



New South Wales

Legislative Council

PARLIAMENTARY DEBATES (HANSARD)

**Fifty-Sixth Parliament
First Session**

Tuesday, 19 June 2018

Authorised by the Parliament of New South Wales

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LEGISLATIVE COUNCIL

Tuesday, 19 June 2018

The PRESIDENT (The Hon. John George Ajaka) took the chair at 14:30.

The PRESIDENT read the prayers and acknowledged the Gadigal clan of the Eora nation and its elders and thanked them for their custodianship of this land.

Bills

KOSCIUSZKO WILD HORSE HERITAGE BILL 2018

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL 2018

PUBLIC HEALTH AMENDMENT (SAFE ACCESS TO REPRODUCTIVE HEALTH CLINICS) BILL 2018 (SHARPE)

COMPANION ANIMALS AND OTHER LEGISLATION AMENDMENT BILL 2018

MISCELLANEOUS ACTS AMENDMENT (MARRIAGES) BILL 2018

Assent

The PRESIDENT: I report receipt of messages from the Governor notifying His Excellency's assent to the abovementioned bills.

PUBLIC HEALTH AMENDMENT (SAFE ACCESS TO REPRODUCTIVE HEALTH CLINICS) BILL 2018 (SHARPE)

Returned

The PRESIDENT: I report receipt of a message from the Legislative Assembly returning the abovementioned bill without amendment.

Commemorations

CENTENARY OF FIRST WORLD WAR

The PRESIDENT (14:32): Throughout June 1918, Lieutenant-General John Monash meticulously planned an assault on German positions in and around the town of Le Hamel on the River Somme, just north of Villers-Bretonneux. It was the first battle in which the value of Monash's logistical planning was proven and the effectiveness of his philosophy of combined arms warfare decisively demonstrated. In the pre-dawn hours of 4 July, five Australian brigades along with four American army companies advanced behind a creeping artillery barrage with additional cover from British aircraft. They were also closely supported by British and American tanks. Innovatively, Monash arranged for medical supplies and ammunition to be dropped to his advancing troops by parachute and to be carried forward in bulk by tanks to established positions.

The new wireless technology of radio was also utilised for the first time as a means of communicating from captured positions. Never before had an advance been so well supported and so rapidly and effectively resupplied. Consequently, all objectives were secured within 93 minutes, just three minutes more than Monash's detailed battle plans. German counterattacks were in vain. Two Australians received the Victoria Cross for their actions during the battle. More than 800 others lost their lives. The success of Monash's tactics made the Battle of Hamel a watershed in military history. His combined arms strategy and thorough logistical planning became the basis for the larger-scale attacks that subsequently broke the German lines and brought the war to an end. Lest we forget.

Rulings

ADJOURNMENT OF THE HOUSE

The PRESIDENT (14:34): Under Standing Order 31, there is a 30-minute debate on the motion to adjourn the House. According to an agreed rotation of speakers, each member other than a Minister speaking in reply is limited to a contribution of five minutes. Members can speak on any topic and can cover more than one topic. On 5 September 2000, then President Burgmann ruled:

On the motion to adjourn, members may speak on matters not relevant to the motion.

As the Annotated Standing Orders make clear, the current form of the debate goes back to changes introduced in 1986 in response to concerns expressed by members that there were too many restrictions on what could be raised in adjournment speeches. Since then, it has been understood by all members that their contributions are able to cover any topic. On 14 February 2012, then Deputy President Gardiner ruled:

Members are extended wide latitude during the adjournment debate.

Given the time constraints, there has been a mutual understanding that points of order will generally be taken only in instances where a member is claimed to be in contravention of the standing orders, such as Standing Order 91 (3) by making personal reflections or imputations against another member or other unparliamentary behaviour. On 30 June 1999, then President Burgmann ruled:

It is disorderly for members to take points of order in the adjournment debate for the sole purpose of eroding another member's time.

I have been concerned that this understanding appears to have broken down in recent weeks. Following the adjournment debate on 7 June, this has now reached a stage where, as Presiding Officer, I need to take action. The final three speakers in that debate were faced with nine points of order, beginning with a point of order taken by an Opposition member on Reverend the Hon. Fred Nile, followed by three points of order taken by Government members on the Hon. Shaoquett Moselmane, then four points of order taken by Opposition members on the Hon. Taylor Martin. As I stated earlier, nine points of order were taken on three adjournment speeches. Having read the transcript and viewed the recording, I am of the view that all of the points of order were without any basis and were clearly disorderly. None of the contributions made by Reverend the Hon. Fred Nile, the Hon. Shaoquett Moselmane or the Hon. Taylor Martin contained imputations or were otherwise unparliamentary. It is clear that both sides of the House were using points of order to reduce the time available for the members speaking.

On all nine points of order the Deputy President, the Hon. Courtney Houssos, acted appropriately and sought to minimise the interruption, despite the continued disrespect being shown to her by members. I feel that I am now compelled to take the Chair from now on during adjournment debates. I regret the reduction in opportunities that this provides to the new Deputy Presidents, the Hon. Courtney Houssos and the Hon. Taylor Martin, to take the Chair and this is not a reflection on them. The adjournment debate provides a very important opportunity for all members in this House to speak on topics that are important to them.

I will not tolerate members' right to speak being restricted unnecessarily, nor will I tolerate disrespect being shown to whoever is in the Chair. I strongly advise members that in future if they do not agree with or like the content of a speaker's contribution, they should either leave the Chamber or remain silent and not disrupt proceedings. I will not hesitate to call members to order three times or for gross disorder and remove them from the Chamber for taking disorderly points of order.

Motions

LOVE LENNOX FESTIVAL

The Hon. BEN FRANKLIN (14:38): I move:

- (1) That this House notes that:
 - (a) the Love Lennox Festival was held on Saturday 2 June 2018;
 - (b) around 8,000 people converged on Lennox Head to celebrate everything there is to love about Lennox Head including beautiful beaches, great food, chic boutiques, live music and the relaxed atmosphere; and
 - (c) the festival included "Flavours of Lennox", which is a competition focusing on the best local produce and recipes and the iconic "Dogs of Lennox," a multi category competition featuring local dogs.
- (2) That this House congratulates the "Flavours of Lennox" winner, Shelter Lennox Head, for its exceptional cuttlefish dish.
- (3) That this House congratulates and thanks Zain Peart and the whole Lennox Head Chamber of Commerce for all their work in organising the festival and showcasing everything there is to love about Lennox Head.

Motion agreed to.

BALLINA ART SOCIETY ANNUAL EXHIBITION

The Hon. BEN FRANKLIN (14:39): I move:

- (1) That this House notes:
 - (a) the Ballina Art Society held its forty-sixth annual exhibition from Friday, 1 June, to Sunday, 3 June 2018, at the Ballina RSL Club;
 - (b) the exhibition included 150 paintings by local artists; and

- (c) this year the exhibition included a new category, "prawnography", focusing on the local area and requiring artists to include a prawn in their work.
- (2) That this House congratulates the following first place winners from the exhibition:
 - (a) landscape category: Maggie Cross for her work "Hidden";
 - (b) waterscape category: Julia Crofts for her work "On Reflection";
 - (c) figurative, narrative and best in show categories: Tad Slufinski for his works "Self Portrait" and "Mannequin Influence";
 - (d) still life and popular choice categories: Gloria Gosling for her work "Collections from Lighthouse Beach";
 - (e) abstract category: Darian Midwinter for the work "Into the Garden"; and
 - (f) prawnography category: Meg Egglestone for her work "Prawn Cove".
- (3) That this House congratulates and thanks the members of the Ballina Art Society for all their work in organising another successful exhibition, particularly the Exhibition Committee:
 - (a) President, Helen Craig;
 - (b) Secretary, Julia Crofts;
 - (c) Treasurer, Tina Furrow; and
 - (d) committee members:
 - (i) Rena Hurley;
 - (ii) Dagmar Titherington;
 - (iii) Maggie Cross;
 - (iv) Cecily Barrack;
 - (v) Meg Egglestone; and
 - (vi) Heather Waldon.

Motion agreed to.

Committees

LEGISLATION REVIEW COMMITTEE

Report: Legislation Review Digest No. 57/56

The Hon. NATASHA MACLAREN-JONES: I table the report of the Legislation Review Committee entitled "Legislation Review Digest No. 57/56", dated 19 June 2018. I move:

That the report be printed.

Motion agreed to.

SELECTION OF BILLS COMMITTEE

Reports

The Hon. NATASHA MACLAREN-JONES: I table report No. 9 of the Selection of Bills Committee, dated 19 June 2018. I move:

That the report be printed.

Motion agreed to.

I move, according to paragraph 4 (1) of the resolution establishing the Selection of Bills Committee:

- (1) That:
 - (a) the provisions of the Fair Trading Amendment (Short-term Rental Accommodation) Bill 2018 be referred to the Standing Committee on State Development for inquiry and report;
 - (b) the bill be referred to the committee upon receipt of the message on the bill from the Legislative Assembly; and
 - (c) the committee report by 31 July 2018.
- (2) That consideration of the Criminal Legislation Amendment (Child Sexual Abuse) Bill 2018 be deferred until Wednesday 20 June at 10.00 a.m.
- (3) That the following bills not be referred to a standing committee for inquiry and report:
 - (a) Crimes Amendment (Publicly Threatening and Inciting Violence) Bill 2018;

- (b) Unexplained Wealth (Commonwealth Powers) Bill 2018;
- (c) Victims Rights and Support Amendment (Statutory Review) Bill 2018; and
- (d) Water Management Amendment Bill 2018.

The Hon. SCOTT FARLOW (14:41): I move:

That the question be amended by:

- (a) omitting paragraph (1); and
- (b) inserting after paragraph (3) (d): "Fair Trading Amendment (Short-term Rental Accommodation) Bill 2018."

Mr DAVID SHOEBRIDGE (14:41): Parties need to have a discussion about whether or not they adopt an in-principle position in that committee. We are again seeing a resolution of the committee being amended on the floor of the House. As I understood the way we set up this committee, it was the generally held view by the Opposition and at least one—and maybe two—members of the crossbench that there would be referrals to a committee when there was genuine concern about a matter. There has been a huge amount of concern about Airbnb and whether the Fair Trading Amendment (Short-term Rental Accommodation) Bill 2018 responds to those concerns.

I accept that many concerns about Airbnb are not addressed in the bill but are proposed to be addressed in a planning instrument called a SEPP—that is, the State Environmental Planning Policy. I thought this committee was designed to consider those kinds of issues. We again see a recommendation from the committee having to be amended on the floor of the House. I suggest that at some time this week we need to have the opportunity to have an informal meeting to try to get this right. There is a very real concern about this Government's response to Airbnb and that is why The Greens support the referral of the bill to the committee.

The Hon. ROBERT BROWN (14:42): Mea culpa. I have notified both Whips that I voted in error in the meeting this morning. I did so without the endorsement of my party. I informed both Whips that had I been better informed I would have voted the other way. I take it on me.

The Hon. SHAOQUETT MOSELMANE (14:43): The Hon. Robert Brown did advise us. My point goes to what Mr David Shoebridge had said: This committee is finding its feet. We are learning the processes but we clearly voted at the committee level. The committee has voted a number of times now, but every time it seems that the decision is overturned in the Chamber. There has to be a point where the Government accepts the decisions or resolutions of the committee and does not come back to this Chamber and overturn them.

The PRESIDENT: The Hon. Natasha Maclaren-Jones has moved a motion, to which the Hon. Scott Farlow has moved an amendment. The question is that the amendment be agreed to.

The House divided.

Ayes22
 Noes18
 Majority.....4

AYES

Amato, Mr L	Blair, Mr	Brown, Mr R
Clarke, Mr D	Colless, Mr R	Cusack, Ms C
Fang, Mr W (teller)	Farlow, Mr S	Franklin, Mr B
Green, Mr P	Harwin, Mr D	Khan, Mr T
MacDonald, Mr S	Maclaren-Jones, Mrs (teller)	Mallard, Mr S
Martin, Mr T	Mason-Cox, Mr M	Mitchell, Mrs
Nile, Revd Mr	Phelps, Dr P	Taylor, Mrs
Ward, Ms P		

NOES

Buckingham, Mr J	Donnelly, Mr G (teller)	Faruqi, Dr M
Field, Mr J	Graham, Mr J	Houssos, Ms C
Mookhey, Mr D	Moselmane, Mr S (teller)	Pearson, Mr M
Primrose, Mr P	Searle, Mr A	Secord, Mr W
Sharpe, Ms P	Shoebridge, Mr D	Veitch, Mr M

NOES

Voltz, Ms L

Walker, Ms D

Wong, Mr E

Amendment agreed to.**The PRESIDENT:** The question is that the motion as amended be agreed to.**Motion as amended agreed to.***Documents***AUDITOR-GENERAL****Reports**

The CLERK: According to the Public Finance and Audit Act 1983, I announce receipt of a Performance Audit Report of the Auditor-General entitled "Universities 2017 audits", dated 8 June 2018, received out of session and authorised to be printed on 8 June 2018.

*Committees***STANDING COMMITTEE ON LAW AND JUSTICE****Government Response: Statutory Review of the State Insurance and Care Governance Act 2015**

The CLERK: According to standing order, I announce receipt of the Government response to report No. 63 of the Standing Committee on Law and Justice entitled "Statutory review of the State Insurance and Care Governance Act 2015", tabled on 15 December 2017, received out of session and authorised to be printed on 18 June 2018.

PORTFOLIO COMMITTEE NO. 4 - LEGAL AFFAIRS**Government Response: Museums and Galleries in New South Wales - First Report**

The CLERK: According to standing order, I announce receipt of the Government response to report No. 35 of Portfolio Committee No. 4—Legal Affairs entitled "Museums and galleries in New South Wales—First Report", tabled on 18 December 2017, received out of session and authorised to be printed on 18 June 2018.

*Documents***SYDNEY STADIUMS****INDEPENDENT REVIEW OF OUT OF HOME CARE IN NEW SOUTH WALES****Return to Order**

The CLERK: According to resolution of the House of Tuesday 5 June 2018, I table redacted documents relating to Sydney stadiums and unredacted documents relating to the Tune report on the out-of-home care system received on Friday 8 June 2018 from the Secretary of the Department of Premier and Cabinet.

SYDNEY STADIUMS**POWERHOUSE MUSEUM RELOCATION****Confidential Documents**

The CLERK: According to resolution of the House of Tuesday 5 June 2018, I table a submission received on Friday 8 June 2018 from the Secretary of the Department of Premier and Cabinet identifying documents relating to Sydney Stadiums and the Powerhouse Museum relocation business case, which have been "provided on a confidential basis for inspection by members of the Legislative Council only".

POWERHOUSE MUSEUM RELOCATION**Confidential Documents**

The CLERK: According to resolution of the House of Tuesday 5 June 2018, I table redacted documents relating to the Powerhouse Museum relocation business case, received on Friday 8 June 2018, which had been treated as confidential until separated by representatives of the Department of Planning and Environment on Tuesday 12 June 2018.

*Petitions***PETITIONS RECEIVED****Human Trafficking**

Petition denouncing human trafficking as a form of modern slavery and calling on the Government to support the introduction and passage of the Modern Slavery Bill 2018, received from **Reverend the Hon. Fred Nile**.

Religious Freedoms

Petition supporting the protection of religious beliefs and the right to participate in religious activities, and requesting that the Government support the introduction and passage of the Anti-Discrimination Amendment (Religious Freedoms) Bill 2018, received from **Reverend the Hon. Fred Nile**.

Anti-discrimination Legislation

Petition expressing concern about the passage of the same-sex marriage legislation, calls for the repeal of religious exemptions from anti-discrimination law and the potential loss of religious liberties, and calling on the Government to support the introduction and passage of the Anti-Discrimination Amendment (Religious Freedoms) Bill 2018, received from **Reverend the Hon. Fred Nile**.

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

The Hon. DON HARWIN: I move:

That Government Business Orders of the Day Nos 1 and 2 be postponed until a later hour.

Motion agreed to.

PRECEDENCE OF BUSINESS

The Hon. DON HARWIN: I move:

That Government business take precedence of debate on committee reports this day.

Motion agreed to.

*Committees***PORTFOLIO COMMITTEE NO. 5 - INDUSTRY AND TRANSPORT****Extension of Reporting Date**

The Hon. ROBERT BROWN: In accordance with paragraph 2 (6) of the resolution of the House establishing the portfolio committees, I inform the House that on 18 June 2018 Portfolio Committee No. 5 - Industry and Transport resolved to extend the reporting date for its inquiry into the Windsor Bridge replacement project to 22 August 2018.

*Announcements***COMMONWEALTH PARLIAMENTARY ASSOCIATION TWINNING PROGRAM**

The PRESIDENT (15:15): Last year we commemorated the tenth anniversary of the Commonwealth Parliamentary Association twinning program. Under this program, all Australian State and Territory parliaments are twinned with Pacific legislatures. As members are aware, our Parliament is twinned with the Bougainville House of Representatives and with the National Parliament of Solomon Islands. Over the past 10 years, the members and officers of our three parliaments have collaborated on numerous initiatives to strengthen the capacity of our legislatures. Earlier this year, in April, I led a delegation of members to visit the National Parliament of Solomon Islands. This was the first such delegation since 2016.

Last week, I led a delegation to the Bougainville House of Representatives, accompanied by the Hon. Anthony Roberts, Minister for Planning, Minister for Housing, and Special Minister of State; the Hon. David Elliott, Minister for Counter Terrorism, Minister for Corrections, and Minister for Veterans Affairs; and the Hon. Robert Borsak, Chair of Portfolio Committee No. 4 - Legal Affairs and chair of the Select Committee on Landowner Protection from Unauthorised Filming or Surveillance. Unfortunately, Ms Sonia Hornery, the member for Wallsend, was not able to join us as planned due to ill health. The primary goal of the visit was to reaffirm our longstanding commitment to the twinning partnership and to launch a professional development scholarship open to staff from the twinned parliaments. The scholarship will provide an opportunity for an officer from one of our

twinned parliaments to collaborate with an officer from the New South Wales Parliament to prepare a paper or article on a suitably relevant topic.

Our interactions and meetings over those four days gave us an insight into the operation of the Parliament, as well as the cultural and political context in which it operates, including the forthcoming referendum on independence, due to be held in June 2019. I am sure that I speak for all in this House when I say how much we value the relationship with our friends in the Bougainville House of Representatives and look forward to working together on our shared goals.

Budget

BUDGET ESTIMATES AND RELATED PAPERS 2018-2019

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:17:0): I table the following budget estimates and related papers for the financial year 2018-2019:

- (1) Budget Paper No. 1—Budget Statement 2018-2019
- (2) Budget Paper No. 2—Infrastructure Statement 2018-2019
- (3) Budget Paper No. 3—Budget Estimates 2018-2019
- (4) Budget Speech 2018-2019

I move:

That the documents be printed.

Motion agreed to.

The Hon. DON HARWIN: I seek leave to move a motion forthwith to take note of the budget estimates and related papers for the financial year 2018-2019.

Leave granted.

The Hon. DON HARWIN: By leave: I move:

That the House take note of the budget estimates and related papers for the financial year 2018-2019.

I seek leave to incorporate the Treasurer's Budget Speech in *Hansard*.

Leave granted.

PART 1 OVERVIEW

Introduction

This is a budget for the people of our great State.

The nearly **8 million** who call New South Wales home.

Our working families, young apprentices and those needing a helping hand.

Our new mums, business owners and our Aboriginal brothers and sisters.

Our citizens of today—and the generations to come.

We are a Government that puts people first.

And this budget does too.

Families like the Mevawalas from Quakers Hill—getting a break on their bills.

People like Bobby Burke—who planted the Bathurst Community Garden.

Aboriginal boys like Wyatt, looking for hope—and help.

Children like Angel—welcomed into the loving arms of her adoptive family

Survivors like Jose—turning his life around after addiction and despair.

Young girls like Brydie—longing to play sport with her friends.

And business owners like Paul—wanting to give his staff more hours.

These are real people.

With real stories.

And today I'm going to tell you how this Budget, this Government, this Coalition—is making their lives better and their aspirations count.

Budget result

We believe social outcomes and strong financial management are two sides of the same coin.

You can't have one without the other.

That's why we've been bold in making better use of public resources.

Keeping expenses on a tight leash.

And generating surpluses to invest with impact.

This is the discipline of a government determined to keep delivering.

Today I announce, our surplus for **2017-18** stands at **\$3.9 billion**—with surpluses averaging **\$1.6 billion** projected in each year over the next four years.

This better than expected result is due to increased investment returns, higher GST pool receipts and growth in other revenues like mining royalties.

It's also testament to the health of the budget, our strong financial management and our diversified revenue base.

Over the past 12 months, housing cooled more quickly than previously forecast.

As a result, transfer duty revenues—**11%** of total revenue—will be **\$1 billion** lower than we expected in last year's Budget; and **\$5.5 billion** lower in the three years to **2020-21**.

