmont campus there are buildings that were built 30 or 40 years ago and were not modernised under the Labor Party, and now we have a backlog of assets that need modernisation and renewal. Many of the buildings at Tighes Hill campus cannot be described; they are like something out of a different world. This Government has put a considerable amount into capital expenditure to modernise TAFE stock: \$16 million has been assigned for major capital projects, \$59 million for ongoing major works and \$21 million for minor capital works, but the task is enormous. The Labor Party left us with old stock, old management style, and an old approach to vocational education which was not industry-centric. In contrast, Kurri Kurri TAFE's plant, heavy vehicle and auto electrical training centre was reinvigorated and opened recently by John Barilaro. It is industry-centric. It is delivering the courses that are needed by the mining and heavy equipment industries.

It is a completely different universe from what the Labor Party is talking about. The Labor Party is talking about administration and management, and old courses that are not wanted by industry. Talking to TAFE students today, they are focused on a transformative world where the courses and the jobs are completely different from those in the old, rigid mindset of the Labor Party. I despair listening to the Labor Party. Nothing has changed for them since they were in government. They have a picture in their minds like *Happy Days*—people will sit in a booth and design courses that no one wants to enrol in, not mindful of modernisation, digitisation, the shared economy or the services economy; it is woeful.

I conclude by saying that I was very happy recently to open on behalf of Adam Marshall, the Assistant Minister, SkillsPoint in Newcastle which has innovative manufacturing, robotics, and science courses that will open in September with 15 new staff. That is what is needed, not the old model under the Labor Party and what The Greens will propose shortly. The community understands. This is an old argument that will appeal to the pre-selectors of the various members opposite, but it does not resonate with students, parents, family or industry. This is a motion straight out of the 1970s. I condemn the motion.

Debate adjourned.

Bills

TRANSPORT ADMINISTRATION AMENDMENT (CLOSURE OF RAILWAY LINE BETWEEN ROSEWOOD AND TUMBARUMBA) BILL 2017

Messages

The DEPUTY PRESIDENT (Dr Mehreen Faruqi): I report receipt of a message from the Legislative Assembly agreeing to the Legislative Council's amendment to the abovementioned bill.

ELECTRONIC TRANSACTIONS LEGISLATION AMENDMENT (GOVERNMENT TRANSACTIONS) BILL 2017

Returned

The DEPUTY PRESIDENT (Dr Mehreen Faruqi): I report receipt of a message from the Legislative Assembly returning the abovementioned bill without amendment.

LOCAL GOVERNMENT AMENDMENT (AMALGAMATION REFERENDUMS) BILL 2017

Second Reading

Debate resumed from 1 June 2017.

Mr DAVID SHOEBRIDGE (11:25): I give The Greens' strong endorsement to the Local Government Amendment (Amalgamation Referendums) Bill 2017. If the Government had any sense it would endorse and embrace this bill with open arms, because it gets them out of a terrible mess when it comes to their so-called reform process in local government. This is the Shooters, Fishers and Farmers Party bill, brought forward by the Hon. Robert Borsak, but it is a community bill, because the bill will be supported by not only the Shooters, Fishers and Farmers Party but also the Labor Party. It has the strong endorsement of The Greens and I hope that the Christian Democrats will endorse it too. I note the Hon. Paul Green indicated his support for it in an earlier contribution.

Putting to one side the fact that every political party in this Parliament except for the Coalition supports the bill, when one speaks to the people of New South Wales about the Government's reform process in local government, they shake their heads, they are in despair. They cannot believe that half a billion dollars of taxpayers' money has been burnt by this Government on what is one of the worst reform processes we have ever seen in New South Wales. New South Wales does not have a great history of government but one would have to put the Baird-Berejiklian local government reform process, helped by the likes of Paul Toole, up there as the award winning failed, hopeless, compromised, shemuzzle of all time.

This is a community bill to try to save the Government from the mess that it is in. First, all the outstanding mergers that the Government has not yet been able to push through despite the unwilling locals are caught up in court because this Government cannot even get the law right when it is trying to do a job for local communities. It has been told that now by the Land and Environment Court and the Court of Appeal, and it is just waiting to be told it is wrong by the High Court. Every court in the country basically is telling the Government that it cannot read the law. The Government is trying to do a job on communities by forcing through amalgamations without listening to the local residents. The Government is hiding the KPMG report. It is failing to engage with residents and its ineptitude is costing both the State Government and local councils millions of dollars.

This bill says stop for all those outstanding merger proposals in areas such as Mosman, Woollahra, Strathfield and Willoughby. The Government cannot take another step to force amalgamations until it has heard from the residents in a binding referendum. What a great idea that would be. Why should it take two years to finally get a law passed that says the Government must talk to local residents before it destroys a local council? Of course, the Government should have done that from day one and the Government should support this bill, as should every member of Parliament. The bill also says to those councils that have already had a merger forced upon them—after enormous cost to local residents; millions of dollars of ratepayers' and taxpayers' money flushed down some IT toilet by this Government—in long-suffering communities like Gloucester, Leichhardt, Pittwater, Gundagai, Tumbarumba and Marrickville, that they can have a referendum in three months. I think maybe they should have it sooner than that.

They are referendums of the constituent parts of those amalgamated councils, and they are binding. The good people of Leichardt get to have their say, as do the people in Pittwater and Gunnedah, and if those councils do not want their new unloved mega council, which was imposed upon them by Mike Baird and Gladys Berejiklian and their property developer mates, they get to unpick it through a binding referendum. This is a great bill. Should we not make sure that we rush it through both Houses of Parliament to give residents a say? The Greens suggest that we should go beyond that. I can foreshadow that we will be moving amendments to automatically unpick all those unloved amalgamations. Our amendments will save the residents of Pittwater, Gloucester, Leichardt, Marrickville, Gundagai and Tumbarumba from the cost and expense of forced amalgamations by unwinding them. Residents were not asked about the amalgamations in the first place; they have been illegitimate from day one. The Greens contend that they should be unpicked today in this Parliament.

We support this bill, but I also indicate the level of community support for it. When residents were asked what they thought about these forced amalgamations they were unambiguous. We know that the residents in Kiama got asked about this and 95 per cent of them said that they did not want the amalgamation—in the one place where it seems that some people might have been listening. But in Guyra, 85 per cent of respondents said they did not want the megamerger; in Leichardt, 61 per cent of respondents; in Marrickville, 72 per cent of respondents; and in Pittwater, 58 per cent of respondents said they did not support a forced merger, but when one talks to the residents on the streets of Pittwater I suggest it is closer to 90 per cent; in Gloucester, it was 81 per cent of respondents; in Canterbury, it was 60 per cent of respondents; and in Gundagai, it was 76 per cent of respondents. I suggest that if someone were to go to Gundagai with a "We love the amalgamated council" t-shirt on today they would be run out of town more quickly than you could say, "National Party votes are drying up." An extraordinary revolt is happening on the streets in the suburbs and towns of this State.

What is the cost? We now know that even those forced amalgamated councils are paying through the nose already for the unwanted and unloved forced amalgamations. Poor old Hilltops Council, a merger of Boorowa, Harden and Young councils, is already \$1.5 million in the red. The Government gave it \$5 million and it has already spent \$6.5 million for the information technology [IT] and other amalgamations. They are saying, "How are we going to fund the shortfall?" Sydney's Northern Beaches Council, a merger of Manly, Pittwater and Warringah councils, was championed by the Government as a great financial success. What happened? The Government gave them \$10 million and it has only got \$105,000 left in the kitty. They are still facing huge additional costs. To date that council's biggest outlay has been \$2.5 million to sack staff and \$2.8 million for some of the IT work. The Northern Beaches Council acknowledges in its operational plan:

It is recognised that council will incur further restructuring costs such as the cost of integration, aligning positions within the new organisational structure and new salary system which will exceed the funding provided ... Accordingly, the Long Term Financial Plan has been prepared on the basis that once the [funds] has been fully utilised, existing budgets will firstly be used to pay for those merger and transition costs not funded through this mechanism prior to the identification of net savings.

Ratepayers are paying for this failed amalgamation agenda. The Government should be listening to people like Brian Halstead, the president of Save Our Councils Coalition, who has said that the costs are even more. In fact, Mr Halstead said:

The amount that the government allowed was based on the KPMG report, which under costed amalgamations and because they're not allowing councils to book the ongoing staff costs and administrators against the funding.

He also said that some council staff were spending a quarter of their time managing the merger process. He said further:

If I was a ratepayer, I would be thinking that these amalgamations have been forced on them by state government. It's only reasonable that the state government bear the costs ...

Residents around New South Wales support the bill. The Greens support it, but we will be seeking an instruction to the Committee of the Whole to allow a second set of amendments. We should do it now. I commend the bill to the House.

The Hon. GREG PEARCE (11:34): I doubt anyone in this Chamber would be surprised to hear that I support the proposition that councils should be sustainable and run efficiently. These mergers are the culmination of four years of consultation. They present an opportunity to improve governance in this State, and to improve outcomes and services for members of the community. Indeed, significant improvements have occurred in a number of the mergers that have taken place already. Before these mergers, New South Wales had 152 councils—the highest number of any State in this country—and 60 per cent of those councils had been found unfit to deliver the services and infrastructure their communities need. The bottom line is that 60 per cent of councils were unfit. A series of reviews, most notably the Independent Local Government Review, have shown that many councils are not functioning well and are becoming increasingly unsustainable. Specifically, services and infrastructure delivery are suffering as councils fail to improve and to operate within their means. The Independent Local Review Panel concluded:

New South Wales simply cannot sustain 152 councils ... Taxpayers should not be expected to increase grant funding indefinitely to support councils that are unnecessarily small, lack capacity and build unnecessary costs into the system.

The panel found that many councils were not effectively using the planning tools provided through the integrated planning and reporting framework to responsibly manage their finances, consult on appropriate pricing paths with their communities, and review their services regularly. The panel further found:

The financial sustainability of many councils—and their capacity to deliver the services communities need—has declined, and a significant number a new crisis point.

In addition, Treasury Corporation's analysis of local government in 2013 found that approximately one-third of councils were in a weak to very weak financial position and that more than half were consistently spending more than they earned, recording increasing deficits. The 2013 Infrastructure Audit also found that the majority of councils were currently underspending on maintenance of community assets and that many were facing increasing infrastructure backlogs, some in excess of \$100 million. The Infrastructure Audit also found the councils often lacked the capabilities they needed to design, construct and adequately maintain community assets, and to manage effectively critical infrastructure that crossed council boundaries such as important freight routes or water supply systems.

In 2014-15, across New South Wales rates increased by an average of 8.43 per cent and councils applied to the Independent Pricing and Regulatory Tribunal of New South Wales [IPART] for a special rate variation. That is well above the consumer price index and makes it clear that continuing to blame the rate pegging system for council woes is simply inaccurate. Neither is it reasonable or realistic to expect that government will provide ever-increasing levels of grant funding to councils that fail to undertake long-term financial planning effectively. This week's sensational budget was founded in large part because since being elected in 2011 this Government has taken the hard decisions. And fundamental to our good financial management was to reverse the trend under Labor that expenses grew faster than revenue. That was simply unsustainable—the same picture applies to many of these councils. Councils have shown that they do not have the will or the ability to rein in their own expenses growth and to deliver their responsibilities. For that reason it was absolutely necessary for the Government to take the steps that it has.

What continues to get lost in this argument is that local government is a creature of State Government. Local government does not have a charter to exist founded in the Constitution, in common law or in anything else; it is a creature of this Parliament and of government. That being the case, the Government has an obligation to ensure that councils are run efficiently, are sustainable and are delivering the services they are obliged to provide. That point is lost continuously. Councils are a creature of this Parliament, and this Parliament and the Government have an obligation to ensure that councils are run efficiently and sustainably, and that they provide services and infrastructure.

Each of the Government's merger proposals demonstrated significant benefits to local communities, and new councils have been getting on with the business of delivering those benefits to local communities. One great example of that is Cumberland Council, which has turned around its operating deficits. Prior to the mergers, councils were assessed independently by the Independent Pricing and Regulatory Tribunal [IPART] against financial benchmarks, including sustainability, infrastructure management and efficiency. Many of the councils that have merged have failed to demonstrate that they are financially sustainable. Ultimately, those councils would not be able to deliver the services and infrastructure that local communities need and deserve.

As an example, Bankstown City Council reported operating deficits before capital for the four years prior to the merger with Canterbury City Council. I grew up in the Bankstown area and I had great pleasure in visiting what is now Paul Keating Park and all of the other monuments for the Labor Party in Bankstown. It is not a surprise, given that sort of background, that the council has been so inefficient for such a long time. The creation of the new Canterbury-Bankstown Council is protecting ratepayers from increases in rates and it is doing what

I just spoke about: it is ensuring that this Parliament and the Government take their responsibilities for local government seriously and ensure that councils simply cannot limp along with deficits.

Since the first 19 new councils were created on 12 May 2016, they have achieved major savings and service improvements that will deliver lasting positive impacts for residents and ratepayers. I will give a few examples of the achievements of new councils over the past year. The new Canterbury-Bankstown Council anticipates savings of more than \$90 million over the next 10 years by streamlining contracts and using its increased scale to obtain better purchasing agreements. Armidale Regional Council has purchased property to provide a new modern home for the War Memorial Library. The current library space was deemed unsuitable 15 years ago and the former council failed to take action for more than a decade. As part of its reform in local government, the Government has provided packages to councils to assist with the provision of infrastructure.

Northern Beaches Council is investing \$32.6 million in projects to connect the community, including 36 kilometres of coastal walkways and cycleways. MidCoast Council has used savings generated by the merger to improve its roads and bridges infrastructure through additional reseals, which will have a long-term positive effect on roads in the area. Improving the quality of roads and bridges in the MidCoast Council local government area was identified as a priority by residents. Queanbeyan-Palerang Regional Council has installed more than 400 solar panels on council buildings, and that includes water treatment plants, which are estimated to save the council and ratepayers \$30,000 per year in electricity costs. What a great outcome.

Snowy Monaro Regional Council has announced the launch of an economic development campaign with the Bombala Chamber of Commerce to attract more tourists to the area and improve the local economy. What a great proposal the Prime Minister has put forward to effectively double the Snowy Hydro scheme and achieve outstanding outcomes in relation to renewables and the future electricity supply for the eastern part of Australia into the future. I applaud the Prime Minister's initiative. Central Coast Council has delivered a range of benefits since the merger occurred, including aligning customer service processes, delivering savings of \$750,000 a year by consolidating supplier contracts, delivering \$700,000 of savings in insurance costs, and saving approximately \$240,000 for ratepayers by removing merchant fees at the Wyong office.

They are just a few examples of the much better and more efficient financial management delivery of services and infrastructure by those councils. One of the things that concerns me in this debate is that just as many people have lost sight of the fact that local government is a creature of the State Parliament and there is a very high degree of self-interest being shown by those who are using the process to promote their own political ends, particularly in light of the forthcoming election. It is disgraceful that councils have been so profligate at using taxpayers' money to mount challenges that are simply contrary to the interests of their own ratepayers.

The Hon. Shaoquett Moselmane: It's within their rights.

The Hon. GREG PEARCE: It is not within their rights, with respect. Those councils are obliged to manage the funds of their ratepayers appropriately and in accordance with their charter, which is the Local Government Act.

The Hon. Peter Primrose: So you would oppose administrators running councils?

The Hon. GREG PEARCE: That is the only step one can take. When councillors are breaching their obligations and not performing their duties, of course an administrator has to be put in. I was very impressed to hear the Hon. Dr Peter Phelps, as usual, making a very good contribution when he spoke about some councils being small, weak and feckless. I never would have been able to use such language. It is a great pleasure to be in this Chamber and hear the Hon. Dr Peter Phelps use such interesting language.

The Hon. Robert Borsak made his usual good contribution. I agree with him that not all councils are broke. He used the example of the City of Sydney Council—the Moore playground. It was interesting to see Clover Moore's intervention over the budget. I know she has been unwell, but I do not know what she was on. She was obviously deluded when she suggested there was no infrastructure spending in the budget, when the budget includes \$73 billion of infrastructure spending over the next four years. I normally would not do this, but I recommend that members read the article in the *Daily Telegraph* today. How about that? Me relying on the *Daily Telegraph*, which goes into some detail—

The Hon. Ben Franklin: It's not a Clennell?

The Hon. GREG PEARCE: No, it is not a Clennell—I am sure he would have loved to have written it. But the article goes into some detail about the extraordinary expenditure that we are making in Sydney in delivering infrastructure. Under the current Prime Minister and the previous Prime Minister, the Federal Government has shown a willingness that did not exist in the past to get its hands dirty and to contribute funding for infrastructure around the country rather than just leaving it to the State governments. The Federal Government

is planning to spend a similar figure, I think, about \$73 billion, but not over four years, over 10 years. That puts into perspective the incredible effort that we have made to provide infrastructure in this State.

The Hon. Robert Brown: It's a free plug.

The Hon. GREG PEARCE: Yes. Let us come to the crux of this bill. The Local Government Act already permits communities to be polled. Let us not muck around here: it already exists. Section 14 of the Act already enables councils to take a poll of electors to inform the council on any matter. The bill will duplicate unnecessarily what is already a process that is available to councils.

The Hon. Duncan Gay: It would force it.

The Hon. GREG PEARCE: I acknowledge that interjection. Yes, it would force councils to waste more ratepayers' money by being forced to conduct polls. I have known since I was a young kid that once you crack the egg you cannot unscramble it. The proposition that some of the merged councils could be unscrambled without uncertainty and wasting time is a proposition that no-one could put forward seriously. Another issue created by the bill is that the Electoral Commission is unlikely to have the capacity to run plebiscites and referendums very close to the September 2017 local government elections. It is one thing to put forward a good fanciful political story, but realistically it will not happen.

Residents of merged councils have been subject to delayed elections and irregular voting cycles already. Requiring residents to go to the polls again will create unnecessary confusion. Residents will not thank the Government if they are forced to go to the polls. The amalgamation process included four years of consultation. There have been expert reports. Some councils are efficient but some are small and bureaucratic, and have poor governance and administration, which leads to poor service delivery, and poor maintenance and delivery of necessary infrastructure. I know that my friends putting forward this bill do so with the best motives, but it is not a good proposal. It does not achieve the outcomes that members are responsible to deliver through efficient and effective local government. For those reasons I am opposed to the bill.

The DEPUTY PRESIDENT (Dr Mehreen Faruqi): Order! I remind members that interacting with the gallery is disorderly at all times. Visitors are always most welcome in the House of the people, but they must remain silent.

The Hon. BEN FRANKLIN (11:52): It pains and saddens me to speak against my good friend and colleague the Hon. Robert Borsak, but alas, with a heavy heart, on this occasion I will have to do so. I speak against the Local Government Amendment (Amalgamation Referendums) Bill 2017, a bill that aims to prevent newly formed councils from carrying on with the job of delivering services to their communities and creating unnecessary confusion for residents in these communities. I sat on the upper House inquiry into local government with Mr David Shoebridge and looked at a range of issues. It is true to say that they have been debated and thrashed out for many years.

This process started in 2011 with the historic Destination 2036 summit in Dubbo. It has been a long process with genuine community and sector consultation that was initiated by former Minister Don Page, to whom I pay tribute. In comparison to the Labor Party's 2004 process of announcing amalgamations via a fax without prior warning or consultation, this Government was genuine and put the matter out for discussion. Four years of research and consultation have been conducted into councils in New South Wales, which found that two-thirds of councils were not fit to deliver the services their communities required. This is not an acceptable standard of governance. Communities need and deserve representatives who can and do deliver the services that are necessary for their community.

That is why the Government took the necessary action to ensure that councils in New South Wales are in a sustainable position to deliver services for the people of their communities. In my area both Ballina and Byron councils were found fit for the future under the Independent Pricing and Regulatory Tribunal model. They are working strongly for their communities. Byron Shire Council has developed a master plan with community consultation. I think there are a lot of positive elements to the council. I am working closely across the political divide with the mayor and we are achieving great outcomes for the community. The 20 newly established councils are carrying on with the job. I acknowledge that residents within the newly merged councils have been affected by delayed elections and irregular voting cycles.

The DEPUTY PRESIDENT (Dr Mehreen Faruqi): Order! There is too much audible conversation in the Chamber. Members who wish to have private conversations should do outside.

The Hon. BEN FRANKLIN: However, requiring residents in those local government areas to return to the polls, as this bill suggests, will do nothing but create unnecessary confusion. Now is the time for councils to carry on with job of delivering better services for their community. I now turn to the benefits for northern New

South Wales, which is the area I represent as Parliamentary Secretary. In the past 12 months councils have made significant achievements. Nineteen of the 20 councils have been in place for a full year and have made significant progress in that time. The new Armidale Regional Council is located within northern New South Wales and was formed following the merge of the Armidale Dumaresq and Guyra Shire councils. I acknowledge the contribution to this debate by Mr Scot MacDonald.

Fifteen years ago the Armidale War Memorial Library, located in the then Armidale Dumaresq shire was deemed unsuitable. For more than a decade the former council had failed to take any action to improve or repair this critical community site. It was a community hub, as all libraries should be. Public libraries are a critical part of every community. Following the merger the new Armidale Regional Council has purchased property to provide a new home for the library. The new library is located at 2/182 Rusden Street, Armidale, and was officially opened on 1 May 2017. Administrator Dr Ian Tiley has committed to progressing the new library, and we have seen him uphold this commitment. It is a great outcome.

The new property provides a larger space for the library. It is also ideally located to allow for greater parking availability and easy access to buses. Libraries are social, cultural and educational hubs for all communities. They provide a space where every member of the community has the opportunity to learn, imagine, create and develop. They also provide a space for every person to be able to engage in learning. It is great to see the benefits of this new space being enjoyed by the Armidale and the Guyra communities. It would not have been achieved without the revitalisation of the council. This is just one example of enhanced services and new infrastructure that these newly formed councils are providing.

Examples of this can be seen right across this great State, with new councils getting on with the job of enhancing their local communities. Each of the Government's merger proposals demonstrated significant benefits to local communities. Since the mergers new councils have been getting on with the business of delivering benefits to local communities. Prior to the mergers, councils were assessed independently by the Independent Pricing and Regulatory Tribunal [IPART] against financial benchmarks. These included sustainability, infrastructure management and efficiency. Many of the councils that merged failed to demonstrate that they were financially sustainable as a standalone council. This is a concern for our communities, especially our regional communities. Guyra Shire Council was an example of such unsustainability.

The council had been operating at a deficit before capital for the five years leading up to the merger with Armidale Dumaresq. Guyra's Fit for the Future proposal to stand alone projected that it would only meet operational performance benchmarks with a permanent 27.5 per cent increase in rates. It is unrealistic for councils to operate in such a way. Further, there can be little benefit to the communities they represent if they are not operating in a sustainable manner. I am pleased that this council is now progressing and attaining a financially sustainable position, which not only benefits the former Guyra Local Government Area but also the former Armidale Dumaresq Local Government Area.

As a member of the Legislative Council I am proud to represent the people of New South Wales. As Parliamentary Secretary for Northern New South Wales I am especially proud to represent the people from Narrabri and Moree to Byron Bay and Ballina. As all members of this House know, representing our communities means listening to members of those communities, so let us hear what some of the people from the new Armidale Regional Council have to say. Maria Hitchcock is the chairwoman of the Armidale Ratepayers Association. She has expressed her support for the merger of Armidale Dumaresq and Guyra councils and suggests that this Government press ahead with amalgamations. Earlier this year Ms Hitchcock said:

We have an excellent administrator who has gone around, he's bent over backwards to listen to people in the rural areas, and many of those small communities have benefited from the stronger regional funds.

Why undo the great work that is happening in these new councils? The former mayor of Guyra, Mr Hans Hietbrink, also supports the merger and has gone so far as to speak out against the plebiscite that this bill is calling for. He said that a plebiscite would unfairly represent the community's desires and needs. This morning I was reflecting on the contribution made by Mr Scot MacDonald when he asked what would happen if we tore off the scab and once again started an incredibly traumatic and divisive process in those communities. They have gone through a difficult and challenging time, but they now have a certain outcome. To go through this process will open another can of worms which will bring difficult tensions to the surface. That will not be a good outcome for those communities.

Many people do not want to face change. However, without change there can be no room for improvement. It is understandable that over the past year the many communities throughout the State such as Guyra and Armidale that have gone through the merger process have experienced a level of anxiety with the change. Every member in this place is aware of it and has a genuine concern. Adjusting to change can be challenging in any sphere but when the change is faced, rewards can be reaped. This can be seen by the progress

and benefits that merged councils have gained, like those I outlined for the Armidale Regional Council. This bill only prevents new councils from carrying on with great work for their communities; it aims to create confusion in those communities, which should not be supported. I respectfully submit to the House that the work of councils should continue and the bill should not be supported.

The Hon. NATASHA MACLAREN-JONES (12:02): I speak in debate on the Local Government Amendment (Amalgamation Referendums) Bill 2017. In 2016 the Government created 20 new councils, which was a historic reform of local government in this State. The Government took action to ensure that councils can continue to deliver and improve the services and infrastructure that communities need now and for future generations. Since the 1970s only five council mergers have occurred. New South Wales had 152 councils, which is almost double that of Queensland and Victoria. The process for reviewing and examining each merger proposal was followed according to the requirements of the Local Government Act 1993. Prior to the merger process commencing, the Independent Pricing and Regulatory Tribunal [IPART] was responsible for assessing councils against a series of financial benchmarks including sustainability, infrastructure management and efficiency. Sixty per cent of the 152 councils were deemed by IPART to be "not fit" or unable to deliver services and infrastructure for their communities to the operational performance benchmarks in the future.

Those assessments by IPART, as well as a series of reviews, including one by the Independent Local Government Review Panel, led by Professor Graham Sansom revealed that many councils were not functioning well and were becoming increasingly unsustainable. The Independent Local Government Review Panel and the IPART assessments specifically singled out services and infrastructure delivery as being at risk if councils failed to work within their means. Furthermore, some councils were deemed to require a massive increase in rates in order to remain fit for operation in the future. In one example, a council was identified as needing to increase its rates by 34.7 per cent over five years to remain viable.

In 2016 the New South Wales Government responded to the findings of IPART and began the process of council mergers and amalgamations in order to help councils achieve greater capacity to deliver service and infrastructure to their communities. This process included extensive community consultation. Residents and ratepayers had an opportunity to provide input and more than 45,000 people took up that opportunity. Running referendums would have been a costly step that would have duplicated the feedback received during the review process. Each merger proposal was the result of careful consideration of the evidence, including consultation with every council in New South Wales, independent assessments, merger preferences submitted by councils, and feedback from communities and stakeholders.

Under the Act, the Minister for Local Government is required to refer proposals to the Boundaries Commission or to the chief executive of the Office of Local Government for examination and report. The chief executive has the power to delegate this function. The chief executive appointed qualified, experienced delegates to examine and report on the proposals. As required in the Act, each delegate held inquiries at which members of the public could express their views about the proposals. Each delegate also made a call for written submissions from residents and ratepayers. Reasonable public notice of the dates and times for public inquiries and submissions was provided by the delegates.

The delegate process was successful with thousands of New South Wales residents taking the opportunity to express their views. Approximately 116 public inquiries were held across the State; 15,000 people attended the public inquiries; 45,244 written submissions were received by delegates; and more than 3,000 verbal submissions were made at the inquiries. Those submissions and the opinions expressed were carefully considered by each delegate when reviewing the proposals and when making recommendations to the Minister. Recommendations made by each delegate were then considered closely by the Minister when determining whether to recommend to the Governor of New South Wales that a merger should proceed. The delegate reports carefully considered the proposed benefits of each merger in the context of community feedback and submissions. The 20 new councils are now getting on with the job of delivering those benefits to their communities.

To date, councils have realised more than \$45 million in savings for ratepayers. They are reinvesting those savings in better services and infrastructure for all residents. With the support of the Government's Stronger Communities Fund, new councils are delivering more than \$20 million worth of support to local groups and communities. New councils will also invest more than \$200 million for local infrastructure projects that will deliver long-term economic and social benefits. Every month, residents and ratepayers are seeing new services being provided by the 20 new councils. For example, the Edward River Council delivered a new customer service centre and dedicated council chambers in Deniliquin. It is also providing a one-stop shop so people can find out more information about the services provided by the council. The Cumberland Council began trialling a free household asbestos program, providing visual inspections to help local residents identify asbestos in their homes.

The Federation Council has allocated \$50,000 for the Corowa Rutherglen Football Netball Club to construct a new netball court at the John Ford Oval, and a further \$50,000 for the Rand Sports Ground Committee

and Rand Town Improvement Committee to develop the new Rand Community Playground. Another great example is Canterbury-Bankstown Council, which has reduced its operating budget by \$3 million and has identified further savings of up to \$6 million. This has been achieved through streamlining numerous major back office contracts, particularly in information technology and administrative roles, also reviewing duplicated and underutilised vehicle fleets and general equipment, and aligning waste contracts and improving efficiencies in dump waste disposal.

Canterbury-Bankstown Council anticipates a further \$90 million in long-term projects which will allow for savings over the next 10 years to progress to a transitional plan and deliver more services. Council will then reinvest those savings in enhancing services and addressing any infrastructure backlog. It will also provide funding for the local Police Youth Club, in partnership with the regional neighbourhood centres. That will help to support the Youthspace concept that gives young people greater access to non-traditional sports and recreational activities. The council has also introduced a Pathways to Employment program, which aims to increase employment opportunities for local multicultural communities through training and volunteering. The council also has the Women's Initiative Network Project that will provide training, capacity building, safety, health and mentoring to address issues impacting women in the community. Its Ignition and Beyond initiative will support new and existing sole traders to identify opportunities to establish their micro business and focus on providing local mental health and disability support services.

Another success story is MidCoast Council, which is constructing concrete bridges as part of a dedicated program reviewing and replacing wooden bridges to improve the safety and durability of those structures across the new council area. One new concrete bridge is Abdo's Bridge in Killabakh on Comboyne Road. Crews have begun work on removing the ageing timber bridge on Gallaghers Road in the Tipperary area. Other bridges earmarked for upgrade or replacement as part of the renewal project include Brays Lane Bridge and Geale's Bridge. The project will ultimately reduce ongoing maintenance costs and provide safer creek crossings.

The purpose of this bill is to seek the views of residents and ratepayers regarding each merger through a referendum. But new councils collect these views every day. The mergers have given the 20 councils a stronger capacity to collect, understand and represent the views of residents across a larger area. Innovative methods of connecting with residents and ratepayers are being implemented by new councils. For example, in Parramatta and Queanbeyan webcasting is being introduced so everybody has an opportunity to know what is going on and to participate in the process of democracy. I oppose the bill.