Despite this, our finances remain in excellent shape—because this Government has laid foundations that are built to last.

Our **Triple A** credit rating is affirmed.

Net debt negative for the third year running.

Operating expenses per capita are the lowest of the mainland states, as is our debt to GSP.

And when it comes to net worth—New South Wales is now the first ever quarter trillion dollar state—a year earlier than predicted.

The biggest obstacle to our financial security has been an Opposition that believes in wealth without work and politics without principle—placing partisan advantage over the public good.

History will judge them accordingly.

Asset recycling was the golden key that unlocked the door of opportunity for New South Wales.

That is why today we can announce our infrastructure investment hits another record—**\$87.2 billion** dollars over the next four years.

The largest in the nation.

New South Wales today is not great by chance—but great by choice.

Strong financial management has created a virtuous cycle of growth and return—allowing us to make record investments where it matters.

This is the Coalition advantage.

The decisions we make yield dividends.

Letting us focus on dual horizons.

Building for tomorrow.

And delivering for today.

PART 2—DELIVERING FOR TODAY

Helping families with the cost of living

We work hard keeping our finances in shape.

So we can do more today for families who need it.

With wage growth slow around the world, many are feeling the strain.

And we're doing our bit to help.

In the past **12 months**, we cut the cost of green slips by an average of **\$124** per year.

We slashed stamp duty, seeing **30,000** first home buyers surge into the market, saving tens of thousands of dollars.

Sydney Water customers are saving an average \$100 off their bills each year.

We're helping low-income and special needs households—save up to **\$285** a year with our energy rebates.

And from next month, we'll make car registration free for regular toll users, saving some drivers more than **\$700** a year.

And now we are upping the ante.

We're launching a new "one-click energy switch" website, helping families claim the best energy deals.

We're turning Service NSW into Savings NSW, helping people access all their rebates and concessions.

We're making sure parking fines are about fairness—not revenue raising—cutting the top ten by **25%**—and calling on local councils to do the same.

And we're slashing caravan registration by **40%**—delivering savings of up to **\$471** for families and grey nomads

All these initiatives have helped families like the Mevawala family from Quakers Hill.

With free rego, two active kids vouchers and two CTP refunds—they've saved over **\$800** so far.

But our hip pocket savers aren't just about money.

Financial freedom removes barriers to opportunity—and that's what we want for every family.

Last year, we launched Active Kids—a **\$100** voucher for every school-aged child to participate in sport.

The response has been overwhelming, with more than **390,000** vouchers redeemed since January.

One of them is 8-year-old Brydie, who was able to play netball for the first time.

She's now her team's goal shooter—and thinking of taking up soccer as well.

We want NSW kids to be active—and creative as well.

So today I announce a new initiative.

Creative Kids.

A **\$100** voucher for every school child—to participate in extra-curricular activities—like music, drama, art, coding, and second language classes.

We know this won't cover all the costs.

But we want to open up a world of opportunity for our kids.

Giving more parents—and more children—the encouragement they need to reach their potential.

Giving young people the best start in life

Early childhood

This budget delivers today for our young people, giving them a better start in life.

We know early learning can set our kids up for success.

Last budget we reduced early learning costs in the year before school for four-year-old kids.

This budget goes further.

Today I announce we're creating **4,800** new community pre-school places in our fastest growing areas—like Camden, Parramatta, Blacktown and the Hills.

And from 2019, in an Australian first, every three-year-old in New South Wales will now have access to subsidised early learning.

That's part of an almost **\$200 million** investment in our children, saving families on average **\$825** a year.

Apprentices

For those preparing for life beyond school, we will help them on the journey.

Establishing new TAFE Connected Learning Centres and additional mobile training units.

We also know cost can be a barrier to learning new skills or forging a new career.

So over the next four years, we will offer **100,000** fee free apprenticeships.

An army of skilled workers in industries with jobs at the ready.

The apprentices we train today—will build the New South Wales of tomorrow.

Investing in essential public services

This budget delivers more essential public services we rely on today—and every day.

For our schools, we're employing over **880** new teachers.

But it's about quality teaching as well.

So we're boosting the ranks of highly qualified teachers.

And will continue to invest in them, with **\$50 million** in additional funding for our School Leadership strategy.

In the next year, our healthcare system is getting a billion dollar boost for more frontline workers.

Almost **one thousand** more nurses and midwives

300 more doctors

120 allied health professionals.

And over **750** paramedics and call staff over the next four years.
That's over **2,000** medical professionals for the times when minutes matter and seconds count.
We know that in the fragile early moments of life—it's important mothers and babies get quality care.
So we're employing **35** new family health nurses—and recruiting 100 midwives.
From the most precious moments, to the everyday, we want to make life easier.
So starting next year, every parent of every baby born in our State will have the option of receiving the NSW Baby Bundle.
An Australian first—it's packed with practical items to give our new parents confidence and comfort.
It's a bundle of care for your bundle of joy.
This budget continues improving our transport network—with convenient connections.
There's **\$2.1 billion** over the next four years for better infrastructure and more train services.
2,000 additional weekly bus services over the next year in Sydney's East and West.
And **\$281** million in the coming year to fix pinch points that clog up our roads.
We're also supporting those keeping our communities safe.
There'll be **100** more police on the beat.
Former defence Blackhawks for the Rural Fire Service.
And new vehicles and vessels so the State Emergency Service can do more when disaster strikes.

Creating opportunity for Aboriginal citizens

We believe our Aboriginal communities have so much more to gain—and so much more to give—when it comes to our shared success.
Delivering for today means addressing the problems they face.
I don't claim to speak for the Aboriginal community.
But when I have met their youth and leaders—one thing has been made very clear to me:
Symbolic gestures and virtue signalling—cannot break the cycle of disadvantage.
The missing link—is not a flag on a bridge.
It is economic participation—sharing in the opportunities to get ahead.
One of the biggest barriers to success for young Aboriginal Australians is whether they finish high school.
It's a challenge the Clontarf Foundation has been working to overcome for **18** years.
Offering a mix of mentoring, social and health support—and lots of and lots of footy.
Often these young men have confronting stories, like 18-year-old Wyatt—who moved to Moree, after losing his mother and grandmother.
He says:
"I arrived an angry young person who thought at the time I was heading to jail—or even worse, end up dead. I might have slipped away if I didn't have help from Clontarf."
Today Wyatt has the HSC behind him.
Two jobs, a car, and a place of his own.
On the weekends he plays footy for his local Aussie Rules team—and—his local Rugby League team.
Thanks to Clontarf, that's one young life that didn't slip away.
As he now says—*"I know my mum and my nan would be extremely proud of who I had become."*
We are a government that places substance before symbolism.
So this budget provides **\$3.75 million** for an additional **1,000** students to be part of the Clontarf success story.
And today we are honoured to be joined by a few representatives of the **1,800** students who attend one of their **26** NSW Academies.
Clontarf fosters confidence.
But confidence also comes from a strong connection to culture.
So this year we will commit **\$2.8 million** to Australia's first ever Aboriginal Languages Trust—preserving the languages and dialects of our first people.
We're also expanding the Youth Koori Court to Surry Hills.
And guided by the insights and expertise of Warren Mundine, **\$10 million** is being set aside for new Aboriginal Social Impact Investments—to open the door to economic opportunity.

Making New South Wales the best place to do business

Delivering for today means backing our business community.

Farmers or florists, builders or bakers—all are pioneers of prosperity.

Not just for themselves, but for thousands of families they support.

When jobs are created, it is because they are creating them.

And we believe they deserve a fair go.

If we want wages higher, we need taxes lower.

That's why—from **1 July** this year—we forge a path to raise the payroll tax threshold to one million dollars.

Over the next four years, more than **5,000** businesses are projected to pay no payroll tax at all—saving **\$881 million** in tax over the forward estimates.

And eliminating around **\$50 million** in administration costs too.

This will also see **40,000** businesses saving over **\$5,000** in **2018-19** and over **\$13,000** by **2021-22**.

Our payroll tax cuts give thousands of businesses room to grow.

Like Paul and his butcher shop in Macquarie Centre—wanting to lower his overheads so he can employ his staff for longer.

This takes the total tax cuts of the last three Coalition budgets to **\$4.2 billion**—dollars the people of New South Wales can now keep for themselves.

Caring for those who need it most

This budget delivers more today for those who need it most.

Over **18,000** children in New South Wales are in temporary care, because their home environment is not safe enough.

The best thing we can do for many of these kids is to give them a stable home.

This is something our Government is passionate about.

And our reforms have already doubled the adoption rate.

As Jeremy Sammut from the Centre for Independent Studies wrote last year—

"When it comes to recognition of the desperate need for more adoptions — it's New South Wales first and daylight second."

In this budget—we'll provide funding to double the adoption rate again—and give **1,000** children a permanent, safe home over the next four years.

So children like 8 year old Angel—and her three adopted siblings—can experience the love and care of foster parents like Paul and Tamone James.

In Paul's own words—*"From the first time we held any of them—we treated them as our own—and knew we would do anything for them."*

That's the kind of commitment every child deserves.

This budget also delivers more for those who are risk.

A **100** additional caseworkers—to protect our children.

More funding to tackle family violence and reduce reoffending.

Our largest ever investment in Police Citizens Youth Clubs (PCYCs)—nearly **\$40 million** over the next four years—for new and better facilities.

\$3.2 billion in **2018-19** for the commencement of the National Disability Insurance Scheme.

And a **\$1 billion** commitment over four years to reduce homelessness.

With more housing, better outreach and improved health care.

Adele House

This budget is also helping people turn their lives around.

People like Jose Porcia.

In a desperate moment, after the death of his fiancé, Jose made a terrible choice.

His decision to use ice led to his life spiralling out of control.

Caught in a vicious cycle.

An addict willing to commit terrible crimes to feed his addiction.

Shot at...jailed...his life was at rock bottom.

But after one last brush with the law—Jose entered Adele House—a drug and alcohol facility in Coff's Harbour.

What's different about Adele House is the treatment doesn't stop at beating addiction.

Over **12 months**—the program gives participants the life skills they need.

Support, recovery—and most importantly—**independence**.

I recently visited Adele House and witnessed first hand the incredible work the team there does.

I saw men whose lives had been destroyed by drugs—reclaiming their dignity and their pride.

And it was there that I met Jose—who today has turned his life around and is now helping men just like him.

So this budget provides **\$5 million** for Adele House—matched dollar for dollar by private donors—to construct a new rehab facility—increasing its capacity from 60 to 100 beds—and doubling its power to save lives.

Jose is here with us in the gallery today.

As are Adele House Directors Will Morgan and Richard Allaway.

I want to acknowledge them and thank them for what they are providing—hope for a better future, and the means to achieve it.

PART 3—BUILDING FOR TOMORROW

Investing in social infrastructure

While we are delivering today, we are also building tomorrow.

We do not control the levers of population growth in our State.

But we do control how we respond.

And our response has been to build social infrastructure on a scale never seen before.

Our schools and hospitals aren't just slogans on a big red bus.

They're real—they're funded—and they're being built all around us.

This budget commits a record **\$8 billion** over the next four years for better health facilities.

Forty new and upgraded hospitals at every point on the compass.

We're refurbishing the birth suites and theatres at St George hospital.

In the booming western suburbs of Sydney—a **\$5.7 billion** hospital blitz—including Campbelltown, Nepean, Blacktown and Mount Druitt.

And we're planning for future works at John Hunter, Westmead, Albury, Canterbury, Bankstown, Shoalhaven, Hornsby and Goulburn.

A **\$10 million** Rural Health Infrastructure Program will deliver upgrades to Tenterfield, Scone, Gloucester and Dungog.

And today I can announce—a **\$740 million** investment to transform Liverpool hospital into a world-leading Health and Academic Precinct.

This includes new, state of the art neonatal intensive care and maternity facilities—and a comprehensive cancer centre.

We're also making a historic investment to help those battling mental illness.

\$700 million as part of a new Mental Health Infrastructure Program—

To upgrade acute mental health units, better equip emergency departments and build specialist facilities

And we're ensuring medical research stays in New South Wales with **\$150 million** over 10 years for our biggest killer—cardiovascular disease.

When it comes to schools, we're breaking our own records.

\$6 billion to fund more than 170 new and upgraded schools.

That's **an additional 2,000** new permanent classrooms, for thousands of new students—

We're also building better spaces for kids to learn in—with **\$160 million** this year to tackle the school maintenance backlog.

And we'll have cooler schools—air conditioning for up to **1,000** schools—with a **half-billion** dollar investment over five years.

Infrastructure to connect our State

This Government is building a better New South Wales.

And this budget ramps up the pace to get big projects finished faster.

There's more than **\$17 billion** to get on with the job of WestConnex—NorthConnex—the Sydney Metro—and Light Rail in Sydney, Newcastle and Parramatta.

\$1.8 billion to get things moving on the F6 extension, Sydney Gateway, the Western Harbour Tunnel and Beaches Link.

And for the first time, a **\$3 billion** reservation from Restart NSW—to begin Metro West.

Today's budget also sets in motion our plans for the Western Sydney Airport—

With **\$439 million** dollars in the next year to build the connections to make it easy to get to

And new funding to begin the North-South Rail Line.

Out in our regions—a wave of new infrastructure is sweeping the State.

\$4 billion in Snowy Hydro proceeds will be received, with money allocated to plan the first round of projects.

There is **\$1.2 billion** for Pacific Highway upgrades from Coffs Harbour to Ballina and new funding for Sealing Country Roads, Fixing Country Rail and building the new Shoalhaven River bridge.

And we've allocated **\$50 million** to invest in our primary industry research stations, boosting productivity in our agricultural sector.

Preserving our natural environment

Today we are the custodians of our State's natural wonders—and our responsibility is to conserve them for future generations.

Soon, our Government for the first time—will issue sustainability bonds—to help finance projects that benefit our natural environment.

We'll create a new green canopy for Greater Sydney—planting **five million** trees by **2030**.

We'll invest more to preserve and enhance our national parks and nature walks.

Allocate **\$36.8 million** to protect endangered koalas and funding for conservation work through the Saving Our Species program.

And investing **\$100 million** to acquire more open spaces for everyone to enjoy.

World class culture

Three years ago—the mighty NSW Blues walked out to the biggest state of origin crowd in history.

The only problem was—it was in Melbourne.

Great cities deserve great stadiums.

That's why this budget commits the final funding to complete the new Western Sydney Stadium.

And kick-starts the rebuild of the old Sydney Football Stadium.

And we're also improving local sporting facilities, investing **\$200 million** across the State.

Great cities also have great museums.

This budget helps deliver the Powerhouse Museum in Western Sydney.

More investment for the Regional Cultural Fund, to support culture in the bush.

And it funds a new exhibition hall at the Australian Museum that's fit for a King.

Our city and State are the pride of Australia—and it's our job to invest in them today—not play politics with their future.

PART 4—SECURING OUR FUTURE

Economic Outlook

Managing a good budget is only part of the equation.

But a good government is focused on the economy too.

New South Wales today is the midst of an economic boom—the likes of which we have not seen in decades.

We have been the fastest growing state economy over the past five years.

This growth is only good because it creates new opportunities for our people to contribute—and share in our prosperity.

New South Wales today boasts the lowest **unemployment rate** of any state for three years running.

In Western Sydney, it's below **5%** for the first time since records began.

Our participation rate has hit record highs.

Youth unemployment is lower than any other state.

Regional jobs have been booming.

And women are leading the charge—with **60%** of new jobs.

Today we're laying the foundations for strong jobs growth to continue for years.

Our economy is now building on the platform of infrastructure and housing—transitioning to business investment and export-led growth.

We have emerged from our economic challenges and now face the future with confidence.

New South Wales is already the best place to live, work and visit.

And at the heart of that are our people.

Our workforce is educated, creative and one of the most productive in Australia.

So it's no surprise that New South Wales is also home to Australia's world leading companies too.
They are creating the jobs of the future—in the sectors of the future—that our kids will be grateful for.

Generations fund

Last year over **90,000** children were born in New South Wales.
One of them—my youngest baby girl, Harriet.
Like every parent, I wonder—and I worry—about her future.
Her opportunities. Her challenges.
The kind of world she will inherit.
And what I can do now to make a difference.
We already know for generations ahead it won't be easy.
That as our population ages, the budget will struggle to keep up.
It has been said that *"a society grows great—when its people plant trees—in whose shade they know they shall never sit."*
That means—it's up to us to act now.
To fulfil our most fundamental moral obligation:
Leaving a better State for those who come after us.
Today we launch the NSW Generations Fund:
A future fund like no other in the world.
It will harness the unprecedented strength of our balance sheet—
To offset debt and insure against the **\$17 billion** fiscal gap forecast by **2056**.
Securing our State's finances today—and into the future.
And ensuring our children can weather the storms ahead.
To seed the fund—we will make an initial investment of **\$3 billion**.
The returns will grow over time, strengthening our State's ability to meet future commitments.
But in a world first, up to half of the investment returns will enable the new **My Community Dividend** program.
Where communities will decide how that money is spent to make their neighbourhoods healthier, happier and better places to live.
Any citizen can submit an idea in their area.
And everyone over 16 can vote for their favourite project.
Like Bobby Burke's community garden in Bathurst that has brought families and young kids together.
The Generations Fund is another innovation from a Government that puts people first.

Conclusion

This is a budget that shows the conservative heart.
The good that government can do when it manages money well.
New help for families with the cost of living.
Giving our young people the best start in life.
More frontline services for when we need them.
Tax relief for small business.
A helping hand for those who need it most.
And record schools, hospitals, road and rail to build our future State.
All this delivered on a stable platform of solid surpluses and fiscal discipline.
Seven years ago this government dared to imagine a better future.
New ambitions for our State, new aspirations for our people.
A New South Wales—stronger, fairer and more free.
That's the future we're fighting for.
And we fight for it every single day.
But we know our work is not yet finished.
And working together, our best is it yet to come.

This is a budget building for tomorrow and delivering for today.

I commend it to the House.

Debate adjourned.

BUDGET ESTIMATES AND RELATED PAPERS 2017-2018

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (15:19): In reply: A large number of members have had an opportunity to contribute to this debate. I thank them for their comments and commend the motion to the House.

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

Motion agreed to.

Bills

WATER MANAGEMENT AMENDMENT BILL 2018

Second Reading Debate

Debate resumed from 6 June 2018.

The Hon. MICK VEITCH (15:19): I lead for the Opposition on the Water Management Amendment Bill 2018. The objects of the bill are quite extensive. They are:

to amend the *Water Management Act 2000* (the *principal Act*) and other Acts and instruments as follows:

- (a) to enable management plans for water management areas or water sources (*management plans*) to include measures that are necessary because of the *Water Act 2007* of the Commonwealth (the *Commonwealth Act*) and to provide for other matters relating to any such requirements, including enabling the amendment or repeal of plans and other consequential matters,
- (b) to update the matters to be considered in a report on whether to extend a management plan that deals with water sharing and to make other amendments relating to management plans,
- (c) to confer on the Natural Resources Commission the function of carrying out an audit of a management plan within the first 5 years of the plan,
- (d) to enable a management plan that applies to part of the Murray-Darling basin area covered by the Commonwealth Act to be suspended if there is an extreme event and to provide for the rules of water distribution while a suspension is in force,
- (e) to provide for a methodology for determining the quantity of water taken illegally,
- (f) to enable mandatory conditions to be imposed by regulations on access licences and approvals,
- (g) to enable specific purpose access licences to be amended where they no longer reflect the circumstances in which they operate,
- (h) to provide for the publication of authoritative information about rights to take water at particular times and for that information to be able to be relied on,
- (i) to allow holders of access licences to assign rights to daily extraction components and to provide for the keeping of records of those transactions,
- (j) to provide for matters relating to the use of and requirements for metering equipment, including a mandatory condition for holders of approvals for water management works to install, use and maintain metering equipment for use in connection with the works and additional offences relating to metering equipment,
- (k) to enable the Minister for Regional Water (the *Minister*) to make a direction prohibiting or restricting the taking of water from a specified water source if satisfied that it is necessary to do so for managing water for environmental purposes,
- (l) to provide for additional enforcement mechanisms, including compliance audits and enforceable undertakings,
- (m) to increase penalties for offences
- (n) to enable the Minister to delegate functions conferred on the Minister under other legislation in the Minister's capacity as the Minister administering the principal Act,
- (o) to provide for one public register for all information required to be kept in a register under the principal Act,
- (p) to exclude the Crown from liability for things arising from the release in good faith of water for environmental purposes, the publication of information in the public register and the exercise of functions in relation to flood work approvals,
- (q) to provide for a mechanism to enable provisions of the Commonwealth Act to be displaced in New South Wales,
- (r) to amend management plans and regulated river orders in various respects,
- (s) to enable the Natural Resources Access Regulator to publish information about the exercise of its enforcement powers and to enable the exchange of other information,

- (t) to facilitate the regulation of bore drillers under the principal Act,
- (u) to enable a scheme for the transfer by Water NSW and the Water Administration Ministerial Corporation of the ownership of metering equipment to be prescribed by regulations,
- (v) to make other minor and consequential amendments and savings and transitional provisions.