The Hon. ROBERT BORSAK (12:12): In reply: I thank all members who contributed to the debate: the Hon. Scott Farlow, the Hon. Peter Primrose, Mr Scot MacDonald, the Hon. Lynda Voltz, the Hon. Bronnie Taylor, the Hon. Lou Amato, the Hon. David Clarke, the Hon. Trevor Khan, the Hon. Dr Peter Phelps, the Hon. Shayne Mallard, the Hon. Richard Colless, the Hon. Paul Green, Mr David Shoebridge, the Hon. Greg Pearce, the Hon. Ben Franklin and the Hon. Natasha Maclaren-Jones. I will make a brief observation. This bill was not cobbled together by a group of political opportunist as the Hon. Duncan Gay and some others in this Chamber suggested.

As I noted in my second reading speech, the bill is the culmination of collegiate and resolute cooperation between our party, the Labor Party, the Christian Democratic Party, The Greens and the Animal Justice Party. In other words, every party except The Nationals and their Coalition partners, the Liberal Party. It may pain the Hon. Duncan Gay and his colleagues, but we on this side stand shoulder to shoulder with all the local government communities in New South Wales. One would have thought The Nationals, in particular, would have learnt something from the Orange by-election. It is obvious that they have learnt absolutely nothing and will always remain in the shadows of their stronger coalition partner, the Liberals.

As I also said in my second reading speech, this bill allows the Government and the Minister a lot of latitude in respect of councils that were forcibly amalgamated in 2016. I was hoping that Government members in this Chamber and in the Legislative Assembly would have given this bill due consideration and found the courage to support it, or that, at the very least, members of The Nationals would have sided with us in what they know is the right thing. I am sure many of them would like to support us. It is not too late. We on this side of the House are still extending the hand of fellowship on this issue. We are offering a way out for the Government so it can right a wrong and lay this issue to rest once and for all. I commend the bill to the House.

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

The House divided.

Ayes21
Noes 18

Majority.....3

AYES

Borsak, Mr R	Brown, Mr R	Buckingham, Mr J
Donnelly, Mr G (teller)	Faruqi, Dr M	Field, Mr J
Graham, Mr J	Green, Mr P	Mookhey, Mr D
Moselmane, Mr S (teller)	Nile, Reverend F	Pearson, Mr M
Primrose, Mr P	Searle, Mr A	Secord, Mr W
Sharpe, Ms P	Shoebridge, Mr D	Veitch, Mr M
Voltz, Ms L	Walker, Ms D	Wong, Mr E

NOES

Amato, Mr L	Blair, Mr N	Clarke, Mr D
Colless, Mr R	Cusack, Ms C	Farlow, Mr S
Franklin, Mr B (teller)	Gay, Mr D	Harwin, Mr D
Khan, Mr T	MacDonald, Mr S	Maclaren-Jones, Ms N (teller)
Mallard, Mr S	Martin, Mr T	Mitchell, Ms S
Pearce, Mr G	Phelps, Dr P	Taylor, Ms B

PAIRS

Houssos, Ms C

Mason-Cox, Mr M

Motion agreed to.

[Interruption from the gallery]

The PRESIDENT: I advise members of the public gallery that they are not to applaud.

Instruction to Committee of the Whole

Mr DAVID SHOEBRIDGE (12:22): I move, according to sessional order:

That it be an instruction to the Committee of the Whole that they have power to consider amendments relating to the de-amalgamation of councils.

The PRESIDENT: The question is that the motion be agreed to.

The House divided.

Ayes21
 Noes 18
 Majority.....3

AYES

Borsak, Mr R	Brown, Mr R	Buckingham, Mr J
Donnelly, Mr G (teller)	Faruqi, Dr M	Field, Mr J
Graham, Mr J	Green, Mr P	Mookhey, Mr D
Moselmane, Mr S (teller)	Nile, Reverend F	Pearson, Mr M
Primrose, Mr P	Searle, Mr A	Secord, Mr W
Sharpe, Ms P	Shoebridge, Mr D	Veitch, Mr M
Voltz, Ms L	Walker, Ms D	Wong, Mr E

NOES

Amato, Mr L	Blair, Mr N	Clarke, Mr D
Colless, Mr R	Cusack, Ms C	Farlow, Mr S
Franklin, Mr B (teller)	Gay, Mr D	Harwin, Mr D

NOES

Khan, Mr T

MacDonald, Mr S

Maclaren-Jones, Ms N
(teller)

Mallard, Mr S

Martin, Mr T

Mitchell, Ms S

Pearce, Mr G

Phelps, Dr P

Taylor, Ms B

PAIRS

Houssos, Ms C

Mason-Cox, Mr M

Motion agreed to.**In Committee**

The CHAIR (The Hon. Trevor Khan): There being no objection, the Committee will deal with the bill as a whole.

Mr DAVID SHOEBRIDGE (12:32): I move The Greens amendment No. 1 on sheet C2017-052B:

No. 1 **Referendum required before any new amalgamation**

Page 3, Schedule 1. Insert after line 1:

[1] **Chapter 9 How are councils established?**

Omit Division 2B of Part 1. Insert instead:

Division 2B Procedure (including referendum) required before areas amalgamated

Note. This Division sets out the procedure required to be followed before one or more areas can be amalgamated.

218D Exercise of functions under sec 218A

One or more areas may be amalgamated under section 218A only if a proposal for the amalgamation is dealt with under this Division.

218E Proposal may be initiated by Minister, council or electors

- (1) An amalgamation proposal may be made by the Minister or it may be made to the Minister by a council affected by the proposal or by an appropriate minimum number of electors.
- (2) An *appropriate minimum number of electors* is:
 - (a) if a proposal applies to the whole of one or more areas, 250 of the enrolled electors for each area or 10 per cent of them, whichever is the greater, or
 - (b) if a proposal applies to part only of one or more areas, 250 of the enrolled electors for that part or 10 per cent of them, whichever is the lesser.

218F Referral of proposal for examination and report

- (1) On making or receiving an amalgamation proposal, the Minister must refer it for examination and report to the Boundaries Commission or to the Departmental Chief Executive.
- (2) Sections 263, 264 and 265 apply to the examination of an amalgamation proposal by the Departmental Chief Executive in the same way as they apply to the examination of a proposal by the Boundaries Commission.
- (3) If an amalgamation proposal has been referred to the Departmental Chief Executive under this section:
 - (a) the Departmental Chief Executive must furnish the Departmental Chief Executive's report to the Boundaries Commission for review and comment, and
 - (b) the Boundaries Commission must review the report and send its comments to the Minister.

218G Minister may recommend amalgamation to Governor

- (1) The Minister may recommend to the Governor that the amalgamation proposal be implemented:

- (a) with such modifications as arise out of:
 - (i) the Boundaries Commission's report, or
 - (ii) the Departmental Chief Executive's report (and, if applicable, the Boundaries Commission's comments on that report), and
- (b) with such other modifications as the Minister determines, but may not do so if of the opinion that the modifications constitute a new proposal.

- (2) The Minister may decline to recommend to the Governor that the proposal be implemented.

218H Minister may not recommend amalgamation unless approved by referendum

- (1) The Minister may not recommend to the Governor that an amalgamation proposal be implemented unless:
 - (a) the Minister initiates a referendum to give effect to the amalgamation and any associated boundary alteration on specified terms (an *amalgamation referendum*), and
 - (b) the amalgamation referendum has approved the amalgamation in those terms.
- (2) Nothing in this section affects the operation of Schedule 10.

218I Conduct of amalgamation referendum

- (1) Part 1 and Part 6 (except Divisions 3 and 5) of Chapter 10 apply to an amalgamation referendum, with such modifications as may be necessary, in the same way as they apply to an election.

Note. Part 1 of Chapter 10 identifies the people who are entitled to vote in council elections, and Part 6 governs the conduct of those elections.

Division 3 of Part 6 of that Chapter deals with nominations for election, Division 4 with failure to vote and Division 5 with miscellaneous matters such as irregularities of form or procedure in elections, overdue elections and those declared void.

- (2) The persons entitled to vote at such a referendum are the persons entitled to vote in an election of councillors for an area affected by the amalgamation proposal or any associated boundary alteration proposal.
- (3) An amalgamation referendum may be taken on any Saturday, including the Saturday of an ordinary election.
- (4) The question at an amalgamation referendum is carried if it is supported by a majority of the votes cast.
- (5) The reference to votes in subsection (4) does not include a reference to any vote that, pursuant to the regulations, is found to be informal.
- (6) The decision made at an amalgamation referendum binds the Minister until changed or affected by a subsequent inconsistent decision by a subsequent amalgamation referendum.
- (7) Expenses incurred by the general managers of the councils concerned, or by the Electoral Commissioner (including the remuneration of election officials) in connection with an amalgamation referendum are to be met by the councils concerned, in proportion to the number of electors in each council's area, and are recoverable from the councils in such proportions as a debt owed to the Electoral Commissioner.

Division 2C Procedure before boundaries can be altered

Note. This Division sets out the procedure required to be followed before the boundaries of one or more areas can be altered. This Division reflects the procedure that applied to the alteration of boundaries before the commencement of the *Local Government Amendment (Amalgamation Referendums) Act 2017*.

218J Exercise of functions under sec 218B

The boundaries of one or more areas may be altered under section 218B only if a proposal for the alteration is dealt with under this Division.

218K Proposal may be initiated by Minister, council or electors

- (1) A proposal may be made by the Minister or it may be made to the Minister by a council affected by the proposal or by an appropriate minimum number of electors.

- (2) An appropriate minimum number of electors is:
 - (a) if a proposal applies to the whole of an area, 250 of the enrolled electors for each area or 10 per cent of them, whichever is the greater, or
 - (b) if a proposal applies to part only of an area, 250 of the enrolled electors for that part or 10 per cent of them, whichever is the lesser.

218L Referral of proposal for examination and report

- (1) On making or receiving a proposal, the Minister must refer it for examination and report to the Boundaries Commission or to the Departmental Chief Executive.
- (2) Sections 263, 264 and 265 apply to the examination of a proposal by the Departmental Chief Executive in the same way as they apply to the examination of a proposal by the Boundaries Commission.
- (3) If a proposal that is not supported by one or more of the councils affected by it has been referred to the Departmental Chief Executive under subsection (1):
 - (a) the Departmental Chief Executive must furnish the Departmental Chief Executive's report to the Boundaries Commission for review and comment, and
 - (b) the Boundaries Commission must review the report and send its comments to the Minister.
- (4) The Minister may recommend to the Governor that the proposal be implemented:
 - (a) with such modifications as arise out of:
 - (i) the Boundaries Commission's report, or
 - (ii) the Departmental Chief Executive's report (and, if applicable, the Boundaries Commission's comments on that report), and
 - (b) with such other modifications as the Minister determines, but may not do so if of the opinion that the modifications constitute a new proposal.
- (5) The Minister may decline to recommend to the Governor that the *proposal* be implemented.

[2] Section 354B Definitions

Omit "section 218E" from paragraph (c) of the definition of proposal in section 354B (1). Insert instead "section 218K"

[3] Section 354B (1), definition of "proposal period"

Omit "section 215 or 218E" from subparagraph (b) (i). Insert instead "section 215, 218G or 218L".

This amendment does a very simple thing: Before any council is merged, not just the ones that are outstanding or those that have happened in the past, but every council from now into the future, there must be a plebiscite. The Shooters, Fishers and Farmers Party bill is a good one, but it deals only with the councils that have already been forcibly merged or that are pending merger. This amendment will expand the beneficial provisions of the Shooters, Fishers and Farmers Party bill to all councils across New South Wales forever. There are two parts of the bill—the first part deals with the referendum before the areas are amalgamated; and the second part reiterates the current procedure about boundaries alterations. There is no substantive change to the ways that boundaries are dealt with—

The Hon. Niall Blair: Point of order—

Mr DAVID SHOEBRIDGE: We commend the amendment to the Committee.

The Hon. Niall Blair: The time has passed. I was finding it hard to hear the contribution of the member because of the amount of noise in the Chamber. That seems to have been resolved.

[*Business interrupted.*]

*Visitors***VISITORS**

The CHAIR (The Hon. Trevor Khan): I welcome to my gallery the Hon. Mano Ganeshan, Minister for National Co-existence, Dialogue and Official Languages of the Government of Sri Lanka, accompanied by officials from Sri Lanka and the Consulate-General of Sri Lanka in Sydney.

*Bills***LOCAL GOVERNMENT AMENDMENT (AMALGAMATION REFERENDUMS) BILL 2017****In Committee**

[*Business resumed.*]

The Hon. SCOTT FARLOW (12:34): The Government opposes this amendment. It will replace the current process for amalgamating areas and altering boundaries with a new process. Under the new process the Minister for Local Government must initiate a referendum to give effect to an amalgamation on specified terms. If the majority of electors vote in favour of the amalgamation on the terms specified, it is not clear whether the Minister is bound by that decision. A clause in the amendment provides that a decision binds the Minister; however, it does not explicitly override the Minister's choice of whether to recommend to the Governor that a merger proposal be implemented. This has the potential to cause legal uncertainty regarding the statutory amalgamation process. However, if the Minister wishes to then proceed with the amalgamation, the amalgamation can only take place on the terms approved by the electors at the referendum.

The situation is clearer if the majority of electors vote against the amalgamation—the Minister may not recommend to the Governor that an amalgamation be implemented. Unlike the original bill, the referendum process will apply not only to the merger proposals that are currently pending, but also to all future merger proposals. This Government does not support the principle underlying the amendment—that local government is a special area of State government policy requiring explicit voter endorsement before changes can be implemented. The local government sector is established and regulated under State government law. It is appropriate that the responsible Minister has the power to make changes to council areas as necessary to implement the Government's reform agenda. Areas of State government policy are not generally singled out for voter endorsement and there is no compelling reason for local government to be treated any differently.

There are other more prosaic issues with this amendment. It replicates the current provisions on referring a merger proposal for examination and report. The Boundaries Commission is still required by the Local Government Act to have regard to the attitude of the residents and ratepayers of the areas and one would expect public consultation to form part of that examination process. If an amalgamation referendum has already demonstrated public support for a merger proposal, people may not see the point of engaging in a consultation process. This has the potential to undermine the usefulness of the input received during consultation. The amendment is also vague on what constitutes a majority. In the bill, a majority is based on the former council areas. In the amendment, a majority is expressed as "a majority of the votes cast". It is not clear whether this means a majority of the votes cast in each of the affected council areas or a majority overall.

Finally, the amendment is not clear on who is responsible for organising a referendum and preparing the question. This leaves it open for councils to run referendums. This would be inappropriate given that councils are active participants in the process and will naturally have their own agendas and biases. It is also potentially unworkable as two or more councils will need to agree on the terms of the referendum and how they are conducted. Amendment No. 1 is therefore fundamentally flawed in principle and wholly unworkable in practice. It will not serve the residents of New South Wales, who simply want their council to provide quality services and infrastructure. The Government does not support this amendment.

The Hon. PETER PRIMROSE (12:39): The Opposition supports this amendment. I will be brief because I have raised these matters many times before and I have put on the record why we support such democratic provisions. There are two things I will say in response to the Parliamentary Secretary's statements. First, I do not know who wrote that speech for the Parliamentary Secretary, but whoever it was needs to understand the concept of subordinate legislation. It is a bit rich that a Government that constantly brings in legislation, which is appropriate, but then says that the legislation will be dealt with by way of regulation and that intricate details are dealt with by way of subordinate legislation then has the hide to say because every single thing is not laid out in intricate detail in this amendment therefore it should be voted against. It totally misconstrues the very purpose behind this amendment.

Secondly, this is the first speech in which the Government has come clean, and I commend the Parliamentary Secretary for having the courage to do so, by saying that the Government regards local government

as just another agency of the State government—that that is all it is: just another agency and it is not special or unique. I suggest one word to the Parliamentary Secretary and the Government: electorate. It is local government. This is not simply another agency where the Government can literally, as it has done with so many, take away staff, cut back, reduce, treat as simply another thing that the Government can dismiss by ministerial fiat. This is local government that is elected by local residents, by constituents. That is what makes it different. That is why there has been so much outrage and concern. It is not simply a small agency that answers to a Minister. This is something that people hold dear because it is theirs and because they vote for it. That is why we should support this amendment from The Greens.

Mr SCOT MacDONALD (12:42): Chair, to clarify, can we address anything in the amendments?

The CHAIR (The Hon. Trevor Khan): The member is entitled to address the amendment that is before the Committee, and that is the amendment on sheet C2017-052B.

Mr SCOT MacDONALD: I beg your pardon, I thought it was C2017-053.

Mr David Shoebridge: Stick with the program, Scot.

The CHAIR (The Hon. Trevor Khan): Order! Mr Scot MacDonald was entitled to ask a question and he has done it in an appropriate way. Is anyone else seeking the call?

The Hon. SCOTT FARLOW (12:43): I will address the points raised by the Hon. Peter Primrose with respect to local government. Today we are dealing with the Local Government Amendment (Amalgamation Referendums) Bill 2017. It is a piece of legislation that is before the State Parliament of New South Wales. Local government is enabled by the State Parliament. Nothing in my response with respect to this amendment sought to diminish the status of local government but rather to enforce that local government is part of the State Government—it is enabled by the State Government. Local government is not recognised under the Constitution, so the amendments moved by Mr David Shoebridge would give local government a special status compared with other parts of the New South Wales Government, while still respecting that local government is the third tier of government but subject to State Government legislation.

I also address the issue of subordinate legislation. Members of The Greens and the Opposition constantly bemoan in this place subordinate legislation contained in Government bills. But when it comes to bills that the crossbencher or the Opposition bring forward, subordinate legislation is fine—we do not have to dot the i's and cross the t's. One would think if members are proposing legislation and amendments they would want to bring certain guidance to the Government in implementing that legislation, particularly if they are from the Opposition or the crossbenches. I am surprised, but obviously it is something that the Hon. Peter Primrose is very happy with.

The Hon. Dr Peter Phelps: He obviously has a great deal of trust in this Government.

The Hon. SCOTT FARLOW: Indeed, it does show a great deal of trust in this Government. But one would think they would provide some clarification and some guidance as to how such things would be implemented. I raised concern about how this amendment was changing the purpose of this bill from being about the amalgamations that are currently on foot to binding governments for all time. Again, when it comes to subordinate legislation one would think that was something that required a little more control.

The Hon. SHAYNE MALLARD (12:46): I also oppose this amendment. We replaced the current process for amalgamating local government areas and altering boundaries with a new process. Under the new process the Minister for Local Government must initiate a referendum to give effect to an amalgamation on specific terms. As we have heard from the Parliamentary Secretary, those terms are confusing and they alone are sufficient reason to reject this amendment. If the majority of electors vote in favour of the amalgamation on the terms specified, it is not clear whether the Minister is bound by that decision. Members should be aware—and I raised this in my contribution to the second reading debate—that the Labor Party, and I recognise that these are not their amendments, does not come to this Chamber with clean hands with regard to the outcome of the Boundaries Commission and the decisions of the consultation process leading to an amalgamation.

The CHAIR (The Hon. Trevor Khan): I often say this to Mr David Shoebridge: I invite the member to speak to the amendment rather than essentially embark upon a second reading speech. I am just trying to be even-handed in the way that I approach Committee proceedings.

The Hon. SHAYNE MALLARD: I understand. It may have become more apparent where I was going with this—

The CHAIR (The Hon. Trevor Khan): It might, but at the moment it is not.

The Hon. SHAYNE MALLARD: I am not arguing with your ruling. What I am trying to suggest is that the lack of clarity around the obligation of the Minister in this amendment, and the Labor Party supporting

this amendment, has been demonstrated in the past not to result in certainty and an outcome for the community. Because it is poorly written, this amendment will just lead to potential manipulation by future administrations and, dare I say, Labor governments, as shown in the history of South Sydney, the City of Sydney and Leichhardt councils under the Labor Government.

A clause in the amendment provides that a decision binds a Minister. However, it does not explicitly override the Minister's choice of whether to recommend to the Governor that a merger proposal be implemented. That is the fundamental flaw in this amendment: The Minister is not bound by the referendum. So why have a referendum in the first place? Why not have community consultation and engagement to assess the community's attitude rather than a political process, which would be exploited by the incumbent councillors and political warlords, particularly those on the Opposition benches, to fight against sensible reforms to local government?

This has the potential to cause legal uncertainty and we know now from experience that the local government sector is not reluctant, unfortunately, to run to court—all the way to the High Court now—to waste ratepayers' money to take on legal challenges about the engagement of the State Government in the reform of local government. I acknowledge it is an elected body. I served proudly in local government for 12½ years. It is a service-delivery arm of government. When government has embarked on broader reforms across the State, local government cannot be the sea anchor that is dragging back the ship of state to check a greater future for the State.

The CHAIR (The Hon. Trevor Khan): Order! I point out that with a private member's bill time limits do not apply, but I remind members to remain relevant to the amendment.

The Hon. SHAYNE MALLARD: This bill has the potential to cause legal uncertainty. Regrettably, we have seen local governments waste ratepayers' money, energy and resources in the High Court in an effort to fight the State Government's intentions in relation to local government reform. The legal uncertainty embedded in The Greens amendment would lead to future court cases. I cannot accept an amendment that is not clear. If the Minister wishes to proceed with the amalgamation, the amalgamation can only take place on the terms approved by the electors. There is no ability to do otherwise in the referendum. I think that is a fundamental flaw in the amendment. I am cognisant with the Chair's recommendation to remain relevant to the amendment: I strongly oppose the amendment.

The Hon. ROBERT BORSAK (12:52): The Shooters, Fishers and Farmers Party supports the amendment.

The CHAIR (The Hon. Trevor Khan): Mr David Shoebridge has moved The Greens amendment No. 1 on sheet C2017-052B. The question is that the amendment be agreed to.

The Committee divided.

Ayes20
Noes 18
Majority.....2

AYES

Borsak, Mr R
Faruqi, Dr M
Green, Mr P
Nile, Reverend F
Searle, Mr A
Shoebridge, Mr D
(teller)
Walker, Ms D

Brown, Mr R
Field, Mr J (teller)
Mookhey, Mr D
Pearson, Mr M
Secord, Mr W
Veitch, Mr M
Wong, Mr E

Donnelly, Mr G
Graham, Mr J
Moselmane, Mr S
Primrose, Mr P
Sharpe, Ms P
Voltz, Ms L

NOES

Ajaka, Mr J
Clarke, Mr D
Farlow, Mr S
Harwin, Mr D

Amato, Mr L
Colless, Mr R
Franklin, Mr B (teller)
MacDonald, Mr S

Blair, Mr N
Cusack, Ms C
Gay, Mr D
Maclaren-Jones, Ms N
(teller)
Mitchell, Ms S
Taylor, Ms B

Mallard, Mr S
Pearce, Mr G

Martin, Mr T
Phelps, Dr P

PAIRS

Houssos, Ms C

Mason-Cox, Mr M

Amendment agreed to.**The Hon. PETER PRIMROSE (13:00):** I move Opposition amendment No. 1 on sheet C2017-039A:No. 1 **Timing of plebiscite**

Page 3, Schedule 1 (proposed Schedule 10, clause 1 (3)), line 13. Omit "3 months". Insert instead "1 month".

This amendment is purely a procedural one. The relevant section of the bill states, "the plebiscite is to be conducted within 3 months of this Schedule". Given the likely time at which this matter will be debated, if it is passed by the Legislative Assembly, it seems reasonable to delete "3 months" and insert "1 month".

Mr DAVID SHOEBRIDGE (13:01): The Greens support the amendment for the reason given by the Opposition.

The Hon. SCOTT FARLOW (13:01): I welcome the opportunity to speak on the Opposition's proposed amendment to the Local Government Amendment (Amalgamation Referendums) Bill 2017. The bill introduced by the Hon. Robert Borsak, MLC, requires plebiscites to be held in the 20 newly merged councils. These plebiscites would ascertain whether the electors wish the merger to be reversed. Members may recall that the bill requires these plebiscites to be held in the 20 merged councils within three months of commencement of the amending Act. This time frame is too short and causes major resourcing issues for the Electoral Commission. This change makes a difficult time frame even more unworkable. It may seem like an insignificant amendment, but it comes with many complications.

Requiring plebiscites to be held within two months of commencement of the bill would come very close to the September local government elections. This would result in a significant increase in work for the Electoral Commission and there is a serious question whether the plebiscites as well as the ordinary election could actually be delivered. The Electoral Commission would need to plan a plebiscite for each new council in addition to running the general council elections. Two months is simply not enough time for the Electoral Commission to prepare for this additional work. The Electoral Commission is running 45 council elections on 9 September 2017. This includes elections for the 20 merged councils, as well as elections for all other councils that had their elections postponed, including councils subject to pending merger proposals and regional councils where mergers are no longer proceeding.

Conducting these elections involves a significant amount of work for the Electoral Commission, which is responsible for all matters relating to these elections, including: registering political parties; regulating and administering the election funding, expenditure and disclosure scheme, and registering electoral participants for the purposes of that scheme; registering and regulating third party lobbyists; enforcing funding and disclosure, electoral and lobbyist offences; enrolling electors; administering the electoral roll; advertising elections; and conducting elections, including organising administrative matters such as the booking of election venues, returning officers and ensuring the election runs smoothly on the day. That is just a snapshot of all the work that goes into running these upcoming elections. Let us not forget that the Electoral Commission recently undertook all this work to run the September 2016 council elections for 76 councils.

Let us take a moment to think about the significant work involved in running a plebiscite. First, the plebiscite question must be carefully crafted to ensure that voters fully understand the matter they are being asked to decide. This is a time-consuming exercise. All 20 merged councils should be consulted on the plebiscite question. Depending on whether this takes place before or after the council elections, these councils could be either under administration, or run by councillors who have just commenced office. When they commence office, new councillors should take the time to focus on how best to run the council in the interests of the community. Consulting on a plebiscite question regarding a potential de-merger is likely to detract from this important focus.

A significant public information campaign would have to take place to inform the community of the requirement to vote, what they will be voting on and what will happen following a majority decision. All this could take place while candidates running in the council elections are busy campaigning. This is likely to be confusing for the public, who will be bombarded with information about two separate votes relating to local government that are occurring in quick succession. There is also the question of what would happen to newly elected councillors in the event that a majority of residents in a former council area favoured de-merging.

The CHAIR (The Hon. Trevor Khan): Order!

The Hon. SCOTT FARLOW: This would mean that councillors who are running for election in merged councils potentially would be in office for only a few months. This equates to a lot of wasted time, effort and money in campaigning that candidates could have to undertake twice. This would, of course, also create more work for the Electoral Commission, which would cost the taxpayers of New South Wales even more money. Not only would ratepayers be drowning in information about elections and plebiscites and possibly also referenda and polls, they would also be burdened with the expense of running this duplicative, unnecessary plebiscite and, possibly, another election in the near future. That is not fair on ratepayers and it is not fair on candidates. The unaddressed logistical considerations I have mentioned demonstrate that this amendment has not been thought out. The time frame proposed in the amendment by the Opposition is simply unworkable. The Government does not support the amendment proposed by the Opposition, and the Government does not support the bill.

The Hon. PETER PRIMROSE (13:06): Briefly in response to the Parliamentary Secretary, I have more faith than he does in the skills and abilities of the Electoral Commission. Yes, democracy is difficult. While the Government may wish to take it away, we wish to allow local communities not only to have it but also to use it.

The Hon. ROBERT BORSAK (13:06): The Shooters, Fishers and Farmers Party supports the Labor amendment.

The CHAIR (The Hon. Trevor Khan): The Hon. Peter Primrose has moved Opposition amendment No. 1 on sheet C2017-039A. The question is that the amendment be agreed to.

Amendment agreed to.

Mr DAVID SHOEBRIDGE (13:07): By leave: I move The Greens amendments Nos 1 to 3 on sheet C2017-053 in globo.

No. 1 **De-amalgamation procedure to apply only where electors vote for de-amalgamation**

Page 3, Schedule 1, lines 17–25. Omit all words on those lines. Insert instead:

- (5) If the majority of the electors of an amalgamated area express the wish that the area be de-amalgamated, Schedule 11 has effect, to the extent only that it applies to that amalgamated area and the relevant former areas. For that purpose, the Schedule is taken to have commenced on the day after the Electoral Commissioner declares the result of the plebiscite.

No. 2 **De-amalgamation procedure**

Page 4, Schedule 1. Insert after line 22:

[2] **Schedule 11**

Insert in appropriate order:

Schedule 11 De-amalgamation of certain councils and reversal of certain boundary alterations

Part 1 General

1 Definitions

In this Schedule:

amalgamated area means an area amalgamated by an amalgamation proclamation (specified in Column 1 of the Table to clause 3).

amalgamated council, in relation to a restored council, means a council of an amalgamated area.

amalgamation day, in relation to an amalgamated council, means the time of the day on which the amalgamation proclamation relating to that council commenced (specified in Column 4 of the Table to clause 3).

amalgamation proclamation means each of the following:

- (a) *Local Government (Bayside) Proclamation 2016*,
- (b) *Local Government (City of Parramatta and Cumberland) Proclamation 2016*,
- (c) *Local Government (Council Amalgamations) Proclamation 2016*.

asset means any legal or equitable estate or interest (whether present or future, whether vested or contingent and whether personal or assignable) in real or personal property of any description (including money), and includes securities, choses in action and documents.

constituent area, in relation to an amalgamated area, means each of the areas that were amalgamated on the amalgamation day to form the amalgamated area (specified in Column 2 of the Table to clause 3).

old area, for a restored council, means the constituent area of the council of the same name that was constituted immediately before the amalgamation day.

old council, for a restored council, means the council of the same name that was constituted immediately before the amalgamation day.

de-amalgamation day, for an amalgamated council, means the time of the day on which this Schedule commences.

first election, for a restored council, means the election referred to in clause 13.

initial period means the period commencing on the de-amalgamation day and ending immediately before the first meeting of the restored council held after the first council elections for the council.

liabilities means any liabilities, debts or obligations (whether present or future, whether vested or contingent and whether personal or assignable).

proceedings means criminal proceedings, civil proceedings, civil penalty proceedings or other legal proceedings (including the issue of penalty notices for alleged offences and proceedings arising out of the issue of any such penalty notice).

restored area means an area constituted by clause 3 (specified in Column 3 of the Table to clause 3).

restored council means the council of a restored area (specified in Column 3 of the Table to clause 3) constituted by clause 3.

rights means any rights, powers, privileges or immunities (whether present or future, whether vested or contingent and whether personal or assignable).

2 Regulations may make further provision

- (1) The regulations may:
 - (a) make further provision for or with respect to any de-amalgamation, or reversal of boundary alterations, effected by clause 3, or
 - (b) contain further provisions of a savings or transitional nature consequent on the enactment of this Schedule.
- (2) Any such provision has effect despite anything to the contrary in this Schedule. The regulations may make separate savings and transitional provisions or amend this Schedule to consolidate the savings and transitional provisions.
- (3) Any such provision may, if the regulations so provide, take effect from the date of assent to the *Local Government Amendment (Amalgamation Referendums) Act 2017* or a later date.
- (4) To the extent to which any such provision takes effect from a date that is earlier than the date of its publication on the NSW legislation website, the provision does not operate so as:
 - (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication, or
 - (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication.

Part 2 De-amalgamation of areas and reversal of boundary alterations

3 De-amalgamation of areas and reversal of boundary alterations

- (1) On the de-amalgamation day, the amalgamated areas specified in Column 1 of the Table to this clause are de-amalgamated to constitute the restored areas with the names specified alongside the amalgamated area in Column 3 of the Table.
- (2) The area of a restored area includes all land contained within the area of the areas of the same name, as constituted immediately before the amalgamation day, specified for the area in Column 2 of the Table to this clause.

- (3) On the de-amalgamation day, the councils of the amalgamated areas specified in Column 1 of the Table to this clause are dissolved.

Table

Column 1	Column 2	Column 3	Column 4
Amalgamated areas	Constituent areas that were amalgamated	Restored areas constituted after de-amalgamation	Amalgamation day
Armidale Regional	Armidale Dumaresq Guyra	Armidale Dumaresq Guyra	12.5.2016 at 12.10 pm
Inner West	Ashfield Leichhardt Marrickville	Ashfield Leichhardt Marrickville	12.5.2016 at 12.10 pm
Canterbury-Bankstown	City of Bankstown City of Canterbury	City of Bankstown City of Canterbury	12.5.2016 at 12.10 pm
Snowy Monaro Regional	Bombala Cooma-Monaro Shire Snowy River	Bombala Cooma-Monaro Shire Snowy River	12.5.2016 at 12.10 pm
Hilltops Boorowa	Boorowa Harden Young	Boorowa Harden Young	12.5.2016 at 12.10 pm
Column 1	Column 2	Column 3	Column 4
Amalgamated areas	Constituent areas that were amalgamated	Restored areas constituted after de-amalgamation	Amalgamation day
Edward River	Conargo Deniliquin	Conargo Deniliquin	12.5.2016 at 12.10 pm
Gundagai	Cootamundra Gundagai	Cootamundra Gundagai	12.5.2016 at 12.10 pm
Federation	Corowa Shire Urana	Corowa Shire Urana	12.5.2016 at 12.10 pm
Western Plains Regional	City of Dubbo Wellington	City of Dubbo Wellington	12.5.2016 at 12.10 pm
Mid-Coast	Gloucester Great Lakes City of Greater Taree	Gloucester Great Lakes City of Greater Taree	12.5.2016 at 12.10 pm
Central Coast	City of Gosford Wyang	City of Gosford Wyang	12.5.2016 at 12.10 pm
Georges River	City of Hurstville City of Kogarah	City of Hurstville City of Kogarah	12.5.2016 at 12.10 pm
Murrumbidgee	Jerilderie Murrumbidgee	Jerilderie Murrumbidgee	12.5.2016 at 12.10 pm
Northern Beaches	Manly Pittwater Warringah	Manly Pittwater Warringah	12.5.2016 at 12.10 pm
Murray River	Murray Wakool	Murray Wakool	12.5.2016 at 12.10 pm
Queanbeyan-Palerang Regional	Palerang City of Queanbeyan	Palerang City of Queanbeyan	12.5.2016 at 12.10 pm
Snowy Valleys	Tumbarumba Tumut Shire	Tumbarumba Tumut Shire	12.5.2016 at 12.10 pm
Bayside	City of Botany Bay City of Rockdale	City of Botany Bay City of Rockdale	9.9.2016 at 2 pm
City of Parramatta	City of Auburn City of Holroyd City of Parramatta The Hills Shire Hornsby Shire	City of Auburn City of Holroyd City of Parramatta The Hills Shire Hornsby Shire	12.5.2016 at 12.10 pm
Cumberland	City of Auburn City of Holroyd	City of Auburn City of Holroyd	12.5.2016 at 12.10 pm

City of Parramatta City of Parramatta

Part 3 Responsibility to give effect to de-amalgamations and reversals

4 Obligations of restored councils

A restored council is to use its best endeavours to facilitate the operation of this Schedule, including sharing information, agreeing about required matters and working co-operatively with other councils.

5 Matters or things to be determined by Minister

- (1) For the purposes of giving effect to this Schedule, the Minister may from time to time determine any matter or thing at the Minister's discretion or if a restored council or an Administrator of a restored council refers any matter or thing requiring determination to the Minister for that purpose.
- (2) The Minister may delegate any function of the Minister under this clause to the Departmental Chief Executive.
- (3) The Departmental Chief Executive may sub-delegate to any person any function delegated to the Departmental Chief Executive under this clause.

6 Powers under Act

- (1) Nothing in this Schedule limits the powers under this Act of a restored council or any other person to take any action to change any matter specified by this Schedule at any time after the initial period.

Note. Examples of such changes might include changes to the method of election of mayors, changes to wards and changes to councillor numbers.

- (2) Subclause (1) does not apply in respect of a matter specified in this Schedule relating to rates for the 2017-2018 rating year.
- (3) A public inquiry under Part 8 of Chapter 13 into a matter relating to an amalgamated council or the members or staff of an amalgamated council that was commenced but not completed before the de-amalgamation day may be continued and completed as if the amalgamated council had not ceased to exist.

Part 4 Administrators of restored councils to manage in the interim

7 Revocation of appointment of administrators

- (1) The appointment of any Administrator of an amalgamated council holding office immediately before the de-amalgamation is revoked.
- (2) Any employment agreement of an Administrator of an amalgamated council applies as if the Administrator's appointment had been terminated under that agreement.

8 Appointment of Administrators for restored councils

- (1) The Minister is, by order published in the Gazette, to appoint a person as Administrator of a restored council.
- (2) The Minister may, by order published in the Gazette, appoint an additional person or persons as Administrators of a restored council, if the Minister is of the opinion that it is necessary to do so for the purposes of facilitating the operations of the council.
- (3) A person is not disqualified from appointment as an Administrator of a restored council by virtue only of having been a councillor, including a mayor, of the relevant amalgamated council, or any other council, before the amalgamation date.
- (4) The salary of an Administrator of a restored council is to be determined by the Minister and paid from the funds of the restored council.
- (5) For the purposes of this Act, an Administrator of a restored council does not, in that position, hold an office or a place of profit under the restored council.
- (6) The regulations may make provision about the process for appointment of an Administrator.

9 Functions of Administrators for restored councils

- (1) The Administrator of a restored council has, during the initial period, the functions of the council and the mayor of the council. This subclause is subject to the provisions of this Schedule and to any order appointing another Administrator.

- (2) If an additional Administrator is appointed for a restored council:
 - (a) each Administrator has the functions specified in the instrument of appointment, and
 - (b) the Minister may give directions for the purpose of resolving any issues that arise as a result of there being more than one Administrator.
- (3) An Administrator who exercises any functions referred to in this Schedule is to be paid a fee for the exercise of those functions that is determined by the Minister and paid from the funds of the county council.

10 Vacation of office by Administrators

- (1) The Minister may, by instrument in writing published in the Gazette, terminate the appointment of an Administrator of a restored council at any time.
- (2) An Administrator of a restored council ceases to hold office:
 - (a) immediately before the end of the initial period, or
 - (b) if the Administrator's appointment is earlier terminated by the Minister, or
 - (c) if the Administrator dies.

Part 5 Elections for restored councils

11 Wards

- (1) A restored council is not to be divided into wards for the first election under this Part if the corresponding old council was not divided into wards immediately before the amalgamation date for that constituent area.
- (2) However, if the old council for a restored council was divided into wards immediately before the amalgamation date, the restored council is to be divided into the same wards, with the same boundaries, for the first election under this Part.

12 Number of councillors

The number of councillors to be elected to a restored council at its first election for the council is the same as that for its old council.

13 First election

- (1) The date of the first election of the councillors of a restored council is the first Saturday that occurs after the day that is 3 calendar months after the date of assent to the *Local Government Amendment (Amalgamation Referendums) Act 2017*.
- (2) The election is taken to be an ordinary election of councillors for the purposes of this Act or the regulations (other than for the purposes of the application of provisions relating to the administration and holding of first elections for councils and first mayors for councils).
- (3) Any contract, agreement or other arrangement entered into by an amalgamated council for the administration of an election for an amalgamated council is terminated by operation of this clause.
- (4) Clause 24 (2) applies to the termination of a contract, agreement or other arrangement by operation of this clause.

14 Election of mayor following first election

For the purposes only of the first election, and until a constitutional referendum determines otherwise:

- (a) In the case where the mayor or president of the old council was, immediately before the amalgamation date, elected by the electors, the mayor is to be elected by the electors.
- (b) In the case where the mayor or president of the old council was, immediately before amalgamation date, elected by the councillors, the mayor is to be elected by councillors.

Part 6 Senior staff

15 Revocation of appointment of certain persons

- (1) The appointment of any person holding any of the following immediately before the de-amalgamation day is revoked:

- (a) the position of interim general manager of an amalgamated council,
 - (b) the position of general manager of an amalgamated council,
 - (c) the position of deputy general manager of an amalgamated council,
 - (d) any other position identified in an amalgamated council's organisation structure as a senior staff position.
- (2) The operation of this clause is not to be regarded as a breach of contract between an amalgamated council or the restored council and an interim general manager, general manager, deputy general manager or senior staff member, as the case may be.
- (3) Part 6 of Chapter 11 does not apply to any person whose appointment is revoked by the operation of this clause. Any employment agreement of an Administrator of an amalgamated council applies as if the Administrator's appointment had been terminated under that agreement.

16 Interim general manager of restored councils

- (1) The Administrator of a restored council is to appoint a person as the interim general manager of the council as soon as practicable after the de-amalgamation date.
- (2) The regulations may make provision for or with respect to the selection and appointment of an interim general manager.
- (3) If a person appointed as an interim general manager under this clause was, immediately before the de-amalgamation day, the interim general manager, general manager or deputy general manager of an amalgamated council, the person has the same rights and entitlements as if the person were a senior staff member who was transferred to the restored council under this Schedule.

Note. Under clause 406C of the *Local Government (General) Regulation 2005*, a transferred staff member is transferred under the same contract of employment (including the term of appointment) and retains accrued leave entitlements.

- (4) Despite subclause (3), the Administrator may vary (but not reduce) the remuneration that would otherwise be payable to the interim general manager.
- (5) The operation of subclauses (1)–(4) is not to be regarded as a breach of contract between an amalgamated council or the restored council and a senior staff member (including a general manager).
- (6) The Administrator of a restored council or the restored council may, at any time, terminate the appointment of an interim general manager appointed under this clause.
- (7) Any such termination is to be consistent with the terms of any applicable contract of employment for the interim general manager.
- (8) Section 336 (2) and (3) apply to a person appointed as an interim general manager under this clause.
- (9) Nothing in this clause prevents the extension of the term of appointment of an interim general manager.

Part 7 Preservation of employment of non-senior staff

17 Organisation structure

The initial organisation structure of a restored council is, as far as practicable, to be the same as the organisation structure of the amalgamated council.

18 Preservation of employment of non-senior staff

- (1) A member of staff (other than senior staff) of an amalgamated council immediately before the de-amalgamation day who was, before the amalgamation day a member of staff of one of the corresponding old councils is transferred to the relevant restored council.
- (2) Any other member of staff (other than senior staff) of an amalgamated council immediately before the de-amalgamation day is transferred to the relevant restored council agreed upon by the member of staff and each of the relevant restored councils.

- (3) Part 6 of Chapter 11 applies to staff transferred by the operation of this clause as if they were transferred pursuant to an amalgamation or boundary alteration.

19 Resolution of disputes about employment of non-senior staff

- (1) If a question, dispute or difficulty arises between a member of staff (other than senior staff) and one or more restored councils about the operation of this Part in relation to that member of staff, any party may request that the Departmental Chief Executive determine the matter by conciliation.
- (2) The Departmental Chief Executive may conduct the dispute resolution process, if any, in the manner that the Departmental Chief Executive considers appropriate.
- (3) The decision of the Departmental Chief Executive in the resolution of the matter is binding, but does not affect any right to apply to the Industrial Relations Commission or any court or tribunal.
- (4) If a question, dispute or difficulty arises between a member of staff (other than senior staff) and one or more restored councils about the operation of this Part in relation to that member of staff, the member of staff, or an industrial organisation acting on behalf of a member of staff, may apply to the Industrial Relations Commission to have the matter determined by conciliation and, if necessary, arbitration.
- (5) The Industrial Relations Commission may conduct the dispute resolution process in the manner that the Commission considers appropriate.
- (6) 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.
- (7) A person who fails to comply with an order of the Industrial Relations Commission under this clause is guilty of an offence.

Maximum penalty: 50 penalty units or imprisonment for 6 months, or both.

Part 8 Transfer of assets, rights and liabilities

20 Definitions

In this Part:

transferee means the person or body in whom any assets, rights or liabilities are transferred by this Schedule or vested by a vesting order.

transferor means the person or body from whom any assets, rights or liabilities are transferred by this Schedule or divested by a vesting order.

vesting order means an order made by the Minister in writing for the purposes of this Part.

21 Minister may determine status of assets, rights or liabilities

For the purposes of this Part, including for the purpose of the making of a vesting order, the Minister may determine whether or not particular assets, rights or liabilities of an amalgamated council were, immediately before the amalgamation date, assets, rights or liabilities (as the case may be) of a specified council for an area, and that determination is conclusive as to the matters determined.

22 Transfer of old assets, rights and liabilities

The assets, rights and liabilities of an amalgamated council that were, immediately before the amalgamation date, assets, rights or liabilities (as the case may be) of an old council for an area are transferred to the corresponding restored council for that area.

23 Making of vesting order relating to post-amalgamation rights, assets and liabilities

- (1) The Minister may make vesting orders for the purposes of this Schedule vesting assets, rights and liabilities of an amalgamated council (other than those transferred by clause 22), to a restored council or another person.
- (2) A vesting order may not be made unless:
- (a) all of the restored councils for an amalgamated council have requested the making of the vesting order in the terms agreed by all of the councils, or
 - (b) there is a dispute between the restored councils for areas of an amalgamated council as to the assets, rights or liabilities the

subject of the order and the Departmental Chief Executive has requested the making of the vesting order in the terms determined by the Departmental Chief Executive.

- (3) A vesting order may vest an interest in respect of land vested in the transferor without vesting the whole of the interests of the transferor in that land.
- (4) If the interest vested is not a separate interest, the order operates to create the interest vested in such terms as are specified in the order.
- (5) This clause does not limit any other provision of this Schedule.
- (6) A vesting order may be made on such terms and conditions as are specified in the order.
- (7) A vesting order may vary the terms and conditions of any instrument or contract that relates to assets, rights or liabilities to the extent that is necessary or convenient for the purposes of an authorised transaction.
- (8) A vesting order may specify the consideration for which a vesting to which it applies is made and the value or values at which assets, rights or liabilities are vested.

24 Provisions relating to transfers of assets, rights and liabilities

- (1) When any assets, rights or liabilities are transferred pursuant to this Schedule from an amalgamated council to a restored council, the following provisions have effect:
 - (a) the assets of the transferor vest in the transferee by virtue of this clause and without the need for any further conveyance, transfer, assignment or assurance,
 - (b) the rights or liabilities of the transferor become, by virtue of this clause, the rights or liabilities of the transferee,
 - (c) any act, matter or thing done or omitted to be done in relation to the assets, rights or liabilities before the transfer by, to or in respect of the transferor or a predecessor of the transferor is (to the extent to which that act, matter or thing has any force or effect) taken to have been done or omitted by, to or in respect of the transferee,
 - (d) the transferee has all the entitlements and obligations of the transferor in relation to those assets, rights and liabilities that the transferor would have had but for the transfer, whether or not those entitlements and obligations were actual or potential at the time of the transfer.

Note. Clause 39 provides for the regulations to translate references in any instrument to amalgamated councils or areas and their predecessors.
- (2) The operation of this clause is not to be regarded:
 - (a) as a breach of contract or confidence or otherwise as a civil wrong, or
 - (b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities, or
 - (c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability, or
 - (d) as an event of default under any contract or other instrument.
- (3) The Minister may, by notice in writing, confirm a transfer of particular assets, rights or liabilities. The notice is conclusive evidence of that transfer.
- (4) No attornment to the transferee by a lessee from the transferor is required.

25 Continuation or institution of proceedings by or against restored councils

- (1) Proceedings that were instituted by or against an amalgamated council before its dissolution, or that could have been instituted by or against an amalgamated council but for its dissolution, may be continued or instituted by or against one or more restored councils for that council.

- (2) For that purpose:
 - (a) proceedings instituted by or against the amalgamated council are taken to be proceedings instituted by or against the restored council, and
 - (b) anything done by or in relation to the amalgamated council is taken to have been done by or in relation to the restored council.

26 Confirmation of transfer or vesting

- (1) The Minister may by order in writing confirm a transfer or vesting of assets, rights or liabilities, or a variation of the terms and conditions of an instrument or contract, by operation of this Schedule, including a vesting order.
- (2) Such an order is evidence of that vesting or variation.

Part 9 Council activities

27 Activities of amalgamated councils

- (1) Anything done or omitted to be done by an amalgamated council and having any force or effect immediately before the de-amalgamation day continues to have effect as if it had been done or omitted to be done by:
 - (a) in the case of anything done or omitted to be done in relation to any assets, rights or liabilities of an amalgamated area—the council for the restored area in which the assets, rights or liabilities are located, and
 - (b) in the case of anything done or omitted to be done in relation to a member of staff of an amalgamated area—the restored council to which the member of staff is transferred.
- (2) Without limiting subclause (1):
 - (a) any approval, order or notice given or made by an amalgamated council, and that had effect immediately before the de-amalgamation day, continues to have effect as if it had been given or made by the relevant restored council, and
 - (b) anything commenced but not completed by an amalgamated council may be completed or discontinued by the relevant restored council.
- (3) This clause does not:
 - (a) limit any other provision of this Schedule, or
 - (b) apply to the extent to which it is inconsistent with any other provision of this Schedule.

28 Delegations

- (1) A delegation by an amalgamated council that was in force immediately before the de-amalgamation day is taken to be a delegation by a restored council and may be revoked or amended accordingly.
- (2) A delegation by an amalgamated council to the general manager of that council that was in force immediately before the de-amalgamation day is taken to be a delegation by a restored council to the interim general manager and may be revoked or amended accordingly.

29 Codes, plans, strategies and policies

- (1) The codes, plans, strategies and policies of the restored council are to be, as far as practicable, the codes, plans, strategies and policies of the relevant amalgamated council.
- (2) This clause ceases to have effect in relation to a code, plan, strategy or policy when the restored council adopts a code, plan, strategy or policy that replaces that code, plan, strategy or policy.
- (3) This clause does not apply to the extent to which it is inconsistent with any other provision of this Schedule.

30 Code of conduct and meeting code

- (1) The code of conduct for a restored council is to be, as far as practicable, the code of conduct of the relevant amalgamated council until a code of conduct is adopted by the restored council in accordance with this Act.

- (2) The procedure for dealing with alleged contraventions of the code of conduct is to be the model procedure (within the meaning of section 440AA) until a procedure is adopted by the restored council in accordance with this Act.
- (3) Any provision of a code of meeting practice applied to a restored council by this Schedule that restricts the holding of meetings to places in an amalgamated area applies so that the restriction relates to places in the restored area.

31 Development control plans and contributions plans

- (1) A development control plan or contributions plan that applied to an amalgamated area immediately before the de-amalgamation day continues to apply to that part of a restored area that consists of the whole or part of the amalgamated area to which the plan applied.
- (2) This clause ceases to have effect when the development control plan or contributions plan is repealed.
- (3) To avoid doubt, nothing in this clause prevents the restored council from amending a development control plan or contributions plan.
- (4) In this Schedule:
contributions plan has the same meaning as in Division 6 of Part 4 of the *Environmental Planning and Assessment Act 1979*.
development control plan has the same meaning as in the *Environmental Planning and Assessment Act 1979*.

32 Strategic planning

- (1) The day by which a restored council must have an operational plan is 1 August 2017.
- (2) The day by which a restored council must review its community strategic plan, following the first election for the council, is 30 June 2018.
- (3) The day by which a restored council must establish a new delivery program, following the first election for the council, is 30 June 2018.
- (4) The delivery program is to be for the period commencing on 1 July 2019 and ending on 30 June 2021.

33 Payment of outstanding rates, charges and fees

- (1) Any rates, annual charges or other fees payable to an amalgamated council in respect of any land in the area of a restored council, that were not paid before the de-amalgamation day or for which payment is due after that day, are payable to the restored council.
- (2) Section 218CB continues to apply to the maintenance of pre-amalgamation rate paths after the de-amalgamation date.

34 Authorisation of expenditure pending operational plan

A restored council may hold a meeting for the purposes of approving expenditure and voting money for the period from 1 July 2017 until the adoption by the council of the first operational plan for the council.

35 Rating structure and categorisation of land for rating purposes

- (1) This clause applies to the levying of rates for the 2017/2018 rating year.
- (2) The structure for rates applied by an amalgamated council to rates levied for a parcel of land in an old area or amalgamated area, as the case may be, for the 2016-2017 rating year is to be applied by the restored council to that parcel.
- (3) The category or sub-category applied to a parcel of land in an old area or amalgamated area, as the case may be, for rating purposes for the 2016-2017 rating year is to be applied by the restored council to that parcel.
- (4) It does not matter that different rating structures apply to different parcels because of subclause (2).
- (5) This clause does not prevent a person from applying for a review of a category under section 525 or from making an appeal under section 526.
- (6) The rating structure is to be reviewed within the first term of the restored council following the first election of the council.

36 Calculation of notional general income for rating purposes

- (1) A restored council's notional general income for 2017/2018 is to be determined by adding together the amount of general income for any part of the old areas in the area of the restored council, determined as if the de-amalgamation effected by this Schedule had not taken place.
- (2) Any variation of an amalgamated council's notional general income under Part 2 of Chapter 15 that would have been applicable, had the de-amalgamation effected by this Schedule not taken place, to the determination of the amount of rates and charges for land within the area of a restored council during a particular period continues to apply to the determination of rates and charges in respect of that land.

37 Reports and reviews

- (1) A restored council is to prepare audited financial reports for the amalgamated councils, in respect of the period from 1 July 2017 to the end of the amalgamation day, within 6 months of the de-amalgamation day.
- (2) The first annual report (including the audited financial reports) of a restored council is to relate to the period commencing at the beginning of the day after the de-amalgamation day and ending on 30 June 2017.
- (3) Financial reports and audits of financial reports may be prepared for the periods specified in this clause despite any requirements of this Act relating to them.
- (4) For the purposes of the preparation of the first annual report (including the audited financial reports) of a restored council, this Act and the regulations apply as if a reference to a year were a reference to the period referred to in subclause (2).
- (5) Any report or review that is required to be carried out by a restored council, and that relates to a period before the de-amalgamation day, may be carried out by reference to the old areas, as the case requires.

38 Auditor of council

- (1) The auditor of a restored council is to be determined by the council and is to be a person who provided auditing services to the amalgamated council immediately before the de-amalgamation day.
- (2) Any contract, agreement or other arrangement made by an amalgamated council with any other person to provide auditing services is terminated by operation of this clause.

Part 10 Miscellaneous

39 References to old areas and amalgamated councils

The regulations may make provision about the construction of references to councils or areas affected by this Schedule in any Act or instrument, that is consequential on the enactment of this Schedule. Any such provision has effect despite anything to the contrary in this Schedule.

40 County councils

- (1) To avoid doubt, the constitution and operation of a county council, as existing immediately before the de-amalgamation day, is not affected by any changes to councils or council areas affected by this Schedule.
- (2) The following provisions apply for the purposes of the continuance of the operation of a county council under this clause:
 - (a) each restored council is taken to be a constituent council of a county council instead of the relevant amalgamated council if the amalgamated council was a constituent council of the county council immediately before the de-amalgamation day,
 - (b) the number of members to be elected by each restored council to the county council's governing body is to be the same as the total number of members of the amalgamated council on the governing body, (c) until the first election of members of the county council's governing body following the de-amalgamation day, the Administrators of each of the relevant restored councils may exercise the functions (including the voting rights) that would be able to be exercised by persons elected to the governing body by the restored council,
 - (d) until the first election of members of the county council's governing body following the de-amalgamation day, the Administrator of one of the relevant restored council (agreed to between those councils) is to be the chairperson of the county

council if the chairperson immediately before the de-amalgamation day was a councillor of an amalgamated council,

- (e) elections for the chairperson of the county council and for members of the county council are to be held within 2 months after the first ordinary election of councillors for each of the restored councils.
- (3) This clause does not prevent a change being made to the constitution or operation of a county council or the dissolution of a county council in accordance with this Act at any time during or after the initial period.

41 Planning panels

- (1) A person nominated as a member of a joint regional planning panel by an amalgamated council may continue to exercise and complete any function being exercised by that person as a member immediately before the de-amalgamation day.
- (2) A function exercised under subclause (1) is taken to be exercised by the member as a nominee of the relevant restored council.
- (3) A person nominated as a member of a joint regional planning panel by an amalgamated council ceases to be a nominee of any relevant restored council and a member of the panel on the de-amalgamation day, except for the purpose of exercising a function under subclause (1).
- (4) In this clause:
joint regional planning panel has the same meaning as in the *Environmental Planning and Assessment Act 1979*.

42 Membership of Sydney planning panels

- (1) A person nominated as a District Commissioner member of a Sydney planning panel by an amalgamated council may continue to exercise and complete any function being exercised by that person as a member immediately before the de-amalgamation day.
- (2) A function exercised under subclause (1) is taken to be exercised by the member as a nominee of the applicable restored council.
- (3) A person nominated as a member of a Sydney planning panel by an amalgamated council ceases to be a nominee of any relevant restored council and a member of the panel on the de-amalgamation day, except for the purpose of exercising a function under subclause (1).
- (4) In this clause:
Sydney planning panel has the same meaning as in the *Greater Sydney Commission Act 2015*.

Part 11 Special provisions relating to reversal of boundary alterations

43 Application of Schedule to reversal of boundary alterations

- (1) Parts 3–10 of this Schedule apply to the reversal of boundary alterations effected by clause 3 as if:
- (a) a reference to an amalgamated council or amalgamated area were a reference to an altered council or altered area, and
- (b) a reference to the amalgamation day were a reference to the alteration day, and
- (c) a reference to the de-amalgamation day were a reference to the reversal day.
- (2) However, clause 18 (1) does not apply to a member of staff of an altered council. The transfer of employment of staff (other than senior staff) of an altered council is to be achieved in accordance with clauses 18 (2) and (3) and 19.
- (3) In this clause:
altered area means an area the boundaries of which were altered by the alteration proclamation.
alteration day means 12.10 pm on 12 May 2016 (that is, time and day on which the alteration proclamation commenced).
alteration proclamation means the *Local Government (City of Parramatta and Cumberland) Proclamation 2016*.

altered council means the council of an altered area.

reversal day, in relation to an amalgamated council, means the time of the day on which this Schedule commences.

No. 3 **Procedure for de-amalgamation of councils (which operates whether or not a plebiscite is required)**

Long title. Insert "and to provide for the de-amalgamation of certain amalgamated councils" after "councils".

I dealt with these issues in my second reading contribution and I will be extremely brief. These amendments reverse all of the forced amalgamations that have occurred to date. They have a detailed set of machinery provisions that set out how exactly that will occur such as how the assets, contracts, and staff will be dealt with and when elections are to be held. These amendments would save the Government a huge amount of pain. It would resolve all the forced amalgamations that have occurred to date and restore those councils. The Greens put forward these amendments because, while we acknowledge the strength in the substantive bill that gives residents a vote, we believe each of the forced amalgamations that have occurred to date have been illegitimate. None of them has had the support or vote of residents. We believe these amendments are essential to restore the great councils around this State such as Leichhardt, Marrickville, Pittwater, Gundagai and Tumbarumba.

We can fix the forced amalgamation mess right now with these amendments. I know that The Greens probably do not have the support of the majority in the House, and I accept that the Shooters, Fishers and Farmers Party, the Opposition and the Christian Democratic Party want to go down the plebiscite path, which is an alternate and legitimate path to adopt. We are not having an in-principle debate with those parties in this House as we understand why they want a plebiscite. However, The Greens believe these forced amalgamations today are so illegitimate that we should reverse them now and restore the status quo.

The Hon. SCOTT FARLOW (13:10): The Government opposes these amendments. Amendment No. 1 removes the clause that places a duty on the Minister to use his or her best endeavours to give effect to the wishes of the majority of the electors of each former area. It inserts a clause that gives effect to schedule 11 in the event that the majority of the electors of an amalgamated area express the wish that the area be de-amalgamated. The schedule would commence on the day after the Electoral Commissioner declares the result of the plebiscite. Schedule 11 can be found at amendment No. 2. The schedule details how the 20 councils are to be de-amalgamated. The Government opposes any legislative measures that have the potential to reverse the process being made by our new councils and, of course, the Government opposes that amendment.

The Government also opposes amendment No. 2 because it de-amalgamates the 20 councils that were created in 2016. The de-amalgamation of these councils into their former areas will occur automatically on the day on which the amending Act receives assent. The council will be de-amalgamated to its former council areas if the majority of electors express the wish that the area be de-amalgamated. This will be expressed through a plebiscite. The amendment inserts a schedule that details how councils are to be de-amalgamated. The schedule has 11 parts and covers a range of issues from transferring assets and staff to settling wards and holding elections. Many of those provisions are derived from the proclamation that created the 20 councils in 2016. These proclamations were tailored carefully to facilitate the mergers and re-purposing them to implement has the potential to create problems.