The management of water is a critical task for any Government, balancing the needs of industry, farmers, irrigators, the environment and the broader community. As seen on *60 Minutes* last year, the Barwon-Darling scandal revealed how the Government had lost a balanced perspective on the management of water. The Nationals position at the time was eloquently summed up by Barnaby Joyce's rantings when the scandal first broke. He said:

We've taken water and put it back into agriculture so we can look after you and make sure we don't have the greensies running the show, basically sending you out the back door.

Contrary to the views espoused by The Nationals, the management of water is not a black and white, "us versus them" issue. There is an interweaving and intersecting of interests that need to be carefully considered. This is a complex and at times complicated area of public policy. I guess one of the key threats to The Nationals view of the world is the emerging consensus between the interests of the environment and the interests of sustainable farming. I am of the view—and have been for some time—that The Nationals should be stripped of their responsibility for water management in New South Wales and federally.

As I said, the object of the bill is to amend the Water Act to give effect to recommendations arising from a series of inquiries into water theft on the Darling River, specifically relating to metering, compliance and a public register. Last year Ken Matthews, former Commonwealth departmental secretary for primary industries, completed two reports into allegations of water theft. His reports found large-scale theft and departmental maladministration. Matthews called for an independent natural resources regulator and the Hon. Craig Knowles is currently in that role—although I note that he is heading over the ditch to take up a diplomatic role in New Zealand in the near future.

Matthews also called for an increased compliance and enforcement regime, metering of all irrigators and the implementation of a public register of commercial water users. The Government contends that this legislation gives effect to those recommendations. Stakeholders suggest that the bill is deliberately vague about enforcement and transparency measures and gives even more benefits to certain irrigator interests.

The bill includes provisions to allow the Natural Resources Access Regulator to publish information about enforcement and prosecutions and increase penalties for offences under the Water Act. It also allows licences to be suspended or amended in the event that they no longer reflect conditions and circumstances. It allows the Minister, on behalf of the State, to pull out of the Murray-Darling Basin agreement via regulation rather than legislation. It creates new powers to temporarily embargo pumping to protect environmental flows downstream, whereas previously the Minister could only impose an embargo to protect "critical human need". Changes are proposed to individual daily extraction limits, known as IDELs. The bill also includes provisions to regulate bore drillers, deals with the ownership of metering equipment, and regulates river orders as well as including other miscellaneous amendments, some of which I will dwell upon later.

The bill seeks to establish a framework that would enable the Government to implement the Matthews inquiry's recommendations. However, in most cases, the details of how changes will be implemented, who they will affect and by what degree are not specified. This is yet another "trust us" piece of legislation—contemptuous of Parliament and the people of New South Wales. It says, "Here is a broad framework. We haven't worked out the detail, but let us go away and work that out through regulations." That was dealt with earlier today in the Legislation Review Committee.

These days, most key legislation we see in this Chamber has a similar architecture: a broad framework introduced via a bill, with the detail to come at some later stage via regulations—in the case of the Crown Land Management Act, some two years later. The Government asks Parliament to trust it; yet when it comes to water, I do not think the National Party can be trusted. The lack of detail that, we are told, will be covered in the regulations is one of the most worrying trends of this Government. It is even more concerning when one considers that many in regional New South Wales question the ability of an under-resourced public service to complete the tasks set by Government. Indeed, the public service in some parts of regional New South Wales is now non-existent.

An example of this is found in the Matthews inquiry recommendation that the Government establish a public register of water users. While the bill does provide for the Government to set up a public register, there is no information as to how it will operate and to what extent trading, ownership and volume will be made available. In fact, we do not even know who will have responsibility for administering the register. I ask the Minister to clarify this aspect of the bill in his reply speech. The Minister simply states that:

Users told us that individual water account balances contain commercially sensitive information, especially if published in real time...We will continue discussing those options with affected stakeholders.

The bill also calls for 95 per cent of commercial water irrigators to have mandatory metering. But, again, when it comes to the exempt 5 per cent and how they will be determined, no information is provided. In another example, the bill will allow uncontrolled flows to be captured by an irrigator, which "may" count against a licence holder's account at a later time—but legislators are asked to take it on trust.

Worryingly for environmentalists and downstream farmers, the bill will allow the Government to withdraw New South Wales from the Murray-Darling Basin agreement without legislation. This will be done by regulation, and that is just not acceptable. Members should consider this aspect of the bill, not with this Minister in mind, but instead think of the future. Who knows who the Minister will be in three terms? This is a dangerous aspect. Indeed, the Minister at the table may well not be the Minister to take the Water portfolio to the next election.

The Hon. Niall Blair: What do you know that I don't?

The Hon. MICK VEITCH: I have read the tea-leaves, the coffee grounds. What are the check-and-balance provisions to satisfy all stakeholders that the provision will not be abused? This bill has been brought forward only months after the Minister spat the dummy and threatened to walk away from the Murray-Darling Basin Plan. As I said, concerns about this bill are coming in thick and fast and from a wide range of stakeholders. The bill we are considering today has been altered in a number of small but significant ways from the one that went out for public consultation. Yet even the consultation process was flawed, and I have met countless water users and water user groups who were simply unaware that the changes in this legislation were afoot. I cannot hold a single meeting on the entire North Coast or South Coast without someone questioning the content of the bill or the fact that they just did not know the bill was out for consultation.

Concerns over the bill have come from a wide range of interest groups, as I have said. When we have groups as disparate as the Environmental Defenders Office [EDO], the National Farmers Federation and Namoi Water calling or emailing our office to raise concern then we know the bill is poorly crafted.

The Hon. Dr Peter Phelps: Would it be the same concern? I bet it isn't.

The Hon. MICK VEITCH: I will get to that. But, more importantly, the lingering concern is from the towns and landholders out west: The people who have been abandoned and betrayed by The Nationals, and who are still gravely concerned about the intentions of the Government. These are the farmers, landholders and townspeople who have seen their rivers dry up and the loss of precious water allocations, and who still feel a sharp sense of betrayal from what The Nationals have got up to over the last long seven years. If the Minister thinks that the evidence of a good bill is where you have all sides of the debate up in arms and calling for the bill to be thrown out, he should think again. It could well be a sign that the Government is not listening.

This is not an issue of one side versus the other. There are genuine concerns about the bill, genuine concerns about some of the last-minute changes and real concern that we are only able to judge a vague framework, with the devil in the detail left to future regulations. The fact that the Minister himself is proposing last-minute changes to the bill should give all members pause for thought. I think we need more time to work together, in the interests of New South Wales, to get this legislation right. I am offering my hand across the table to Minister to get it right. Labor is prepared to work with the Government to get this legislation right.

The EDO has wide-ranging concerns about this bill and I will place these concerns and those of other stakeholders on the public record. The EDO expressed concerns about possible metering exemptions and how the bill is silent on this aspect. It is also concerned about a lack of detail on the public register and the opt-out provisions for the Murray-Darling Basin Authority [MDBA]. It is opposed to the uncontrolled flow provisions, specifically the ability for uncontrolled flows to be captured by irrigators even in the event of those irrigators having insufficient credit in their account. It is concerned about individual daily extraction limit [IDEL] arrangements and it wants the flood plain harvesting compensation provision removed from the bill.

National Farmers Federation is opposed to new section 324 of the bill. This section proposes to change the Act to allow the Minister to temporarily embargo pumping to protect environmental flows. The bill proposes to do this without recourse to compensation. The Farmers Federation is therefore opposed to the legislation in its current form. Namoi Water, in correspondence to the shadow Minister about its concerns, stated:

The current version of the Bill proposes amendments to the Water Management Act 2000 that provide wide discretion on the part of the Minister and the agency that can result in significant impacts on licence security, loss of financial value and instability of the water market. The amendments avoid assessment processes, transparency and compensation, fundamental tenets of the Water Management Act as implemented through current Water Sharing Plans.

There are a number of key questions that this bill does not answer. Why has the Minister refused to detail in the bill who will be subject to the register, how it will operate, how frequently it will be updated, whether accounts or purchases will be publicly available or when it will come into effect?

Why has the bill failed to provide any detail as to how small irrigators will be exempted, when the measure will come into effect or who will pay for the cost of metering? Why does the bill delay until next year the Matthews report's recommendation that an IDEL be imposed on class A water licences as a matter of urgency? In spite of this, why does the bill will allow irrigators to trade this IDEL before a limit is placed on the licence, possibly creating a situation where water licences are traded with some participants being unaware of the true value of their licences? This could have the effect of seeing further consolidation of class A licences held by only one party. Why does the bill not specify how much the taxpayer will have to pay in order to stop certain irrigators from taking environmental flows from the river? As I said, this is yet another "trust us" bill. Too much of the hard work still needs to be done, and that has been deferred to the development of the regulations.

As I said, the Legislation Review Committee dealt with this bill in Legislation Review Digest 57/56. I believe the Minister deserves a right of reply to some of the elements in the committee's consideration. The first concern of the committee relates to retrospectivity, about which the committee states:

6. The Bill amends several regulated river orders in response to a recent Court of Appeal decision. These amendments are expressed to have retrospective effect in relation to a number of different dates: see, for example, proposed clause 46 of Part 4 in Schedule 12 to the Bill.

The committee also states:

According to the Second Reading Speech, the Bill amends several regulated river orders in response to a recent Court of Appeal decision. These amendments, which alter river boundaries, apply retrospectively in relation to a number of different dates, as far back as 2004.

The Committee often discourages the use of retrospective provisions, particularly in relation to criminal matters. However, given the nature of the amendments and the recent Court of Appeal decision, the Committee makes no further comment.

Retrospectivity in legislation is dangerous, and this House often reflects upon retrospectivity and its impacts. In light of the decision by the Court of Appeal, the Opposition supports this action in this instance, because Labor members believe there is a clear case for retrospectivity in this legislation. However, I believe the Minister should take the opportunity to address issues raised by the Legislation Review Committee, which goes on about its belief that the bill insufficiently subjects the exercise of legislative power to parliamentary scrutiny:

Powers of Minister to issue orders

9. The Minister is able to issue orders in relation to many matters, including those listed below. Relevantly, the existing Act provides that the Minister can delegate any of his functions under the Act: section 389.
10. Proposed section 45(5A) would enable the Minister to, at any time, repeal a management plan that deals with water sharing by order published on the NSW legislation website. However, the Minister would need to be satisfied that it is necessary to do so because of requirements arising under the Commonwealth Water Act.
11. Under the Bill, the Minister can suspend Basin management plans during 'extreme events' by way of order in the Gazette, which must be published in an authorised manner or on a publicly accessible website: new section 49B. While 'extreme events' is not defined, the explanatory note suggests that this may occur in an extreme dry period or an event that renders water acutely toxic or unusable for local uses.
12. Other proposed sections involving the use of orders are sections 324 (temporary water restrictions) and 326A (compliance audits).

Under the Bill, the Minister may make orders in relation to a wide variety of matters. These include orders to repeal or suspend certain water management plans (including to suspend Basin management plans). This can be done by way of order published on the NSW legislation website or in the Gazette. The Committee notes that such orders may not be a statutory rule for the purposes of section 21 of the *Interpretation Act 1987* and may therefore not be subject to the usual tabling and disallowance requirements which enable the Parliament to scrutinise actions of the Executive.

I ask the Minister whether, when this bill was crafted, there was an intention to create a disallowance instrument that cannot be scrutinised by the Parliament. I ask him to clarify whether that was the intention. The Legislation Review Committee deals with matters deferred to regulations. A number of items in the bill are deferred to regulation, and the committee details these in its report that states:

The detail of many parts of the Bill is deferred to the regulations. The Committee prefers that substantive matters are addressed in principal legislation. Unlike regulations, principal legislation is subject to a higher degree of parliamentary scrutiny and may be amended.

While some administrative matters may be appropriately deferred to the regulations, the Bill also defers some more substantive matters. These include matters which may be relevant to the commission of various offences attracting significant penalties (for example, up to 2,250 penalty units for an individual.) The Committee draws the large number of matters deferred to the regulations, and in particular the substantive nature of some of those deferred matters, to the attention of Parliament. The number of items deferred to regulation in this bill is alarming. As I said earlier, this is a

"trust us" piece of legislation. It sets out a framework, but we have not seen the regulations and we do not know what is in them. We do not know when the regulations are going to be available. We are not sure what the consultation process will be around the development of the regulations. There are a lot of unknowns around those regulations.

In my view, the Minister needs to respond to the statements made by the Legislation Review Committee, because they are quite pertinent to the concerns the Opposition has with this legislation—that is, there is a substantial body of work yet to be done in this place and the Government is flicking it off to regulation. In our view some of the more substantive matters that have been flicked off to regulation should sit within the legislation so that they can be considered when we have the debate. For instance, the fact that the Minister is able to pull out of the Murray-Darling Basin Authority [MDBA] by regulation is a concern.

The Hon. Penny Sharpe: Point of order: The Minister knows that he should not be interjecting across the table. He will have an opportunity to respond to the issues being raised by the Hon. Mick Veitch in his reply. Assistant President, I ask you to call him to order.

The ASSISTANT PRESIDENT (Reverend the Hon. Fred Nile): I call the Minister to order. All interjections are disorderly, especially during the Opposition's response to the second reading speech.

The Hon. MICK VEITCH: I call on the Minister to respond to those items that have been raised by the Legislation Review Committee in its Legislation Review Digest No. 57/56 of today. In conclusion, given the lack of detail, the concerns of a range of stakeholders on all sides of the debate and the alarming number of attempts to remove the scrutiny of Parliament over rebuilding fairness and transparency in the management of water in New South Wales, as well as the audacious attempt by The Nationals to walk away from the Murray-Darling agreement via regulation, the Opposition cannot support this bill.

The Hon. ROBERT BROWN (15:42): I speak on the Water Management Amendment Bill 2018 on behalf of the Shooters, Fishers and Farmers Party. Our party has received emails that are probably similar to those received by the Hon. Mick Veitch for the Opposition, although we probably have not received quite as many from the Environmental Defenders Office [EDO] and others like that.

When the Shooters, Fishers and Farmers Party gets emails about this kind of amending legislation—a bill which will have an impact mostly on rivers on the other side of the stone curtain—it reminds me of the adage about the chicken and the pig in relation to bacon and eggs. The chicken, living east of the stone curtain, contributes by giving an egg; the pig, living west of the stone curtain, makes not a contribution but a sacrifice in providing the bacon. I am not trying to trivialise this matter; I am talking about the comments that have been made today. While I do not carry a torch for The Nationals, I believe firmly that I would rather see the water that is being referred to in this bill handled by a party that titularly represents farmers—

The Hon. Mick Veitch: The Shooters, Fishers and Farmers Party.

The Hon. ROBERT BROWN: Yes—because farmers are the pigs in that adage. Farmers are the ones who are going to lose the slices off the back ham, so to speak. I will limit my contribution to those issues that have been raised with me in relation to two aspects of the bill. Matters have been raised with me by irrigators from the northern basin—some of them, one could argue, are the reason this bill has been introduced—and irrigators from the southern basin, who think that this bill will have consequences for them. The first issue is in the explanatory note and relates to that part of the bill that is meant to deal with protecting environmental flows.

- (k) to enable the Minister for Regional Water (the Minister) to make a direction prohibiting or restricting the taking of water from a specified water source if satisfied that it is necessary to do so for managing water for environmental purposes,

One of the major items covered in multiple inquiries into this business relates to landholders who have a water right as part of a property right, who pump water that was being "shepherded through"—that is the expression used—for environmental purposes. Currently, it is very difficult for the Government to control how that should be regulated without something like what is in this bill. The concern that has been put to me by NSW Farmers, Namoi Water and some of the northern basin irrigators is that the bill is an attack on their private property rights. In other words, it is an alienation of their asset value, part of their property. In my view, the same thing applied to the Native Vegetation Act. It certainly applies in the case of E Zones—that is, government, by regulation or legislation, alienating pre-held rights, particularly when it comes to property. The second part of the bill I will address has more broad ramifications than those related to water. The explanatory note states:

- (p) to exclude the Crown from liability for things arising from the release in good faith of water for environmental purposes, the publication of information in the public register and the exercise of functions in relation to flood work approvals,

The area that seems to be extremely concerning for riparian landholders is the exemption from liability of the Crown. I am referring to cases where, in good faith or not, the Government puts so-called environmental waters—that is, artificial flood waters—down a system that cannot take them. For example, the Murray River has a physical restriction called the Barmah Choke. When too much water is driven through that section of the river it floods out

onto the riparian landowners' land. I know of a case of one farmer who had this happen on their land twice, because environmental flows had been put over the top of naturally high flows. Their losses were something like \$600,000 per event.

I chaired the inquiry into the Wambelong fire. One of the points of contention of the landholders whose properties, livelihoods, family homes and stud stock were destroyed was that the fire started in a national park and was not handled properly by the government agency, the National Parks and Wildlife Service. They felt that the Government had some liability. Governments have self-insurance; they do not have insurance policies.

The Hon. Dr Peter Phelps: Actually, the Federal Government does. The Federal Government goes to the market.

The Hon. ROBERT BROWN: I refer to the New South Wales State Government. Section 399B on page 18 of the bill, "Consultation about environmental water releases", provides that landowners who are affected by government-regulated floods can have some recourse to consultation and negotiation and the Government can effectively mediate disputes in cases where agreement is required to solve legal or other issues relating to the proposed release of water.

It is a bit raw that a government is happy to step in and offer mediation where it may well be one of the parties being sued and has conveniently by legislation removed itself from liability. In the case of natural justice, looking for equity amongst the partners, that is unjust. They may be large irrigation or dry land farmers but they do not have the monetary capacity to fight a government through the courts. There is inequity here. I ask the Minister in his reply to address two points: The issue raised by farmers that the right of the Minister to stop pumping during an environmental flow is a restriction of their property rights, and how it can possibly be fair to landholders, given the inequity of the balance between the Government and individuals, that the Government can sidestep any responsibilities.

Far too often government wants to take all care but no responsibility. Damage was caused to properties, whether in good faith or whether it was just some blind bureaucrat pressing a button on the wall because it was 14 January, or whichever day it was that the chart said, "Release 3,000 gegalitres or megalitres" or whatever it was. That may still have been done in good faith by the Federal Government, which dictates when it is done, and the State Government operator or department, which pushes the button. But we do not want to set up a David and Goliath contest between landholders and the Government on something that delivers these consequences. The farmers have faith in the Government and believe it would not deliberately do this—but, to be fair, it should not be trying to exempt itself from liability.

The Shooters, Fishers and Farmers Party supports the bill. We will listen closely to the Minister's speech in reply and would like to see these two issues addressed satisfactorily. I want to go back to the constituents who contacted me and say that we put the question and heard the reply. Whether we are able to exercise the power of our vote or not is probably neither here nor there, but those constituents deserve to have their questions answered, as do the people who contacted the Opposition. The best place for those questions to be answered is in the Minister's reply. Other than that, we support the bill.

The Hon. PAUL GREEN (15:53): On behalf of the Christian Democratic Party I speak in the debate on the Water Management Amendment Bill 2018. Water is an essential resource that is vital to the lives and livelihoods of the citizens of New South Wales. Appropriate and good management of water use is paramount to everyone. In 2014 I was a member of the Standing Committee on State Development which produced a report on the adequacy of water storages in New South Wales. The committee found that the primary role of most major water storages in New South Wales was to conserve water for agriculture, stock and domestic use and therefore reduce the variability of water availability across the State. The committee believes that all urban, industrial and agricultural water users in New South Wales have a responsibility to use water wisely and efficiently and has recommended that, as part of a multifaceted approach, the Government should take an active role in facilitating the responsible use of water.

Recently I joined the Portfolio Committee No. 5 - Industry and Transport inquiry into water augmentation. The committee sought to produce a report that ensures that there is an appropriate long-term strategic plan with a 50-year-plus outlook, as well as the development of necessary infrastructure to guarantee the adequate supply of water for both current and future generations. This inquiry focused on many different issues affecting water, including the Murray-Darling Basin Plan, the Broken Hill pipeline and concern around the need to develop water equation and long-term strategic plan for water management.

I visited Broken Hill recently and spoke with many local residents who had great concerns that the pipeline would have a major impact on their water pricing. Many fear that they will not be able to afford water from the pipeline. I strongly urge the Independent Pricing and Regulatory Tribunal [IPART] to take into

consideration the cost of living when pricing water. The city has housing affordability issues. In regional New South Wales the concern is water affordability. I am concerned that water, which is an essential service, will be unaffordable to many families and pensioners. On the weekend I visited Wagga Wagga and the Riverina. More than one-third of the State is now in or approaching drought. Farmers are struggling with the dryness across the State.