For example, the schedule requires councils to have an operational plan in place by 1 August 2017. The operational plan sits under the four-year delivery program and lists all the actions the council will undertake during the year to achieve its strategic goals. It will not be possible for the de-merged councils to develop an operational plan by the start of August. The schedule also includes many unworkable elements. For instance, it appears to terminate the employment of all senior staff without any entitlements, ignoring the fact that this is inconsistent with senior staff contracts under the Local Government Act and award. It will be impossible for staff to manage a smooth transition from one council to multiple councils without a senior management team providing guidance and direction. What provision has been made for non-senior staff that joint the council following its amalgamation? They will be forced to enter into negotiations with multiple councils, which could drag out for months. How they will work effectively during this indeterminate period of confusion and uncertainty is anyone's guess.

Clearly when a council has split up the assets, the rights and liabilities of the old council should be transferred to one of the new created councils. Some assets may be easily divisible but others will not be. The 20 new councils have made great progress creating their systems and processes and splitting up integrated assets is likely to be complex, expensive and time consuming, and then there are assets that have been acquired by councils following their merger. The amendment involves the Minister and the departmental chief executive in a complex process of making vesting orders at the request of councils. This has the potential to create conflict between councils as they lobby the Government to cut a better deal. Clause 26 will be difficult to implement due to the many unworkable and overly complex amendments and the Government opposes it.

The Hon. ROBERT BORSAK (13:12): The Shooters, Fishers and Farmers Party does not support these amendments.

The CHAIR (The Hon. Trevor Khan): The Hon. Robert Borsak is entitled to be heard in silence.

The Hon. ROBERT BORSAK: While I am sympathetic with what Mr David Shoebridge is seeking to do our party believes we should let the democratic process unfold—that is, let us allow the people to decide whether they wish their councils to remain amalgamated at a referendum. Although the Government-forced council amalgamations were completely undemocratic, two wrongs do not make a right. We must ensure that democracy is entrenched at the local government level.

The Hon. PETER PRIMROSE (13:13): The Opposition also has great sympathy with the sentiments being expressed by Mr David Shoebridge. However, the Labor Opposition does not support forced mergers, nor does it support forced de-mergers. The decision to de-merge or merge must be made by local residents, not by politicians in Macquarie Street.

The CHAIR (The Hon. Trevor Khan): Mr David Shoebridge has moved The Greens amendments Nos 1 to 3 on sheet 2017-053. The question is that the amendments be agreed to.

Amendments negatived.

The CHAIR (The Hon. Trevor Khan): The question is that the bill as amended be agreed to.

Motion agreed to.

The Hon. ROBERT BORSAK: I move:

That the Chair do now leave the chair and report the bill to the House with amendments.

Motion agreed to.

Adoption of Report

The Hon. ROBERT BORSAK: I move:

That the report be adopted.

Motion agreed to.

Third Reading

The Hon. ROBERT BORSAK: I move:

That this bill be now read a third time.

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

The House divided.

Ayes21
Noes 18
Majority.....3

AYES

Borsak, Mr R
Donnelly, Mr G (teller)
Graham, Mr J
Moselmane, Mr S
(teller)
Primrose, Mr P
Sharpe, Ms P
Voltz, Ms L

Brown, Mr R
Faruqi, Dr M
Green, Mr P
Nile, Reverend F

Searle, Mr A
Shoebridge, Mr D
Walker, Ms D

Buckingham, Mr J
Field, Mr J
Mookhey, Mr D
Pearson, Mr M

Secord, Mr W
Veitch, Mr M
Wong, Mr E

NOES

Amato, Mr L
Colless, Mr R
Franklin, Mr B (teller)

Blair, Mr N
Cusack, Ms C
Gay, Mr D

Clarke, Mr D
Farlow, Mr S
Harwin, Mr D

NOES

Khan, Mr T

MacDonald, Mr S

Maclaren-Jones, Ms N
(teller)

Mallard, Mr S

Martin, Mr T

Mitchell, Ms S

Pearce, Mr G

Phelps, Dr P

Taylor, Ms B

PAIRS

Houssos, Ms C

Mason-Cox, Mr M

Motion agreed to.**The PRESIDENT:** I will now leave the chair. The House will resume at 2.30 p.m.**The PRESIDENT:** Order! According to sessional order, proceedings are now interrupted for questions.*Questions Without Notice***GAS PRICES**

The Hon. ADAM SEARLE (14:30): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts, and Leader of the Government. Given that the legislation passed by the Parliament deregulating retail gas prices has been deferred from being brought into effect until 1 July this year, because of concerns about the lack of transparency in the gas market and the absence of real competition both here and in regional New South Wales, will the Minister still bring that law into effect from 1 July this year?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:31): The answer is yes. New South Wales has a competitive retail gas market, with nine authorised retailers supplying gas to residential and small business customers. More than 80 per cent of the 1.3 million gas customers in New South Wales have switched to a market offer, leaving fewer than 20 per cent on the regulated price. We have been working hard to address competition in regional areas and already we have seen results. For example, in the 12 months to January 2017 the number of active retailers in Queanbeyan tripled, facilitating a five-fold increase in residential offers; and for the first time the Shoalhaven area is now open to full retail contestability. I note that there have been some erroneous reports in the media in relation to the regulated tariff. It is not the lowest offer, and it is not a price cap.

In June 2016 the Australian Energy Market Commission published its final report for the 2016 retail competition review, which found that there is sufficient competition in the New South Wales retail gas market for customers to benefit from the removal of retail price regulation from 1 July 2017. The Australian Energy Market Commission has formed that view and made that recommendation. What does that mean in practice? A recent analysis of the offers available on the *ENERGYMADE* easy price comparison site, shows that a typical gas customer in Wagga Wagga could save around \$75 on their gas bill by switching from the current regulated offer to the best available gas offer. Similarly, a typical household in Parramatta could save around \$ 100 per year on their gas bill by switching from the current regulated offer to the best available gas offer.

Competition works. Customers will continue to be protected with oversight of retailer performance by the Independent Pricing and Regulatory Tribunal [IPART]. IPART will report annually on competition in both the electricity and gas retail markets. The tight supply situation caused by liquefied natural gas exports is the reason wholesale gas prices are rising; it is not due to any policy here in New South Wales. The regulated tariff requires us to pass on wholesale price rises, so a regulated tariff provides no protection whatsoever against wholesale prices. Deregulation means that consumers have more power to shop around to get a better deal in this tough time.

[Business interrupted.]

*Visitors***VISITORS**

The PRESIDENT: Order! I welcome to the public gallery Ronica Koey and Cat Rout, who are on Sydney Water's graduate program. They are here to observe question time as part of their professional development to learn about the mechanics of government. Welcome. I hope you both learn a lot.

*Questions Without Notice***ENERGY SECURITY**

[*Business resumed.*]

The Hon. DUNCAN GAY (14:35): My question is addressed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts, and Leader of the Government. Will the Minister update the House on what the New South Wales Government is doing to prepare for this summer, and is the Minister aware of any alternative policies?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:35): I thank the Hon. Duncan Gay for his maiden question to me on this his very last day. Indeed, the question has the sort of kick we would expect from the honourable member. The Government is busy preparing for summer and everyone in this House knows that is a big focus of mine as the Minister for Energy and Utilities. Our NSW Energy Security Taskforce delivered recommendations to beat the heat, including new code warm protocols.

The PRESIDENT: Order! Government members will come to order and stop using hand signals.

The Hon. DON HARWIN: I repeat: The recommendations include new code warm protocols to help beat the heat by reducing government and community energy use, like we did on 10 February. The member asked whether I was aware of any alternative policies. Today in the *Sydney Morning Herald* we read about some from the Opposition. The first was a promise to roll out rooftop solar installations on buildings owned by the State Government. That sounds awfully familiar. If one looks on the New South Wales Government tender website, one will see that there is a tender out—

The Hon. Adam Searle: Point of order: The use of props is disorderly. If those are the Minister's notes then his eyesight is even worse than I thought it was. I ask that the Minister be called to order.

The PRESIDENT: Order! The Minister was referring to a document that I believe he was going to read from. The Minister is well aware that the use of props is disorderly. I assume the Leader of the Government will now read from the document.

The Hon. DON HARWIN: I quote from that website: "The New South Wales Office of Environment and Heritage is inviting tenders from organisations to deliver rooftop solar PV installations and services across a variety of public buildings and infrastructure located within New South Wales". That tender opened on 9 June—two weeks ago—and it closes on 14 July. This fulfils our election commitment to roll out solar on State Government roofs at no cost to taxpayers, freeing up funds for frontline services and showing leadership in sustainability. Those opposite also said that they want the Government to build a 100-megawatt battery. That sounds familiar too. It is straight out of the South Australian Labor energy plan.

The Hon. Adam Searle: Point of order. The document that the Minister was about to read from is clearly a prop. It is oversized—

The Hon. DON HARWIN: It is just a cover.

The Hon. Adam Searle: As I said, the Minister's eyesight must be much worse than anyone thought if he needs a document of that size.

The PRESIDENT: Order! The time for the giving of questions without notice is limited. The clock has been stopped. The Leader of the Opposition has the call.

The Hon. Adam Searle: The Minister is clearly having a lend of you. This is a prop; it is not a document from which he is legitimately seeking aid.

The PRESIDENT: Order! I am happy to rule on the point of order. I think it was a little premature to take a point of order. All I saw was a document being placed on the lectern and nothing else until the member took the point of order. I cannot rule on something that I have not seen. The Minister has the call.

The Hon. DON HARWIN: The New South Wales Government and the Australian Renewable Energy Agency are procuring up to 70 megawatts of demand response for the next three years—that is, \$2.5 million per year from Government matched by the same from ARENA to reduce heat demand when needed. It is an extra layer of security, and we are doing it here in New South Wales. Ours will get the cheapest demand reduction, and guess where it is from? It is from batteries. This includes households being paid to use their batteries, providing power as a virtual power plant. We are already doing it in New South Wales. That is two out of two fails from the Leader of the Opposition. Both of the things that he is claiming as new policy are already being done by this Government.

The Hon. Adam Searle: Point of order—

The PRESIDENT: Order! I have given the Leader of the Opposition the call. I would have thought one of his colleagues would allow him to speak without interjecting on him.

The Hon. Adam Searle: The Leader of the Government was poking his finger in my direction and addressing me directly. But I think he might have me confused with some other person. I think he was directing his comments to a member of the other place but, instead, he was directing them to me and not through you as the Chair.

The PRESIDENT: Order! There is no point of order. I know that we are all waiting for the valedictory speech of the Hon. Duncan Gay and I am assuming that that is the reason a show is being put on by everybody. But I ask all members to abide by the standing orders and rules. The Minister has the call.

The Hon. DON HARWIN: The member is quite correct, I was referring to the Leader of the Opposition in the other place, and I was pointing at him. Nevertheless, the substance of what I was saying is absolutely the same: Two out of two initiatives are already being delivered by this Government. We are interested more in the substance than the spin. I hear interjections from the Hon. Penny Sharpe about media. We are interested in delivering, we are interested in ensuring that we have a secure and reliable supply of power and we are going to deliver it.

The PRESIDENT: Order! Members will cease interjecting.

LIFE SUPPORT REBATE

The Hon. WALT SECORD (14:42): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts, and Leader of the Government. Given the Minister's 20 June statement in Parliament when he said, "I am pleased to advise that the amount allocated for the Life Support Rebate has been increased again", why does the 9 June *Government Gazette* show that the Life Support Rebate is unchanged and remains at the 2015 rate, and why did the Minister mislead the Parliament?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:43): The member should read *Hansard* more carefully to see what I said. There is no suggestion that I have misled the House at all.

PUPPY FARMS

The Hon. MARK PEARSON (14:43): My question is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts, representing the Premier. As this question spans at least two ministerial portfolios, will the Minister advise whether there has been any progress made on implementing the recommendations of the Joint Standing Committee on Companion Animal Breeding, specifically regarding the establishment of a compulsory register of commercial breeders, or is the Government planning to introduce a bill to prohibit puppy farming?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:44): As the member has suggested, the question crosses the ministerial responsibilities of a number of Ministers. I will refer his question to the relevant Ministers and get a response from them, which is the appropriate course, rather than asking the Premier. The member may rest assured that the appropriate Ministers will deal with the matter contained in his question.

REGIONAL INFRASTRUCTURE

The Hon. DUNCAN GAY (14:44): My question is addressed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. How is the Government delivering its election promises and delivering for the people of New South Wales?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (14:46): I thank the Hon. Duncan Gay for that question. Today, on a day of transitions, it is timely to look back on the Government's achievements in the Primary Industries and Regional Water portfolios. The Liberals and The Nationals came to government in 2011 with an ambitious reform agenda for regional New South Wales. The pathway for many of the reforms in the Primary Industries portfolio was set out by the Hon. Duncan Gay in his role as shadow Minister for Industry. I will have more to say on that later.

Of course, our most fundamental promise to the people of New South Wales was to fix the budget and rebuild the economy. As we have seen this week—and I think most rational commentators agree—we have delivered on that commitment in spades. This has allowed the Government to build and invest for the future, whether it is the pipeline to Broken Hill or the Safe and Secure Water program for other regional projects, or even

the \$16 million to invest in non-lethal shark mitigation measures—all of which are making a difference to people's lives. But it is not just the fiscal success we are delivering; it is also the hard slog of policy reform. One thing we quickly learnt on coming to government was that if reform was easy or popular those opposite would have done it. However, if it was hard, or if it involved taking on vested interests, those opposite just kicked it down the road.

In the coming months we will see our biodiversity and biosecurity reforms coming into effect. Those reforms were difficult and upended the status quo, but they will make a difference to the lives of people in New South Wales. The recent Independent Pricing and Regulatory Tribunal four-year determination, driving down prices for rural water in most valleys, shows the benefits of separating the policy and regulatory arms from government's delivery arm. We have done the hard work with the Commonwealth and other States so that the Murray-Darling Basin Plan is no longer a threat to jobs in regional communities—again, making a difference to people's lives in regional New South Wales.

As the budget papers show, Local Land Services is back on track and will be in the black. I am hopeful that in the coming weeks we will see that, despite the naysayers and rent seekers, the commercial fishing subsidised share program will achieve its objective. Apart from making a difference to regional people, what do all these reforms have in common? The answer is simple: They were all opposed by Labor. Labor, the party of the light on the hill, is now the party of just say no. We said: Let us fix the antiquated Crown lands legislation and give the community a greater say. Labor said: No, let us scare people about privatisation. We said: Let us use world's best practice to deliver sustainable local timber products and protect local jobs. Labor said: No, let us create a massive new national park and buy our timber from overseas rainforests.

This morning, in the other place, the Leader of the Opposition had an opportunity to lay out Labor's vision for regional New South Wales. Unfortunately, all we got was a grab bag of slogans which, apart from turning Cobar into an Australian version of the Cayman Islands, will not make a difference to people living in regional New South Wales. Labor has no vision, no acknowledgement of its past mistakes and no idea. But guess what? Strap yourselves in, have a good break, because we are not done. We will be back after the break. We have fixed the budget and we have done the policy hard yards. Those opposite should have a good rest because we are coming after them after the break. Strap yourselves in; we are not done.

LOCAL GOVERNMENT AMALGAMATIONS

Mr DAVID SHOEBRIDGE (14:49): My question without notice is directed to the Hon. Don Harwin representing the Minister for Local Government. Will the Minister inform the House to the nearest million how much the Government has spent through both Premier and Cabinet and the Office of Local Government on the forced amalgamations agenda in this financial year and the last financial year?

The Hon. Sarah Mitchell: Off the top of your head.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:50): I acknowledge that interjection. Off the top of my head I cannot give that figure to Mr David Shoebridge. I will speak to Minister Gabrielle Upton and obtain an answer.

Mr DAVID SHOEBRIDGE (14:50): I have a supplementary question. I thank the Minister for his answer. Will the Minister inform the House to the nearest hundred million how much has been wasted on the forced amalgamations agenda?

The PRESIDENT: Order! That is clearly not a supplementary question. As I have indicated previously, and as past Presidents have indicated, a supplementary question requires an elucidation of that part of an answer given by the Minister to the original question asked. A member cannot simply change the original question by changing one figure to another figure and call it a supplementary question.

LIFE SUPPORT REBATE

The Hon. WALT SECORD (14:50): I direct my question to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts, and Leader of the Government. Given the June 2015 and June 2017 editions of the *Government Gazette* listing the rates for life support equipment are identical—positive airways pressure, enteral feeding pumps, phototherapy equipment, home dialysis, ventilators, oxygen concentrators, nutrition pumps, external heart pumps and power wheelchairs for paraplegics—does the Minister stand by his previous answer when he denied misleading the House?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:51): I do. I said, "I am pleased to advise that the amount allocated for the Life Support Rebate has increased again." The total amount that has been allocated for the Life Support Rebate in the total program has been increased. It is entirely consistent. There has been no misleading of the House whatsoever. I am aware of the figures that the honourable member has referred to. The total amount allocated, as I said, has increased.

CONNECTING COUNTRY SCHOOLS

The Hon. DUNCAN GAY (14:52): I address my question to the Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education. Will the Minister update the House on how the New South Wales Government is investing in regional schools to ensure they have access to reliable internet connections?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (14:52): I thank the honourable member for his question. We are going to miss you, Dunc. It is great to see your family in the gallery. While I am acknowledging people in the gallery, I will mention Deborah Partridge, a friend of my excellent media adviser, Whitney Jago, and Marie McCarthy, the mother of my chief of staff, Siobhan.

I am proud to provide an update to the House on how this Government is connecting some of the most isolated schools in the State with the resources they need to receive a quality education. Earlier this week I visited Queanbeyan East Public School with the Deputy Premier and member for Monaro, John Barilaro, and we announced \$46 million to upgrade wireless connectivity to more than 900 regional and remote New South Wales schools. Why? It is because this Government believes children should not have to go to a school in Sydney to have access to fast and reliable online resources. This investment ensures no school community in regional New South Wales misses out.

It is no secret that the challenges faced by students, parents, teachers and school communities in regional New South Wales can be unique and varied. This is why we are connecting country schools and ensuring they have strong and extensive wireless coverage and high levels of mobile connectivity. This investment will upgrade more than 13,000 learning spaces. Greater access to online resources and learning opportunities through wireless connectivity will help to level the playing field for regional schools. The Government believes all students, regardless of whether they are from Bourke, Bondi or Crookwell, should have the right to use the same learning tools and resources.

Specific deliverables under Connecting Country Schools include: standardised, centrally monitored and well supported equipment, with a base level of two wireless access points per learning space; an additional discretionary allocation for schools to use in areas such as gyms or outdoor spaces to meet local needs; improved underpinning infrastructure and remediation of local area networks with additional targeted support for schools that rely on satellite services; and improved access to resources including the Microsoft Office and Adobe Creative Suites and Google Apps for Education.

Students will benefit from fast and reliable access to online learning resources, streaming media and collaboration opportunities with counterparts and experts. They will have wider access to catalogues, resources and learning materials via the new school library system. This will help students to develop the skills and knowledge they need to become engaged and enthusiastic learners, and to grow into capable and informed citizens, ready for the jobs of the future. The Government will partner with industry and local suppliers to deliver and support the solution, creating jobs in regional New South Wales and investing in communities.

Once a school has been upgraded with the solution, they will be able to apply for additional funds from an innovation fund to maximise the use of the capability within their school and their community. A project team is currently finalising plans for procurement of equipment and an implementation schedule, beginning with a group of pilot sites to test and refine the approach. Urunga Public School, Grafton High School and Whian Whian Public School will pilot the program until the end of September, and then it will be rolled out to more than 900 schools and 13,000 learning spaces. As Assistant Minister for Education, I am proud that this Government is investing in ensuring all students—regardless of where they live—have equal access to learning opportunities. The students currently being educated in our schools are our State's future doctors, nurses, engineers and labourers and it is absolutely vital we give all of them the best possible start to their future. That is what the Connecting Country Schools program will do.

[Business interrupted.]

Visitors

VISITORS

The PRESIDENT: I take this opportunity, on behalf of all honourable members, to welcome to the public gallery a delegation of young political leaders from the Philippines, accompanied by representatives from the Australian Political Exchange Council. Earlier, together with Madam Speaker, I had the pleasure of meeting the delegation.

*Questions Without Notice***STATE FOREST LOGGING OPERATIONS**

[Business resumed.]

Ms DAWN WALKER (14:57): My question without notice is directed to the Hon. Niall Blair, representing the Minister for Lands and Forestry. Recent reporting by the ABC on documents relating to the Forestry Corporation suggests significant changes to logging operations in State forests. Will the Minister inform the House whether the Government will commit to maintaining pre-logging surveys for threatened species and buffer zones around streams in any future or new forestry agreements? And if not, why not?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (14:57): I thank the member for the question. The Government will not commit to commenting on so-called reports of so-called leaked documents.

WINDSOR BRIDGE

The Hon. PENNY SHARPE (14:58): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts, and Leader of the Government, representing the Minister for Heritage. Last night workers working on the Windsor Bridge unearthed potential early archaeological remains from the first years of European settlement in Windsor. Instead of immediately stopping work, workers ran over the materials and turned them into road base. Will the Minister for Heritage outline to the House what heritage protections are in place in relation to Windsor Bridge and whether they have been adhered to at all times?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (14:59): We have heard a great deal about the bridge over the Hawkesbury River in the past couple of years. I know that the Hon. Duncan Gay had to deal with that matter from time to time. There was plenty of interest in that subject and I am pleased to see that one of those interested is the Hon. Penny Sharpe. She raises some serious allegations, which, on the face of it, would require an urgent answer. I will refer the question to the Minister for Heritage for a reply.

MINERALS INDUSTRY

The Hon. DUNCAN GAY (14:59): My question is addressed to the Minister for Resources. Will the Minister update the House on what the New South Wales Government is doing to drive investment in mineral exploration in New South Wales?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:00): I am glad to answer a question from the Hon. Duncan Gay about the Resources portfolio. During his time in Opposition in this Chamber, during which period there was no distinguished stewardship from the Government member at the time, he did an excellent job of keeping an eye on what was going on in raising serious issues. I welcome the opportunity to inform the House how this Government is supporting mineral investment in regional areas. Expenditure for the various projects under the New Frontiers program for the 2016 financial year is of the order of \$5 million.

Mr Jeremy Buckingham: Five?

The Hon. DON HARWIN: Five. The New Frontiers Initiative is a collective term for a number of projects and is designed specifically to encourage mineral exploration in the State. These projects re-examine areas across the State that are either under-explored or had been explored with now outdated technology and range from mapping to drilling and even phone apps. The Geological Survey of NSW operates the initiative to acquire and then deliver this geoscience information from all over the State into the public domain. The freely available information is used by the industry to determine prospective areas for exploration across New South Wales. Currently, the variety of programs are focused in regional areas of New South Wales, drawing attention to our world-class minerals in areas less understood. We have a detailed airborne geophysical survey being flown in the area around Coonabarabran. The cutting-edge survey will record magnetic, radiometric and topographic information. The results will be used to fill in our knowledge gaps in this important geological region north of Dubbo.

The East Riverina mapping project is taking place around the Wagga Wagga area. This area is prospective for a range of mineral deposits, including tin-tungsten, gold, and copper-gold systems. In the remote north corner of the State, a three-year collaborative project is under way between New South Wales, Queensland, and the Commonwealth with plans to commence stratigraphic drilling later this year. This will see areas like Wanaaring, Hungerford, and Enngonia open up to mineral exploration. The NSW Seamless Geology Project is another stellar

example of world-class geoscience being undertaken by this State. This project will provide unbroken statewide geology, bringing together hundreds of old maps and new data into one statewide dataset.

In fact, to ensure the information is freely available, the project has also delivered a Google-style mobile phone app so that anyone around New South Wales can see where they are located. To download the app, a link to the geoscientific data warehouse can be found on the resources and geoscience website. As Minister for Resources, I recognise the significant benefits that mineral exploration brings to the State. The ongoing exploration will ensure that the minerals industry will continue to play its role in the fabric of regional New South Wales. Initiatives like New Frontiers demonstrate how this Government is investing in the cutting-edge science that is needed to attract investment, which will lead to the new discoveries that will underpin the prosperity of regional centres such as Orange, Bathurst, Dubbo, Cobar and Broken Hill for decades to come.

ACTIVE KIDS REBATE

The Hon. ROBERT BROWN (15:04): I see that the Hon. Duncan Gay has returned to the House.

The PRESIDENT: I never saw him leave.

The Hon. ROBERT BROWN: My question without notice is directed to the Hon. Don Harwin, representing the Premier, in relation to the \$100 annual active kids rebate that will be paid to parents for each school-age child who engages in sport, for which I commend the Government. I put the question to the Minister in salute to the Hon. Duncan Gay: Mate, mate, will this Government guarantee that parents of school-age children who wish to partake in either target shooting or archery, both of which are approved sports, will receive the \$100 rebate and not be discriminated against?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:05): I thank the Hon. Robert Brown for his question, which is no doubt of great importance and interest to him, his party members and supporters. I will be delighted to refer the question to the relevant Minister for a reply.

COAL INDUSTRY WORKERS COMPENSATION

The Hon. DANIEL MOOKHEY (15:06): My question without notice is directed to the Minister for Resources, and the Minister for Energy and Utilities. Given the Supreme Court decision in *Kuypers v Ashton Coal Operations*, what steps has the Government taken to deal with the risk to workers compensation insurance arrangements in the New South Wales coal industry?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:06): That is an important question and an important judgement. I will take that question on notice so I can reply with a proper answer as I do not have all the details in front of me.

THE HON. DUNCAN GAY

The Hon. RICK COLLESS (15:06): My question is addressed to the Minister for Primary Industries. Will the Minister update the House on those who have played a key role in the work of primary industries over the years?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (15:07): I thank the Hon. Rick Colless for his question. It is worth reflecting on one person in particular who has helped pave the way for a generation of Primary Industries businesses and Ministers. I refer, of course, to the Hon. Duncan Gay, who takes his seat in this place for the last time today.

The Hon. Duncan Gay: I could not ask that one.

The Hon. NIALL BLAIR: You still wrote the answer.

The Hon. Walt Secord: Point of order: This is clearly a ministerial statement and I seek equal time to respond.

The PRESIDENT: There is no point of order. Nice try.

The Hon. NIALL BLAIR: The Hon. Duncan Gay joined The Nationals in 1974 and entered the New South Wales Legislative Council on 19 March 1988. That is well and truly before some of us were born. We often hear the expression "It is not pretty, but it is pretty bloody effective", and that absolutely describes the Hon. Duncan Gay.

The Hon. Mick Veitch: Point of order: The Minister has been in this House long enough to know that if a member wishes to cast aspersions on honourable members in this Chamber they should do so by way of substantive motion.

The PRESIDENT: I uphold the point of order.

The Hon. NIALL BLAIR: Many of us have regard to the fact that we walk in the footsteps of those who came before us. As Minister for Primary Industries, that resonates with me because at one point in opposition the Hon. Duncan Gay had responsibility for Primary Industries as shadow Minister for Industry. Having a strong farming background, Duncan was a driving force behind the establishment of the Department of Primary Industries being a standalone department as it is now. Back then it was assumed that he would go on to be the best primary industries Minister the State had ever seen, but after the election of the O'Farrell-Stoner Government in March 2011 Duncan Gay was appointed Minister for Roads and Ports. He would eventually be known as the Minister for Roads, Maritime and Freight and just about anything else that was in the too-hard basket. Under his stewardship the Roads and Traffic Authority became Roads and Maritime Services, with the emphasis being put on service.

There is no doubt that Duncan Gay is a hard worker. He has one of the hardest work ethics of anyone I have come across in all walks of my life. I know those opposite also have that same level of respect not only for his work ethic but also for his performance as a Minister and as a member of this House. It is fair to say that no-one has been able to lay a glove on Duncan Gay while he has been in this Chamber. We also know that as a former Leader of this House some of the most difficult reforms that have been put through, particularly in the past six years, were done under his stewardship. We know that the operation of this House was always smooth, although at times when we thought we were on track, he would insult members opposite in this Chamber and we would often lose our way. He always had the best intentions to make sure that what we did in this Chamber was the best we could do under his leadership.

For those of us in The Nationals, particularly those of us who became a member after the 2011 election, we owe a great deal of debt to Duncan Gay, particularly for his stewardship and his hard work during those 16 long years in Opposition. Duncan has been a mentor to many of us, me included. We all thank him for that and we will be the worse for his loss. He leaves this place as a statesman, and I wish him, Katie and their extended family the very best in his retirement. He will never be forgotten in this place, never forgotten in The Nationals and never forgotten by the people of New South Wales. I commend Duncan Gay to this House.

FUGITIVE EMISSIONS

Mr JEREMY BUCKINGHAM (15:11): My question is directed to the Minister for Resources. Given the latest greenhouse gas emissions data for New South Wales shows that in 2015 almost 12 per cent of carbon dioxide equivalent emissions came from fugitive emissions from coalmining, what is the Government doing to reduce fugitive emissions from coalmining?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:12): I apologise to Mr Jeremy Buckingham but I will have to take his question on notice. I have health issues.

NEW SOUTH WALES STATE LIBRARY

The Hon. ERNEST WONG (15:13): My question is directed to the Minister for the Arts. What is the Minister's response to community concerns that the New South Wales State Library will stop the central maintenance and circulation of collections in more than 40 different languages to culturally and linguistically diverse communities across New South Wales?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:13): I am surprised to hear that that is the case. I will ask that question of the State Library and I will obtain an answer for the Hon. Ernest Wong.

OPPORTUNITY, CHOICE, HEALING, RESPONSIBILITY, EMPOWERMENT

The Hon. DUNCAN GAY (15:14): My question is addressed to the Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education. Will the Minister update the House on how the Government is working with the Aboriginal community to ensure the success of Opportunity, Choice, Healing, Responsibility, Empowerment—OCHRE?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (15:14): Opportunity, Choice, Healing, Responsibility, Empowerment [OCHRE] focuses on education, language and culture, employment and accountability because they are the key leaders to driving economic and social empowerment. The key objective of OCHRE is to transform the Government's relationship with Aboriginal communities in New South Wales, giving those communities increased ownership of the policies and programs that affect them, and to ensure that government services are coordinated and effective.

OCHRE commits the Government to a different way of working with and supporting Aboriginal communities by building strong, working partnerships that have at their heart respect for local Aboriginal cultures, leadership and decision-making. This approach equally applies to the evaluation of OCHRE. The OCHRE evaluation will deliver the evidence required to improve the effectiveness of OCHRE projects and outcomes into the future and inform this Government about future expansion. It represents a conscious decision by the Government to develop a much higher level of engagement with communities than is normally the case for government-funded evaluation. Historically, research on service delivery for Aboriginal people has been undertaken without proper engagement and consultation with the communities involved or has been undertaken with predetermined outcomes, achieving limited benefits and outcomes for Aboriginal people.

The OCHRE evaluation has been designed to break this mould by being conducted independently of government and meeting the highest ethical standards of research and evaluation with Aboriginal communities. It is also critical that Aboriginal people have full control of the design, data and findings published. In May 2016 Aboriginal Affairs engaged the Social Policy Research Centre at the University of NSW to undertake a 10-year independent evaluation of the major OCHRE initiatives. Ethics approval has been secured from the Aboriginal Health and Medical Research Council Ethics Committee. The evaluation adheres to the Aboriginal Health and Medical Research Council five principles of research with Aboriginal communities—that is, to provide net benefits for Aboriginal people and communities, to ensure Aboriginal community control of the research, to conduct research with cultural sensitivity, to reimburse costs and to enhance Aboriginal skills and knowledge.

The initiatives included in the evaluation are: the Gumbaynggirr Aboriginal Language and Culture Nest at Coffs Harbour; the North West Wiradjuri Aboriginal Language and Culture Nest at Dubbo; the Opportunity Hubs at Campbelltown and Tamworth; Local Decision Making operating in the Murdi Paaki Regional Assembly in Far Western New South Wales; the Three Rivers Regional Assembly in Central West New South Wales and the Illawarra Wingecarribee Alliance Aboriginal Corporation; and Regional Industry Based Agreements negotiated through these Local Decision Making Accords.

Stage one of the evaluation is currently under way and focuses on implementation of the initiatives, short-term outcomes, and recommendations for improvements to the initiatives. The first step has been to secure permission from the relevant communities to take part in the evaluation. With this permission, representatives from relevant Aboriginal organisations and community groups have been taking part in co-design workshops to determine what will be measured and how it will be measured. These workshops take place in ways that respect local Aboriginal cultures, leadership and decision-making. This means the conversations will occur according to local Aboriginal knowledge and ways of doing things. A report providing the findings of the evaluation on the implementation of each project, including any short-term outcomes, is expected in June 2018.

Stage two and stage three of the project will take place between 2019 and 2024, focusing on identifying changes and assessing the contribution the initiative has made in meeting long-term goals and recommendations for improvement. It is through this ethical and culturally respectful approach that we know the evaluation of OCHRE has the interests of Aboriginal communities as its number one priority and the evidence and practice wisdom tells us that this is how we must approach it. [*Time expired.*]

GREYHOUND MUZZLING

Dr MEHREEN FARUQI (15:18): My question is directed to the Minister for Primary Industries, representing the Minister for Racing. Given the backflip on the greyhound racing ban and the refusal to put in place a breeding cap, will the Government follow the Australian Capital Territory example and promote the adoption of ex-racing greyhounds by removing the requirement for mandatory muzzling in public and instead base muzzling requirements on the behaviour of the individual dog?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (15:19): I thank the member for her question. I am aware of some of the media reports about what has happened in relation to the muzzling issue in the Australian Capital Territory and I am aware that there has been a call by some in the media to have a look at that in New South Wales. But as the question is to my colleague the Minister for Racing, whom I represent in this House, I will refer it to the Minister and take the question on notice, and come back to the member with a detailed response.

CONTAINER DEPOSIT SCHEME

The Hon. SHAOQUETT MOSELMANE (15:19): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities and Minister for the Arts, representing the Minister for the Environment. Will the Government meet its deadline to set up a fully operational container deposit scheme with a coordinator and the network operator by 1 December, as previously announced?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:20): I thank the Hon. Shaoquett Moselmane for his question. I am sure the Minister for Environment and Heritage is working diligently on this issue and I am sure that there is every intention to meet that deadline, but I will be very happy to have that confirmed by the Minister at the earliest possible opportunity for the Hon. Shaoquett Moselmane.

EARLY CHILDHOOD TEACHER ACCREDITATION

The Hon. DUNCAN GAY (15:20): My question is addressed to the great Minister for Early Childhood Education, Minister for Aboriginal Affairs and Assistant Minister for Education. Will the Minister update the House on how the accreditation of New South Wales early childhood teachers is progressing?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (15:21): I thank the Hon. Duncan Gay for that unexpected, but nonetheless very pleasant, surprise—my third Dixer. That is the first time it has happened since I have been a Minister. I am very happy to provide an update as per the member's question because the Liberal-Nationals Government knows how important qualified early childhood teachers are in ensuring the delivery of quality early childhood education programs right across New South Wales. A major contributing factor to the quality of early childhood education is the quality of our teachers.

In July 2016 this Government introduced accreditation for early childhood teachers working in long day care and dedicated preschools. This means, in addition to having a teaching qualification, early childhood teachers must demonstrate they meet quality standards of practice, and keep their knowledge and skills up to date through ongoing professional development. Almost 7,500 early childhood teachers have now been accredited by the New South Wales Education Standards Authority [NESA], formerly the Board of Studies, Teaching and Educational Standards.

The policy to accredit early childhood teachers was developed in close consultation with the early childhood division, and we have found there is solid support for it across the sector. Accreditation recognises early childhood teachers as professionals who make an important contribution to the education of our children, as do their colleagues in primary and secondary schools. It brings public recognition to the important role that early childhood teachers play in establishing the foundation for a lifelong love of learning in our children. Accredited early childhood teachers are supported by a professional framework of standards that strengthen their knowledge and enhance their teaching ability. Importantly, these standards include understanding how children learn, and result in creating supportive and safe learning environments for them.

This initiative, which is part of the New South Wales Government's Great Teaching, Inspired Learning reforms, recognises early childhood teachers are university trained, passionate about teaching and dedicated to providing children with positive educational experiences to support their future success as learners. The accreditation process for early childhood teachers is equivalent to the kindergarten to year 12 teacher accreditation process, but is also designed to accommodate the wide variety of early childhood workplaces. NESA is the accreditation authority for teachers.

The authority is working with employers and the sector more broadly to implement an effective accreditation structure for early childhood teachers in all employment situations. Importantly, the accreditation process does not place additional costs on the delivery of early childhood education. As members of this House know, particularly Mr Jeremy Buckingham who enjoys hearing it, since becoming Minister, I have made it my priority to travel around and meet many of the exceptional early childhood educators across New South Wales. As a mother it is particularly inspiring to chat to these teachers and to see firsthand just how passionate they are about providing our children with quality early childhood education.

This Government is committed to helping the sector build its qualifications to ensure that children in all areas of New South Wales have access to a quality early childhood education program. The Rural and Remote Early Childhood Teaching Scholarship initiative—which I have spoken about in the House previously—targets teacher quality, providing up to \$1.3 million in funding to assist diploma qualified educators working in community preschools, and long day care services in rural and remote areas of the State to upgrade their qualifications and become early childhood teachers. Between 2016 and 2019, up to 30 scholarships are available each year with each recipient receiving up to \$10,000 to assist with their study costs. I think these and other measures show just how committed we are to ensuring the best possible start for our children in early childhood education.

ELECTRICITY PRICES

The Hon. PAUL GREEN (15:25): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities and Minister for the Arts. I have been contacted this week by a Sydney business

that recently engaged in an electricity auction. Over the past financial year electricity prices for this Sydney-based business was approximately \$78,000 per month. Following the energy auction, all four major electricity providers quoted the business more than \$150,000 per month—effectively double. The rise in this cost can effectively cripple small business around the State and result in the laying off of workers.

The PRESIDENT: Order! The honourable member will start the question again, and the clock will be restarted. The Hon. Jeremy Buckingham will cease interjecting when questions are being asked.

The Hon. PAUL GREEN: My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities and Minister for the Arts. I have been contacted this week by a Sydney business that recently engaged in an electricity auction. Over the past financial year electricity prices for this Sydney-based business was approximately \$78,000 per month. Following the energy auction, all four major electricity providers quoted the business more than \$150,000 per month—effectively double. The rise in this cost can effectively cripple small business around the State and result in laying off of workers. What is the New South Wales Government doing to ensure that electricity prices are affordable for businesses and residential consumers alike across New South Wales?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:27): I thank the Hon. Paul Green for his question. I know that this is an issue of very great concern for a wide range of businesses across New South Wales. A number of them have written to me and a number have come to me to outline their specific concerns; therefore, I am very well aware of them.

The Hon. Robert Brown: Point of order: I cannot hear the speaker.

The PRESIDENT: The Minister will speak into the microphone.

The Hon. DON HARWIN: I apologise to the Hon. Robert Brown. Having had a couple of points of order taken against me about directing my remarks through the Chair, I think I will have to lean over to make sure that I am addressing the Chair and speaking into the microphone.

The PRESIDENT: Order! The Hon. Walt Secord will come to order.

The Hon. DON HARWIN: As I was saying, there have been a number of industrial users who have been to see me about this issue. Tomago Aluminium has been to see me to discuss this issue and I have had very detailed discussions with the organisation. It is obviously the State's largest electricity customer, and this is a particular issue to that organisation. Tomago Aluminium has a particular perspective on this whole issue because of the size of its consumption, which is well over 10 per cent of the State's electricity generation every day. I would say to the Hon. Paul Green—and I have said this on numerous occasions—that the New South Wales Government has done everything it can in that part of the prices equation that it has some control over—namely, network prices. We know that under the previous Government there was gold plating.

The PRESIDENT: Order! I call Mr Jeremy Buckingham to order for the first time. I call the Hon. Shaoquett Moselmane to order for the first time. I call the Hon. Daniel Mookhey to order for the first time.

The Hon. DON HARWIN: We know that there was gold plating of the electricity network and that led to massive price increases under the previous Government. But we have dealt with that in the way that is best—we have put those networks in private hands. As a result, we can be sure that network costs will be lower in 2019 than they were in 2014. In fact, it is enshrined in the law that led to the electricity transactions. In terms of the second and now the largest component of prices in New South Wales—under those opposite it was networks, now it is wholesale prices—as I have had the opportunity to say on a number of occasions over the past couple of weeks, as a State Government we will not and cannot fix the wholesale price ourselves.

The only way of fixing the broken national electricity market is for all State governments to work together with the Federal Government. Today is the last sitting day for some weeks. Most of my time over the next couple of weeks will be focused on the Council of Australian Government Energy Council meeting to be held in mid-July. That is crunch time. That is when we have to develop a sensible, national plan to respond to the issue of the diminishing supply in the national electricity market, which is driving up prices. [*Time expired.*]

The Hon. PAUL GREEN (15:31): I ask a supplementary question. Will the Minister elucidate his answer as to what New South Wales is doing to ensure that electricity prices are affordable for business and residential consumers by way of action against colluding in the industry?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:31): That is a very important question. I will not take a point of order against the member, I will simply say in deference to the large number of visitors in the gallery that I will take the question on notice. They

are all waiting to hear from the man of the moment, the Hon. Duncan Gay; not from me. I will take the question on notice and provide the member with an answer at the first available opportunity.

If members have further questions I suggest that they place them on notice.

LIFE SUPPORT REBATE

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:32): Earlier in question time the Hon. Walt Secord asked me a question about the Life Support Rebate. I will provide figures to substantiate what I said earlier—namely, that the total amount allocated to the Life Support Rebate has increased. In 2016-17 it was \$8.57 million, and in 2017-18 it was \$9.1 million. That is what I was referring to and that information is absolutely correct.

FUGITIVE EMISSIONS

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:33): Earlier in question time Mr Jeremy Buckingham asked me a question about fugitive emissions. As members know, I have been unwell and I was not able to give Mr Jeremy Buckingham an answer on this issue. I can now provide the member with a little bit of information that, hopefully, will give him some assurance. Over the past few decades fugitive emissions reductions in New South Wales have been significant. In fact, in 2014 they were around 25 per cent lower than they were in 1990. Since that time there have been successful New South Wales projects in the Emissions Reduction Fund, or Direct Action, which will reduce fugitive emissions from our coal sector. I look forward to seeing progress from the Coal Innovation NSW Fund, which is supported through the budget, on low concentration fugitive methane in particular, which is hard to flare or capture. That is an important matter. I thank Mr Jeremy Buckingham for his question.

Members

VALEDICTORY SPEECH

The PRESIDENT: Before I call the Hon. Duncan Gay, on behalf of all members I welcome to the gallery members of the Hon. Duncan's Gay family who are here for the member's valedictory speech. They include his wife, Katie, and his children, Anna and James, his granddaughter, Mhairi, and other family members and friends. I also welcome Mr John Evans, PSM, former Clerk of the Parliaments, together with former members of the Legislative Council: the Hon. Jennifer Gardiner, who was the Deputy President and Chair of Committees; the Hon. Patricia Forsythe; the Hon. Robert Webster; the Hon. John Jobling; and the Hon. Richard Bull. I also welcome Ministers and members from the other place, as well as the Leader of the Opposition, Mr Luke Foley. Finally, I welcome former Premier Barry O'Farrell, and former Minister Wendy Machin.

The Hon. DUNCAN GAY (15:35): Earlier in the week Mr President suggested to me that he may well have been the best Deputy Leader of the Government that I ever served with. I have researched the matter and I can advise the House that that suggestion is accurate—Mr President was the only Deputy Leader of the Government that I ever served with. But I was told that I was not allowed to say that because Trevor Khan said the President is getting much too needy. It does not seem that long ago that I stood for the first time in this Chamber on 19 March 1988. Ahead of me in the list to be sworn in on that day were Ian Macdonald, Paul O'Grady and Dr Marlene Goldsmith. We were elected for three terms of three years—a total of up to nine years on one hit at the ballot. Interestingly, during that first term we changed the three-year term to a four-year fixed term. If we do the maths, that would have made my term 12 years—well deserved, but perhaps a tad long. I suspect that I am one of only a handful of members, including Reverend the Hon. Fred Nile, whoever voted to reduce their term in Parliament by making it two terms—that is, eight years rather than 12.

This was a pretty daunting place for a relatively young in those days—when I look at the Hon. Taylor Martin, who made his inaugural speech yesterday, I am not so sure—38-year-old farmer from Crookwell. Katie and I had two young children: Anna, who was 11, and James, who was nine. Today they are 40 and 37 respectively. I did not say which one was 40; I will leave that to others to work out. They are so different from each other but in their individual ways they give me continual love and are a source of continual pride. Katie and I share five granddaughters—one of whom, Mhairi, will have to wear a nametag for all her life; it is the Scottish version of Mary—who are in the House with us today.

Many people in Parliament are also aware how Katie's and my life was changed earlier this year with our second-eldest granddaughter, Xanthe, through circumstances, coming to live with Katie and me during the week. She has autism and attends Giant Steps at Gladesville. Whilst there are always challenging moments with Xanthe, they are greatly outweighed by the special ones. I love my grand-girls and I suspect my personal growth has been accelerated by these fine and great girls, whom I will list: Autumn, Xanthe, Emmeline and Eleonor. They are pretty special.

I have written quite a few notes but one note I could not write was about my wife, Katie. We have been married 44 years. We got married in 1973—I was 23, she was 21, and she was cute as. We have been lucky; a lot of our generation who married at such a relatively young age have not stayed together. I think, more than anything, we have grown together through that time. Her help in bringing up Anna and James to be the sensible people they are while I was in politics has been incredible. Many of you know that four years ago we were heading overseas for our fortieth wedding anniversary trip when Katie was diagnosed with cancer. It was a hell of a tough time for her and for the family. The good news is that following operations, chemotherapy, radiation and a lot of praying and love, four years on she is still completely free of cancer. We are just so lucky.

Barry, that trip gave us no end of problems. The first was when we initially planned the trip Katie was diagnosed with cancer. Twelve months later we put the trip together again and headed overseas. Whilst we were overseas you resigned as Premier. We had to then turn around and come back. The good news is that there has been life after it for Katie, for you and for us. There is a Machiavellian side to this. Before I left to go overseas Barry quietly said to me, "Have a great trip, enjoy your time, but when you come back you won't be the Minister for Roads". I was not sure I wanted change, but he told me it was a great promotion. Anyway, we accepted it, we went away and I was looking forward to my change in portfolio. When I came back there was a new Premier and I was able to get back my old portfolio. Thanks, Mike Baird, for that one.

I love stats. I have been a member of this House for 29 years and three months. That equates to 10,687 days—4,842 of those days in government and 5,845 days in opposition. That is 1,000 more days on the dark side than on the good side. The temptation is to stay and make it better, but I will not. In the six years that I was Leader of the House and Leader of the Government we passed more than 450 bills in this Parliament and only missed two bills that we needed, which were planning bills, and that is not bad. In saying that, I pay tribute to the House and the people who we worked with, particularly the conservative crossbench, the Christian Democratic Party and the Shooters and Fishers—

The Hon. Robert Brown: And Farmers.

The Hon. DUNCAN GAY: Shooters, Fishers, Farmers and nurses and whatever else. You guys are like a scarifier: You pick up whatever is going around. It still does not deny the fact that after tough negotiation with the Government, we settled on what they and we thought was a good position and we were able to get those bills through, which included some major legislation to recycle assets in this State, which paved the way for that great budget that happened yesterday. It was our work but it came in part from working sensibly with the crossbench. As I leave, I pay respect to the four of you as you paid respect to me as we worked together. I also congratulate John Macgowan, Susanna Montrone and Natalie Hazelwood. Whilst I get the credit for all this good work, they did all the hard yards.

I was recently asked how many question times I have sat through. The answer is: It was 1,478; after today it is 1,479. I have one more geek stat—and this will be the last one—that Legislative Council members will get a kick out of. In the time that Mike Baird was Premier, from 17 April to 23 January 2017, he answered 398 questions in question time. In the Legislative Council during the same period he was Premier I answered 931. So 398 for Mike and 931 for me—that is more than twice as many questions from an angry and determined Opposition. In fact, during my time in Parliament I have either asked or was asked more than 3,300 questions without notice.

The Hon. Penny Sharpe: Still no answers.

The Hon. DUNCAN GAY: Everyone knows it is question time, not answer time. Twenty-nine years and three months is a hell of a long time. It was never the plan that I was to stay this long; it just seemed to happen. Whilst it is a long time, I suspect it is not going to happen again in the future. I cannot comprehend the service of Billy Hughes of 51-plus years, Phil Ruddock of 42-plus years and Sir Earle Page of 41-plus years as members of Parliament. I am not going to get within a bull's roar of those. But eat your heart out, Bronnie Bishop—you only got 28 years. Reverend the Hon. Fred Nile had 36 years in total, but he sneaked away for a short time and has done it in two lots of 23 and 13 years. When I leave the Parliament as Father of the House, he will be Father of the House.

As many of you know, I am not averse to suggesting to the community that there should be a statue of me in recognition, for example, of how important WestConnex will be to the nirvana that Newtown will become following its completion. Sadly, many have not shared my vision or sense of humour. Equally, I have often noted that there is a vacant plinth in this Chamber that should not be there. It is waiting for a bust of me—toga clad, in a classical pose and with a bacchanalian touch, I suspect in my imaginings. The reason there should be a bust of me in the House for perpetuity is that I have made the greatest contribution to this Parliament now and into the future. What was it? I introduced timed debate. Those opposite said it would never work, it would never catch on and would be the end of democracy. Everyone loves it. It has taken hours, days and weeks off the sitting time of the Parliament. We are doing the same work and spending less weeks in the House. It was bloody heroic.

In 29 years I have seen many weird, wonderful and at times horrible contributions from members in the House. I think the strangest came from the Democrat Arthur Chesterfield-Evans, or "Ace", who rose to speak on a condolence motion about the death of a former member. He spoke for a bit over two minutes before I worked out he was talking about former Labor Minister Kep Enderby, who at that stage was very much alive, and not about former Labor Whip Keith Enderbury, who had recently passed away. I stopped him and he left the Chamber in a greater state of confusion than normal. Miraculously, *Hansard* lost any indication that he had ever even been in the room. I take this opportunity to thank Hansard for tidying my mumblings and incorrect grammar. They also read my notes and see the incorrect spellings. Hansard has taken it all in their stride. Maurice's crew of attendants have also been terrific.

What is the best thing we have done while I have been in Parliament? There are many achievements but I will mention one in particular. I was a member of the first social issues committee of this Parliament in the late 1980s and early 1990s. The first thing we took on was access to information on adoption. We changed lives for the better for hundreds if not thousands of people. We were touched by the decency members from all sides showed to that committee and the work it did. It is off the back of that inquiry that the Parliament's committee system has come to work as well as it does.

I thank the Leader of the Government for letting me stand in his spot at the lectern. I promised him I would not get too comfortable here. I pay tribute to my successor, Niall Blair. He is pretty special. You do not leave a gig without knowing it has been transferred to someone as good, if not better. I am lucky that I got a bloke who has taken a little bit from what I did and a fair bit from some of his predecessors such as Doug Moppett, Rick Bull and Robert Webster. He is a good amalgam of those men. I noticed he was channelling me yesterday because he was as cranky as all hell. He broke me up in question time, which was very unfair. I thought I was going to tear up and would not get through this. I thank him.

Niall Blair follows in the tradition of upper House leaders in providing loyalty to and support for the lower House leader. That part of the role is key to what we have achieved over the years. One of my best friends in Parliament was George Souris. We entered this place on the same day, we played rugby against each other in school, we have known each other for an eon and our families are friends. When George moved against Ian Armstrong he did not talk to his mate Duncan Gay. I said, "Why didn't you say something to me?" He said, "You would have told Ian." I replied, "Of course I would have, that is my role." I gave that same loyalty to Andrew Stoner and Troy Grant. I know Niall will do the same for John Barilaro.

The Hon. Mick Veitch: He's looking like you already.

The Hon. DUNCAN GAY: He is starting to grow hair. The Deputy President Trevor Khan and I sit together on one end of backbench. I have found it comfortable sitting there. It has been suggested that we are like the old men from *The Muppet Show*, Statler and Waldorf, and that observation contains an element of truth. We save each other from getting into trouble. Before he entered Parliament Trevor Khan was a lawyer. Interestingly, he worked in the same firm in Tamworth as Sir Adrian Solomons. He followed Sir Adrian Solomons and Jenny Gardiner into the role of chair of committees and is doing it exceptionally well. He also applies his conscience to each debate. His views on life are not always the same as mine or others in The Nationals but we would be poorer without his point of view.

Sarah Mitchell is a star. We picked her from the start. She had a quiet confidence and ability to articulate issues from the Young Nationals and her early elevation into the ministry is totally deserved. Rick Colless has been my friend and travelling companion for hundreds of thousands of kilometres across regional New South Wales. He is a man of the land. He is also a man of some strange personal habits, none of which I am going to talk about. Rick is a great representative of the people of regional New South Wales. His stories and knowledge of the history of families in the regions is extensive. Regional New South Wales is run by the women. Wherever you go in a regional town, whether it is for a committee or onto a family farm, sensible women who know what they are doing run the place.

Bush blokes are not stupid; they get out of their way and let them do it. Bronnie Taylor epitomises the commonsense point of view of women of the bush. Even if they were born in the city they still become commonsense country people. It would be easy to say Ben Franklin is the same as Jenny Gardiner, but he is not. He is quite different. However, they both bring the same knowledge and professionalism to running an organisation. One of the best things I ever did for the National Party was sit on a selection committee and choose Ben Franklin to be our State director. There were many who said he should not be there because he was tainted by another political party. As the Premier knows, there are others of us who have similar tainting. With the professionalism he brought to the party he is more responsible than anyone for the extra members of The Nationals in the Parliament. From the other side, The Nationals had two enemies—one of them is the Labor Party.

I entered Parliament in the Greiner Government. I remember three or four days after entering this place I was attending a function in the highlands with Nick Greiner. As I was standing outside, I was a bit scared going into the meeting. Many members understand that we do not all have the confidence to go into a meeting. I was standing there sucking in the deep ones and beside me Nick Greiner was doing the same. It indicates that we are all the same. Nick came in with a vision, went hard. He did things we needed to do and took us to places we needed to go. He did not last as long as he should have, but his time here was great. His legacy and his friendship continues. John Fahey followed him. John Fahey is more a man of the people, and we all remember the hero saving Prince Charles at the Olympics.

John Hannaford, who was Leader of the Opposition in the upper House, sticks in my mind. He was the best Leader of the Opposition that I served with. This week I note that John Evans pointed out that John Hannaford received an award. The best President—the Hon. John Ajaka needs time to mature and the Hon. Don Harwin was not bad—has to be the Hon. Virginia Chadwick, who was outstanding. The Hon. Peter Primrose did a good job, as did the Hon. Amanda Fazio. There are a couple I will not feed and I will not mention them. Virginia became President after being a Minister. She stabilised the role and brought it into the twentieth century; she did an excellent job. I also mention the Hon. Patricia Forsythe, who I believe was overlooked and underrated during her time in Parliament. She was a great friend of mine then and is now. Members who know what she has done since then will agree that sometimes all political parties make mistakes.

Andrew Tink, like someone else here who I will talk about in a moment, was a great member who never became a Minister. What Andrew could have done would have been outstanding. The Hon. Greg Pearce did a lot of the hard, tough stuff early in government. I have to mention my friend Mike Gallacher. A special time for us was when he was Leader of the Government and I was Deputy Leader of the Government. We had total confidence in each other and worked off each other. The split of responsibility was good. I have spoken about him in Parliament. He has now moved on to a better place, and good luck to him.

I wish to mention only one other member of the House, and that is a former Government Whip. I could not possibly name the Hon. Dr Peter Phelps. We know that every now and again he gives the Opposition a huge spray. We feel horrified but equally pleased that someone is doing it. Every now and again—in fact quite often—he goes a tad far. Opposition members rain stuff back on him. The Hon. Walt Secord has been eating red meat and climbed across the table trying to get at him. Seeing the big man move across the table is something else. I defended the Hon. Dr Peter Phelps as best I could. As the new Leader of the Government, I felt a bit guilty. We threw the towels around and everyone calmed down. The Hon. Dr Peter Phelps came over to me and I thought he was going to thank me. No, there was no thank you. He said, "Dunc, next time, tell them I'm mad. Because I am mad; I am really mad. Just tell them I am mad and don't worry about it."

I have an equal number of friends in the Labor Party. We have to work for the people of this State not only when we are in government but also when we are not in government. The Nationals held a farewell dinner for me last night and six to eight Labor members—and I will not mention them because it might hurt their progression—came to wish me well. During my time in the House, the Hon. John Hatzistergos was outstanding. He and Maria were hoping to be here today. I still catch up with them occasionally. One of the odd couples of the world are Michael Egan and me. It is strange that we had a friendship, but it was a great friendship and it still exists. He is currently in Noumea.

I know the Hon. John Della Bosca copped a lot, but we cannot forget the work that John Della Bosca and Patrick Maher, the former president of The Nationals, did in establishing the National Disability Insurance Scheme. We will all remember their exceptional work, which will bring people with disabilities together on that scheme in the future. I will give the Hon. Mick Veitch a mention and I hope it does not hurt him. I equate the Hon. Mick Veitch to my friend the Hon. Don Page. Don and Mick were not very good shadow Ministers. The reason they were not very good—and I want Luke Foley to take this on board—is that they did not beat up their Ministers well enough.

The Hon. Niall Blair: Hang on, he is doing alright. Don't encourage him.

The Hon. DUNCAN GAY: You just do not want to lose him. As they go about their business, people like them because they are genuine. We know that if Labor ever gets into Government—and it will be a long time before the Hon. Mick Veitch gets there—he would be an adornment to a ministry, as the Hon. Don Page was. Barry O'Farrell and Andrew Stoner persevered to allow Don to come through. He was an exceptional Minister with his policy development and decency, and the Hon. Mick Veitch is exactly the same. The Hon. Adam Searle and the Hon. Walt Secord lead the Opposition. Their decency through my period as Leader of the Government was exceptional. My family and I thank them. They had every opportunity to slip a few low ones in. I am sure the temptation was there when I was throwing them back, but they resisted, and I appreciate it.

We sometimes equate working in this place to the kid's cartoon with Ralph Wolf and Sam Sheepdog. They clock on, feeding the bundy. At the end of the day, they clock off and say, "Night, Ralph", "Night, Sam." We do the same. We believe strongly in our vision, but that should never stop members from being friends and talking to members on the other side. I note that the past two Leaders of the Opposition in the Legislative Assembly have come from the Legislative Council. John "Robbo" Robertson was the first one. He stumbled and tripped, and Luke Foley moved quickly. He was agile on his feet and moved into Robbo's spot. Luke, do not trip, because we saw the big man move yesterday, like a rhino rutting. It could be his demise. Having made those few comments about the Opposition, I checked and there is a citizen's right of response that will allow me to make it up some time in the future.

I have served with many great Nationals leaders—Wal Murray, the colossus of roads, was a great traditional leader of the National Party and reflected our views but he was my leader when I first entered Parliament. He was terrific. His wife Daphne held my hand through a hailstorm—that caused \$25,000 worth of damage to the forestry plane, which was a scary moment—when we travelled to the opening of the Goulburn Cathedral. The next terrific leader was Ian Armstrong, who was a great friend of my parents. He was a country man who remembered people's names, which is very important when one travels around the bush. I notice one of my former staffers nodding because Ian would ring and he would still remember their name. George Souris whom I mentioned today is a great friend of mine. He and Vassy are in Tasmania. Andrew Stoner was the leader who took us into government and no-one should take that away from him. He did a lot of exceptional work with Barry O'Farrell to bring us into government. I thank him for everything, especially giving me the portfolio of Roads because otherwise I would have held Primary Industries, Fisheries, Mining and Energy which was a large portfolio I held in opposition. I do not thank Andrew for the helicopter, which gave us a bit of angst for a day or so.

Troy Grant is a friend on many levels because I was the National Party duty member of the Legislative Council for Dubbo for a number of years. We could not find anyone to stand against the Independents in Dubbo. I cannot tell the story because I recently found out that Troy and I have a different version of it. But we found an outstanding person to win that seat, someone with the ability to come from being a uniformed member of the Police Force, an officer and a decorated hero who put in place IPROWD, amongst other things, to a local member of Parliament. He and Toni have done a terrific job. Soon after, he became the Deputy Premier and Leader of The Nationals—not many have done that in such a short time and he should be especially proud.

I see Barra, John Barilaro, in the public gallery. We have had good times and a couple of not-so-good times but the good times before and after February this year are the important ones. We put in place something that had never happened in Monaro. Captains Flat is a mining town just outside Queanbeyan with 95 to 98 per cent of its people voting Labor to their boot straps. We put a bridge into that town because for a decade the existing bridge could not carry heavy vehicles such as the school bus, and trucks with groceries and fuel. That was the first bridge that Barra and I fixed for the Bridges for the Bush program. It made such a difference and the people of Captains Flat were ecstatic. It caused a landslide because we got 20 per cent of the vote, or maybe a bit more, but that was not why we provided that bridge. It is important to do those sorts of things.