I note that the drought is an issue that the Government is working to address through the appointment of a State Drought Coordinator, the announcement of a Drought Transport Fund and the commitment to double financial support to drought-affected communities in New South Wales. While more needs to be done, I acknowledge the work of the Premier and the Minister for Primary Industries on this growing concern. Droughts bring to our attention the real price of water. We must ensure that we do not price farmers off their farms in rural and regional New South Wales with the price of water. We must ensure that they are able to use water efficiently and that they are given an incentive or help in times of drought.

I turn now to the objects of the bill. The bill does three main things. It provides the building blocks for implementing the proposed water reforms for metering, transparency measures—including a single public register—and better outcomes for environmental water. The Government wants to improve the standard and coverage of meters so that licensed water take is accurately and reliably measured. This will enable the Government to rebuild community trust and better monitor compliance with water sharing rules. Metering has been installed across the southern Basin and in the Hawkesbury and Bega valleys, and the northern basin has until 2020 to install meters. The bill before the House will require all licensed water extractions to be metered. Opportunity for exemptions can be developed in the regulations to ensure that a step-by-step approach is taken so that no financial harm can come to smaller users. The Government will also seek further consultation around the required metering for all licensed users with pumps, pipes or offtakes of 100 millimetres or larger for surface water, or bores of 200 millimetres or larger for groundwater. This will capture nearly 95 per cent of existing infrastructure with undue cost pressure.

There has been strong support for community compliance and a more transparent enforcement framework, giving all stakeholders a confidence that water is being used according to the rules, whether for environment or production. The Natural Resources Access Regulator will now be able to publish information about the exercise of its enforcement powers, and maximum penalties will be increased, sending a strong message about tackling unacceptable behaviour. A single public register will be established. It will provide information about licences and approvals. We need to ensure that we have the right tools and frameworks in place to improve our management of environmental water.

Environmental water is a key element of the health of our river networks. It is vital that environmental water is well managed so that it can deliver its intended outcomes and to ensure the longevity of our ecosystems. The bill includes the option to introduce temporary water restrictions to manage environmental water. It also should be acknowledged that consultation is required so that water users can identify how the proposals may affect them. Secondly, this bill will streamline and provide certainty around the delivery of water management in New South Wales. Finally, the bill will ensure that New South Wales is able to meet its obligations under the basin plan and intergovernmental agreements, including the delivery of the New South Wales water resources plans. I commend the bill to the House.

The PRESIDENT: Order! According to sessional order, proceedings are now interrupted for questions.

Questions Without Notice

ELECTRICITY PRICES

The Hon. ADAM SEARLE (16:00): I direct my question to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Given that respected economist Associate Professor Bruce Mountain informed yesterday's public hearing of the Select Committee on Electricity Supply, Demand and Prices in New South Wales that the profit alone of big retailer energy companies makes up 15 per cent to 20 per cent of household electricity bills, what is the Minister's response to community concerns that his Service NSW budget announcement about checking electricity bills will do nothing to drive down electricity prices while he continues to allow electricity retailers to make super profits?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:01): I am aware of the views of people like Bruce Mountain, and he is not alone. A number of people are concerned about retailers and the margins they take, including me, the Federal Minister for the Environment and Energy, and all the other members of the Council of Australian Governments Energy Council.

The Hon. Greg Donnelly: What are you doing about it?

The Hon. DON HARWIN: I am very happy to tell the honourable member that we all support the actions taken by the Federal Minister to refer this matter to the Australian Competition and Consumer Commission [ACCC]. The ACCC's draft findings from its inquiry into electricity prices state that higher wholesale costs are driving up retail prices. That is very important to note because margins are not the only issue. The ACCC has already started looking at this issue, and has confirmed what I have told the House a number of times—that is, the wholesale costs of generating electricity are a major factor in the price rises that we saw last year. The ACCC's draft findings also note that increases in network costs contributed to the majority of price rises over the past 10 years. Those network costs, which include both transmission and distribution costs, now account for approximately 40 per cent of an average customer's bill.

The PRESIDENT: Order! I call the Hon. John Graham to order for the first time.

The Hon. DON HARWIN: However, in December the Independent Pricing and Regulatory Tribunal found that recent increases in wholesale costs have been largely offset by a reduction in network costs. Recent price announcements by retailers show that the upward pressure on energy prices is easing. Each of the three big retailers recently announced their electricity prices for New South Wales from 1 July 2018.

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

The Hon. DON HARWIN: I am pleased to see that Origin Energy, EnergyAustralia and AGL have all announced that residential electricity prices will either remain unchanged or decrease slightly from 1 July this year. This announcement is good news for customers and shows that the market is more stable now than it was last year following the closure of the Hazelwood Power Station in Victoria. The announcement also shows that we need a sensible national plan to encourage efficient investment and to bring down prices. Of course, that is my principal focus as the Minister for Energy. I am working with the Federal Minister and my colleagues in other States to ensure that we land the National Energy Guarantee.

I acknowledge that further attention was given to this issue yesterday. This Government is concerned that the Australian Energy Market Commission review shows the gross retailer margin is high in New South Wales. The commission also notes that retail margins cannot be used to identify whether a retailer is actually making a profit. That is an important point to remember. I understand that the networks have also suggested that retailers are not passing on network cost reductions to customers. The ACCC will be completing its electricity and prices inquiry by the end of this month, when it will submit its final report to the Commonwealth Treasurer. The New South Wales Government will closely review the ACCC's final report once it is released.

The Hon. ADAM SEARLE (16:05): I ask a supplementary question. Will the Minister elucidate that part of his answer where he spoke about major energy retailer prices remaining stable or reducing slightly, and inform the House whether his Government will take the necessary steps to bring down the profit margins of a major energy retailers?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:05): I directly answered that question in my response—that is, the Government is waiting to see what the Australian Competition and Consumer Commission report has to say. When that advice is provided, the Government will fashion a response that fits the dimensions of the problem identified.

STATE BUDGET

The Hon. SCOTT FARLOW (16:05): I address my question to the Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts. Will the Leader of the Government update the House on how the Government is investing in the future of the people of New South Wales?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:06): This is definitely a red-letter day for New South Wales. I thank the honourable member for his question, although it should have been asked by the Leader of the Opposition. Despite that, I am happy to answer it. This is a government that delivers for the people of New South Wales. It is investing in the future, with \$15 billion allocated to the education system. That includes \$500 million for air conditioning in up to 1,000 schools, and \$6 billion over the next four years to deliver more than 170 new and upgraded schools. This is the biggest school building program in the history of the State. The Government is also rolling out 900 new teachers, which brings the total of new teachers in public schools to more than 4,500 since we came to government in 2011. This budget is also investing a record \$8 billion over four years for new facilities, upgrades and redevelopments at our State's hospitals. It is also funding an extra 750 paramedics and ambulance call centre staff over the next four years. The Government has also announced that every major—

The Hon. Scott Farlow: Point of order: My point of order relates to the level of interjections across the Chamber. I ask that members opposite be called to order.

The PRESIDENT: Order! If the Hon. Lynda Voltz needs to cough loudly, she should leave the Chamber. I uphold the point of order.

The Hon. DON HARWIN: The Government has also announced in this budget that every major highway in New South Wales will be sealed along its entirety. Further, \$40 million has been allocated to seal and to waterproof the last 200 kilometres unsealed on the Cobb Highway and the Silver City Highway. That is very important news. The Government will also invest \$2.6 billion over the next four years in roads in Western Sydney. I am personally very pleased that the Government has fully funded the very first section of the F6 extension to southern Sydney. I am also pleased to inform the House that the Government has provided funding for a project that is close to my heart—and I know the Hon. Paul Green is thrilled about it as well because he has been pushing for it. The budget includes funding for the upgrade of the bridge over the Shoalhaven River at Nowra, which is critical for the Shoalhaven. This Government is also delivering on public—

The Hon. Penny Sharpe: Tell us about the Tibby Cotter bridge.

The Hon. DON HARWIN: What's that? I think the Hon. Penny Sharpe was complaining about—

The PRESIDENT: Order! The Minister will resume his seat. I remind the Minister of a ruling by then President Harwin in 2013. He said:

It is out of order for the Minister to respond to interjections when answering a question.

The Minister has the call. He will ignore the interjections.

The Hon. DON HARWIN: And what a wise ruling that was, Mr President. This Government is also delivering on public transport: \$880 million to improve capacity on the T4 Illawarra line and the T8 airport line. There will also be more than 2,000 extra weekly bus services across New South Wales as well as upgrades to at least 11 more railway stations. This Government is also committed to helping break the cycle of disadvantage—

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

The Hon. DON HARWIN: —with \$1 billion being invested in our Homelessness Strategy over four years. We are determined not to leave anyone behind when it comes to prosperity in this State. If you want to get ahead, our Government wants to ensure that you can do so. That is why we will be offering 100,000 free apprenticeships to ensure that we have a strong pipeline of skilled workers into the future. I am also delighted to inform the House that this Government will be delivering a new \$100 creative kids rebate. We will be encouraging the next generation to engage with cultural and learning activities while easing the cost of living burden on families. The House is aware, of course, that we are the Government that cuts taxes. That will have to wait for another day. [*Time expired.*]

HOSPITAL INFRASTRUCTURE

The Hon. WALT SECORD (16:11): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, Minister for the Arts, and Leader of the Government. Given the Government has prioritised spending \$240 million on the Powerhouse Museum move in the 2018-19 budget, why will families in the Tweed, Liverpool, Westmead, Randwick, Maitland and Campbelltown areas have to wait until the mid 2020s for their hospital upgrades to be completed?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:11): I am surprised that the Hon. Walt Secord even shows his face as shadow health Minister. This is the man that the Health Services Union [HSU] wants to get rid of. This is the man who the head of the Health Services Union, Gerard Hayes, has been going around—

The Hon. Shaoquett Moselmane: Point of order—

The Hon. Walt Secord: Join the queue, Don. I'll get you before you get me.

The PRESIDENT: Order! I will come back to that comment. I will first hear the point of order.

The Hon. Shaoquett Moselmane: It is disorderly for the Minister to raise his voice to an inappropriate volume. I concur with what you said earlier, Mr President. I add that on 16 November 1993 President Willis ruled:

The purpose of members addressing the House is fundamentally to inform members of the House and not to have matters recorded in Hansard. It is therefore important that members deliver their speeches with appropriate volume, speed and clarity so that other members are readily able to understand.

The Hon. DON HARWIN: To the point of order—

The PRESIDENT: I do not need to hear from the Minister. I indicate to the Hon. Shaoquett Moselmane—

[*Interruption*]

The PRESIDENT: Order! This is my final warning to Government members. I am well aware of that ruling; it relates to Hansard. In other words, the speech volume cannot be so low that Hansard cannot hear it, nor can the speed of delivery of the speech be so fast that Hansard cannot record it. It does not apply to the speech volume being too high. However, having said that, I have indicated previously it should not be necessary for a Minister to have to scream to be heard over the continued interjections from members on all sides of the Chamber. We are in only the first 14 minutes of question time. I have been incredibly patient. I try very hard to allow question time to be robust, but it has well and truly passed the point of being robust. I call the Hon. Walt Secord to order for the first time for his earlier comment to the Leader of the Government. The Leader of the Government has the call.

The Hon. DON HARWIN: Let us be quite clear about the record of Labor in government. Over its last 15 years in office, Labor closed—

The Hon. Walt Secord: Point of order: It goes to relevance. I am asking how the Government can justify spending \$240 million on the Powerhouse Museum move in 2018-19 when a number of hospital upgrades will not occur until the 2020s. The Minister is referring to historical facts but the question is very clear.

The PRESIDENT: That is an excellent point of order. I do not uphold the point of order. The Minister is being generally relevant. I call the Hon. Taylor Martin to order for the first time.

The Hon. DON HARWIN: I can say that this State is in great shape. We on this side can well and truly walk and chew gum at the same time because the truth is that we are funding both. We are funding our hospitals, we are funding schools, we are funding roads, we are funding public transport, and we are funding arts and culture. We can do it. But the Labor Party could not do it and did not do it. This Government is investing more in health infrastructure in eight years than the Labor Party invested in all its 16 years. We have the largest ever investment in mental health infrastructure: \$700 million. We have already completed more than 70 hospital and health facility developments since 2011.

This budget has a record total operating budget for Health of \$22.9 billion—up \$1.1 billion from last year—with an underlying growth figure of 4.9 per cent over the year before. Moreover, it is up 47 per cent since Labor's last budget, in 2010-11. This year we have a record \$2.3 billion for the health capital program in 2018-2019. That is an increase of 36 per cent just on last year. It is a huge result. There is an \$8 billion budget for health capital over the next four years. By contrast, Labor in office promised new hospitals at Wagga Wagga, Tamworth and Parkes and did not deliver them.

The Hon. Walt Secord: That is not true. That is a lie.

The Hon. DON HARWIN: They just misled and let down the people of regional New South Wales.

The Hon. Walt Secord: That is a lie. That is a complete lie. Check your facts. That is a complete lie.

The Hon. DON HARWIN: That was the record of those opposite in office. They closed more than 2,000 hospital beds while the New South Wales population grew by more than one million people.

The Hon. Walt Secord: You can't even lie straight in bed. Check your facts before you read them.

The Hon. DON HARWIN: The Hon. Walt Secord needs to be very careful going around saying things like that to members of the public because people like Gerard Hayes from the HSU will call him out. He told Gerard Hayes that he would not fund the 750 paramedics. We have done it.

The Hon. Lynda Voltz: Point of order—

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

The Hon. Walt Secord: You are making it up; you are a liar.

The Hon. Trevor Khan: Point of order—

The PRESIDENT: Order! I will hear the Hon. Lynda Voltz's point of order first.

The Hon. Lynda Voltz: My point of order relates to relevance. I ask that the Minister be directed back to the question that was asked of him.

The PRESIDENT: There is no point of order. The Minister is being generally relevant. I will now hear the Hon. Trevor Khan's point of order.

The Hon. Trevor Khan: The continued interjections by the Hon. Walt Secord are outrageous and he should be called to order.

The Hon. Walt Secord: To the point of order: I have no idea what the Hon. Trevor Khan is talking about. He is picking phantom interjections; he is hearing things.

The PRESIDENT: The very good news for the Deputy President is that I am also hearing the Hon. Walt Secord's continual interjections, and they are not phantom to me. This is the Hon. Walt Secord's final warning. I will call him to order again. The Minister has the call.

The Hon. DON HARWIN: No, I have finished.

The Hon. Walt Secord: He is finished.

The PRESIDENT: Order! I call the Hon. Walt Secord to order for the second time. Walking back to his chair and commenting, "He is finished," is clearly disorderly.

RICHMOND RIVER CONTAMINATION

Dr MEHREEN FARUQI (16:18): My question is directed to the Minister for Resources, Minister for Energy and Utilities, Minister for the Arts, representing the Minister for the Environment. The report investigating the presence of per- and polyfluoroalkyl substances [PFAS] related chemicals at the Royal Australian Air Force military base at Richmond and the surrounding area was released last week and found that chemicals had entered the groundwater in a plume two kilometres long and five kilometres wide, which extended beyond the base perimeter. PFAS were also found in surface water, including Rickabys Creek, Bakers Lagoon and the Hawkesbury River. How was the community informed about the risks that this poses and what steps has the New South Wales Government taken to ensure the environment and community are not harmed by the latest reported spread of these toxic chemicals?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:19): I did see those reports and they are of great concern to me. Hunter Water has done its fair share in dealing with some issues facing the people living adjacent to Williamstown. I congratulate it on its efforts. The community is pretty happy with the work that Hunter Water has been doing to ensure that people have safe drinking water. This is being handled principally by the Minister for the Environment. Where per- and polyfluoroalkyl substances [PFAS] have been detected and, as appropriate, she advises me that New South Wales agencies have provided precautionary advice to residents to minimise exposure. The advice for each community is available on the Environment Protection Authority [EPA] website.

The New South Wales Government is working with the Department of Defence to contain and remediate PFAS contamination where it is clear that it is the polluter. The Government does not have the authority to regulate defence sites. In relation to all cases of PFAS contamination—as is the case with any other site contamination—the Government is committed to the polluter pays principle. The decision to ban the use of products containing PFAS needs to apply across Australia and is, therefore, a matter for the Australian Government. In late 2017 the Australian Government released a number of options for a national phase-out of PFAS. I am advised that the EPA will continue to update and inform the community about any further developments.

[Business interrupted.]

Visitors

VISITORS

The PRESIDENT: I acknowledge in the public gallery Councillor Mitchell Griffin of Maitland Council, who is a guest of the Hon. Taylor Martin. I hope you are enjoying question time.

Questions Without Notice

STATE BUDGET AND REGIONAL NEW SOUTH WALES

[Business resumed.]

The Hon. TREVOR KHAN (16:21): My question is addressed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry. Will the Minister update the House on how today's budget helps regional communities across New South Wales?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:22): I thank the honourable member, who is passionate about regional New South Wales, for his question. I am proud to say that the Liberal-Nationals Government is delivering unprecedented levels of funding to regional communities across New South Wales, including the entire proceeds of \$4.15 billion from the Snowy Hydro transfer to the Commonwealth Government. Every dollar will find its way into regional New South Wales. Today's budget sets aside \$40 million towards examining the feasibility and

implementation of those potential new regional projects, which will transform the economic and social landscape of regional New South Wales.

The Snowy Hydro proceeds are just a part of the picture—we have reserved \$6 billion for regional infrastructure through Rebuilding NSW and we have already committed \$1.3 billion under the Regional Growth Fund. That is more than \$11 billion dollars from three funds devoted to these projects. No part of regional New South Wales will be left untouched by the infrastructure spend. Today's budget also includes \$50 million for a new round of the Resources for Regions program. There is additional funding through our Regional Cultural Fund to reflect the rich artistic and cultural diversity of regional New South Wales.

In my portfolio of Regional Water, the Broken Hill pipeline continues to take shape. By the time it is finished, the people of the Silver City will have the water supply and security that many others across New South Wales can rightly take for granted. The pipeline is the centrepiece of the Safe and Secure Water Program, which targets water and sewerage projects across regional New South Wales to improve water security, public health, environmental and safety outcomes. There can be no greater responsibilities for a State government, and the Liberal-Nationals team is delivering in spades, shovels and excavators all across regional New South Wales.

We are funding a new wastewater treatment plant in Kempsey, while funding has been committed to similar projects planned for Bowraville, Hay and Junee. Regional apprenticeships are set to be bolstered, with our commitment to fund TAFE places in trades courses all over New South Wales. The better we can equip our young people through regional trades schools, the bigger impact that will have on regional economies. We are making our regional towns and cities more liveable, stemming the skills drain from those important centres. We cannot understate the importance of the Government reserving funding from Restart NSW to construct three Doppler weather radars in western New South Wales. It might not grab the attention of those in the inner city but it is big news for people west of the divide. The new radars, unveiled as part of our comprehensive drought relief strategy, will benefit around 170,000 people in the west of the State, covering 30 per cent of the land mass of New South Wales. The data provided will allow locals to make more informed decisions on a range of fronts—from firefighting to farming—and even road users when conditions are hazardous.

We can only deliver regional funding on this historic scale because of the fiscal prudence of the Government. Many of the tough decisions we have made have been opposed by members opposite. They would not know a surplus if they tripped over one. But the Government stands up for the people of regional New South Wales. We are delivering for the people, and today's budget is proof positive of that commitment. It is a good day for the people of New South Wales but, more importantly, for every community across regional New South Wales. We look forward to the Opposition's budget reply speech because we have thrown down the gauntlet. Those opposite should try to match what we are doing in regional New South Wales. I bet they will not come close.

BATEMANS MARINE PARK ADVISORY COMMITTEE

Mr JUSTIN FIELD (16:25): My question without notice is directed to the Minister for Primary Industries. Is the Minister aware that three members of the Batemans Marine Park Advisory Committee have recently resigned? What assurances will the Minister give the South Coast community that those positions will be refilled to ensure that the advisory committee is adequately resourced before the start of consultations into the scheduled pilot program for the Batemans Marine Park management plan?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:26): I am not aware of those members resigning. I am sure that once I avail myself of the information I will also see to it that we have a look at the process to fill any vacancies.

STATE BUDGET AND POWERHOUSE MUSEUM

The Hon. WALT SECORD (16:26): My question without notice is directed to the Minister for the Arts, and Leader of the Government. Given that the Infrastructure Statement Budget Paper No. 2 on page 5-35 has the estimated total cost of the Powerhouse Museum as "n.a.", will the Minister now admit that his Government still does not know the actual cost, or is it refusing to tell the community the full cost of the move? I have the document right here.

The PRESIDENT: Order! The Hon. Walt Secord has asked his question. He will resume his seat. Government members will cease interjecting. The Minister does not require any assistance.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:27): This matter has been canvassed many times. In April an announcement was made about what the Government's contribution to the move would be. It is \$640 million. It will cost the Government \$640 million to build the new museum in Parramatta over the next couple of years. It is fully costed—in fact, it has been reviewed to death, as is quite clear from the final business case. Not only was there a final business case

but also, as I have previously told the House on any number of occasions, it has been reviewed extensively by the central agencies. It went through a gateway review process by Infrastructure NSW. There was then further work that is referred to in the final business case—the deep dive—which was conducted and overseen by Jim Betts. The announcements were carefully calculated and finalised before we made our statement as to what the cost to government would be—and that is what it will be.