I notice my friend Robert Webster and I link him with John Sharp. My first introduction to politics was running the campaign for Robert Webster in Goulburn in 1984. It was the seat that Nifty said, "We are not going to lose any seats, we are going to win the seat that has been vacated by the former returned man Ron Brewer, a soldier-settler and a great local member". Robert and I went to school together. My only connection with Robert was just that; nothing to do with politics. We won that seat. He went on to become an outstanding State Minister, and remains my great friend to this day, along with John Sharp, whom I stood against for the Federal seat of Gilmore in 1987. Sharpie beat me in that preselection and he did me the biggest favour that I have ever been done in my life. I had young children and going off to a Federal seat would have been stupid. Thank you, Sharpie, who has told me he will read my speech when he returns from Canberra tomorrow. I then went on to be his campaign director. Then Robert Webster and John Sharp ran my campaign to move into the Legislative Council in 1988.

I see Richard Bull and Trish. Bully is a former leader of the Legislative Council and, along with Andrew Tink, would have been the best Minister this State has ever seen. I know the Hon. Walt Secord said to me earlier that when they were in government they used Rick because of his great ability to land things. John Turner and Andrew Fraser are great mates and we entered Parliament together. Andrew is in the chair in the Legislative Assembly at the moment. Thomas George is the most beloved of any member of any Parliament anywhere in the civilised world. He knows everyone and if he does not, he makes it his business to make friends. I made the mistake of travelling with him in Western Australia. When we entered shops in Perth he introduced himself and spoke to people.

Peter Cochran is also a great mate of mine. I was his campaign director. Peter Cochran and I worked in a three-cornered contest for the seat of Southern Highlands. I do not think it was illegal at the time and I suspect there is probably a statute of limitations applying anyway because it is beyond seven years but we removed a lot

of corflutes. In fact, one night Peter and I decided that we would go on a raid and we met at the Marulan roadhouse. When Cochrane rolled in he was wearing camouflage gear, his beanie was pulled down and his face was blackened. We had an eight-foot ladder, a telescopic paint roller handle with three prongs on the end—280 Peta Seatons, 220 Labor candidates and four Katrina Hodgkinsons met their death. Why four Katrina Hodgkinsons? Because the Katrina Hodgkinson posters were taken from the best spot in town and the next morning I phoned the Liberal campaign director and I said, "Some bastard's taken our posters." I said, "I'm in the office and I can see that four are missing across the road." He said, "We've lost a heap too. We thought it was you but it must be the bloody Labor Party."

Adrian Piccoli was a great education Minister and he should still be the Minister for Education. It is all right for someone of my age who is moving on but he was doing a great job and he has suffered a great loss. I worked with him for a long time and I like him. All of us need to move on and I know he has. He can reflect on the fact that he did a damn good job and they still remember him out in the bush. Gladys Berejiklian was the first transport Minister with whom I had worked. Then I worked with Andrew Constance. Glad and I have been friends for a long time; we are still friends. We work together incredibly well. We are quite different in the way that we work. The respect that I had for Glad at that time and now continues because she has an ability to be able to cut through. She is diligent, she is tough when she needs to be, but underneath there is a heart. She tells the story that I taught her how to pass a road train, which I did.

The Hon. Robert Brown: On the wrong side.

The Hon. DUNCAN GAY: No, it was on the right side. It was not great for either of us to be passing, particularly on the Newell Highway. Glad was nervous. I did not let on at the time, but I was a tad nervous too. Andrew Constance the same. It has been great. I do not think any other State or jurisdiction has had two Ministers in that transport area because they have tried it in the past and it has not worked. We worked it. It was not without working hard to make it work, but it did work and it worked well. Given the breadth of what the Ministers do, you actually do need the two of them to be there.

In the department, I was lucky. They were terrific to me. Their loyalty and decency was just incredible. Les Wielinga was the first head. Peter Duncan was my second head in Roads and Maritime Services. I had to ring Barry O'Farrell to ask if I could take his deputy head of Premiers and Barry said that for such an important spot, we needed to have the best people and we were able to get Peter Duncan in there. Les was replaced by Dave Stewart, who has since gone on to be the head of the Premier's Department in Queensland—we consider it a demotion. He has been replaced by Tim Reardon, who is doing an equally great job. Peter Duncan retired and has been replaced by Ken Kanofski, who is also doing an outstanding job. I also acknowledge Dennis Cliche in WestConnex and Grant Gilfillan in the Ports Corporation.

I pay tribute to the Clerks of the Parliament, three in particular—the great Les Jeckeln, the absolutely great John Evans, who is in the House today, and the outstanding David Blunt, who is here today. They are the wise people of a Parliament who make it tick over.

In my inaugural speech I mentioned a lot of friends and some of them are here today. Most of them are still friends, which is testimony to the fact that my wife is just outstanding; they do not see that much of me—Steve and Di Flett, John and Sue Cooper, Pete and Karen Mayoh, James and Flis Carr, Richard and Maxi Bell, Richard and Lesley Dougan, Ken and Annabel Baxter, Ian and Vicky Londish, Dasher and Chris May, David McGonigal and Sandra Hooke, Will and Marg Kelly, Phil and June Meckiff, Tony Shepherd—Shep—and MG—Mary-Anne Graham; all friends and many others. I know when I name people I am going to make a mistake.

Kate's family, who are here today, Helen, Annie, Mike, Jane and their families, my sister, Elaine, and Anna's husband, Angus Wyllie, who are not here today; my parents, Harry and Rhonda, who were here when I was sworn in but are no longer with us. Dad lived until he was 97 and mum lived into her nineties, and Kate's parents, Bill and Moya Doolan. I mention just a few staff, because I added it up today and there were over 50 staff over 30 years—and I did not turn over staff that often either. Ben Hamilton, who had to fight his parents, one of whom was a Country Party voter and the other a Labor Party voter. I suspect they still are, but they are still friends of mine. Ben was a lecturer at Charles Sturt University before he entered my staff in opposition.

JBR—Jaymes Boland-Rudder—was the first of my chiefs of staff when I became a Minister and he did lots of good things. One is that he speared my head of road safety, who when I raised the limit on the Newell Highway to 110 kilometres per hour, said, "The Minister will have blood on his hands." JBR said, "The only blood he'll have on his hands is yours." The best thing he did was right up front, he employed Liz and Sally-anne, and it is a lesson to all of us. Liz and Sally-anne worked for Frank Sartor, they were Premier's Department staff. Most of our colleagues would not go near any of the staff of the former government and it was a great move. We hit the ground running, not because of JBR, well, probably because of JBR, because he employed them, but because of the great work of Liz—Liz is here—and Sally-anne. I thank them for the work that they have done.

Jason de Sousa—Barry, he is another one that I stole from you, but the reason I had to steal him from you is because you stole JBR from me. Jason was great. He was different from Jaymes. Each one of my chiefs of staff has been different but importantly, in their difference, they happened at the right time. Jason once described me as the most economically rational agrarian socialist that he had ever met, which probably gives you an indication that he was a bit conservative in his economics and great in what he has done and is doing now.

Andrew Huckel was my third chief of staff. Andrew, along with Louise Talbot and Emma Logan, worked with me in opposition and in government. There are very few that did that. Huck was out there; he was a street fighter. He loved a blue. He was just fantastic. I think it is important that you not only deliver but that you justify what you are delivering. You cannot let the others climb over you. That happens if you cannot deliver and justify the delivery. I tried to work out who my longest serving person on staff is and I am not certain, I think it might be Pattaperson—Virginia Patterson or Andrew Huckel or Ramza Martin, I am not sure, it is a toss-up. I seek leave to incorporate in *Hansard* a reasonably full list of my staff.

Leave granted.

Legislative Council Staff—Virginia Patterson, Sally Cruickshank, Joanne Hassan, Guy Ellicott, Jan Tydd, Benjamin Hamilton, Louise Talbot, Jane Simmons, Doster Mitchell, Dianne Hockey, Sarah Hellyer, Alice Hardy, Angela Maguire, Janene Theol, Susan Toft, Jess Main, Lindy Davey, Emma Logan, Sophie Herron, Megan Golightly, Leisel Huckel and Bernice Derriman

The first team (2011)—Jaymes Boland-Rudder, Andrew Huckel, Reg Fisk, Emma Logan, Maria Scoutas, Lance Northey, Susanna Montrone, Ramza Martin, Louise Talbot, Liz Carroll, Sally-anne Giliam, John Macgowan, Patrick Callaghan, Melanie O'Brien, Howard Male, Pat Callahan—my driver in the late 1980's and then from 2012 to 2016.

New members of second team (2013-14-15)—Jason De Sousa, Siobhan McCarthy, Emma Higginson, Vanessa Juresic, Clementine Julian.

Last team additions—Whitney Jago, Nina Stevens, Natalie Heazlewood, Jonathan Giliam, Regina Sutomo.

Department Liaison Officers (DLOs)—Justin McGuire, Casey Richardson, Arch Hennessy, Harold Bear, Wayne Hillier, Jessica Farrell, Yolanda Mascarenhas, Matt Jones, Peta Smith, Adam Culbert, Natalia D'Morias, Nadia Lacharite-Morgan, Adrian Toovey, Lachlan Mercer, Michael Drake, Damien Knowles, Dora Moga, Suzanna White, Jenny Wiggins.

Who is going to win the next election? Well, I am sorry for those opposite but the bad news is, I do not think it is the Labor Party. I do not think the Labor Party can win government. I think it is very much still in the hands of the current Government, who will have a reasonable victory for a third term, unless they choose to lose the tightness and rigour that they have demonstrated in their first two terms. That would allow an opposition to take over. The Government has a lot to be proud of in relation to the position the State is in, a position that was not inherited but achieved by tough, practical and fair decisions. Our achievements are great, and sometimes we do not pay tribute to them. No-one knows what the alternative is. I tried to work out where the Labor Party stands on WestConnex. I see sometimes in the *Daily Telegraph* they say they are going to build all three sections, other times I see that they are only going to build two sections. Two sections would follow the same old Labor Party plot of going flat out at 100 kilometres per hour and then dropping off the edge of the earth into the suburbs that surround it. That is the silliest thing we could ever do. It only works properly when all three sections come together.

Some days they are quiet on how it is going to be paid for, some days they are quite vociferous against tolls. If they are not going to have tolls, how are they going to pay for it? It is a \$16.8 billion project. About \$3.8 billion comes from the various governments, which leaves \$16 billion to find. If it is not going to be user pays, how is it going to be paid for? The only answer is it will come out of the promises that they have made on schools, on education, on health, on roads. That is where the money would have to come from, and it is a lot of money to find—a lazy \$16 billion.

Their roads Minister said when there was a complaint about the traffic holdups, "Let's build it at night." That adds 30 per cent. So instead of it being \$16.8 billion, you add 30 per cent to the cost. Add to that, the noise at night when the people in those communities come home. That was a really good one. That was one of their best. But no-one knows where they stand. I remember about 18 months or two years ago they were talking about coal and climate change. The then Leader of the Opposition, John Robertson, said, "Don't worry about climate change. Luke has a plan." Luke's plan is to stop coal production in New South Wales. Has he told the people of the Hunter? Has he told the CFMEU workers who work in the Hunter what Luke's plan is? Has he still got that plan? Where is that plan?

The Hon. Walt Secord: I politely remind the outgoing member that there is a convention. We are adhering to that convention, but I am being very patient.

The PRESIDENT: It is not in the interests of members to interject on this occasion, nor is it in the interests of the member speaking to encourage interjections.

The Hon. DUNCAN GAY: I will leave that matter there because I know they are embarrassed about Luke's plan. But I know others will bring it up at some stage. After 16 long years in opposition, I was determined to not waste any time when in government. In March 2011, I was fortunate to be offered the role of Minister for Roads and Ports by then Premier Barry O'Farrell and Deputy Premier Andrew Stoner. It was, and is, a dream portfolio—it is a portfolio where you get to build things; where you get to move things around for the sake of our economy and its people. Every day you get to see the results of your work.

One of my proudest moments was securing the 80:20 funding split with the Commonwealth—it was one I could not get from others, there was a new government—to help fast-track the duplication of the Pacific Highway. This has allowed the upgrade to be completed by the end of the decade, 2020. This multi-billion dollar project will save the lives of hundreds of motorists—by completing it seven years early we will be saving lives. I was also determined to waste no time in upgrading major highways throughout regional New South Wales—notably the Newell, Great Western, Princes, Mitchell, Cobb and Silver City highways.

Mr Jeremy Buckingham: Bridges for Crookwell.

The Hon. DUNCAN GAY: And there was one. We even went to the extent of widening the Silver City Highway just north of Packsaddle to create an emergency airstrip for the Royal Flying Doctor Service [RFDS]. The opening of that section of the highway was a very special day for the people of Far West New South Wales. I was pleased to rather scarily fly in on the RFDS for the opening, and I acknowledge Clyde Thomson from the RFDS who is with us today. I have lost count of how many crumbling bridges we have replaced or upgraded through programs we created such as Bridges for the Bush and Fixing Country Roads. Programs that had not been thought of until we were put into office are now part of the standard kit of this State. It is amazing how the simple task of replacing an old bridge can instil new energy, as it did at Captains Flat, in a rural community. Some of the bridge names and locations that spring to mind include Kapooka, Emu Crossing, Grogan, Tarengo, Tulladunna, Bemboka and Captains Flat.

We also put freight firmly back on the agenda, including hundreds of small policy changes to remove red tape in the movement of farm freight. In the office, I liked to call these reforms "picking the low hanging fruit". Everything from width concessions for the transport of wool, hay and cotton bales to increased truck haulage weights for the efficient movement of livestock and grain. In terms of trucks on our roads, I did everything in my power to reward good operators, but I was equally determined to crack down on rogue drivers and companies. People like those from the Livestock, Bulk and Rural Carriers Association who are represented here today were terrific. I can safely say to this Chamber that I will not miss having to drop everything to respond to the media about an over-height truck hitting a tunnel—almost every second morning. I was also a strong supporter of the establishment of the National Heavy Vehicle Regulator, an agency designed to harmonise road transport operations across State borders.

I also decided to have a crack at upgrading grain branch lines throughout country New South Wales; hence, the \$400 million program we call Fixing Country Rail. The simple act of extending the length of an existing rail siding at a grain silo to accommodate longer freight trains can do wonders to reduce costs to producers. Other proud moments included working closely with motor enthusiasts to dramatically simplify rules around the modification of vehicles such as four-wheel drives, and classic and vintage cars.

The Hon. Robert Brown: You will be remembered for that, mate. Good one.

The Hon. DUNCAN GAY: Thank you. As a car enthusiast, I was always amazed at the passion and knowledge of this industry. Most motor enthusiasts know every minor specification of their vehicle. Obviously, the work we started back in 2011 with Nick Greiner and Paul Broad at Infrastructure NSW will create for the first time a truly integrated motorway network for Sydney. WestConnex and NorthConnex will form the backbone of this network. This work is carried on today by Jim Betts and Graham Bradley. No less important are the roads we upgraded and built to help service rapidly growing suburbs in Western Sydney. The list of roads is long—Richmond, Schofields, Old Wallgrove, Erskine Park Link, which Barry O'Farrell and I opened with a truck, and Camden Valley Way to name a few. In partnership with the Federal Government, we also began major construction on a host of roads that will one day service the Western Sydney Airport.

There are, of course, some projects I was not able to complete—they are the ones I failed on, but I hope someone will complete them. One of those projects was renaming the Mid-Western Highway to Wiradjuri Way. That should happen. Another was the duplication of the Port Botany rail freight line. That is so important for the economy of this State. With the leasing of ports in New South Wales, investment from the private sector has increased in the industry, including new grain terminals at Newcastle and Port Kembla, and automation of the Patrick container terminal at Port Botany. The Government's upgrade of the Overseas Passenger Terminal in Sydney Harbour was a much-needed boost for the cruise ship industry.

One of the proudest things I have done was a small thing—it was important because some opposite said that we would not do it—and that was flashing lights at every school in the State. How good is that? How simple and safe? How overdue was it? They said we could not and would not do it; but it was done and delivered on time. Indeed, we have now gone back to add more. There are lots of others, but I am already over time. I appreciate the House's tolerance. I have enjoyed a unique period in the State's history in the delivery of critical infrastructure—long may it continue. There are never many tears when a member of the Legislative Council leaves—except from Niall Blair and I—just a queue. I am informed that 13 people will be standing on 20 July to fill my place.

In the future I want to be busy, but not as busy as I was. I want to spend more time at Crookwell, especially more time with Katie. We are hesitant to travel after recent experiences, but we want to travel more. We will be looking to do appropriate things in the future to keep me busy. I am excited about the future. On most days I think I am going to be happier out of here—it has been tough over the past six months not being as busy as I was. There will be days when I will miss it heaps. I thought the best way to go out was a quote from that great classical scholar A. A. Milne, who said in *Winnie the Pooh*, "How lucky I am to have something that makes saying goodbye so hard." Thank you.

Bills

TERRORISM LEGISLATION AMENDMENT (POLICE POWERS AND PAROLE) BILL 2017

Assent

The PRESIDENT: I report receipt of a message from the Hon. Justice Margaret Beazley, Administrator of the State of New South Wales, notifying assent to the abovementioned bill.

Committees

PORTFOLIO COMMITTEE NO. 5 – INDUSTRY AND TRANSPORT

Reference

The Hon. ROBERT BROWN: In accordance with paragraph 2 of the resolution of the House establishing the portfolio committees, I inform the House that this day Portfolio Committee No. 5 resolved to adopt the following terms of reference:

That Portfolio Committee No. 5 – Industry and Transport inquire into and report on the implementation of the recommendations of the inquiry into commercial fishing in New South Wales.

PORTFOLIO COMMITTEE NO. 4 – LEGAL AFFAIRS

Reference

The Hon. ROBERT BORSAK: In accordance with paragraph 2 of the resolution of the House establishing the portfolio committees, I inform the House that this day Portfolio Committee No. 4 resolved to adopt the following terms of reference:

That Portfolio Committee No. 4 – Legal Affairs inquire into and report on the funding of fire and emergency services, and in particular:

- (a) the policy process and financial modelling underlying the provisions of the Fire and Emergency Services Levy Act 2017;
- (b) the policy and financial implications for all stakeholders of repealing this Act;
- (c) alternative models for ensuring that fire and emergency services are fully funded in a fair and equitable manner; and
- (d) any other related matter.

Bills

APPROPRIATION BILL 2017

APPROPRIATION (PARLIAMENT) BILL 2017

STATE REVENUE AND OTHER LEGISLATION AMENDMENT (BUDGET MEASURES) BILL 2017

EMERGENCY SERVICES LEVY BILL 2017

First Reading

Bills received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Don Harwin.

The Hon. DON HARWIN: According to sessional order, I declare the bills to be urgent bills.

The PRESIDENT: The question is that the bills be declared urgent bills.

Declaration of urgency agreed to.

Second Reading

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:47): I move:

That these bills be now read a second time.

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

Leave granted.

State Revenue And Other Legislation Amendment (Budget Measures) Bill implements a number of measures that the Premier announced on 1 June 2017, as part of the Government's comprehensive package to tackle the challenge of housing affordability and confirm that it is a key ongoing priority of the Government.

Addressing the challenge of housing affordability is a key concern for the New South Wales Government. From 1991 to 2016, the number of people living in the state increased by 31 per cent—growing from 5.9 million to 7.7 million.

However, housing supply did not keep pace with population growth. Between 2000 and 2010, dwelling completions across New South Wales declined substantially—in Sydney, less than half as many homes were completed in 2010 as were completed in 2000. It is estimated that an extra 725,000 dwellings will be required in the Greater Sydney area over the next 20 years.

The Coalition Government has been rising to this challenge. More homes were built in 2016 than at any other time in New South Wales' history, with more than twice as many as finished than in 2010. At the end of 2016, a record 83,000 homes were under construction. Approvals for housing also reached record highs.

The \$4 billion Housing Affordability package is designed to make it easier for people to own their own home in New South Wales, and to help first homebuyers in particular get into the market.

For new contracts from 1 July, first homebuyers will not have to pay any transfer duty on properties worth up to \$650,000, and will receive discounts for properties worth up to \$800,000. This will apply for both new and existing homes. It will save a first home buyer up to \$24,740 in tax. Total savings for first homebuyers will be around \$1.1 billion over the next four years.

Additionally from 1 July, the Government will continue to offer a \$10,000 First Home Owners Grant for the purchase of new properties worth up to \$600,000, and a \$10,000 First Home Builders Grant for people buying vacant land and building their first home on the land up to a total value of \$750,000. This will mean first home buyers can receive up to \$32,490 in benefits. As part of this better targeting of homebuyer benefits, the New Home Grant scheme will be abolished.

First home buyers who purchase under shared equity arrangements through Community Housing providers will also now be eligible for these benefits. The Chief Commissioner will be able to approve eligibility for other shared equity schemes in accordance with Guidelines issued by the Treasurer.

From 1 July 2017, the Government will also abolish the duty on lenders mortgage insurance which buyers who have only limited savings for a deposit have to pay. This tax increases the cost of insuring an ordinary home mortgage by two to three thousand dollars. By abolishing this tax, the Government will improve the ability of homebuyers to afford the insurance they need to enter the housing market without a six figure deposit. This will cut taxes for mortgagees by around \$122 million over the next four years.

To make sure that foreign investors make a fair contribution to the infrastructure and services we need in New South Wales, the Government is increasing the foreign investor surcharges on transfer duty and land tax that we introduced in the 2016-17 budget.

From 1 July 2017, the foreign investor surcharge on transfer duty will be increased from 4 per cent to 8 per cent. The surcharge for land tax will be increased from 0.75 per cent to 2 per cent on a foreign investors property holdings on 31 December, for the 2018 land tax year onwards.

To avoid any adverse impact on the supply of new dwellings, Australian-based foreign-owned developers will be able to get a refund of surcharges paid, as long as they sell developed properties within five years. For transfer duty, that is five years from their acquisition of the land for development. For the land tax surcharge on land already held, within five years of the introduction of the surcharges last year. The new arrangements cover all surcharges at both the old and new rates, and will be backdated to apply from the commencement of the surcharges. The Chief Commissioner will determine the payment of refunds in accordance with an order made by the Treasurer for this purpose. In total, these changes are expected to raise an additional \$859 million over the next four years.

This refund approach will discourage land banking as it creates a strong incentive for developers to start building on the land that they hold. If they do not build new dwellings and sell them within five years, they will forfeit eligibility for a refund.

The foreign investor surcharges were not intended to cover non-dwellings such as hotels and short term self-catering accommodation. Under current legislation, some foreign owned tourist residences and purpose built student accommodation are liable. Purpose built student accommodation is a fast growing and very valuable sector in New South Wales.

The current foreign investor surcharge exemption for hostel-style accommodation is therefore being extended to include all purpose-built student accommodation and dwelling-type self-catering tourist accommodation, providing more consistency. Any surcharges that have been paid for the types of property that are exempted will be refunded on application. The Chief Commissioner will have the power to determine which types of commercial residential accommodation will be exempt, subject to the Treasurer's approval.

Holders of permanent resident visas and New Zealanders who have not been resident for 200 days in the year prior to the acquisition of a property are currently liable for foreign investor surcharges. This requirement is being relaxed from 1 July for new and returning

permanent residents, who will be exempt from surcharge duty provided they reside in the property as their place of residence for at least 200 days continuously in the 12 months following acquisition. To be exempt from the land tax surcharge, the owner must reside in the dwelling for at least 200 days continuously in the 12 months following 31st December, which is the date on which land tax liabilities arise.

The 12 month stamp duty deferral for off-the-plan purchases of residential property will be targeted at owner occupiers from 1 July. Investors will no longer qualify. This will reduce competition for families in purchasing their first home off the plan who will still be able to defer payment. This will bring forward around \$530 million in revenue over the next four years.

The Housing Affordability package announced on June 1 also includes measures to accelerate the delivery of housing infrastructure, speed up housing approvals and reduce planning impediments. This package builds on the Government's ongoing efforts to increase the supply of housing to improve affordability. Since coming to government in 2011, we have achieved unprecedented levels of housing approvals in New South Wales. There were over 72,000 residential building approvals last year—more than double the annual average rate under the previous government.

This bill also includes a number of measures aimed at assisting the more than 600,000 small businesses in New South Wales by reducing their insurance costs.

Effective from 1 January 2018, small businesses with an aggregate turnover less than \$2 million will be exempt from insurance duty on their premiums for commercial vehicle insurance (including aviation insurance), professional indemnity insurance, and product and public liability insurance.

These tax cuts are expected to save small businesses in New South Wales \$318 million over the four years to 2020-21. They will encourage small businesses to take up more appropriate levels of insurance by removing the disincentive caused by higher insurance premiums.

They will complement other Government measures designed to support the small business sector, which plays a key role in the growth of the New South Wales economy, and job creation.

Also from 1 January 2018, insurance duty on crop and livestock insurance will be abolished. This measure will help farmers with everyday expenses by reducing their insurance costs. This is forecast to save producers \$12.0 million over the four years to 2020-21.

The bill also implements other measures in the Housing Affordability Strategy. The Greater Sydney Commission Act 2015 is being amended to reinforce the delineation between the Greater Sydney Commission's role in strategic direction setting and the assessment of development applications and rezoning approvals. The amendments will remove District Commissioners as the Chair of the Sydney Planning Panels for their district. This will allow them to focus on the important strategic planning work needed to drive the housing targets in their districts. The Minister for Planning will determine who will replace the Commissioners.

The bill also includes legislative amendments to split UrbanGrowth New South Wales into two entities—Urban Growth Development Corporation (focusing on complex urban renewal projects) and Landcom (focusing on Greenfield development). The amendments will ensure both entities have the powers, assets and expertise to deliver on their responsibilities. For UrbanGrowth, the major urban renewal projects include creating two additional Growth Centres (the Bays Growth Centre and the Parramatta North Growth Centre). The amendments include similar provisions for the transfer of staff, assets, rights and liabilities to Hunter Development Corporation (HDC) to ensure it has the assets and resources to deliver the Newcastle Urban Transformation and Transport Program.

Landcom has a history of delivering a range of diverse market housing solutions and embracing innovation to tackle housing affordability. Landcom has made a substantial contribution to housing supply and affordability since its inception as a State owned corporation in the early 2000s.

The final component of the bill is amendments to the Education Act 1990 to enable the Minister for Education to recover funding where there has been a relevant breach of a law, condition or agreement.

This amendment is now required as a priority, because the Federal Minister for Education intends to pursue a multi-million dollar claim of up to \$76 million against the Malek Fahd Islamic School for non-compliance with the not-for-profit requirements of the Commonwealth Act. Court proceedings in relation to this matter are underway.

Without the changes, the Commonwealth can only recover the funding it has provided to a private school that is in breach, by reducing the funds it provides to the New South Wales Government. This is because the funding to a private school the Commonwealth may be seeking to recover is not provided to the school directly, but must be provided through State governments. The amendments will ensure that if an amount becomes due from the current court proceedings, it will be taken to be a debt due by the school to the New South Wales Government. The amendments will also allow the state to assign to the Commonwealth the right to recover the debt directly from the school. The amendments will implement the Commonwealth's preferred approach, and will align New South Wales with similar arrangements in other jurisdictions.

The Emergency Services Levy Bill

The Emergency Services Levy bill will allow the continuation of the existing method of funding needed by our fire and emergency services—Fire and Rescue New South Wales (FRNSW), the New South Wales Rural Fire Service (RFS) and the New South Wales State Emergency Service (SES).

This bill will defer the Fire and Emergency Services Levy (FESL) and reintroduce the insurance-based Emergency Services Levy (ESL).

Why are we making the change?

Under the FESL, the cost of our fire and emergency services would be more fairly distributed amongst all property owners. However, under this system, an unfair burden was in some instances falling upon individual households and businesses.

To ensure that the reform can deliver a fairer system without the occurrence of unreasonable charges, the New South Wales Government has decided to indefinitely defer the FESL. This has been taken in consideration of the feedback received from throughout New South Wales which highlighted individual cases that were worse off by much more than was ever intended.

Funding of emergency services remains unchanged

Importantly, this bill maintains and secures the funding for the fire and emergency services. The Government appreciates the vital work of our fire and emergency services, the staff and the volunteers, and will continue to ensure they receive the funding they need. To be clear, funding levels for fire and emergency services will not be adversely affected in any way. The funding generated by the ESL will simply replace the amount that was to be raised by the FESL.

Background to the Deferral

This bill is the outcome of a long and carefully considered reform process. For many years, we have heard the strong arguments for moving away from the insurance-based ESL to address the high rate of under insurance in New South Wales.

But before we change the current arrangements, we need to ensure that the replacement source of revenue can deliver a system that is demonstrably fairer.

In pursuit of a fairer system, we entered into a process of consultation with Local Government NSW (LGNSW) and council representatives. I would like to thank LGNSW and the council representatives for their participation in these discussions.

We also consulted with a wide range of peak bodies such as the emergency service agencies, the Rural Fire Services Association, the SES Volunteers Association, Local Government Professionals Australia, the Insurance Council of Australia, the National Insurance Brokers Association, the Shopping Centre Council of Australia, the Australian Retail Association, the Retail Council, the New South Wales Business Chamber, the Sydney Business Chamber, the New South Wales Farmers Association, the New South Wales Property Council and the Combined Pensioners and Superannuants Association, as well as many others. I would like to thank everyone who was involved for their valuable input.

Despite these important contributions, community feedback clearly demonstrates that the design of the new system has not always resulted in fairer outcomes. Some properties, particularly those in the commercial and industrial sector, were expected to pay much higher amounts than was originally intended.

The reinstatement of the ESL

As was previously the case, in 2017-18 the ESL will generate revenue equal to 81 per cent of the estimated costs of the fire and emergency services. The State and Local Governments will continue to be responsible for funding the remaining 19 per cent of fire and emergency services' costs.

Insurance Monitor

To oversee the continuation of the existing system, we have in place mechanisms to ensure that insurers do not overcharge. The Insurance Monitor legislation was passed by the New South Wales Parliament in June 2016, providing for penalties of up to \$10 million for insurers that engage in price exploitation or misleading or deceptive conduct. This bill will further empower the Insurance Monitor by extending its role by two years until 30 June 2020.

Professors Allan Fels AO and David Cousins AM, the Insurance Monitor and Deputy Monitor, are closely watching the prices of insurance premiums and is available to anybody who is concerned that an insurer is overcharging on insurance premiums.

The Fire and Emergency Services Levy is a highly complex reform that requires additional efforts to ensure fairer outcomes for New South Wales residents. The deferral and review of the FESL and continuation of the insurance-based ESL will ensure ongoing funding for emergency services until new, fairer arrangements can be assured.