The Hon. WALT SECORD (16:28): I ask a supplementary question. Will the Minister elucidate his answer in regard to his claim that the museum was "fully costed". What is the difference between "fully costed" and "n.a."? It is the only item in the entire budget paper that has "n.a." next to it.

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:29): I could not be clearer about this: The cost to government will be \$640 million. That is what the position is. It is as simple as that.

The Hon. Walt Secord: Point of order: I seek leave to table the document to educate the Minister.

The PRESIDENT: It is a public document. The budget papers have been tabled. There is nothing for the Hon. Walt Secord to table. There is no point of order.

STATE BUDGET AND EARLY CHILDHOOD EDUCATION

The Hon. CATHERINE CUSACK (16:29): 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 the New South Wales Government's historic investment in early childhood education as part of the 2018-19 State budget?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:30): I thank the Parliamentary Secretary for her question. There are many good days in this job, and some days are history-making. Today is one of those days. Earlier today the Treasurer handed down a budget that sees more than \$474 million invested in early childhood education, the likes of which has not been seen before in this State. Since coming to Government the Liberal-Nationals Government has invested more in early childhood education every year. In last year's budget we committed \$400 million because we know the importance of capitalising on this momentum. That is why we are continuing to increase our spending.

Since 2011 life in New South Wales has been pretty good, and it is just getting better. Today I can assure members that the next 12 months will be even better still, thanks to this historic budget from our Government. It is no secret that this year's budget focuses on families. We know that quality, affordable early childhood education is a big part of this. The evidence is clear: The benefits of early childhood education set a child up for the rest of their life. That is why we are committed to continuing to invest in this extremely important industry and giving our kids the early childhood education they deserve. The New South Wales Liberal-Nationals Government's Start Strong program is the single biggest investment of State funds in early childhood education in the State's history. It is delivering real educational benefits to all New South Wales children and their families. In 2017 this program delivered a 25 per cent decrease in daily fees for all children in community preschools, a 41 per cent decrease in fees for Aboriginal and low-income families, and an increase in 600-hour participation in the year before school.

I shall give members some examples. Thanks to Start Strong, a kindergarten in the Lane Cove electorate has had fees reduced on average from \$54 a day to \$39 a day for eligible children and to just \$10 a day for equity children. A preschool in the Holsworthy electorate has had fees reduced from \$37 a day to \$13 a day for eligible children and to just \$7 a day for equity children. I am sure the Hon. Ben Franklin will be delighted to hear that a preschool in the Ballina electorate has had fees reduced on average from \$32 a day to \$20 a day for eligible children and to \$9 a day for equity children. We are putting our money where our mouth is and taking positive steps to benefit the good people of New South Wales. Our future doctors, teachers, nurses and—dare I say it—politicians are being educated in early childhood services at the moment. These children are possibly a bit better behaved than we are on some days and we are taking measures to set them up for life.

Today's 2018-19 State budget allows for funding of \$197.8 million over four years to extend our existing record investment in preschools under the Start Strong program. We are extending Start Strong funding to all three-year-olds in community preschools from 2019 to ensure universal access to two years of early childhood education. We are looking ahead and investing \$42.1 million in extra capital grants funding over four years. As Minister for Early Childhood Education, I stand before the House as proud as can be of these significant commitments to every child's future. I am determined to keep advocating for ongoing Commonwealth Government support to match our lead in New South Wales. We are now the first State in Australia to provide universal access to preschool for all three-year-olds. Education is a key priority for this Government. This reflects our ongoing commitment to tackling the important issues for the people of New South Wales. We want every

child's education to help them reach their full potential, no matter their circumstances, because we care about the future of our kids.

STATE BUDGET AND SHOALHAVEN BRIDGE

The Hon. PAUL GREEN (16:34): My question is directed to the Minister for Primary Industries, representing the Minister for Roads, Maritime and Freight. I welcome the announcement in this year's budget of the commitment of \$155 million towards a third crossing of the Shoalhaven River. Will the Minister outline to the House when commencement of works will begin and when locals, tourists and businesses can expect the bridge to be completed?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:36): I thank the member for his question. It would not surprise anyone in this House that that question was asked by the Hon. Paul Green. As a former mayor of Shoalhaven and now as a member of this place who constantly advocates for his local community, we have heard him discuss this project many times before, not only in this place but also in other places. Any member who has travelled down the South Coast would understand why the member has been such a passionate advocate for this project, particularly in recent years as the South Coast has become more and more popular as a tourist destination.

It is time for another crossing. We are starting to see not only the Shoalhaven but also Eurobodalla and the far South Coast become more accessible, attractive and popular to many people not only for holiday and tourism ventures, but also for some of the other employment activities that are brought along with that expansion in tourism. It is great news that the Minister could work with the Treasurer and make sure that the budget that was handed down today does have that additional crossing for the Shoalhaven River at North Nowra. It is certainly something that many of us who have travelled that way for many years, like myself, can appreciate. From the age of 12 to 17 I travelled across that river at least once a week to participate in a soccer team that was based in South Nowra. We had to cross the river as we travelled from Goulburn, through Kangaroo Valley.

The Hon. Mick Veitch: Play for Southern, mate.

The Hon. NIALL BLAIR: Southern Branch was the team.

The Hon. Mick Veitch: You didn't win many.

The Hon. NIALL BLAIR: No, we were all right. I was a pretty handy little stopper at the time and I played a bit of centre half—I am getting sidetracked. I had good hair back then, too. I do not have details with me in relation to the specifics of the project, so I am happy to take the part of the question that asks the Minister for specific details about the time line and the commencement of this project on notice and refer it to Minister. Although the Minister is busy with a number of road projects across the State, I am sure she will come back in due course and provide me with an answer to give to the member.

Today is a good day for people who have advocated for projects such as this. It is even better because the Government is able to deliver. This bridge will not only ease congestion, it will also allow families to get home to their loved ones sooner and more safely, and it will open up more economic growth and development for the community. This bridge was wanted by the community and it is now being developed and delivered by this Government. I hope I can get an answer back to the member as soon as possible.

PRESCHOOL FUNDING

The Hon. COURTNEY HOUSSOS (16:38): My question without notice is directed to the Minister for Early Education, Minister for Aboriginal Affairs, and Assistant Minister for Education. Given her previous answer, what is her response to parents and three-year-old children who have missed out on preschool funding since her Government cut it in 2014?

The Hon. SARAH MITCHELL (Minister for Early Childhood Education, Minister for Aboriginal Affairs, and Assistant Minister for Education) (16:39): I thank the honourable member for her question. I am delighted to have the opportunity to answer it, talk more about what was announced today and put a few things on the record. The reality is that before we came to government, the preschool funding model was pretty ad hoc and services were funded in a way in which there was no certainty, which was one of the biggest issues that we found. The claims around us making changes in 2014 that saw a whole lot of people miss out are not true.

Every year since we have been in government we have put more into early childhood education than those opposite did in their last year in government. Since we introduced the Start Strong program, which focuses on children in the year before school, we have seen attendance increase and more three-year-olds as equity children attend than ever before. Under this Government, more three-year-olds have had support than ever before.

We are the first State in the country to do what was announced today. We have never had a level of funding before where it has been available to all three-years-olds regardless of their family background.

The Hon. Courtney Houssos: Point of order: My point of order goes to relevance. My question related to what the Minister will say to the parents and three-year-old children who missed out on the funding over the last four-year period; not the Government's announcement today.

The PRESIDENT: I note that the member's question was specific, but she is well aware that the Minister was being generally relevant. The Minister is not required to be specifically relevant. The Minister has the call.

The Hon. SARAH MITCHELL: I feel that I need to echo the words of a former member of this place, Duncan Gay, and say that those opposite just do not like good news. This is good news. It is good news for families and families who understand that we made a commitment as a Government to fund three-year-olds and we are delivering. We have the budget to do it and we are the ones who are taking this seriously.

Since I have been the Minister for Early Education, we have increased funding, we have had better attendance than ever, our funding numbers are up, our figures are up, we are performing well and we are the only State in the country that is in a financial position to offer this to all three-year-olds. This is good news. No matter which way those opposite try to cut it and spin it, this is good news. Families will know that. Families will love this. It will give them a saving of more than \$800 per year and their children will get the educational benefits. This is something that we are proud of. Families will love it.

ENERGY PRICES

The Hon. SHAYNE MALLARD (16:42): My question is addressed to the Minister for Energy and Utilities. Will the Minister update the House on what the Government is doing to put downward pressure on power prices in New South Wales?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:42): I thank the honourable member for his question because it allows me to address some things that I wanted to say earlier in response to the Hon. Adam Searle but did not have the time to do so. We know that energy affordability is creating financial pressure on New South Wales residents, especially low-income households. Rising energy prices is a national issue and we are committed to ensuring customers in New South Wales are looked after.

As part of this year's budget announcements, last Saturday I joined with the Premier and the Minister for Finance, Services and Property to announce the "one click energy switch". This program will allow energy customers to not only find a better deal on their energy, but also to change providers with the click of a mouse or a quick chat with the helpful staff at Service NSW. This will help people all over New South Wales to reduce their energy bills and to ease the burden on the family budget.

The Hon. Scott Farlow: Point of order: I believe that the Hon. Shayne Mallard asked a question of the Minister. I ask that you call members opposite to order because the interjections are at a level where we cannot hear what the Minister is saying.

The PRESIDENT: Order! I uphold the point of order. I remind members that a number of them are on one call to order and one of them is on two calls to order. I believe that today is not a day when the Leader of the Opposition would want to see any of his colleagues leave the Chamber for a considerable period of time. I note that the Leader of the Opposition is now interjecting. He is not setting the perfect example, as he normally does. The Minister has the call.

The Hon. DON HARWIN: As I was saying, this program will allow energy customers to not only find a better deal on their energy, but also to change providers with the click of a mouse or a quick chat with the helpful staff at Service NSW. This will help people all over New South Wales to reduce their energy bills and to ease the burden on the family budget. Service NSW will trial the service in the coming months at service centres in Parramatta, Lismore, Taree, Wetherill Park and Wynyard, with a wider rollout to follow later this year.

The PRESIDENT: Order! I call the Hon. Daniel Mookhey to order for the first time.

The Hon. DON HARWIN: This is part of the Government's broader initiative to make Service NSW centres one-stop shops for cost-of-living support, whether it is car registration, Active Kids rebates or lower compulsory third party insurance. Through the "one click energy switch" we are empowering customers to drive down the prices of their bills and encouraging even greater competition in the market. I want to see all retailers get on board and encourage greater competition by ensuring small and big retailers can compete on equal terms. Indeed, I welcome the decision of the major retailers to decrease or leave prices unchanged from 1 July this year.

Earlier in question time, we heard a veritable chorus from Opposition members voicing their scepticism, which is absolutely extraordinary given that the Labor Party has no plans at all to put downward pressure on power prices.

The Labor Party saw the average price of electricity in New South Wales go up by 66 per cent during its last four years in government—66 per cent. It is the party of gold plating. At the behest of the Electrical Trades Union—I will come back to that—it was gold plating the electricity network, which led to higher prices. Those opposite have the gall to oppose our actions to help customers get a better deal. The Labor Party is content with running a scare campaign that blames the leasing of polls and wires. Labor Party members know that this campaign is dishonest and is built on absolute mistruths.

The PRESIDENT: Order! I call the Hon. Shaoquett Moselmane to order for the first time.

The Hon. DON HARWIN: What does Labor run these campaigns? Because it does not have any plans to lower power prices or ease cost-of-living pressures on families. This Government does have plans and it is enacting them.

LYN DAWSON MURDER CASE

Reverend the Hon. FRED NILE (16:47): My question without notice is directed to the Hon. Don Harwin, representing the Attorney General. Will the Attorney General update the House on the progress of the Mrs Lyn Dawson murder case, and will the Government implement the recommendations of the two Coroner's inquiries that Mr Dawson be charged for the murder of Mrs Lyn Dawson? Will the Attorney General request the NSW Police Force to conduct excavations at the original Dawson property? Will the Attorney General extradite Mr Dawson to face any murder charges in New South Wales?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:48): I thank Reverend the Hon. Fred Nile for his question. It will come as no surprise to members of the House that I will take the question on notice. I will obtain an answer about a particular case from the Attorney General at the earliest possible juncture to help the honourable member.

STATE BUDGET AND PUBLIC LIBRARIES

The Hon. PETER PRIMROSE (16:48): My question without notice is directed to the Minister for Resources, Minister for Energy and Utilities, Minister for the Arts, and Leader of the Government. Given that the number of people using their local public libraries has now risen to more than 35 million annually, why has the Government cut the budget allocation to council-run local libraries by more than \$5 million, or nearly 20 per cent, from \$28.8 million in 2017-18 to \$23.5 million in this year's budget?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:49): If the honourable member had read the budget papers and, in particular, looked at the footnotes that directly answer his question, he would not have stood up and said what he did and would not have asked a question based on a mistruth about funding in this budget. The reality is that the money available to libraries this year will be larger. But this is not the first time today that we have had a misstatement about the budget papers from the Opposition. Earlier in question time, the Hon. Walt Secord asked me a question about the Powerhouse Museum and in his question stated to the House that "n.a." appeared only once in the budget paper. It did not take very long to find out that there is another example.

The Hon. Penny Sharpe: Point of order—

The Hon. DON HARWIN: You will want to hear this one.

The Hon. Penny Sharpe: My point of order goes to relevance. The Minister is answering a question from earlier in question time. This question is about libraries. The Minister cannot go back to what the Hon. Walt Secord asked him two questions ago.

The PRESIDENT: I uphold the point of order. The Minister was asked a question and was being generally relevant. However, he cannot refer to an earlier question as it in no way relates to the current question. The Minister has the opportunity to provide more information at the conclusion of question time if he wishes to do so. He should not do so now.

The Hon. DON HARWIN: Cecil Hills school, by the way—"n.a." in the budget paper. Funny, that. The State Library of New South Wales manages the State Government subsidies and grants for local council public libraries. The State Library provides funding advisory services, connectivity and collection support for the 370 public libraries statewide. The library is committed to fulfilling its mandate under the Library Act to promote, provide and maintain library services for the people of New South Wales in cooperation with local libraries. The Public Library Infrastructure Grants program, which is what the honourable member referred to, funded

118 infrastructure projects at a cost of \$15 million over four years. That did a lot of good, particularly—and mostly, actually—for country public libraries.

The Hon. Rick Colless: Some \$2 million for Parkes.

The Hon. DON HARWIN: It did. It has been an immensely successful program. It was a major increase over and above the per capita funding provided to each council. It has been a good program and more than 8 per cent of the most recent \$4 million, in fact, went to regional public libraries. In future, it will be funded from the Regional Cultural Fund and next year \$5 million will be put aside to pay for it. So, in fact, it will be going up more than it currently is. If the Hon. Peter Primrose had read the budget papers and looked at the footnote, he would not have made such an obvious blunder in the question he asked.

The Hon. PETER PRIMROSE (16:53): I ask a supplementary question. Will the Minister elucidate his answer in relation to the "Grants and subsidies" item under "State Library of New South Wales" on page 7-58 of the budget estimates, particularly that—as I indicated previously—I believe the revised amount for 2017-18 was \$28.8 million. This year the revised amount for "Grants and subsidies" is \$23.528 million. Will the Minister elucidate why that is not a reduction?

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (16:53): I thank the honourable member for his supplementary question but, in fact, I have already answered it.

The Hon. Peter Primrose: No, I am not talking about capital. I am talking about the grants.

The Hon. DON HARWIN: Well, if the honourable member understood his own programs, he would realise it is—

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

DROUGHT ASSISTANCE

The Hon. RICK COLLESS (16:54): My question is addressed to the Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry.

The Hon. Don Harwin: Actually, I had not finished my answer to the supplementary question.

The PRESIDENT: It is too late. The Hon. Rick Colless has the call. Start the clock again. I ask the Hon. Rick Colless to continue his question.

The Hon. RICK COLLESS: Will the Minister update the House on the New South Wales Government's boosted drought relief package?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:54): I thank the honourable member for his question. As members of this House would be aware, almost all of New South Wales is now suffering from an extended dry period. Despite some recent useful rain, the current poor conditions are expected to continue throughout the winter and potentially into spring. I assure our primary producers that members on this side of the House are committed to standing by them. Last week I had the pleasure of joining Premier Gladys Berejiklian and Deputy Premier John Barilaro just west of Dubbo to announce a budget boost of \$284 million to support farmers, their families and rural communities facing drought. This brings the New South Wales Liberal-Nationals Government's drought relief package to well over half a billion dollars and includes increased financial support, funding for mental health, key infrastructure such as Doppler weather radars, and a new streamlined kangaroo management strategy.

As part of the announcement, the New South Wales Government will top up the Farm Innovation Fund by \$250 million over the next four years, taking the fund's total value to \$500 million. Since 2015 the Farm Innovation Fund has delivered \$220 million to more than 1,300 farmers to help build on-farm infrastructure and ensure long-term productivity and sustainable land use. The great news for farmers is that we are expanding assistance to deliver a new Drought Assistance Fund, which offers primary producers a \$50,000 interest-free loan with no repayments for the first two years to transport stock, fodder and water, and install on-farm water infrastructure.

As the pressure to destock continues, the fund will also enable producers to collect and store genetics of their herd or flock, which will allow a much quicker recovery when conditions improve. In the past few days, the Rural Assistance Authority has received 13 applications, totalling \$610,000, and an additional 47 inquiries. As I mentioned earlier, the New South Wales budget includes \$25 million to construct three new Doppler radar weather stations in the Central West and Far West. They will help our farmers make timely business decisions about when to sow, harvest crops or move stock, boosting productivity and saving money.

I have heard loud and clear that farmers are seeing more and more kangaroos. Kangaroos cause damage to farm fences, eat what little pasture is left on the ground and drink the limited water resources. Under the new streamlined kangaroo management plan, the New South Wales Government will remove the need for physical tags and the "shoot and let lie" conditions, which will expand the commercial harvest zone in south-east New South Wales, enable more shooters to operate under each licence and help connect landholders to commercial harvesters. It was great to receive support from the NSW Farmers, which has said that it is "extremely pleased additional support is on its way for farmers". It also said, "It's good to see the Government has been listening," and "The new kangaroo management plans ... make complete sense".

Farmers are not alone. I encourage them to visit the DroughtHub website or call the NSW Rural Assistance Authority or their Local Land Services. Those agencies are there to help. We will continue to provide funding to ensure our farmers get through this difficult period. As Minister, I have been proud to receive the support of the Premier, Deputy Premier and Treasurer to be able to provide this funding. The Farm Innovation Fund is a good program. On the weekend I had the chance to speak directly to farmers, who told me what a difference the program has made for this business—not just for this drought, but also for the good times ahead and future droughts. Our farmers will bounce back. We will stand by them and we will be there to help them bounce back quickly.

KANGAROO MANAGEMENT PLAN

The Hon. MARK PEARSON (16:58): My question is directed to the Minister for Primary Industries. I refer to the kangaroo management plan. How is it possible for the Minister to amend the kangaroo management plan, which was approved by the Federal Minister for the Environment and Energy as well as the New South Wales Minister for the Environment?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (16:59): I thank the Hon. Mark Pearson for his good question. The member is right to say that the Office of Environment and Heritage is responsible for the management of kangaroos in New South Wales and regulates the commercial harvest of kangaroos in accordance with the NSW Commercial Kangaroo Harvest Management Plan. This plan was approved by the Australian Government—the member is right again—and sets out the licensing and monitoring arrangements for the commercial cull of kangaroos for meat and skins. The commercial harvest area of New South Wales is divided into kangaroo management zones. A quota limits the number of kangaroos of each species that can be harmed commercially in any kangaroo management zone. Quotas are calculated each year from population estimates, in accordance with the management plan.

Commercial harvest of kangaroos is prohibited within national parks and other reserved areas, and can only be undertaken on private land holdings with the written permission of the landholder. It is important to note that the current commercial take of kangaroos in New South Wales is approximately 15 per cent of the available quota. In his question, the member said that the plan is approved by the Commonwealth Government and the way that we manage kangaroos at the moment is administered by the Office of Environment and Heritage. The member asked how we can amend the plan. We can amend the plan because government agencies work together. The Government and our agencies have a whole-of-government response for the management of kangaroos on behalf of our farmers. When all agencies work together and the Government has made the decision to adjust the way we administer kangaroo numbers, this is good government.

Anyone who has recently ventured outside the city limits and into regional New South Wales will tell us that there is an abundance of kangaroos. These kangaroos have a huge impact not just on pastures and native grasses but also on our roads. The number of collisions with kangaroos has increased hugely, and those conditions are not just with motor vehicles but also with cyclists. As we go into the colder months and this drought continues, unfortunately large numbers of kangaroos will probably starve to death. The answer to the member's question is that we have a whole-of-government response to the current plight of regional New South Wales.