I commend the bills to the House.

The Hon. ADAM SEARLE (16:47): I will not give a full response to the debate on the Appropriation Bill 2017, the Appropriation (Parliament) Bill 2017, the State Revenue and Other Legislation (Budget Measures) Bill 2017 and the Emergency Services Levy Bill 2017, but I ask that the bills be voted on sequentially, which is the tradition that we have adopted since the 2013 budget. The reason, as all members will know, is that in the budget measures bill of 2013 there was a measure dealing with industrial relations and public sector wages that this House had twice rejected in legislative form, and the Government of the day hid the measure in the budget measures bill to slip it through because the tradition of this House is that the appropriation bills and the bills that are cognate with it are not interrupted or held up.

It is nearly 5.00 p.m. on the last sitting day until August and the last sitting day of the financial year, and the tradition of this House is not to hold up the budget. But that tradition was abused. Therefore, since then we have asked for the bills to be voted on sequentially so that we can examine them more closely. This year again, in the middle of the budget measures bill in schedule 5, is a measure that is wholly unrelated to the budget; it is about restructuring an important public sector agency. Landcom—known as UrbanGrowth—is to be dismembered and a number of the staff transferred into the public service, into a development corporation in the Premier's portfolio.

That policy was announced some time ago, but there has been no consultation with staff or the recognised trade union. Over the past 10 months the organisation has been subject to a review, again without engaging the input of the staff. The uncertainty and paralysis that has beset the organisation has caused 60 of the 230 staff to resign, including the former chief executive officer and several senior managers. It is paralysing the urban transformation organisation of this Government for reasons not well understood. It should not be in the budget papers. It should be dealt with as a separate and substantive policy issue. This Government has chosen to put it in the budget papers and the Opposition will deal with it.

Transferring staff from a state-owned corporation to a budget sector agency will, without other measures, cause the pay and conditions of those staff working at Landcom, known as UrbanGrowth NSW, to be cut because they are outside current wage-setting parameters. There are some protections in the bill, but not for everyone. The Secretary of the Premier's department addressed the staff at UrbanGrowth and gave them the distinct impression that all of them would receive a two-year protection of their current wages and conditions. That is not what this bill does. It provides the protection to permanent or ongoing employees, but does not provide the same protection to time limited contracted people or senior managers.

Although they are designated as senior managers and are well paid, they are charged with the responsibility of delivering hundreds of millions of dollars of public infrastructure. It is important, whether they are line workers or managers, to respect all those in our greater public sector who do work in the public interest, including at Landcom. The Opposition has proposed some amendments that give those employees much-needed protections. There has been discussion across the Parliament about this and I understand that the Government will have its own amendment that will deal with the issue, which we will support. I will not move any one of my four amendments directed to the concerns I have outlined, including the forcible transfer of employees. Labor does not think that is appropriate.

I thank the crossbench parties for engaging actively on this issue. I thank the Government for embracing the proposed amendment. I acknowledge the role of the Hon. Paul Green of the Christian Democratic Party, but all crossbench parties have played a role to get us to this position. That issue will be dealt with in detail in Committee. The Fire and Emergency Service Levy Bill was a piece of legislation described in the *Australian* newspaper by a senior government source as "the greatest tax reform in New South Wales history". In this bill before the House the Government is repealing its own legislation only a few weeks later. The first discussion paper was published in 2012. The Government was warned that the modelling would lead to the imposition of hardships and extra costs on households that should not bear the costs. The Government did not listen. It legislated in the face of opposition from many in this Chamber and it now has to support the repeal of its own legislation. Labor would urge the Government to consult closely to get it right going forward.

Turning to the substance of the budget, I note that in the six years of this Government State taxation revenue has increased by 53 per cent from \$20 billion to \$31 billion. At the same time it has privatised \$50 billion worth of public assets. That sounds like a lot of money. The public is being short-changed. The Government is selling the right to the regulated stream of a monopoly service provider, Land and Property Information [LPI], for \$3 billion. There is no risk to a purchaser. They are buying it for \$3 billion, except the revenue stream is worth \$5.2 billion. It is easy to sell a \$5.2 billion asset for \$3 billion. That is not much more than half the value. The same short-changing has occurred with the privatisation of the electricity assets and the other privatisations engaged in by the Government. It sounds like a lot of cash, but it is short-changing the community.

The Hon. Greg Donnelly: You can only sell it once.

The Hon. ADAM SEARLE: I acknowledge that interjection. The revenue stream is worth more in the hands of the Government delivering basic services than is the one-off sugar hit of the cash injection. The one-off privatisation proceeds from the budget \$4.5 billion surplus and the dodgy accounting trick with the Transport Asset Holding Entity [TAHE], that was legislated by this Parliament a few months ago, makes government spending look lower than it is to improve the budget bottom line. The fact is if you strip away the TAHE and the one-off privatisations the structural position of this budget is far from sound. I will not delay the House with details. It is a theme I will return to in the near future.

The Opposition leader in the other place has given a comprehensive speech. I will not delve into detail. I will mention electricity prices. This Government has done all it can to drive up power prices. In 2013 it sold Mount Piper and Wallerawang power stations without ensuring the new private owner would continue to deliver power into our communities. This placed New South Wales at risk earlier this year. The 1,000 megawatts of energy generated by Wallerawang would have mitigated any risk. At the same time the Government has dragged its feet on renewable energy. Its war against wind power is well known. It took six years to prepare the planning department guidelines.

In 2014 the Government sold Bayswater and Liddell power stations to AGL, even though the competition watchdog said it would narrow competition—and less competition means higher prices. In 2014 it deregulated electricity prices and within months the big retailers were charging two to three times more to sell electricity in New South Wales than the regulated retailer in the Australian Capital Territory. The carbon market economics report showed that within 12 months of deregulation the retailers were charging 10 per cent to 15 per cent more. Other increases have come through since and customers are now facing increases of up to 19 per cent from 1 July.

In the face of all of this the Government has confirmed that it will continue with the deregulation of regulated retail gas prices from 1 July. It is extraordinary. For the past two years it has been in court attempting

to stop the energy regulator from cutting network prices, which would reduce energy costs to households by \$300 a year and businesses by \$523 a year. Over the regulated period customers could have saved \$6 billion, but this Government wanted to keep the money in those companies because it was privatising them and wanted to get top dollar. The Labor Party has announced that it will reregulate electricity companies to ensure that consumers are treated fairly and eliminate energy company super profits to make sure electricity is affordable for families.

The proceeds from the transfer of Snowy Hydro will be used by Labor to invest in renewable generation projects across regional New South Wales. Labor will not return a proportion to the Federal Government but will place 100 per cent of the proceeds into regional communities. Labor will legislate to make sure the Independent Pricing and Regulatory Tribunal recommended rate for solar feed-in tariff is mandatory. That is what the Opposition is proposing in the energy space. In question time Government members suggested Labor had borrowed projects that the Government had underway. These are projects where the Government has not issued a press release or made a public announcement. Labor would welcome the adoption by the Government of the balance of its energy policies. The Opposition will invest in infrastructure for the three million residents of Western Sydney—against the interests of 300,000 northern beaches residents—by accelerating the Sydney Metro West project, a new railway line for Western Sydney.

In 2011-12 this Government butchered TAFE by reducing funding by nearly \$1 billion. There are 63,000 fewer students in TAFE today and a further 500 TAFE teacher positions are being axed in this budget. That will take the total number of teachers axed from TAFE to 5,700. Labor will require 15 per cent of jobs on New South Wales government construction projects valued at more than \$500,000 to be allocated to apprentices, trainees, Indigenous Australians and the long-term unemployed. We will create thousands of new jobs for trainees and apprentices and we will rebuild TAFE by guaranteeing that at least 70 per cent of vocational education and training funding for TAFE is invested in those important institutions.

Many other areas need looking at. This Government is building 60 per cent fewer schools than the former Labor Government. We will remedy that situation. We will also deliver on affordable housing. The Premier made affordable housing a flagship of her leadership, but so far this Government has failed to deliver any meaningful policy. We will require mandatory affordable housing targets and will deliver thousands of new homes every year for those on low to middle incomes. In addition, 25 per cent of dwellings constructed on government-owned land being redeveloped will be designated as affordable housing. We have already announced a range of other measures.

We will pursue measures to protect our environment. I note the inaugural speech of the Hon. Taylor Martin yesterday denouncing our regional \$100 million package for his home region of the Central Coast. We make no apologies for investing valuable resources in regional communities, whether it be on the Central Coast or the North Coast. We have plans in health. We will pursue those in more detail during the budget take-note debate and during budget estimates. Those are our comments. As a matter of tradition we will not vote against these bills, but that should not be mistaken for our supporting them. As I indicated, Labor will attend to amendments in this place.

The Hon. WALT SECORD (17:00): As Deputy Leader of the Opposition and shadow Minister for Health, I speak in debate on the Appropriation Bill 2017 and cognate bills. I support my colleague the Hon. Adam Searle. I also agree that the bills should be voted on sequentially. I will not give as full an account as the Leader of the Opposition in this Chamber. Earlier today the Leader of the Opposition in the other Chamber presented his budget reply speech and outlined Labor's long-term positive plan for the State and a series of initiatives as we move towards the March 2019 State election. He put forward plans to build a metro line from Parramatta to Sydney's central business district as well as policies on clean energy.

He also put forward a plan to regulate the electricity market to protect families and businesses, a massive jobs scheme for the State's apprentices and trainees, plans to protect the Royal National Park, and the creation of a joint Commonwealth and New South Wales Western Sydney Airport Coordination Authority to coordinate land use and surface infrastructure essential to the development of the Western Sydney Airport. He also put forward an unprecedented school building program which will ensure that unused public land goes towards school infrastructure, and spoke about plans to support rural and regional New South Wales if elected in 2019 including 100 per cent of the Snowy Hydro sale proceeds being spent on desperately needed infrastructure in rural, regional, remote and coastal New South Wales.

In relation to my portfolio responsibilities as shadow Minister for Health, our plans include the creation of nurse walk-in centres and an elective surgery acceleration plan to help patients on the State's lengthy elective surgery waiting lists, which this morning reached an all-time high of almost 75,000 patients. The Leader of the Opposition in the other place also detailed Labor's plan that under a future Labor Government all ambulances will be built in New South Wales and that all work repairing, restoring and rebuilding ambulances will be done on our shores. That initiative will protect and secure jobs in New South Wales.

The Leader of the Opposition in the other place also detailed a litany of problems and deficiencies with the approach the Liberal-Nationals are taking with respect to the State's future. Unfortunately, under the Liberal-Nationals, schools in New South Wales are overcrowded, academic standards have fallen, TAFE has been gutted and hospital waiting times have soared at emergency departments and for elective surgery. However, record revenues flow into the Government's coffers as a result of the Sydney property boom. Clearly, the wrong priorities of the Berejiklian Government have led us to this point. Revenues and taxes have never been greater, but the key services that people rely on are failing the community. Mismanagement of the delivery of infrastructure projects has resulted in cost blowouts in the billions.

In his budget speech, the Treasurer claimed that "good Liberal budgets do not increase tax, they decrease tax". Throughout the six years of this Government, State taxation revenue has increased by 53 per cent from \$20 billion to \$31 billion. Under the Liberal-Nationals, New South Wales is now the highest-taxing State per capita in the nation and more than \$50 billion of public assets has been privatised. For the past six years this Government has had one energy policy—just privatise it; just sell it. The result is that electricity and gas is becoming unaffordable. Families and small businesses are facing record power bills because this Government did everything it could to drive up the price before privatisation. In fact, this Government went to court to overturn the independent regulator's price cuts. Labor will not stand by and let family budgets be crushed and businesses wrecked by the power price hikes.

The retail industry market was deregulated in 2014 and the Liberal-Nationals promised that this would put downward pressure on prices. Instead, prices have continued to rise. From 1 July, households are facing an annual average increase of more than \$300 and small businesses will face more than \$900 in increases. As the Leader of the Opposition has said, we will re-regulate. Six years into the life of this Government and there are fewer young people in training at TAFE. Fewer than 63,000 students are now enrolled in TAFE. We have seen the continued sacking of teachers and support staff, including another 500 this year, bringing the total to 5,700 since the Liberal-Nationals got their hands on TAFE. This is on top of the slated sale and closure of campuses, particularly in regional and rural areas, where these cuts have hit the hardest. The Liberal-Nationals should be supporting TAFE, not dismantling it.

Most of my remarks will relate to health and hospitals because I will revisit the 2017-18 budget in the budget take-note debate. We have a health and hospital system that is under enormous pressure. It is at breaking point and lurches from crisis to crisis. Patients are waiting at every stage. They are waiting for ambulances, in emergency departments, for beds in hospitals, and then they are discharged too early. This morning the independent Bureau of Health Information [BHI] released its data for the period from January to March 2017. It provided evidence that the Liberal-Nationals are presiding over a system in which doctors, nurses and allied health professionals are working their guts out. They are not being supported properly by the Liberal-Nationals.

The BHI data released this morning is worrying. It shows that more than 28 per cent of the most critically ill or injured patients waited more than 10 minutes for an ambulance. Patients in the Nepean and Blue Mountains areas waited the longest in the State. It also found that Western Sydney hospital emergency departments are still under enormous pressure. Furthermore, it revealed that elective surgery waiting lists have reached an all-time high of 74,855 patients. The largest group is for orthopaedic and ophthalmological surgeries. More than one in four of the most critically ill or injured patients are waiting more than 10 minutes for an ambulance. In the January to March 2017 period, 277,218 ambulances responded to calls in New South Wales. Almost 37 per cent—36.8 per cent—of patients were responded to within 15 minutes.

The median response time is 11.1 minutes for priority one, which is a slight increase over the same period last year. The national benchmark is 10 minutes. The longest waiting periods for an ambulance occurs in the Nepean-Blue Mountains region with 55.7 per cent of people waiting for 15 minutes, followed by the Hunter Zone 2, which is Singleton to Gloucester, with 47.1 per cent of patients. I remind members that Nepean is in the electorate of Stuart Ayres, the member for Penrith. In regional New South Wales, the mid North Coast and the North Coast had the longest waiting times with just under 47 per cent of patients waiting longer than 15 minutes. New South Wales experienced the busiest January to March quarter on record with 654,189 emergency department presentations. That is a health system under enormous pressure.

Almost 27 per cent of patients waited in emergency departments longer than four hours, which is the national benchmark. Overall, 10 per cent of patients waited longer than seven hours and seven minutes. That means that 65,000 patients waited longer than seven hours. As of 31 March, 74,855 patients are waiting for elective surgery, which is up by 605 patients from the same period last year. That is an all-time high. Elective surgery includes cataract removal; hip replacements; knee replacements; gall bladder removal; ear, nose and throat surgeries; and tonsillectomies. Orthopaedic surgeries and ophthalmological surgeries had the largest proportion of patients on the waiting list at 48.3 per cent or 36,155 patients. Most of those patients are elderly. The list

includes 14,802 patients waiting for cataract removal, 8,201 patients waiting for knee and hip replacements, and 4,199 patients waiting for tonsillectomies.

It is unfair that 2,263 people waited for hernia operations and 821 women waited for a hysterectomy. The median wait for non-urgent surgery procedures in New South Wales is 221 days and 10 per cent of non-urgent patients waited longer than 356 days. As a former nurse the Hon. Paul Green would understand the pain and suffering. The median wait for a knee replacement is 291 days, for a tonsillectomy it is 279 days, for cataract removal it is 230 days and for a total hip replacement it is 223 days. The longest waits in emergency departments were in Western Sydney. The longest wait was at Westmead Hospital with 48.9 per cent of patients followed by Liverpool, Blacktown, Campbelltown and Nepean hospitals. In Newcastle, John Hunter Hospital is at breaking point with 37.9 per cent of patients waiting longer than four hours. In the Illawarra, Wollongong Hospital is struggling with 36.1 per cent of patients waiting longer than four hours. Shellharbour is similar with 33.3 per cent and Shoalhaven has 31 per cent of patients waiting longer than four hours.

On the North Coast, Lismore Base Hospital is buckling under the neglect of The Nationals. It received 34,000 patients in its emergency department every year. As for the specifics on Lismore, 33.1 per cent of patients wait more than four years. It is the busiest emergency department outside of Sydney, Wollongong and Newcastle. Incredibly, 840 patients were in the Lismore hospital emergency department for more than eight hours and 40 minutes. Elective surgery at Lismore Base Hospital tells an even tougher story. The wait for cataract surgery is 332 days compared with the New South Wales median of 230 days. The wait for a hip replacement is 336 days compared to the New South Wales median of 223 days and the wait for a knee replacement is 343 days compared with the New South Wales median of 291 days. Finally, 1,652 patients are on the official Lismore elective surgery waiting list. That is a 10 per cent increase on the same period last year.

All of that health data shows our health and hospital system is in crisis. The Liberal-Nationals Government needs to accelerate its long-promised upgrades announced in this week's budget, as the health and hospital system continues to be under enormous pressure. Earlier this week, Labor criticised the Berejiklian Government for making a series of multi-billion dollar upgrade announcements last week but on budget day making announcements that were significantly smaller. Unfortunately, the Government promised it would fix the health and hospital system but after closer examination the Opposition found that these projects will not be finished until 2025, and the allocations are only tiny amounts.

For example, the Government promised: \$534 million for Tweed Hospital but it will only receive \$2.5 million, with completion in 2025; \$632 million for Campbelltown but it will only receive \$5 million, with completion in 2024; and \$450 million for Maitland but it will only receive \$5 million in this budget, with completion in 2024. Two weeks ago the Government promised Shellharbour Hospital \$250 million but it will only receive \$5 million, with completion in 2022. It promised Concord Hospital \$341 million but it will only receive \$10 million, with completion in 2023. It promised Wyong Hospital \$200 million but it will only receive \$10 million in the budget papers, with completion in 2021.

The Government also promised Inverell Hospital \$30 million, according to the front page of the *Inverell Times*, but it will only receive \$5 million, with completion in 2020. The Government has been attacked for that in today's paper. Images of Hornsby hospital doctors appeared on the front page of media lamenting the disastrous result for the hospital. The Liberal-Nationals Government promised \$200 million, with completion in 2021, but it will only receive \$20 million in the budget papers. The Government promised Coffs Harbour Hospital \$156 million, but it will only receive \$5 million, with completion in 2021. You guys promised Nepean \$550 million but it will only get \$34 million according to the budget papers, with completion in 2023.

The Hon. Ben Franklin: Point of order: The honourable member said "you guys", which is not the appropriate way to refer to the Government.

The PRESIDENT: Order! There is no point of order. I remind honourable members, as indicated by President Johnson, that it is not in the interests of members to interject and neither is it in the interest of the member speaking to encourage such interjections.

The Hon. WALT SECORD: The Government promised the Prince of Wales Hospital at Randwick \$720 million but the budget papers show only \$30 million, with completion in 2025. The Liberal-Nationals budget delivered on Tuesday is a cruel hoax. For the past three weeks, the Government has promised billions to families. In fact, last week, the member for Tweed, Geoff Provest, the Deputy Premier and the Minister for Health promised \$534 million but we discovered on budget day a measly \$2.4 million, with completion in 2025. That is less than half a per cent of the overall promise. Doctors in the Tweed are bitterly disappointed. They said they needed an immediate response from the Government. They also said the community cannot wait until 2025. In the immediate term, they said Tweed hospital needs two temporary operating theatres, a temporary paediatric ward, four high dependency beds and more chemotherapy chairs as well as an expansion of the emergency department.

Those doctors in the Tweed are bitterly disappointed. I received messages and calls from those doctors who are angry about the deception. What is the response of the member for Tweed? He calls for pop-up operating theatres in the hospital's car parks. I refer to an article in the *Tweed Daily News* written by Mitchell Crawley entitled "Pop-up theatre options", which appeared on Wednesday 21 June 21. Pop-up operating theatres? The member for Tweed claims they are used in Mount Isa. He says they take three days to install. I think he got the inspiration from watching an episode of *M.A.S.H* on Fox Classics.

The Berejiklian Government has deceived the community. It has misled the community, patients, doctors, nurses and everyone on the North Coast, particularly in the Tweed. But there is a better way for New South Wales. Labor understands that the pay packets of people are not growing but their bills never stop growing. Labor knows that our schools, our preschools, our technical and further education colleges and our hospitals provide the very foundation of a good life for all of our citizens. Labor has positive policies and long-term plans to spread prosperity beyond Sydney's central business district to all regions of this State. Labor is focused on the future and focused on a fairer New South Wales delivering opportunity for all. I was going to talk about the arts, but on that note I will end my contribution. I look forward to returning to the discussion on the State budget during the estimates process and the take-note debate. I thank the House for its consideration.

The Hon. PAUL GREEN (17:17): I refer to the Appropriation Bill 2017 and cognate bills. I thank the Government for its great contribution to the South Coast by way of \$789.9 million over four years for the Princes Highway, \$160 million for the South Coast Correctional Centre to increase its capacity by 360 beds, \$9.5 million for the car park upgrade at Shoalhaven Hospital and \$4 million to continue investigation into what is known as the third Shoalhaven bridge. This week really felt like Christmas. At the opening of the wonderful Berry bypass I saw thousands of people who greatly appreciate that the South Coast is getting its fair share. They know that its best economic days are ahead of it. The Treasurer mentioned that by 2121 the net worth of New South Wales will be \$250 billion. In 2011 we were worth about \$137.5 billion. The decisions we have made in this House and the reforms we have undertaken have led to the Treasurer's budget. It is the result of a lot of hard work in this place.

We thank the Government. There is always more to be done. We heard from the Opposition that they are on the Government's case about what needs to be looked at in health care, hospital waiting lists, ambulances, bridges, roads and schools. If we keep prospering as a State, we will be able to keep completing those projects. We commend the Appropriation Bill to the House. The Christian Democratic Party supports the Government on its the Emergency Services Levy Bill 2017 backflip. We had a lot of reservations about that bill, but we worked with the Government as per usual, thinking it had completed all its research but it had not. The right thing to do was to make no change on 1 July until the system is appropriate. Across the board, everyone is paying their fair share for the levy. The Government will be going back to the white board on that.

Reverend the Hon. Fred Nile: The drawing board.

The Hon. PAUL GREEN: I think they were drawing, because they obviously were not doing very good modelling on the commercial side of it. We also worked with the Government on the UrbanGrowth situation. As part of the journey of reform in this House, the Christian Democratic Party has continuously fought for workers to be protected when there have been transfers, and this was no different. We understood from the Government that the two-year protections would be across the board. We thought it had been organised, until the Hon. Adam Searle made representations on behalf of his UrbanGrowth peeps. It was fantastic to have those guys.

The Hon. Ben Franklin: It's all guys and peeps.

The Hon. PAUL GREEN: My children always speak about peeps in youth group. They all have peeps. It is fantastic that he brought my attention to it and that we were able to work with him and the Government to get an outcome. We look forward to that amendment being in the right spirit to ensure that these people are looked after and their rights are protected in that transition. This has been an amazing week for New South Wales. We are economically number one and it looks like we may stay there for a little bit longer, which is fantastic for the prosperity of not just New South Wales but also the Christian Democratic Party. We support building strong families and strong communities with great infrastructure. I feel this week we have delivered once again for the people of New South Wales who put us here. Our friends in the Shooters, Fishers and Farmers Party are able to help us keep the Government honest, which is our job in the House of review. We have been able to do that and deliver for the people of New South Wales. We commend this amazing Appropriation Bill to the House.

The PRESIDENT: Order! I point out to honourable members that it is now 5.22 p.m. on a Thursday. This would move more quickly if members are heard in silence without continual interjections. I have no problem staying late this evening, but I remind honourable members of the courtesies that should be afforded to all members who are speaking.

Mr JUSTIN FIELD (17:22): On behalf of The Greens I speak on the budget bills before the House. I do not want to echo the concerns raised by the Opposition. My colleagues in The Greens will be very active in budget estimates next month. I look forward to examining the budget in detail and coming back to discuss individual portfolio areas in the take-note debate. I will point out just a couple of key issues with the budget from the perspective of The Greens. The much-touted \$5.4 billion surplus masks what has been the single biggest series of privatisations in the history of New South Wales. I do not doubt that some members of this Chamber will champion that, but the Opposition and my Greens colleagues, including Dr John Kaye in the past, have raised serious concerns about what that privatisation leaves for the State. The structural deficit that the Opposition has described resulting from this privatisation will leave future generations in a worse position in the long term regarding public services and opportunities for employment within the government sector. I am not sure that all of the carry on from the Government is justified when it is put in the context of \$53 billion of our public assets being sold off, corporatised or leased—however you want to describe it.

In his budget speech the Treasurer talked about looking to the future and taking action for future generations. To me the biggest takeaway was the complete absence of recognition of climate change as an economic challenge for this State. We only have to look at the economic reports that have been handed down on climate change to know it is one of the biggest economic risks to the State. There was not a single mention of climate change in the budget speech or in the budget papers. The Government has put \$1.4 billion on the table over the next five years for climate change. Very little of it is targeted at mitigation. Despite the much-touted surplus, there is no new money to address one of the biggest challenges for the future, which is taking action to reduce the worst impacts of climate change on our economy, environment and communities. Only 12 months ago we saw the devastating impact of severe storms on Sydney's beaches. There were also major weather events on the North Coast more recently and we have experienced coral bleaching on the worst scale ever.

Most of the regional budget papers recognise the fantastic economic contribution of the environment and our tourism industry to New South Wales. Those are the very things that will be put at risk if we do not take action to deal with climate change, yet there is not one mention. Nothing in the budget gives an indication that the Government can reach its stated target of net zero emissions by 2050. There is no legislative pathway and no real money on the table to achieve that. It does not seem as though there is any effort being made for this to be achieved. We need to take seriously the transition away from fossil fuel to 100 per cent renewable in our budgets and the legislation before his House if we are to come anywhere near net zero emissions by 2050.

I will respond on one other element close to my home and some of the work I will be doing. I will be looking forward to asking more questions at the budget estimates hearings. The youth unemployment rate on the South Coast is 23 per cent. It is the worst in the State and one of the worst in the country, yet none of the youth unemployment strategies outlined in the budget were for the South Coast. That is a massive gap which I will be raising with local members and anyone else who is interested. Youth unemployment on the South Coast is a standout. It is structural and we need to be aware of the infrastructure issues associated with it. There are also issues with TAFE which the Opposition and my colleague Dawn Walker have outlined in the past. We all need to work seriously to address what is an unfolding tragedy of opportunity for young people on the South Coast. I know that members will be particularly concerned about it. As I said, The Greens will make much more detailed contributions in the budget take-note debate in this House in the future.

The Hon. ROBERT BROWN (17:27): I apologise to the Leader of the Government, I said I was not going to speak but I will speak briefly. I have one regret about this budget and I would say I am not going to be around long enough to do anything about it. The forward estimates in a budget are for four years, one parliamentary term. We seem to do our planning and forward estimates in very short time frames. Portfolio Committee No. 5 is currently undertaking an inquiry into water augmentation and water future. We are looking down the barrel of an energy crisis in this State and this country, yet our budgets are cast by the Government and then the Opposition tries to pull them to pieces.

It is all based on what is forecast for next year and in the four-year forward estimates. I would love to see the day when a budget is put on the table jointly by the Premier and the Leader of the Opposition that contains plans and bipartisan pledges to lock money in for 20 years or 25 years as best as can be judged. We are never going to be able to do what we might need to do for water and power as we go towards the middle of this century whilst ever our budgets are presented in four-year cycles and then opposed because an Opposition is there to oppose and counter promise. It is Utopian I know—and probably pretty silly for a man of my age and experience to say that—but I wish that could be brought about.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (17:29): In reply: I thank all honourable members for their contributions to this debate. I thank the Hon. Robert Brown for his thoughtful comments on public finance. It is a constant challenge for all governments to take the long-term view. However, I think one of the best things this Government has done to ensure we have

that long-term view is the establishment of Infrastructure NSW. It is well and truly beyond the forward estimates; it is putting a lot of rigour into the way that we handle infrastructure programs. Mr Justin Field and the Hon. Paul Green made contrasting comments. Mr Justin Field can rest assured that there is an allocation in the budget for the Climate Change Fund and announcements will be made in the near future about how that will be spent. The Hon. Paul Green made some excellent comments about the Berry to Bomaderry bypass.

Link those comments back to what Mr Justin Field said about youth unemployment in the Shoalhaven, which has been a long-term problem in the Shoalhaven simply because it does not have the economic base that many other parts of the State have. The biggest private sector employer in the Shoalhaven is Manildra, which manufactures ethanol. In the Shoalhaven there is only a very small manufacturing base and it is shrinking. I can assure Mr Justin Field that one of the best ways of making sure that we attract more business to the Shoalhaven and create more jobs and attract more tourists—given how important tourism is to the area—is to improve the Princes Highway. I can recall one roads Minister under the previous Government, the Hon. Carl Scully, promising that the Princes Highway would be duplicated between Albion Park and the Jervis Bay Road turnoff by 2010.

The Hon. Robert Brown: I think that was the princess highway.

The Hon. DON HARWIN: We will not go there. The year 2010 came and passed and the Princes Highway was not duplicated south of Kiama. When Labor left office there was still more than 50 kilometres to go.

The Hon. Paul Green: And about 50 sets of traffic lights.

The Hon. DON HARWIN: As a result of the announcement in this year's budget, when that project is finished the Princes Highway will have been duplicated—dual carriageway each way—effectively from Sutherland to the Jervis Bay turnoff.

The Hon. Walt Secord: By when?

The Hon. DON HARWIN: By the conclusion of the Berry to Bomaderry duplication process—

The Hon. Walt Secord: Will you resign if it is not finished? Sign it in blood.

The Hon. DON HARWIN: —that the Hon. Paul Green referred to.

The PRESIDENT: Order! I remind the Hon. Walt Secord of my earlier ruling.

The Hon. DON HARWIN: I do not have to do that. I know it will be delivered. Indeed, that is one of the things that this Government has become renowned for. I could make extensive comments about the drivel we heard from the Opposition—for example, I could start with the ridiculous comments of the Deputy Leader of the Opposition on the Health budget. The Government that he loyally served and helped in leading staff roles was a government that never properly planned projects. The totemic example was, of course, the Rozelle metro. Some \$500 million was spent and we have no Rozelle metro. Why? Because we had thought bubbles and incompetence from his Government. As a result, as I mentioned earlier, we have had a far more rigorous approach to infrastructure. We make no apologies at all for the front planning money to make sure we get these projects right. To have planning money in the first year for these new projects is absolutely the right thing to do.