The PRESIDENT: Order! I have a list of questions and I ask members not to seek the call unless they are next on the list.

The Hon. MARK PEARSON (17:03): I ask a supplementary question. Could the Minister elucidate his answer as to how agencies of the Federal Government have been involved in the decision to amend the kangaroo management plan of New South Wales?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (17:03): Let me be clear: We are not changing the quota in New South Wales. In an earlier answer I clearly indicated that New South Wales uses only roughly 15 per cent of the quota approved by the Commonwealth Government. The member is asking about a change to the way that we administer access

to that quota, but it is quite clear that the current system did not allow those who needed to control kangaroo numbers to do so. We have removed and reduced the red tape; we have not increased our quota.

The Hon. DON HARWIN: If honourable members have further questions, I invite them to place them on notice.

STATE BUDGET AND PUBLIC LIBRARIES

The Hon. DON HARWIN (Minister for Resources, Minister for Energy and Utilities, and Minister for the Arts) (17:04): I refer to my earlier answers about the State budget and public libraries asked by the Hon. Peter Primrose and the Hon. Walt Secord. I understand why the Hon. Peter Primrose asked a question, but in fact the Public Library Infrastructure Grants program, although related to infrastructure, is recurrent funding and is therefore in the recurrent budget. The traditional definition of "capital works funding" is whether it creates a new asset for the Government. Of course, the Public Library Infrastructure Grant does not create a new asset for the State Government.

The Regional Cultural Fund is different from traditional capital works funding, because it also does not create a new asset for the Government. Giving a grant to a library operated by a council does not add to the State's capital base, so it is not traditional capital funding. Indeed, the Regional Cultural Fund can be used for operational expenditure in certain circumstances, and therefore it is appropriate to continue to fund the equivalent of the Public Library Infrastructure Grant from the Regional Cultural Fund, which is what this Government is doing. The Government will increase the amount about 20 per cent.

The Hon. Penny Sharpe: Why does your budget paper say it was?

The Hon. DON HARWIN: I know I am not supposed to respond to interjections, but I heard the member asking why the budget paper does not say that. In fact, it does, and that is why I encourage honourable members to read the footnotes carefully.

The Hon. Penny Sharpe: I trust Peter Primrose on the budget.

The Hon. DON HARWIN: The member is entitled to do so, if that is what she chooses. A point of order was taken in question time, so I did not make the point I was going to make and so I will make it now. The Hon. Walt Secord asked a question in relation to a figure in the budget paper because it read "n.a.". In his question I clearly heard the member say it was the only place in the budget papers which had "n.a." and I am sure the transcript will show that and that is what we will hear on the recording. That is simply wrong. The infrastructure statement is full of "n.a.s", and one of them was a school upgrade in Cecil Hills. On page 5-6 of the infrastructure statement it is stated that the Cecil Hills Public School upgrade started in 2017 and ends in 2020. It is not—

The Hon. Walt Secord: Tell us about the Andrew Kirk film festival?

The PRESIDENT: I remind the Hon. Walt Secord that he is on two calls to order.

The Hon. DON HARWIN: Why does the Hon. Walt Secord not tell us about it?

The PRESIDENT: Order! The Minister will not respond to interjections. The Hon. Walt Secord will resume his seat. Has the Minister completed his answer.

The Hon. DON HARWIN: Yes, I have.

Personal Explanation

STATE BUDGET AND POWERHOUSE MUSEUM

The Hon. WALT SECORD (17:08): By leave: During question time, in relation to my question about the Powerhouse Museum relocation, in his supplementary answer the Leader of the Government and Minister for the Arts misrepresented me in relation to the cost of the relocation and the use of the phrase "n.a.". The question that I read was:

Given Infrastructure Statement Budget Paper No. 2 on page 5-35 has estimated total cost of the Powerhouse Museum relocation as "n.a.", will the Minister now admit that the Government still does not have the actual cost or is refusing to tell the community the full cost of the move?

That was the question that I asked. Later during question time, I made an aside or a reference to the thing that he referred to—in fact, I did to observe that the budget papers would say "n.a." because Treasury officials probably also did not have access to the business case. I thank the House for its consideration.

*Bills***WATER MANAGEMENT AMENDMENT BILL 2018****Second Reading Debate****Debate resumed from an earlier hour.**

The Hon. DANIEL MOOKHEY (17:08): The Minister introduced this bill by saying:

My vision for water management in New South Wales is a simple one: I want a system that is ... simple to understand, equitable in its application, easy to enforce and delivers the best outcomes for our people, our places and our economy. I want our water compliance framework to be the envy of the world.

The Hon. John Graham: The Western world?

The Hon. DANIEL MOOKHEY: No, the whole world. I applaud the Minister for his ambition, and I marvel at his superhuman ability to overlook how New South Wales came to have a water enforcement system that is envied only by those who have profited for so long from breaking the law and making off like bandits. That is the system we have now. As all Australians have seen, eight years of National Party management of the State's precious water led to the systemic theft of the State's water by giant corporate irrigators; the retrospective approval of illegal dam works in Western New South Wales, shepherded through by officials who, instead of enforcing the law, provided a dummies' guide for how to obtain those approvals; the wilful emaciation of the State's water enforcement arm, leaving New South Wales with no means to do investigations of major water matters revealed by whistleblowers and confirmed by Mr Ken Matthews; and, finally, the spectre of the State's top water officials and the State's top corporate irrigators secretly conspiring to take New South Wales out of the Murray-Darling plan, apparently without the knowledge of the then director-general, the secretary of the department or the Minister.

Water enforcement in New South Wales got so bad that Ken Matthews, without recourse to the royal commission powers he should have had, still concluded that the overall standard of New South Wales compliance has been poor. He concluded:

I observed a group culture diverging from the best traditions of Australian public administration.

And:

I saw examples of possible failures to confront unethical behaviour.

That would not be a surprise to anyone who has been living with the department's mistakes. The 21,000 residents of Broken Hill were told to pay for the \$500 million pipeline because the river that had supplied them for a century could no longer do so. They were not told whether that had anything to do with the systemic theft of water in the northern basin by corporate irrigators.

Family irrigators I met with in Walgett, at great business expense, invested in what was required to comply with the conditions of their licence. But they were tarred with the same brush—they were labelled as public villains—as the big corporate irrigators who got away with systemic water theft for so long. The trust of people like Mayor of Brewarrina, the first nations people in Wilcannia, and environmentalists campaigning for the health of the Barwon-Darling was forsaken because of the systemic theft of water that took place under the management of successive National Party Ministers.

Those family irrigators have had to live with the consequences of the laws not being enforced. When they witness the Parliament's proceedings and as they pass judgement on this bill their demands are clear: Restore the rule of law and make sure systemic water theft never happens again. We should avoid what Mr Ken Matthews warns against in his final report: Increased pressure from certain stakeholders to water-down key reforms, including reforms to water metering and improved transparency of information about water usage.

Labor judges the bill by those standards, and our concerns have led to our choice to oppose the bill. The Opposition accepts the need for a sophisticated strategy to enforce laws in the Barwon-Darling and all the regulated river systems. Opposition members are happy to have this debate with the Minister all across Western New South Wales between now and the election. We are more than happy to pit our record against the National Party's record of turning a blind eye to water theft. No amount of investigations and no amount of enforcement can exceed the enforcement return from a compliance culture where every water user is invested in the compliance of everyone else, where they have the knowledge, the information and the tools to honour their neighbours who obey the law and hold to account those who do not.

Mr Matthews described that as a compliance culture. He said that for that culture to take root it had to rest on three pillars: universal metering, one register and proper protections for environmental water. The bill does not provide for universal metering. The Minister says it will provide only 95 per cent coverage. He says it will be

too great an impost on small irrigators to achieve universal coverage. The Opposition has similar concerns about the impost on small irrigators.

As I have said, we will scrutinise whether, in practice, this 5 per cent coverage gap has a meaningful impact on restoring the rule of law to New South Wales rivers. That is not our concern about metering in this bill. Our concern is the power the Minister arrogates to himself to set the rules by regulation. We do not trust the National Party members to write the rules on this issue. Their record over the last seven years, which has led to the catastrophe that has been dealt to us, means that no-one in New South Wales should trust this Minister or anyone from his party to write the rules by regulation.

The Hon. Greg Donnelly: Point of order: My point of order is with respect to interruptions and rudeness. The member is entitled to have his contribution heard in silence. I ask that the Minister be reminded to respect that.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): I call the Hon. Niall Blair to order for the first time. I call the Hon. Daniel Mookhey to order for the second time.

The Hon. DANIEL MOOKHEY: There is no need to imagine what The Nationals water Ministers would do with that power. We know. Their record of retrospective approval of illegal dam works is the form guide. We ought not give that power again to that party. The bill does not establish proper public reporting. It should. Ken Matthews would agree. The Minister in his second reading speech justified his decision not to proceed with the register described by Mr Ken Matthews by saying:

A key concern for water users relates to the proposal to publish real-time water account balances and meter readings. Users told us that individual water account balances contain commercially sensitive information, especially if published in real time.

Which user said that? It mirrors the argument made by those who opposed log books, water metering in the southern basin and all public scrutiny. The right bestowed by a water licence is not akin—it never has been akin—to a property right claimed for protection of commercially sensitive information. A water licence is permission to extract a public resource. As with mining, the public has the right to know what is being extracted and when. After witnessing the systemic flouting of the law, water users of western New South Wales have a legitimate view that their right to know should triumph over the rights of corporate irrigators who broke the law and now claim commercial-in-confidence.

Environmental water is not adequately protected by this bill. I will defer to my colleague the Hon. Penny Sharpe to set out our concerns in that respect. I will conclude with some observations about consultations on this bill. In question time I asked the Minister whether he was satisfied that northern rivers irrigators were adequately consulted. He said he was. He said he was so satisfied that he would welcome a debate about his consultation record during the second reading debate on this bill. I now join that debate by reading from a letter sent to me by the chairperson of Namoi Water. In his second reading speech the Minister claimed the implicit backing of that organisation and he names them as a group whose concerns he says he addressed. This is what they said:

We write to support the concern you expressed in the question without notice and to provide you with information regarding our experience in the Water Reform Action Plan consultation process. Water management law is complex and deserves proper consultation. We do not feel this has occurred in the WRAP process to date. The Namoi Valley has a long history of opposition to targeted consultation that is used to divide communities and prevent development of a detailed understanding of the issues. The WRAP public meetings were carefully orchestrated to ensure the peak groups who are engaged to assess the merits or otherwise of significant impacts on individual farmers could not establish a viewpoint to be addressed in the forums provided. Instead, the department chose to hold smaller, closed consultation meetings and public drop-in sessions where individual farmers, who are busy and focused on farming, were required to speak one-on-one to experienced departmental staff who provided the Government's views.

That is not coming from the Environmental Defenders Office or groups that are traditionally associated with the Left of politics; that is coming from the peak organisation representing the water users of the Namoi Valley. That is what the irrigators are saying. They are deeply concerned about this bill. They would encourage us to defer its consideration to allow proper scrutiny and to allow their concerns to be addressed. They are not at all satisfied with the level of consultation that has been provided by the Minister or his department. If that is a guide as to how the Minister has been treating the people who are clambering for the restoration of the rule of law in this river system, then that is reason enough for this House to reject the bill.

The Hon. PENNY SHARPE (17:21): I make a short contribution in debate on the Water Management Amendment Bill 2018. I commend the efforts of both the Hon. Mick Veitch and the Hon. Daniel Mookhey for the detail they have gone to. I take a step back and reflect on how this bill comes to be before us, why it is so important and why the Opposition believes the Government, and unfortunately the Minister, has failed in this important step. We have to remember that today is budget day. There is a lot of news around. This bill deserves a lot of scrutiny. It is being put through today—as I am sure it will be—without the scrutiny that is required. I am not suggesting that is because the Minister is trying to be tricky. I understand how legislation comes before the

House and sometimes it cannot be chosen. The issues involved in this bill are so important that it is our role in this House to give them proper attention and for there to be proper discussion. Labor's position on this bill is that has not occurred.

We have to remember how we came to this. There was a shocking *Four Corners* report about lack of compliance, a culture of secrecy, a culture of cover-up, and very few people benefitting from one of our most precious assets—water. It is important for agriculture, it is important for communities, and it is important for the environment. This is perhaps one of the most important bills that we will deal with. It took a *Four Corners* report to get the evidence, to get people to speak about this issue and to uncover the grand-scale water theft from the public by a few people. This Minister has been under a lot of pressure over this issue and he put in place the Matthews inquiry. I do not know how many times the Minister had to answer questions in the House about this but the Opposition has taken it very seriously. I reiterate that water is our most precious asset. It has a lot of calls on it and there is less of it coming as a result of climate change.

Unless we get this bill right we are going to make the same mistakes that we made in the past. The Matthews inquiry recommended a range of changes and many of those have been adopted and some important ones are in this bill. Metering is important, but it has to be done right. There are real concerns about the way in which metering will operate around the State. There are real concerns about exemptions and it is important to get that right. The Murray-Darling Basin Plan is the one plan that we have. No matter what we think if it or how much we love it or hate it, it is the single most important mechanism we have to try to manage water across this country, from Queensland to South Australia. The plan is important. Unfortunately, there have been some nonchalant and perhaps reckless attempts by the Government to threaten to withdraw from the plan.

The bill before us today does not help us with our concerns about that when the power that would allow the Government to pull out of the Murray-Darling Basin Plan is taken away from the Parliament and put into the regulations. It is too important. It is the one plan that got people to the table. Yes, it needs work; no-one is suggesting that it does not. Labor cannot and will not accept that New South Wales can be taken out of the Murray-Darling Basin Plan through a regulation. We do not accept that. We also do not accept the way in which this Government chooses to write legislation, as the Hon. Mick Veitch spoke about. There is too much framework legislation that does not have the required detail, accountability or transparency for us to be able to ensure that the sometimes good motivations for some of these bills can be fulfilled. There has been a wholesale power movement away from this Parliament and into regulations and then trying to whack them through. I give one example where this has been a disaster and continues to be a disaster: the Biodiversity Conservation Act. That is a massive disaster—half of it is unproclaimed and half of it does not make sense.

We have to get this right. I refer members to the comments by the Legislation Review Committee. This committee is important. When it makes comments such as that, we should heed them. I think they are missed again today. We have to remember what has happened in the north-west of the State. Let us be honest, that is where all of these problems have come from. The greed of a few, at the behest of some, has delivered them millions and millions of dollars, both privately and through public money, for a very precious water asset. Do not forget that *Four Corners* talked about only two players owning 70 per cent of the water, worth \$300 million, and people making mega profits from the sale and trade of licences.

Water is our most precious asset. It should not be able to be treated in this way. We have to look after it in the public interest. Every job in this State relies upon water. Every community in this State relies upon water. The environment of this State relies upon water. This bill does not get us there. The Minister had one job, which was to restore confidence in the way in which water is managed in this State after a litany of failures over a very long time. The Minister has not got this right and Labor will not support this bill.

Mr JEREMY BUCKINGHAM (17:28): I speak on the Water Management Amendment Bill 2018 on behalf of The Greens and also on behalf of the Barkindji people, the people of Broken Hill and the people of New South Wales, who are all concerned about the mismanagement of our most precious resource on this dry continent—that is, water. It is the lifeblood of agriculture and our environment. Water is a vexed and complicated issue that has been a concern and demanded the attention of governments and communities since we began to regulate and manage our rivers.

The Greens have repeatedly raised water management in this country because it is treated as an ephemeral issue—it is feast and famine. We lurch from crisis to crisis, and we react until the heat goes out of the issue. Vested interests get involved and we return to half-measures and a system that does not deliver sustainability—a catchword that is used so often in government. That process does not deliver sustainability.

The community was shocked by the revelations broadcast on *Four Corners*. I was not; I have been travelling around western New South Wales since I became a member of this place, and I have raised the management of the Menindee system and the Darling River in particular. Unsurprisingly, *Four Corners* revealed

that the system is a free-for-all and there is a complete failure of compliance and regulation. It exposed regulatory capture and the New South Wales Irrigators' Council calling the shots, as it often does given that The Nationals are in charge of natural resource management in this State. We saw that with the Kosciuszko Wild Horse Heritage Bill 2018 and the effective gutting of the Water Management Act 2000.

A public consultation draft was released and many people acknowledged that the amending bill contained some good elements in response to the Matthews inquiry, which sought to improve the enforcement, fines, compliance and monitoring provisions and to introduce individual daily extraction limits [IDELs]. What happened? The New South Wales Irrigators' Council got its muddy, sticky fingers all over it. That has led to a bill that fails to lock in a river management regime, in particular for the Barwon River and Darling River systems, because so much of it is in the never-never. This bill fails to restore community confidence. Members have referred to Independent Commission Against Corruption inquiries, royal commissions and so on. We will see what emerges in the coming months as a result of them.

This bill is a recipe for failure and The Greens will seek to amend it. If we are unsuccessful, it is highly unlikely that we will support it. We hear the same story all the time about water management in the Murray-Darling Basin. Scandal or drought leads to a spike in public awareness and concern and forces the Government to act and to introduce some improvements. Then the lobbyists for the large irrigation companies get to work and undermine those changes, introduce loopholes and ensure that the rights of the rich few trump the needs of the many. It is the same as the approach taken to the banking and finance system. So it is with this bill; we take one step forward and two steps backward.

The Government assures us that the Water Management Amendment Bill is a strong response to the shocking exposure of systemic illegal activity, corruption and mismanagement of the Darling River. It is true that it has some good elements, but hidden within it are loopholes and backdowns to appease the big irrigators. The Greens cannot support a bill that introduces a regime for trading in daily extraction limits that will likely see water extraction at low flows concentrated in the northern part of the Darling River. That is the key element: Without significant controls, this new regime will turn the lower Darling into a sacrifice zone. It will spell the death of the Darling River from Bourke to Wentworth.

The river will be replaced by a \$500 million panic pipeline, and the losers will be some of the most disadvantaged people in this State. I am talking about the people of Wilcannia, who are still waiting for their weir. Despite massive Government surpluses and money being thrown everywhere for stadiums, the people of Wilcannia—who have the lowest life expectancy of any cohort of people in this country—cannot get a weir. That is a disgrace.

The Greens cannot support a bill that could see the end of the Murray Darling Basin Plan by granting the Government the power to pull out by regulation. Why does it need to do that? It is doing it because it does not want to seek parliamentary approval for its vandalism. The Greens cannot support a bill that scraps the requirement for water sharing plans to be reviewed every five years. We appreciate the briefing provided by the Minister's departmental staff, but no explanation was provided for scrapping the five-year reviews. Climate change is here. It is happening. As the CSIRO and the Murray-Darling Basin Authority have said, the most likely impact will be on runoff and the river systems. We cannot continue to bury our head in the sand and go on as if nothing is wrong. The Government has excluded the millennium drought from the science underpinning its water sharing plans in the new regime. It is madness to deny reality. Its own State Infrastructure Strategy states:

Studies predict that the Murray-Darling Basin climate is likely to become drier and more variable in the future. Average surface water availability across the entire Basin is projected to fall by 10 per cent by 2050.

What will that figure be in dry years? Droughts will be longer and harder, which will put agriculture in the front line. In the face of that, how can the Government justify fewer reviews of water sharing plans, which are the key tool for managing water in the basin? The Greens have been offered no explanation and we would like a response from the Minister. These plans will be able to be rolled over for decades.

The Greens are also very concerned that this bill will lead to the imposition of huge costs on taxpayers, who will have to pay twice for environmental water. So much of what the Government says it intends to achieve with this bill relies on yet to be developed regulations, policies and plans. The IDEL trading scheme is off in the never-never and there is no certainty about how it will be delivered. The Government has also committed to establishing a public register that the public will not see. We are being asked to trust that, in developing the regulations, The Nationals will put the interests of the environment and downstream communities ahead of their mates and donors in the irrigation industry. That simply will not fly. The Greens do not trust them and will not be supporting this bill in its current form.

I now turn to one of the key aspects of this bill—that is, the introduction of a trading regime. The bill makes a mockery of Ken Matthews' recommendation for the urgent introduction of IDELs in the Barwon-Darling

system, which The Greens support. The inquiry identified the protection of environmental water as "an urgent need" and proposed "an interim solution involving greater use of event-based mechanisms and utilising individual daily extraction limits", which should be delivered "within three months". The Government has instead opted for delay and further consultation with irrigators. Ken Matthews did not recommend the trading of IDELs. The Government has spread that furphy and The Greens completely reject it.

We have seen a change in the commence-to-pump thresholds. For example, the B-class gauge at Louth must be 1,130 megalitres a day and 1,010 megalitres a day at Tilpa. The A-class gauge must be 260 megalitres a day at Louth and 215 megalitres a day at Tilpa. The A-class gauge at Bourke is 10 megalitres a day below low flows. That is the key. A-class licences were originally simply for droughtproofing: They were provided so that people could grow lucerne to feed their stock. Websters extracted 12 gigalitres of A-class water in September 2015 and put it straight into their storage. Everything to do with IDELs is problematic. Changes have been made across the Barwon-Darling system and The Greens are extremely concerned that IDELs will be concentrated in the hands of a few. They are not going to meet the expectation of the community.

In that regard, The Greens will move a number of amendments. A major concern for us is the failure of the Government to put in place a public regime. The Greens do not understand why this vital public asset that serves so many people in the community and provides such an environmental service is not being regulated by a public agency, nor why the Government has decided to put the private sector in charge of metering and the transparency that we expect does not exist. Accountability and transparency exist in so many markets and other areas, whether it is in domestic water use at a residential level or with share trading and the like. In this area, the Government says it is commercial-in-confidence. Those opposite acknowledge that there are some risks there and yet the Government is not moving to that full public regime.

The Greens are very concerned about the bill. A key element of concern is exemptions for the "no meter, no pump" rule. We see a watering down of the Minister's mandate to embargo the pumping of environmental water. Most concerning, after the consultation with the New South Wales irrigators, is the removal of the clause that prohibits seeking compensation for embargoes to shepherd environmental water. The bill fails to implement those IDELs, as I have said, in the form recommended and in the time recommended by the Matthews inquiry. And that is what this is all about. We have to remember this was a scandal that attracted the attention of millions of people across Australia who were very concerned.

The situation in western New South Wales remains dire. The pipeline is going into Broken Hill. This regime will see a concentration of those class A licences in the hands of those people who can afford them, inter-catchment transfers, inter-class transfers and trading of those licences. We do not believe that will deliver what should be the key performance indicator of this bill: a sustainable Barwon-Darling river system. It is of grave concern that the Government has put in what we believe are half-measures and is putting in a water trading scheme that is off in the never-never, off in regulation. In that regard The Greens will not be supporting the second reading of this bill. We will seek to make a number of significant changes by way of moving amendments in the bill's committee stage.

The Greens call on the Government to do the really hard work and put in place a system that does not put the market, the big end of town or the big irrigators before the river, the people of Broken Hill or the people of the lower Darling—and they are some of the most disadvantaged people in this State—who depend on that river, that natural resource, more than we can ever imagine. Invariably The Greens believe we will be back here in years to come dealing with this issue again because there are failures that will be enshrined in this legislation—and those failures mean we will see a sick and dying Darling River just get sicker. It will continue to be a cause for concern and a matter that this House will have to deal with.

The Hon. JOHN GRAHAM (17:43): I speak in opposition to the Water Management Amendment Bill 2018. I concur with my colleagues who made a range of observations that this bill relies too heavily on trust and defers difficult decisions. I put on the record that I strongly support the metering direction outlined in the Matthews report. I am upset to be unable to vote in favour of that provision today, as is the Opposition. But those of us on this side simply believe the balance of this bill, particularly the balance between what is legislated and what is regulated, is wrong. That is the fundamental issue that drives our position. It simply leaves too much to trust. I want to reflect my view that both sides of politics have got this issue wrong over the long history of this debate. There is plenty of blame to go around for both sides of politics in this debate over the decades and over the century. That is why it is even more important that these things should be subject to scrutiny. That is why I agree strongly with the observations of the Hon. Penny Sharpe when she talks about the importance of this plan.

I want to speak about a single aspect of the bill. I disagree with Mr Jeremy Buckingham who in his contribution said we would be back here to debate these issues. The aspect of the bill I want to talk about is a reason we might not be back here to debate this bill, and that is the shift to withdraw from the Murray-Darling Basin Agreement, if the Government wants to do so, via regulation rather than legislation. It was outlined by the

shadow Minister in his contribution to the second reading debate. It is that aspect that I want to speak about because it is a deeply concerning development as a part of this bill. This on the day after the South Australian royal commission has opened into the Murray-Darling Basin. This on the day after the royal commissioner, Bret Walker, talked about just how historic that agreement was. He talked about the legal basis of that agreement—the Commonwealth heads of power—and that it relies on the referral under paragraph 51 (xxxvii) of the Constitution, where the States refer their power. He said about the status of the agreement:

In that sense the Basin Plan is a creature of the Water Act which is a creature of federal cooperation of the most formal kind mandated by and expressly contemplated by our federal constitution.

He is very clear about the significance of this national agreement and the forms it takes—and of course members know how important it is to much of New South Wales but also to much of the country that is covered by that agreement. He really spelt that out, but here we are moving to deal with these issues by regulation—the lowest form of engagement this House can have. But he went on to talk about the history of the agreement. He said:

There is a long history of attempts by governments to agree in this country concerning what we now call the Murray-Darling Basin. They extend back in time before federation to a series of, generally speaking, dispiriting and disappointing failures to reach anything like an agreement from the 1880s onwards.

I raise that because that is the context in which we are moving today to take this agreement out of the scope, the consideration and the scrutiny of this House and into regulation. I oppose that move in particular. One of the reasons I oppose it is because of the views Matthews came to in his final report. He talked about the long history—and I take the Minister's point that it is a long history with both sides of politics involved—of relations with the Murray-Darling Basin Authority [MDBA]. Matthews said:

From my observations, the posture of NSW officials towards the MDBA since the development of the Basin Plan has not always yielded the best results for NSW, nor for the basin as a whole.

That should be of concern to all members of the House. Matthews went on to say:

Both the Premier and the Minister have taken opportunities since the Four Corners program to provide assurances of NSW's commitment to the success of the Murray-Darling Basin Plan. This should serve as a signal to officials. That was good news. That was Mr Matthews saying, "Look, the signals from the Premier and from the Minister are good." What does this mean and what is the signal we send today with this bill by saying, "We're taking this out of the scope of the legislation and we reserve the right to withdraw just by the simple act of regulation"? That is a terrible signal. I oppose that aspect of the bill.

This morning we discussed the way that the bills committee operates in the House. The principle that has been asserted and one of the things that has been batted around in recent sitting weeks is the idea that, in principle, if something is contentious, it really should come to this House and be debated—but we are doing the opposite here. We are taking something which has been contentious not just for today or for this year, but for more than a century. That is the point that was made in the South Australian royal commission yesterday. I view that move as antidemocratic. It is antidemocratic, and it comes at a time when trust is low over this issue. Trust is low because of the recent history of this issue, but it is also low because of the long-term history of this issue since the 1880s. When trust is low and people are concerned, that is the last time that we should be reducing the scrutiny role of this House. In such times the House must step up, play its role and bring debate out into the public—and that is what members of this House should be doing. I am deeply concerned that this bill is heading in the opposite direction. I oppose the bill.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (17:51): In reply: I thank the Hon. Mick Veitch, the Hon. Robert Brown, the Hon. Paul Green, the Hon. Daniel Mookhey, the Hon. Penny Sharpe, Mr Jeremy Buckingham, and the Hon. John Graham for their contributions to the debate on this important bill. The Water Management Amendment Bill 2018 introduces a package of significant reforms to the way water is managed in New South Wales. These reforms follow on from actions this Government has already taken to improve water management in this State. The key proposals for amendment will clarify, simplify and enhance water management and ensure the Government meets its commitments under the action plan and under the Murray-Darling Basin Plan. This Government takes very seriously the need to bring credibility and confidence back into water management in New South Wales. We are committed to the values of transparency, equity and fairness and are driven by the desire to have the world's best water management system in New South Wales. This bill represents a significant step towards realising those goals.

I now turn to the points raised in the House tonight. In relation to the point raised by the Hon. Mick Veitch on retrospectivity of the amendments to regulated river orders, the Government's key objective in making these amendments is to provide certainty to water users. I agree with the Legislation Review Committee's view that retrospective amendments should only be used in circumstances where they are absolutely necessary, and I consider that this is one of those occasions. The only way to achieve the Government's objective is to apply the amendments retrospectively. The effect of the amendments is to make clear a number of boundaries between

regulated and unregulated rivers from the date that the first water sharing plan commenced. If the amendments were not made retrospectively, there would continue to be doubt around the boundaries from the start of the water sharing plans until now. The amendments remove this doubt and provide the necessary certainty to licence holders by making clear these boundaries from the commencement of the water sharing plans.

The Hon. Mick Veitch also raised concern that the bill will enable us to easily opt out of our obligations under the Commonwealth Water Act and the Murray-Darling Basin Plan. That was the foundation of the concern raised by the Hon. John Graham in his contribution. This is not the case. On the contrary, the bill contains all the necessary amendments needed to fully comply with its obligations under, and implement the requirements of, the Commonwealth Water Act, the basin plan and intergovernmental agreements. The Commonwealth Water Act enables States to be able to resolve inconsistencies by declaring matters to be "excluded matters" and provisions to be "displacement provisions". The bill allows New South Wales to do this as provided for under the Commonwealth framework.

I note that the Hon. Mick Veitch also raised concerns about the ability of the Minister to repeal or suspend water management plans for the purposes of the basin plan. Water management plans are currently made, suspended and repealed by ministerial order. The proposed amendment that will allow this to occur for the purpose of lining up with the basin plan is consistent with the existing approach. The Hon. Mick Veitch suggested that the Government was being slow to implement these important reforms to water management. I disagree. We have been quick to respond to the issues raised. For example, I appointed Ken Matthews to investigate the allegations raised in the *Four Corners* report within two days of its airing. However, it is also important that we take the time we need to make sure that these reforms are well thought out and are implemented properly.

The Hon. Mick Veitch also raised a concern that the details of the bill will be deferred to regulations. We are not asking the community to trust us; we are committed to working with the community to work out the details. The New South Wales Government will consult further on the proposed metering policy before it is enshrined in law. Regulations are a more flexible tool as they can be tailored over time and can be more readily used to respond to risks or issues as they arise. Regulations also have the same force as law and are transparent tools. While regulations are not required to go through the full parliamentary process, they are required to be tabled in Parliament when made and are subject to potential disallowance. This process provides Parliament with the ability to scrutinise the inclusion of measures in regulations and pass a resolution disallowing the regulation where Parliament considers that the measure is not appropriate.

I note that the Hon. Mick Veitch suggested the consultation undertaken on this bill was not adequate. We acknowledge that some stakeholders did not prefer the consultation approach. However, we also had overwhelming feedback from other stakeholders that the forums have been successful, as they have both been informative and provided individuals with direct access to executives and policy and operational staff from the department to put forward their views.

The department held 20 meetings across 13 regional and metropolitan locations in New South Wales and spoke with more than 300 stakeholders from around 40 organisations. We spoke to water users, environmental groups, councils and landholders, Aboriginal groups and members of the general community who were interested and invested in these reforms. The community consultation forums were attended by a range of technical and policy experts from the department. At every forum, a range of senior executives were there to answer questions not related to the four consultation papers. In addition, staff from WaterNSW, the Office of Environment and Heritage, the Natural Resources Commission and the Murray-Darling Basin Authority attended the roadshow. This meant that community members had the opportunity to talk to a range of different government representatives at each forum.

In relation to Mr Veitch's comments on metering, the Government has been transparent about who the metering will apply to and who will be exempt. We published a fact sheet on a draft metering policy which set out who will be exempt. I also outlined this in my second reading speech. Licensed users with pumps smaller than 100 millimetres or bores smaller than 200 millimetres will be exempt through the regulations. The metering framework also will not apply to where water take cannot be measured using a meter. The detail of how this will be implemented through regulations is complex, and we want to make sure we get it right. That is why I have committed to consult on these regulations this year.

The Hon. Robert Brown raised a number of concerns with me directly about the operation of section 324 following the proposed changes in the bill and the removal of the Government's liability for environmental water releases. The issue of the operation of new section 324, which allows the Minister to make an order, has also been raised by stakeholders including Cotton Australia, the NSW Farmers and the New South Wales Irrigators' Council. Specifically, stakeholders are concerned that the power in new section 324 is too broad and runs the risk of reducing the reliability of a licence holder's access to water without adequate compensation.

First, I note that the amendment is not intended to create a new framework for imposing temporary water restrictions. The intention of the bill is to clarify the existing powers so that they are beyond doubt with respect to environmental water. However, I acknowledge the concerns raised by stakeholders, and I reassure the House and the stakeholders that the provision will only commence once the supporting regulation has been developed. The supporting regulation will limit the circumstances in which the power can be used, and will be publicly consulted on before it is finalised. That will give stakeholders another opportunity to fully understand whether any existing rights will be affected before any provision is commenced.

We have listened to stakeholders, and we will not be proceeding with the proposed amendments to section 324. That is because the amendments were intended to clarify existing powers, rather than create a new framework. However, given the uncertainty that this created in the market, we propose not to progress with the amendments. Section 324 will no longer be amended to allow the Minister to make a temporary water restriction for the purpose of managing water for environmental purposes. Instead, the existing provisions in section 324 will be amended so that managing water for environmental purposes is included as part of the public interest.

That does not mean the power will be used without regard to impacts on water users. Impacts will be considered as part of the public interest test. This is not about impacting on property rights; it is about getting the balance right. The provision will only be used if the benefits are significant and tangible. Orders made under section 324 have already been used to help protect environmental water, where that is in the public interest. Most recently, it was used to manage environmental water that was released in the Northern Basin. This event has demonstrated that government and environmental and industry stakeholders can work together to effectively manage systems. The lessons from the event will inform future events using temporary water restrictions.

However, we also heard that we need to consult more on the details of the environmental water reforms so that people can identify how the proposals may affect them. That is an important aspect of our reforms and we want to understand what the impacts, if any, will be on existing water users and how we may be able to mitigate those impacts. Therefore, I have asked my department to consult further on environmental water reforms because we have to get it right. I also acknowledge the concerns raised by the Hon. Robert Brown about amendments to the Government's liability for environmental water releases. While there are already exemptions from liability in the Water Management Act, the change makes it clear that they apply to environmental water releases. Exemptions from liability are normal within government and ensure that we can operate effectively.

I am also putting in place a framework that will facilitate negotiations between affected landholders and government when making environmental water releases. The framework will provide a mechanism for landholders to raise issues and discuss mitigation. The Government will consult with affected stakeholders in developing the framework. The liability provisions in the bill will not commence until the landholder negotiation framework is established. I also thank the Hon. Paul Green for his contribution to the debate. I recognise the hard work that he and the committee put into the inquiry into the augmentation of water storages in New South Wales, and I look forward to tabling the Government's response to the final report in the second half of this year.

In relation to the individual daily extraction limits issue raised by Mr Jeremy Buckingham, the bill includes an amendment provision to allow for IDELs to be established, amended, assigned or removed as further consulted analysis is required to determine the best methodology. Trading rules for IDELs will be developed as rules in the water sharing plans. These rules will address the impact on the environment, including potential limitations on trade within river sections. Trading rules developed as part of the water sharing plans will be made in close consultation with all relevant stakeholders to ensure that there are no unintended consequences. The removal of the trading restriction in the bill does not represent any change in policy.

It is intended that there will be appropriate trading restrictions on IDELs, as there are for trade of allocation and other licence components. It was removed because there are alternative frameworks to manage trade—namely, the Access Licence Dealing Principles Order and individual water sharing plans, which ensure that the trading rules are appropriate for the water source. It is proposed that water sharing plans would be amended to restrict trading between water management zones as appropriate to ensure that there are not any unintended outcomes for the environment or downstream water users. That is why we added new subclause (9), which enables water sharing plans to be amended to include dealing rules.

This is one of two amendments that we made to the IDELs trading clause. The second was because the exposure bill unintentionally enabled assignment of IDELs regardless of whether the holder had water in their account. This was amended so that IDELs could be acquired by a licence holder regardless of whether the purchaser has an allocation in their account. That is to ensure that licence holders, including the Commonwealth Environmental Water Holder, can acquire IDELs even if they do not have any water in their account to purchase a share of the event to keep in stream. This is an additional way to manage water for specific environmental outcomes, separate to the water they currently hold, and is a good outcome for the environment.

In relation to other issues raised in debate that I covered predominantly in my reply, I foreshadow that the Government will move a number of amendments in Committee to address some specific concerns. I know that the Opposition and The Greens also have amendments that we will consider during the Committee stage. As we have seen in relation to the review of water sharing plans, which Mr Jeremy Buckingham also raised, the bill proposes to specify that an audit of a management plan must take place in the first five years, rather than every five years. The bill also gives responsibility for this audit to the Natural Resources Commission [NRC], rather than to an audit panel. The effect of the changes is that the audit will be carried out in the first five years and a review of the plan in the last five years.

The Minister must consider the review before he or she makes a decision to extend a water sharing plan. If a plan is remade and not extended, the audit provision will then apply so that an audit occurs within the first five years. The changes are designed to make sure that the NRC has a role at both the front end and back end of the water sharing plan's life. A review of a water sharing plan completed within the five years would need to be considered by the Minister every time a plan is remade or extended. It was considered that requiring the NRC to complete an audit within the last five years of the plan as well as a review of the plan would be a duplication and be inefficient. The review under new section 43A is broad enough so that it can consider the types of issues that would be normally considered during an audit.

I also acknowledge the fact that the shadow Minister for Water in the other place has issued one breathless release after another, concerned about public confidence, the National Party's ability to look after water, and calls for me to resign. But what are we left with? The shadow Minister has spent too much time looking into other areas rather than developing an alternative policy. The upshot of the months of huffing and puffing by members opposite is a policy vacuum. On 14 February 2018—

The Hon. Mick Veitch: Point of order: The Minister's reply speech should address issues that were raised in the second reading debate in the Chamber. The Minister has now ventured into talking about media releases that were not even referred to during the second reading debate. I ask you to draw him back to his speech in reply to the second reading debate.

The PRESIDENT: The Minister should confine his remarks in reply to matters that were raised during the second reading debate.

The Hon. NIALL BLAIR: We are committed to our vision for water management in New South Wales—a system that is credible, certain, transparent and enforceable. We want a system that people can understand, is easy to enforce and delivers the best possible outcomes for all parties. Further, we are committed to implementing this vision through extensive consultation with stakeholders and the community. We will end up with a water management framework that is guided by the views of the community. This is also important for rebuilding the community's trust, as well as making sure we have a framework that is practical and enforceable. The future of the State will be underpinned by the rollout of metering and access to more accurate and timely water usage information for both the public and water users.

I recognise we have a long way to go, but I am confident the measures I announced today represent a huge step forward. Those opposite, who have made such an issue of this subject over the past 12 months, are presented with an opportunity to implement a metering policy to cover 95 per cent of the water take in New South Wales and bring in conditions and options to protect environmental water. They are the same people who saddled up with the South Australian Labor Party to get rid of the Northern Basin Review and \$180 million of environmental toolkit measures to protect environmental water. It is amazing that they are going to vote against making sure that we get this State heading in the right direction. Rather than saying, "Let's set up the framework and put some conditions in now so that the Natural Resources Access Regulator can start policing this area", they are saying, "No, we don't like it; we are going to put it off into the ether."

This is an opportunity to start the process today and to work with those stakeholders to make sure that we get it right. Those opposite have a choice and they are choosing to squib it. They are doing what they have done on water in Canberra and in South Australia, and are playing politics with water and with our communities. They talk the big talk but during the second reading debate not one of them stood up and spoke with any detail about the bill. I would be surprised if the shadow Minister has even read the bill. What we saw was a cobbled-together attempt to try to find some relevance. This is an opportunity for those opposite: Either vote to move forward in this State or be judged by those who want this bill and who want the system cleaned up. I commend the bill to the House.

The PRESIDENT: The question is that this bill be now read a second time.

The House divided.

Ayes23

Noes 18
Majority..... 5

AYES

Amato, Mr L	Blair, Mr	Borsak, Mr R
Brown, Mr R	Clarke, Mr D	Colless, Mr R
Cusack, Ms C	Fang, Mr W (teller)	Farlow, Mr S
Franklin, Mr B	Green, Mr P	Harwin, Mr D
Khan, Mr T	MacDonald, Mr S	Maclaren-Jones, Mrs (teller)
Mallard, Mr S	Martin, Mr T	Mason-Cox, Mr M
Mitchell, Mrs	Nile, Revd Mr	Phelps, Dr P
Taylor, Mrs	Ward, Ms P	

NOES

Buckingham, Mr J	Donnelly, Mr G (teller)	Faruqi, Dr M
Field, Mr J	Graham, Mr J	Houssos, Ms C
Mookhey, Mr D	Moselmane, Mr S (teller)	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

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. I have Government amendments on sheet C2018-086B, Opposition amendments on sheet C2018-087, Opposition amendments on sheet C2018-075A, and The Greens amendments on sheet C2018-077D. With the agreement of the House, we will start with Government amendments.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (18:21): I move Government amendment No. 1 on sheet C2018-086B:

No. 1 **Commencement**

Page 2, clause 2 (2), line 8. Omit "[79]–[82], [84],". Insert instead "[79]–[81],".