The Leader of the Opposition spoke about a number of energy projects. I will not detain the Chamber with those now because I will have great pleasure in taking them apart bit by bit over the next six to seven weeks. However, I do note that one of the comments that the Hon. Adam Searle made referred to the State Revenue and Other Legislation (Budget Measures) Bill. The account he gave about the process leading to amendments being moved in this House, one of which the Government will be moving, was more or less correct. I understand that the Hon. Adam Searle still has one Opposition amendment himself. As I said, we will be moving an amendment in Committee to deal with some of the concerns that he and other members have raised about the state of that particular bill. I commend the bills to the House.

The PRESIDENT: The Leader of the Opposition has requested that each bill be dealt with separately. The question is that the Appropriation Bill 2017 be now read a second time.

Motion agreed to.

The PRESIDENT: The question is that the Appropriation (Parliament) Bill 2017 be now read a second time.

Motion agreed to.

The PRESIDENT: The question is that the State Revenue and Other Legislation Amendment (Budget Measures) Bill 2017 be now read a second time.

Motion agreed to.

The PRESIDENT: The question is that the Emergency Services Levy Bill 2017 be now read a second time.

Motion agreed to.**In Committee**

The TEMPORARY CHAIR (The Hon. Shayne Mallard): There being no objection, the Committee will deal with the Appropriation Bill 2017 as a whole. The question is that the bill as read be agreed to.

Motion agreed to.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): There being no objection, the Committee will deal with the Appropriation (Parliament) Bill 2017 as a whole. The question is that the bill as read be agreed to.

Motion agreed to.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): There being no objection, the Committee will deal with the State Revenue and Other Legislation Amendment (Budget Measures) Bill 2017 as a whole.

The Hon. ADAM SEARLE (17:41): I move Opposition amendment No. 1 on sheet C2017-058:

No. 1 **Landcom transferred employees**

Page 22, Schedule 5.2, lines 9 to 11. Omit "a development corporation (other than the UrbanGrowth NSW Development Corporation)". Insert instead "Hunter Development Corporation or Central Coast Regional Development Corporation".

This amendment deals with page 22 of the bill and item 3 of proposed part 6, division 1, clause 22, dealing with the transfer of Landcom staff. This clause provides two mechanisms: one for the Premier to transfer staff from Landcom who are necessary for the purposes of the new UrbanGrowth NSW Development Corporation, and there is no issue with that. However, the next provision enables the Minister for Planning to forcibly transfer to the Department of Planning and Environment persons employed by Landcom and designated as being necessary for the purposes of enabling a development corporation, other than the new UrbanGrowth NSW Development Corporation, to exercise its functions.

My understanding of the purpose of the provision is that in disaggregating the current Landcom body into two, some staff will need to be transferred to the Hunter Development Corporation, and possibly also to the Central Coast Development Corporation—they are the only two existing corporations. But whereas the previous clause is limited—that is, staff can only be transferred for the purposes of the new UrbanGrowth NSW Development Corporation—the second clause is not limited to the existing development corporations of the Hunter and the Central Coast.

It may just be an infelicity in the drafting, but this would enable the Secretary of Planning and/or the Minister for Planning to gut Landcom—which at the moment is a self-financing state-owned corporation governed by its board, not directly by any Minister of the Crown—and take all the staff away and put them in a new shell development corporation, which will then still administer the Landcom functions but which will fall directly under the control of the Executive Government, defeating the purpose for which the state-owned corporation was created. If that is not the purpose then my amendment will put that beyond any doubt and will clarify the purpose for which the provision was apparently drafted.

I understand that, unfortunately, the Government will not support this amendment, although it previously did so, which makes me think that maybe my apprehension about the true purpose of this provision may well be correct. I hope I am wrong, but I ask all members to join with me and make this clause limited in its function in the same way the prior clause is limited to the function of simply establishing the new development corporation. If the purpose is to simply facilitate the transfer of staff to the Hunter Development Corporation there should be no problem with accepting our amendment. If our amendment is not accepted, then the Government is signalling its clear intention to use the provision to undermine the self-governing role of the state-owned corporation Landcom, which, given it no longer has a permanent chief executive and is therefore currently without an administrative leader, bodes ill for the future of that organisation.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (17:45): My advice is that the Leader of the Opposition's concerns are not founded and that there is no need for the amendment. Therefore, my instruction is to oppose the amendment.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The question is that Opposition amendment No. 1 on sheet C2017-058 be agreed to.

The Committee divided.

Ayes16
 Noes18
 Majority.....2

AYES

Borsak, Mr R	Brown, Mr R	Buckingham, Mr J
Donnelly, Mr G (teller)	Faruqi, Dr M	Field, Mr J
Mookhey, Mr D	Moselmane, Mr S	Pearson, Mr M
	(teller)	
Primrose, Mr P	Searle, Mr A	Secord, Mr W
Veitch, Mr M	Voltz, Ms L	Walker, Ms D
Wong, Mr E		

NOES

Ajaka, Mr J	Amato, Mr L	Blair, Mr N
Clarke, Mr D	Colless, Mr R	Cusack, Ms C
Farlow, Mr S	Franklin, Mr B (teller)	Green, Mr P
Harwin, Mr D	MacDonald, Mr S	Maclaren-Jones, Ms N
		(teller)
Martin, Mr T	Mitchell, Ms S	Nile, Reverend F
Pearce, Mr G	Phelps, Dr P	Taylor, Ms B

PAIRS

Graham, Mr J	Gay, Mr D
Houssos, Ms C	Khan, Mr T
Sharpe, Ms P	Mason-Cox, Mr M

Amendment negatived.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (17:53): I move Government amendment No. 1 on sheet C2017-057D:

No. 1 **Landcom transferred employees**

Page 22, Schedule 5.2, lines 37-43. Omit all words on those lines. Insert instead:

(b) for any other person employed by Landcom—the period of 2 years after the transfer.

The reasons for the amendment were canvassed in debate on the second reading by the Leader of the Opposition and me. The amendment is the result of discussions during the day and hopefully we will reach a happy conclusion as a result.

The Hon. ADAM SEARLE (17:54): I thank the Leader of the Government for the amendment being proposed. It is good to extend the two-year protection to all employees other than senior officers. As I indicated in my second reading debate contribution, the bill in its current form did not do that. The secretary of the Premier's Department committed to the staff in person that all staff transferred would have a two-year protection of all terms and conditions and did not distinguish between those on a fixed-term contract and those on an ongoing contract of employment. I think it is unfortunate to discriminate between different classes of employees.

All of the employees at Landcom work their hardest in the public interest. I know some are better paid than others. The more senior managers have the ultimate accountability of delivering hundreds of millions of dollars worth of public infrastructure and that is why they are on limited contracts. The same protection should be extended to all transferred employees. The Opposition advocated hard for that position and I thank those members who supported the proposition. I thought at one stage that the Government was across the line, but I do thank the Government for its consideration and for meeting us part of the way. I urge all honourable members in this place to support this amendment.

The Hon. PAUL GREEN (17:56): I thank the Government for merging this into the bill. Obviously there was a misunderstanding about how it would take place and that has been addressed. The Christian Democratic Party supports the amendment.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The question is that Government amendment No. 1 on sheet C2017-057D be agreed to.

Amendment agreed to.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): The question is that the bill as amended be agreed to.

Motion agreed to.

The TEMPORARY CHAIR (The Hon. Shayne Mallard): There being no objection, the Committee will deal with the Emergency Services Levy Bill 2017 as a whole. The question is that the bill as read be agreed to.

Motion agreed to.

The Hon. DON HARWIN: I move:

That the Chair do now leave the chair and report the State Revenue and Other Legislation Amendment (Budget Measures) Bill 2017 with an amendment, and the Appropriation Bill 2017, Appropriation (Parliament) Bill 2017 and Emergency Services Levy Bill 2017 without amendment.

Motion agreed to.

Adoption of Report

The Hon. DON HARWIN: I move:

That the report be adopted.

Motion agreed to.

Third Reading

The Hon. DON HARWIN: I move:

That these bills be now read a third time.

Motion agreed to.

Adjournment Debate

ADJOURNMENT

The Hon. DON HARWIN: I move:

That this House do now adjourn.

CITIZENSHIP LAWS

Dr MEHREEN FARUQI (18:00): The Federal Government is looking to make sweeping changes to citizenship laws, which will hurt thousands of people who are working, studying and raising families in Australia. The changes are utterly unnecessary. It seems that these laws are just about targeting migrants, even though more than one in four Australians was born overseas, which means that just about everyone has a connection in one way or another to Australia's rich migrant society. Since the changes were announced, my office has received calls and emails from concerned community members whose lives will be turned upside down if these changes go through. These people do not take the matter of citizenship lightly. It is very important to them. It is a goal that they plan their lives around, and we cannot move the goalposts at a whim with retrospective legislation and call it a fair go. One person wrote:

I believe it runs contrary to the principle that we all deserve a "fair go", which surely includes a fair go at the privilege of Australian citizenship.

The Federal Government has hit a new low by resorting to scaremongering and calling these changes a national security measure. These heavy-handed changes are dripping with xenophobia. There is no other way to describe it. This fearful and close-minded view of the immigration Minister is not representative of Australia. We are one of the most vibrant and successful multicultural societies in the world. What is the problem he is trying to solve? The changes give unprecedented and potentially dangerous powers to the immigration Minister, such as being able to cancel citizenships and overrule decisions by the Administrative Appeals Tribunal. The Minister also gets

the power to decide whether or not an applicant has integrated into the Australian community. The immigration Minister will be the judge, jury and executioner.

We do not have to dig deep into the proposed changes to pick up the heavy scent of authoritarianism. Who is this Government trying to fool? By keeping secret the submissions made by hundreds of organisations and an even larger number of individuals opposing the changes, the Government has admitted that Australians are not buying into its divisive rhetoric and scaremongering. Since its plan to keep these submissions secret from the public, organisations and individuals have sent their submissions to The Greens to let us know that they never asked the Government to keep their contributions confidential. The Government has made an absolute mockery of a public process. Our rich history of multiculturalism shows that having a university level of English grammar has never been an indicator of someone's contribution to their new country. Migrants and refugees who have contributed to society in many ways, and who have already had to take a citizenship test in English, will have to prove that they are worthy of being citizens by taking a language test. Usman Khawaja, the Pakistani born Australian cricketer, tweeted recently:

I didn't speak "English good" when I became a citizen. And I still don't like Vegemite. Would I fail values test?

These changes serve no other purpose but to appease the far right, bigoted minority. Being a migrant, I have had the honour to meet and know many other migrants. Even though they may not have a level of English competency that Mr Dutton approves of, they are no less worthy of becoming Australian citizens. Many migrants already speak two or more languages, and mastering a new language as an adult can take many years. It is foolish to suggest that an English test or a so-called values test will weed out extremists or criminals. This Government is trying to sell these recycled measures from the Tony Abbott era with a hypernationalistic and divisive narrative. They did not pass the Senate before and they must be rejected now. I urge the Liberal-Nationals Federal Government and Prime Minister Malcolm Turnbull to show some guts and to stop this war on migrants. We have rights, and we will fight for them.

ISLAMIST FUNDAMENTALIST TERRORISM

The Hon. DAVID CLARKE (18:04): We are often told that Islamism and Islamist terrorism has nothing to do with mainstream Islam, yet the evidence suggests that the real position is more complicated. The evidence suggests that there is a considerable grey area between the two. According to British security agencies, 23,000 ISIS-supporting British Islamists are deemed to be a security risk. While this is a small percentage of Britain's Muslim population, it is still a concerning number. However, opinion polls show that a significant proportion of British Muslims support Islamist fundamental values that are in total conflict with Western and democratic values. According to an ICM poll, 31 per cent of British Muslims accept the practice of polygamy, 23 per cent support the use of Sharia law over British law in some parts of Britain, and one-third justify the use of violence against those who mock the founder of Islam. Of Britain's three million Muslims, 150,000, or 5 per cent, sympathise with the stoning of those who commit adultery, and almost half would not go to the police if someone they knew was involved with terrorism in Syria.

It is very troubling that only one in 25 British Muslims believe Osama bin Laden and Al-Qaeda were responsible for the terrorist attack on the World Trade Center in New York, and 31 per cent believe it was the United States Government that was behind the atrocity. These alarming polls are replicated in many other Western nations. We only have to look in Australia's backyard for examples of prominent, supposedly mainstream leaders sprouting Islamist ideology. For instance, there is no more prominent leadership position within Australian Islam than that of the Grand Mufti. Yet previous holders of that position such as Sheik Taj El-Din Hilaly and Sheik Fehme have, on numerous occasions, sprouted venomous Islamist views including excusing, justifying or denying Islamic fundamentalist terrorism.

Then there is the case of Yassmin Abdel-Magied, lauded as a role model for the modern, moderate Muslim woman. She appeared in her own show on the ABC, held various government appointments, sat next to Prime Minister Malcolm Turnbull when he hosted a world-publicised Ramadan Iftar dinner, and was sent on a Federal Government paid lecture tour of Muslim countries supposedly to promote Australian values. Then it went pear-shaped. She was exposed as something completely different. She got caught out casting a slur against Anzac Day by hijacking the sacred Anzac phrase "Lest we forget" for her own political agenda. She let down her guard when, in a truly cringe-worthy way, she sought the advice of Hizb ut-Tahrir on how she should respond to the media on Muslim issues. For those who are not aware, Hizb ut-Tahrir is banned in many nations, including many Muslim nations, for being a terrorist organisation. It is an apologist for Islam terrorism and honour killings and marriages involving child brides, and it defends the execution of apostates who convert from Islam to another religion.

Most recently we have had the scandal of the peak representative body for Muslims in Victoria, the Islamic Council of Victoria, refusing to support the Victorian Government's deradicalisation scheme to confront

violent Islamist extremism. In its place, it proposes that the money from the scheme be used to create what are called safe spaces for young Muslims, which the Premier of Victoria, Daniel Andrews, said amounted to nothing more than hate spaces to spruik inflammatory views. So much for the moderation of the Islamic Council of Victoria and so much for it opposing Islamist extremism. In recent days, Egypt, Saudi Arabia, the United Arab Emirates and Bahrain have instituted a major boycott of Qatar, a fellow Muslim nation with a high international profile through its media outlet Al Jazeera and its massive financial investments, including in Australia. According to those five Muslim nations, Qatar is not the face of mainstream and progressive Islam as it would have the world believe but a major financier of international terrorism. Those five Muslim nations have put into perspective on the world stage the issue of Islamist terrorism and its relationship to those claiming to be representatives of mainstream Islam.

While there are those with their heads in the sand who say that Islamism and terrorism have nothing to do with mainstream Islam, no less a figure than President El-Sisi of Egypt, which is the largest Muslim nation in the Middle East, says that it does. Two years ago he addressed a major audience of senior Muslim clergy and theologians on this very issue at the prestigious Muslim Al-Azhar University in Cairo. He warned that Islam was being torn apart and destroyed by extremism. He challenged his audience to reform their teachings of Islam rather than fuel extremist ideologies that have led to widespread terrorism in the name of Islam. He urged an enlightened ideology. Increasingly, senior Muslim spokesmen are saying the same thing as President El-Sisi. He is saying that there is a problem with the relationship between Islamism and terrorism on the one hand and mainstream Islam on the other, and it is up to Muslim leaders to fix it so there is no longer a perceived or real relationship either in deed or in thought

COMBAT SPORTS AUTHORITY

The Hon. LYNDIA VOLTZ (18:09): I refer to the role of the Combat Sports Authority in relation to the regulation of combat sports. Members are aware that I have raised the Combat Sports Authority a number of times. Today is important because the Coroner released his findings into the inquest into the death of David "Davey" Browne, who tragically died after a combat sports bout. I send condolences to his family. I have spoken in this Chamber previously about the death of Mark Fowler in a combat sports bout. Like Davey Browne, Mark also suffered a head injury, and died in Liverpool Hospital. At the time of the death of Mark Fowler I was concerned about the administration of the Combat Sports Act, and how the Combat Sports Authority was carrying out its regulatory duties in regard to that Act.

Mark Fowler was a professional fighter fighting on an amateur promotions card that was completely outside the Act. Likewise, I am particularly concerned today that the coronial inquiry revealed that David Browne was fighting in a bout given to a promoter to promote, but that the promotion was undertaken by another person. On my reading of the rules that is again completely outside the Act. More importantly, it is quite clear that combat sports inspectors were at his fight. They should have been aware that the promoter who was given the certificate to undertake the bout—who has a duty under the Act to ensure such things as that bouts start on time, a referee is in the ring and appropriate announcements are made—was not actually there. I am concerned that combat sport inspectors are at bouts where the law is not being administered as intended, but this has been an ongoing issue.

Previously when I asked how many breaches of the Act there had been I was told that it was 39, but only one breach had been prosecuted. The only breach that has been prosecuted relates to the death of Mark Fowler following the release of the coronial report. Quite frankly, it is not good enough. The Government must take a good strong, hard look at the board of the Combat Sports Authority. The Combat Sports Authority Advisory Committee includes people such as Dr Lou Lewis. As far as I know, that advisory committee, which is made up of experts in the field, has met only once and was not asked to consider any issue by the Government.

There is a real problem with the administration of the Combat Sports Authority. The Coroner quite rightly pointed to the fact that there has been no training for the 25 casual inspectors employed by the State. The authority presented evidence to the Coroner and said it was not the role of the authority to stop a bout, and that the referee was best placed to stop a bout. One inspector had a confrontation with an official and has moved away from the ring. Those people are employed by the people of New South Wales under an Act of Parliament to police an extremely dangerous sport. For the authority to wash its hands of its responsibility under the Act to stop a bout if a boxer looks injured or is in danger is hugely concerning.

I am also concerned about the inequality of contests. More and more I find that rugby league stars or other athletes want to undertake exhibition boxing matches. I have seen one instance of a person who had lost 31 previous bouts, 16 of which were by a knock-out, fight a person who had won 16 of his last bouts, seven of them by knock-outs. That is completely inappropriate and a huge risk. I do not know why those kinds of bouts are allowed to take place. Under the former Boxing Authority its experts would not have allowed that type of bout to occur. It is time that the Government looked seriously at the Combat Sports Authority and how it is being administered. Time and time again, as we find from coronial inquests, the authority is failing.

TRIBUTE TO DREW HUTTON

Mr JUSTIN FIELD (18:14): I had intended to talk about the Government's budget, a budget underpinned by a systematic corporatisation and privatisation of our essential and monopoly services. Its proceeds mask a total failure of this Government to plan to meet the big challenges facing New South Wales. The Treasurer said, "The future belongs to those who hear it coming". But I am not going to talk about the failings of the Government's budget and its deafness to the big challenges facing our community into the future, particularly climate change—anyone can sell the farm and redistribute the proceeds. Instead I want to talk about someone who really has been listening and who has taken real action to shape our future, often at great personal risk and sacrifice, and who has inspired me and many others to do the same. On Facebook last night I received a public message from my friend Drew Hutton, who stated:

I finally resigned last week as president of the Lock the Gate Alliance and won't be taking any more official roles in social change organisations. I made this decision with great sadness but I have serious, chronic health issues that simply won't allow me to do what is needed in such a position. I leave, however, happy in the knowledge that there are no so many great activists and organisers in Lock the Gate and the movement as a whole and I will be participating in events as my health allows.

Reading that gave me reason to pause and reflect. I have known Drew Hutton for many years. I was intimately involved in the Lock the Gate Alliance in the earliest days and worked closely with Drew on the organisation's strategy in New South Wales and day-to-day campaigning. Drew has been a mentor to me as a campaigner and in politics. He was also of the founder of The Greens in Queensland and Australia. We have shared some very memorable experiences on the campaign trail, including travelling across the United States of America in 2012 with Jeremy Buckingham and others, and hearing stories like that of Wyoming Farmer John Fenton whose water supplies had been contaminated by unconventional gas mining and whose family was getting sick from the exposure.

I will never forget being part of organising a massive rally out the front of this Parliament that same year when Drew shared a stage with the NSW Farmers Association to reject the Government's coal and gas plans. It was the first time the Country Women's Association had formally joined a march in its 90-year history. Much has been made of the coming together of environmentalists and farmers in this the people's movement against the impacts of coal and coal seam gas. Drew played an absolutely critical role in enabling that to happen, bringing an openness and willingness to go beyond traditional political allegiances to get the outcome. One of my strongest memories of Drew, something that has stuck with me ever since, is a speech he gave at the Doubtful Creek blockade in 2013.

His speech inspired the hundreds of us who gathered to blockade Metgasco, which was trying to drill coal seam gas exploration wells in the Northern Rivers. Drew would soon be arrested and dragged away by police, having sat peacefully arm in arm with a local Aboriginal elder and local landowner blocking the way of the rig. The message was not a new one, but it resonated with the crowd. He said, "When governments fail, ordinary people have to become heroes—and you are heroes." Drew always makes it about the community, the local people impacted and their empowerment. Drew is a formidable campaigner. I am sure the Queensland Minerals Council and multi-billion dollar gas industry can attest to that. He has shouldered much of the burden of this campaign himself, but he is the first to recognise he could not and did not do it on his own. His leadership and patience have helped bring new voices into the campaign, skilling up young activists and showing farmers how they can use their political power in a new way. He leaves Lock the Gate as a national organisation in its campaign to protect our land and water, but with a message that has resonated around the world.

Drew has said many times that in the dying days of the fossil fuel industry, in its lashing out to try to resist its ultimate demise, we cannot let it destroy those things that are most dear—our land and water, our communities. We will not let them. We all owe Drew a debt of gratitude. We have not won all the battles, but we will win the war. I look forward to catching up him at the many rallies and blockades that are yet to come as we make the essential transition to a renewable energy future. I wish Drew and Libby well for the future and I have no doubt that I will see them both on the front lines again as the community continues to protect our special places, the environment and the things we hold most dear.

NSW CREATIVE ACHIEVEMENT AWARDS

The Hon. BEN FRANKLIN (18:19): On Wednesday 14 June I had the pleasure of attending the 2017 NSW Creative Achievement Awards at the Museum of Contemporary Art. It was a honour to represent my friend the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry, the Hon. Niall Blair, at the celebration for the recognition of the wonderful talent within our great State. The importance and value of the creative industries to New South Wales is immense. Creative industries are significant drivers of innovation, job creation and economic growth in the contemporary knowledge economy. I am proud to say that New South Wales is a national leader in the creative industries arena, employing more professionals across the sector than any other State. More than 200,000 people are now directly employed in the sector, meaning

it constitutes more than 5 per cent of the State's total workforce. The creative industries are also key to New South Wales status as a global destination, creating international appeal and attracting visitors. In 2015 New South Wales received 11.4 million international and domestic cultural and heritage visitors, who spent an estimated \$11.2 billion.

More than the economic impact, our creative industries are at the heart of our cultural and societal development. Every participant in the creative industries helps us tell our stories, enriching our history and heritage, and playing a leading role in developing our modern identity. They enhance our lives, often provoking thought and discussion within the community on contemporary issues. They offer the appeal of engagement, providing interesting and inspiring opportunities to interact with places, people and ideas. That is why it is so important that we provide due acknowledgement to our creative industries. This year marked the fourth annual NSW Creative Achievement Awards to celebrate and reward outstanding achievements in the creative industry sector. The Liberal-Nationals Government is committed to not just showcasing the strength of New South Wales creative industries but also attracting investment and building collaboration to generate future growth. The 2017 NSW Creative Achievement Awards comprises two prestigious awards—the Emerging Creative Talent Award and the NSW Creative Laureate.

What a privilege it was to award design duo Anna Plunkett and Luke Sale of Romance was Born the Emerging Creative Talent Award. Anna and Luke started off as a small Sydney fashion label. Their hard work and commitment has seen them emerge as a highly regarded Australian fashion house, featuring in last year's Sax Fifth Avenue's flagship store in New York, as well as in Paris Fashion Week. This award could not have been given to a more deserving duo. I look forward to watching Anna and Luke's talent and creativity continue to grow and develop, and lead in our creative industries. I also acknowledge the other finalists for this award. They were Aileen Sage Architects with Michelle Tabet and DesignByThem. All finalists are incredibly talented and I look forward to seeing their continued success in the creative industries.

The second award was the NSW Creative Laureate. This award recognises an individual, team or organisation that has demonstrated leadership and made a significant contribution to increasing the global profile of New South Wales creative industries. The winner of the NSW Creative Laureate for 2017 was Plastic Wax, a Sydney-based film company that produces animation and visual effects, specialising in content for video games, film and television. Plastic Wax has made some incredible achievements. It has been recognised internationally for its work on *The Hunger Games: Catching Fire*, *Lego Star Wars: The Force Awakens*, *Transformers: Revenge of the Fallen* and *Tomb Raider*, just to name a few. I acknowledge the incredible talents of the other finalists for this award—Goalpost Pictures Australia and Dr Vaughan Rees.

Selecting winners of these awards is no easy task, with the calibre of talent extremely high. I acknowledge the contribution made by the judging panel to this year's awards—Lisa Havilah, Director of Carriageworks, who was also the chair of the awards committee and a past winner of the laureate award, Louise Olsen and Stephen Ormandy, both of whom are founders of Dinosaur Designs, Simon Mordant, AM, chair of the Museum of Contemporary Art, Stephen Payne, Manager of the Wagga Wagga Art Gallery, and Claudia Karvan, who is a well-known television actor and Australian acting icon. New South Wales is a talented State. I am proud that this Government is supporting, nurturing, recognising and celebrating this talent. I know that our creative industries will continue to thrive—with the passion and drive that each of these award winners and finalist are contributing to our State.

EUTHANASIA

The Hon. GREG DONNELLY (18:23): For some years now I have been following the euthanasia/assisted suicide debate not just here in Australia but also around the world. In doing so I have deliberately made it my business to not just seek out but also understand what and why the proponents are trying to achieve. I make no claim of having any expert knowledge or insights, but I will say this: The proponents are not short of patience, political skills and rat cunning. I will also say this: The proponents, in their endeavour to persuade people to support their agenda, will do what it takes to get the job done. In particular, they will appeal to human emotion, tell individuals what they want to hear, sanitise the language they use, ignore contrary facts and arguments, and set out to isolate their opponents and characterise them as inhumane, bigoted and bereft of basic human decency.

This modus operandi is not a fiction that I have made up just because I have the complete opposite views of the proponents of euthanasia/assisted suicide. It is a hard-headed strategy that is nimble, open to ongoing finessing and refinement, and is deployed in a number of ongoing overt and covert political manoeuvres. I got my first detailed insights into this when in October 2010 I attended the World Federation of Right to Die Societies Biennial Global Conference that was held in Melbourne. The day I attended was organised around the theme "Dying with Dignity—Bridging Principles and Practice". A number of interesting speakers gave presentations on the day. A question and answer forum followed the presentations. There were also panel sessions.

I must say that the most instructive parts of the day for me were the question and answer forums where the presenters were asked by the session moderators to "not pull their punches" and speak frankly. In my assessment, all the speakers took up this invitation. Professor Jan Bernheim from the Department of Human Ecology, Faculty of Medicine, Vrije Universiteit Brussels, who was one of the overseas guest speakers, was very clear in his advice to all the Australian euthanasia/assisted suicide advocates present. He strongly encouraged them to adopt the strategy that their colleagues had implemented in Belgium. The strategy, as outlined in his PowerPoint presentation in a nicely prepared flowchart, articulated that euthanasia/assisted suicide had to be drawn into and made part of the medical, nursing, caring, political and general public discourse with respect to palliative care.

Wrapping up euthanasia/assisted suicide in a holistic concept with the language of palliative care was, using his words, an almost guaranteed way of insulating it from criticism and attack. He outlined that this was the precise strategy that they had agreed upon, implemented and executed in Belgium to get euthanasia/assisted suicide legislation onto the statute book. Another comment on the day, made in a moment of frankness and worth repeating, was by Professor Margaret Otlowski from the Faculty of Law, the University of Tasmania. She was asked by an audience member that assuming that getting euthanasia/assisted suicide legislation onto Australian statute books was a worthwhile and important legislative objective—and that was a position that she openly agreed with—what was the best way to "thread the needle" in her view? Without hesitation she said to the audience:

Promote the physician assisted suicide model instead of the strict euthanasia model. In the current context, this is clearly the least path of resistance. I encourage people interested in this matter to look at the legislation operating in Oregon in the US.

Her advice was direct, clear and unequivocal. Being purist and ideologically rigid, in her view, made no sense. As she explained, the key was to at least get some piece of legislation onto the statute books; that was, as she articulated, the key priority. Over time the legislation could be re-examined and amended. I have to say that while I was listening to her openly strategising over what, in her view, should be done it reminded me of the well-known and readily understood political quote "Whatever it takes!" The House received a report earlier this week on the progress of the development of the Voluntary Assisted Dying Bill 2017. I note that the proponents of the legislation have, by eschewing reference to the word "suicide", whitewashed the true intention and purpose of the bill. As I said, rat cunning. It remains to be seen exactly when the proposed legislation will be presented to the House for consideration. We have been told that this will happen before the end of the year.

I conclude by noting that the winter recess provides an opportunity for all members of the House to have a look at a recently tabled report by the Australian Law Reform Commission entitled "Elder Abuse—A National Legal Response". It is 432 pages long and makes for sober reading. I submit that our clear priority should be to come to terms with this terrible blight on our society of elder abuse and commence to take steps to seriously address it, instead of trying to manoeuvre through this and other legislatures laws that will put so many frail, vulnerable and defenceless people in harm's way.

TRIBUTE TO MAYOR PETER BLACKMORE, OAM

Mr SCOT MacDONALD (18:28): I pay tribute to the retiring mayor of Maitland, Mr Peter Blackmore, OAM, who is retiring after nearly 18 years as mayor. He did a previous stint as mayor from 1986 to 1990. In the time that I have known Peter, he has also been chair of the Hunter Infrastructure and Investment Fund and the Hunter Councils. He has been on council a long time. I do need to pay tribute to Peter. He has been a rock of stability for Maitland. He has led Maitland through a wonderful period of growth and development, from a relatively small country town into a vibrant, well-performing regional city. Mayors are very important. When I have a mayor with an equally terrific general manager such as Mr David Evans, they are a pleasure to work with. I will say that Peter has been one of those people that I think has served the community very well. He was the member for Maitland from 1991 to 1999 and his performance was exemplary. I would like to think that this House could acknowledge the terrific work of Peter Blackmore, OAM, for his wonderful years of service.

The DEPUTY PRESIDENT (The Hon. Shayne Mallard): The question is that this House do now adjourn.

Motion agreed to.

The House adjourned at 18:29 until Tuesday 8 August 2017 at 14:30.