Items [82] and [84] amend the Water Management Act 2000 to exclude the Crown from liability arising from the release of water for environmental purposes in good faith. This amendment will go hand in hand with a new framework, to be developed by regulation, for negotiating with potentially affected landholders in relation to proposed environmental water releases. New section 2 currently provides that items [82] and [84] commence on assent. The effect of this amendment is to have these items commence on proclamation so that they commence when the negotiation framework is in place. This has largely been prompted by landholders, particularly in the southern part of the State, who would like to see the framework in place before we commence this proposal. The Hon. Robert Brown has raised this with me directly. It is a good incentive for the Government to make sure that the framework is developed quickly in consultation with those affected landholders. That is the reason for the amendment to commence this part on proclamation.

The Hon. MICK VEITCH (18:23): I listened intently to the Minister's explanation of why the Government is moving amendment No. 1. This is a hurry-on effect. I take the Hon. Robert Brown's approach: This will prevent an extended period of no activity and no work after the bill is passed. I gather from the Minister's comments that the Government accepts that some sort of framework needs to be put in place. I ask the Minister: In light of the Government bringing forward that time frame, what does it mean for the Government's own schedule? Will it put much strain or pressure on it? Essentially, is it achievable in real terms?

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (18:24): In response, there was concern from some that the bill would be passed and then the framework would take some time to establish. In good faith, the Government is saying that it will establish the framework and then commence it. The Government believes it has the resources and the time frames to do that. This was a clear choice to show that the Government is not trying to jam something through,

which some people may be concerned about. Let me be clear: The Government has advice that it is already exempt under these provisions, but the initial amendments in the bill were to make it clear and provide the Government with protection against that liability. We have brought in the framework for those landholders to be at the table before these decisions are made. The amendment provides another part for the landholders to make sure that the framework is in place before we commence this.

The Hon. ROBERT BROWN (18:25): The Shooters, Fishers and Farmers Party supports Government amendment No. 1. We are grateful that the Government has listened to southern irrigators, particularly the riparian landholders, who have been materially affected by Government decisions on the release of water. I am sure that the slight change to the timing will give them the confidence they need and the Minister's guarantee that they will be consulted when this framework is put together—that being the framework as to how, practically and physically, these environmental flows can be managed so as not to damage their properties.

I cannot speak for landholders, but I think those who approached me would view this as a measure of good faith by the Government. It is a bit stronger than the Minister standing up and saying, "Trust me, I will do it." I do trust that he will do it, but changing from assent to proclamation when this becomes law signals clearly to those landholders that they will have the opportunity to look at what the Government proposes. It is their livelihoods that are at risk. We support the amendment.

The CHAIR (The Hon. Trevor Khan): The Hon. Niall Blair has moved Government amendment No. 1 on sheet C2018-086B. The question is that the amendment be agreed to.

Amendment agreed to.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (18:27): I move Government amendment No. 2 on sheet C2018-086B:

No. 2 **Mandatory conditions**

Pages 11 and 12, Schedule 1 [56]. Line 33 on page 11 to line 3 on page 12. Omit all words on those lines. Insert instead:

- (1) The regulations may impose mandatory conditions on access licences and approvals relating to the following:
 - (a) metering equipment or any other means of measuring water flows,
 - (b) requiring notice to be given of a change to or the replacement of a water supply work, or any part of it, that results in an increase in the capacity of the work to take water,
 - (c) reporting by holders of access licences or approvals as to water taken,
 - (d) measures recommended by the Natural Resources Access Regulator to improve compliance with and enforcement of this Act.

It is important that the Government has the ability to put mandatory conditions in place across the State via regulation. However, concerns have been raised about the potential impacts of these on water users. The effect of this amendment is to narrow the scope of the new mandatory conditions regulation-making power. The amendment has the effect of limiting the types of mandatory conditions that can be imposed by regulation to conditions relating to metering equipment, measurement, self-reporting and measures recommended by the Natural Resources Access Regulator to improve compliance with and enforcement of the Water Management Act.

Under the Water Management Act, we still have the ability to impose mandatory conditions relating to other matters via amendments to water sharing plans and notification to licensees. This amendment just narrows the scope to make sure that the impact on property rights is addressed more directly. The Government knows that there are other mechanisms, such as the water sharing plans, to make further changes outside those areas to which the Government has now narrowed the scope. I commend the amendment to the Committee.

The CHAIR (The Hon. Trevor Khan): Before I call the Hon. Mick Veitch, I note that if this amendment is passed The Greens amendment No. 12 will lapse because they conflict.

The Hon. MICK VEITCH (18:29): We have only recently received a copy of the Government's amendments, and I have consulted with my advisers to work through the impact of this amendment and measure the impact against the legislation as it stands whilst at the same time listening to the Minister's explanation for the amendment. Labor has some concerns about this amendment and we have not had a chance to consult the stakeholders about its impact. On that basis, Labor will oppose this amendment, but we are keen to hear other contributions to this debate, particularly those from members of the crossbench, who may have discussed it with stakeholders.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (18:30): To assist the Committee, I will step through a couple of issues.

I have been in contact with stakeholders in relation to the legislation. An initial concern raised by a stakeholder was that if mandatory conditions were put on licences, that could have an impact on property rights. No-one has raised a concern about metering being included as a licence condition; instead, most concerns were about access to water.

The Government had to weigh this concern against making sure that the Government can use mandatory conditions as part of a tool for the Natural Resources Access Regulator [NRAR]. What that means is that if stakeholders want to talk about the impacts on allocations or entitlements—the other mechanisms around water-sharing plans—and NRAR wants mandatory conditions on licences to assist with regulation then this amendment will narrow those conditions. The amendment will not remove the section dealing with the impact on property rights some stakeholders complained about, because that will be dealt with through the water-sharing plan or direct notification of licensees.

The Hon. ROBERT BROWN (18:32): I believe the Government's amendment is attempting to ameliorate the concerns of water users, primarily Northern Basin users. These users were concerned about the alienation of their private property rights—that is, their right to take water. I am not 100 per cent sure that this proposed amendment will take away the concern, but the Minister's assurance about conciliation on those issues being done through a water-sharing plan is correct. Users were probably after the removal of the Minister's right *holus bolus* to shepherd environmental water through properties. If I read it correctly, irrigators argue that they need to take water when they need it within the rights that they have. If they are embargoed from taking water, that could happen when they need water.

The counterargument is that they are allowed to pump water only when river levels are at certain heights, and if environmental water has created that trigger then that is perhaps not a true trigger. I place my trust in the work the Minister and his advisers have done in trying to ameliorate the concerns of water users. I am not sure this amendment will do the trick, but it goes a long way towards removing the concerns raised with the Shooters, Fishers and Farmers Party about property rights. The Shooters, Fishers and Farmers Party will support this amendment.

Mr JEREMY BUCKINGHAM (18:33): It is clear that this amendment narrows the scope of part 5 of the bill. The Greens accept the beginning of this amendment that, "The regulations may impose mandatory conditions on access licences and approvals ...", because it is a reasonable proposition that the State retain the power to impose mandatory conditions and should not be limited in that regard. These regulations may be imposed for good reasons such as they are in the public interest. In our briefings on this bill with the Government and stakeholders, the imposition of mandatory conditions was raised again and again, certainly within the framework of the water-sharing plans. I recognise that the amendment means that the regulations may impose mandatory conditions on access licences and approvals relating to:

- (d) measures recommended by the Natural Resources Access Regulator to improve compliance with and enforcement of this Act.

We believe this condition is entirely reasonable, but the amendment also limits the scope of these conditions, and that is cause for concern. The Greens believe that mandatory conditions could be imposed more broadly for a variety of good reasons such as public health, public interest and environmental reasons. For that reason, The Greens will not support this amendment.

The Hon. DANIEL MOOKHEY (18:35): If we compare the section that this amendment removes with its replacement, the most glaring omission is part 5, new section 115 (2) (b), which states:

- (b) prohibiting or limiting the use of water supply works to take water in specified circumstances,

The effect of this amendment is to remove that clause and therefore to deny the Minister the head of power to make such a decision. I ask the Minister to explain why that item has been omitted from the bill and to reconcile that with the report of Ken Matthews, which was clear about the fact that this type of power is needed. Is paragraph (d) of the amendment meant to achieve the same effect? It states:

- (d) measures recommended by the Natural Resources Access Regulator to improve compliance with and enforcement of this Act.

Should this amendment pass, it will remove a significant head of power that Ken Matthews was clear was required, and that is the ability of the Minister to respond to changed circumstances and impose limitations. We have all received the same stakeholder feedback, and I accept that should the bill pass in its current form, which includes this power, without clarification of whether there is a compensation right that arises, a lot of people will fear for their property rights. Labor's argument has been that this is the reason why this power should not be done by regulation. It should be done by legislation to provide absolute clarity on those points, and so that when a person invests in land with water rights, they know that they are subject to this risk and therefore they should take these

things into account as they make investment decisions. The biggest difference between legislation and regulation is that legislation provides a level of certainty. Omitting this head of power is serious, and I would like the Minister to explain why it is necessary.

Mr JEREMY BUCKINGHAM (18:37): As we have only recently received copies of the Government's amendments, we are taking advice on their impact as we debate them. The Hon. Daniel Mookhey raises a very good point. If we compare part 5, new section 115 (2) (b) of the bill with the amendment we will find that they are very different. Part 5, new section 115 (2) (b) to the bill states:

- (b) prohibiting or limiting the use of water supply works to take water in specified circumstances,

That is a broad power that I believe the community would welcome because the Government should have that power. But it is replaced with imposing mandatory conditions on access licences and approvals in circumstances including:

- (b) requiring notice to be given of a change to or the replacement of a water supply work, ...

That only requires notice to be given, which is different from prohibiting works from being undertaken. The Greens believe this is a serious deviation from the intent of the original part 5 of the bill. The Greens will therefore vehemently oppose this amendment.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (18:38): In their contributions to the second reading debate, a number of members said that they had heard from stakeholders about their concerns about the impact of this legislation on their property rights. I reiterate that the Government still has the power to impose conditions under water sharing plans as well as individually through notification to the licence holders. The Government retains this power but has listened to the debate about property rights. Some have argued that if we take away a property right from someone they should be compensated. The Government has said that it will go back to the current legislation where, if it wants to change access availability, it has to go through the water sharing plan process and make an amendment to it. That is what the Government has done. Rather than do it by regulation and a mandatory condition on the licence, the Government has left it so that it can be changed in the same way that a water sharing plan is changed.

I understand what those stakeholders are saying. They are saying, "If the Minister comes in and changes, by regulation, my property right, I want to be compensated." The Government has decided to leave the legislation as it is and take it through the water sharing plan. At the same time, people such as Ken Matthews have said that mandatory conditions on licences make it easier for irrigators to understand what their obligations are and for the regulator to regulate those conditions. The Government is happy to put it through the water sharing plan process if we are impacting on property rights. The regulator may come to the Minister and say, "I want this as a mandatory condition because as the independent regulator I need it in order to do my job and restore confidence." That is why that section has been included. Those are the two reasons we have made those changes.

The Government still retains the right, but it will go through a different mechanism, which has all of the necessary consultation and associated timeframes. We are just restoring the status quo because stakeholders say that they believe their property rights are too precious for a Minister to be able to change, by regulation, access or allocation. Under those conditions the stakeholders say they want to be compensated. That is what the stakeholders have said and that is why we are making those changes. If the Government wants to change a property right it has to go through the water sharing plan, but the regulator will be given the power that it needs to restore confidence in New South Wales.

The CHAIR (The Hon. Trevor Khan): The Hon. Niall Blair has moved Government amendment No. 2 on sheet C2018-086B. The question is that the amendment be agreed to.

The Committee divided.

Ayes23

Noes 18

Majority.....5

AYES

Ajaka, Mr
Borsak, Mr R
Colless, Mr R
Farlow, Mr S
Harwin, Mr D

Amato, Mr L
Brown, Mr R
Cusack, Ms C
Franklin, Mr B
MacDonald, Mr S

Blair, Mr
Clarke, Mr D
Fang, Mr W (teller)
Green, Mr P
Maclaren-Jones, Mrs
(teller)

AYES

Mallard, Mr S
Mitchell, Mrs
Taylor, Mrs

Martin, Mr T
Nile, Revd Mr
Ward, Ms P

Mason-Cox, Mr M
Phelps, Dr P

NOES

Buckingham, Mr J
Field, Mr J
Mookhey, Mr D

Donnelly, Mr G (teller)
Graham, Mr J
Moselmane, Mr S
(teller)

Faruqi, Dr M
Houssos, Ms C
Pearson, Mr M

Primrose, Mr P
Sharpe, Ms P
Voltz, Ms L

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

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

Amendment agreed to.

The CHAIR (The Hon. Trevor Khan): I will now leave the Chair and cause the bells to be rung at 8.00 p.m.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:00): By leave: I move Government amendments Nos 3 and 4 on sheet C2018-086B in globo.

No. 3 **Temporary water restrictions**

Page 13, Schedule 1 [60], lines 18–23. Omit all words on those lines. Insert instead:

Omit "such as to cope with a water shortage or threat to public health or safety" from section 324 (1).

Insert instead "such as (but not limited to) to cope with a water shortage, threat to public health or safety or to manage water for environmental purposes".

No. 4 **Temporary water restrictions**

Page 13, Schedule 1 [61], lines 24 and 25. Omit all words on those lines.

The scope of the existing section 324 of the Act already allows the Minister to direct that the taking of water is prohibited or subject to restrictions for a period of time if the Minister is satisfied that it is in the public interest. The new section 324 (1A) in the bill provides that the Minister may make a temporary water restriction order if satisfied that it is necessary to do so for the purpose of managing water for environmental purposes. This Government amendment removes the new section 324 (1A) from the bill and instead amends the current section 324 (1), clearly providing that managing water for environmental purposes is an example of the public interest for the purposes of section 324 (1). This amendment meets the Government's intent of clarifying that the scope of public interest within the current temporary water restriction order power includes managing water for environmental water releases without the need to set up a new separate power.

The Hon. DANIEL MOOKHEY (20:01): Labor opposes the amendments. We have only just seen these amendments and have not had an opportunity to take a full sounding from all the stakeholders who have a large interest in this issue. That is reason enough for us to oppose the amendments, but in addition to that, we identify these amendments as going to the core of a lot of stakeholders' concerns about the bill. A lot of stakeholders are worried about this, and the Minister is correct when he cites their concerns. The representations we have received about section 324 include a huge amount of concern about the absence of a comparable regime that sets out the right to compensation in the bill.

I reiterate the concerns that were listed before. In respect to the substance of the amendment, when the original Government bill was introduced it provided the Minister a specific amount of power to take action for the protection of environmental water. The effect of this amendment is to alter that to another concern that the Minister should consider when exercising a power. Our view is that the original bill was much more aligned with Mr Matthews' reports than the Government's amendments to its own bill. We support the Government's original position.

Mr JEREMY BUCKINGHAM (20:03): I join with the Labor Opposition in raising my concerns. We have been given these amendments at the eleventh hour after literally months—if not years—of debate,

consultation, and all the rest. The break has given us the opportunity to come to terms with the effect of these amendments—they gut the bill. We have come to understand over the dinner break that the Minister has been seriously crunched by member for Barwon, Kevin Humphries. So what has he done? He has delivered for irrigators.

The Hon. Niall Blair: Point of order: The member is now not addressing the amendments at all and is casting aspersions on me by saying that I was crunched. The member needs to talk to the amendments and clearly articulate to the House whether he will support the amendments for the sake of those people represented by the irrigators or for the environment group.

Mr JEREMY BUCKINGHAM: To the point of order: The genesis of the amendment, the consultation that underpins the amendment, is a critical part of whether or not it is in the public interest or in the interest of The Greens to support that amendment. Becoming aware of where that amendment is from is a key element of deciding the merits of the particular amendment.

The CHAIR (The Hon. Trevor Khan): A member is required to speak as to why the amendment should or should not be agreed to. The Committee stage is not an opportunity for a member to make a contribution to the second reading debate. I will not uphold the point of order with regard to reflections, but the member was getting close. I remind all members that there is a requirement that amendments be available in the House before it goes in Committee. That rule applies to the Government as much as it applies to the Opposition or the crossbench. I may not be directly addressing the matter that Mr Jeremy Buckingham has raised, but if we are going to spend the night talking about late amendments that is something that could apply to everyone. Let us get on and talk about whether the amendment is a good amendment or a bad amendment, not the surplusage.

Mr JEREMY BUCKINGHAM: The amendment is a very bad amendment. It is clear that those people who believe it has come via Kevin Humphries would be concerned, because he was a very bad water Minister.

The CHAIR (The Hon. Trevor Khan): Order! I have previously advised the member about reflections on other members. He has strayed into that territory. He will refer to the amendment before the Committee or resume his seat.

Mr JEREMY BUCKINGHAM: It is a very, very bad amendment. It is poorly drafted. It is actually two amendments. It is deleting 324 (1A) and inserting into 324 another change.

The Hon. Niall Blair: That is why I moved them in globo; there are two amendments.

Mr JEREMY BUCKINGHAM: No, in No. 3 there are two amendments. There are two changes in amendment No. 3. I note the interjection of the Minister. The Minister did not understand the point. Amendment No. 3 deletes 324 (1), the lauded clause that the Government relied upon that underpins the premise for this debate, which is that the Government would protect environmental water. The Government has deleted that and added another bit into 324. The Minister should get a briefing from his staff as to what that means. Amendment No. 3 means two parts of the Act. It deletes 324 (1A) and changes 324 (1). They are different parts of the Act.

It makes a massive difference because 324 (1A) says, "If satisfied that it is necessary to do so for the purpose of managing water for environmental purposes, ...". It is the key reason we are here. Environmental water has been absolutely desecrated in this State. It has been pillaged by greedy irrigators who have seen it flowing down the Macquarie, the Gwydir and the Darling rivers and have helped themselves. The key provision that says there will be temporary water restrictions has been removed. Today the departmental staff said again and again to The Greens if that was happening there is section 324. It has been gutted. It is the key part of the bill. The Minister is not across the brief. Why? Because it mentions "environmental water". The key issue is that once amended section 324 (1) does not mention environmental water; it just says "the public interest". They are deleting the key clause, which is:

- (1A) If satisfied that it is necessary to do so for the purpose of managing water for environmental purposes, the Minister may, subject to any requirements of the regulations, by order in writing, direct that, for a specified period, the taking of water from a specified water source is prohibited, or is subject to specified restrictions, as the case requires.

These amendments delete that and instead insert:

... such as (but not limited to) to cope with a water shortage, threat to public health or safety or to manage water for environmental purposes.

The Hon. Niall Blair: You just said we took it out.

Mr JEREMY BUCKINGHAM: No, it totally weakens that provision of the bill and the Minister knows it. That is why we oppose the amendments.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:10): That was a remarkable contribution. I make clear to the House that an event is heading down through the rivers of northern New South Wales because of a water restriction order pursuant to section 324. The release of that water is intended to get to communities down the river, so as Minister I signed an order pursuant to section 324 to stop that water being accessed for productive purposes. When we make an order pursuant to section 324 we need to meet a number of criteria under the public interest test, and they are included in the bill. One concern people have raised about the protection of environmental water is that the use of the water for environmental purposes is not specifically outlined in the legislation under the public interest test. These amendments put that in under the public interest test so there cannot be any doubt or challenge that the release of water can be restricted for access for productive use.

Mr Jeremy Buckingham's contribution was the most remarkable that I have heard. Instead of creating a separate section that would do the same thing, the Government has chosen to put the provision under the public interest test and clearly label it as an example. It talks about critical human needs, public health purposes or to manage environmental water. The amendments are absolutely consistent with everything that was said by Matthews and contradicts everything said in the contribution of Mr Jeremy Buckingham. That is why we are putting it in the bill. There was concern around compensation from the stakeholders who were worried about this. There was concern from the environment groups that orders pursuant to section 324 could be open to challenge. These amendments make it clear. We are taking it out of a proposed section because we have decided to put it under the existing provisions. I commend the amendments to the Committee.

The Hon. DANIEL MOOKHEY (20:12): I will make a brief contribution. The Minister's statement would have been accurate if it was not for the fact that the original bill the Government introduced contained the following:

[60] Section 324 Temporary water restrictions

Insert after section 324 (1):

(1A) If satisfied that it is necessary to do so for the purpose of managing water for environmental purposes, the Minister may, subject to any requirements of the regulations, by order in writing, direct that, for a specified period, the taking of water from a specified water source is prohibited, or is subject to specified restrictions, as the case requires.

That was the Government's original position. The contribution the Minister made would have been valid if it was not for the fact that the original proposed clause exists and the consequence of these amendments is to remove that and replace it with the weaker public interest test that he referred to.

The CHAIR (The Hon. Trevor Khan): The Hon. Niall Blair has moved Government amendments Nos 3 and 4 on sheet C2018-086B. The question is that the amendments be agreed to.

The Committee divided.

Ayes23
Noes 18
Majority.....5

AYES

Ajaka, Mr
Borsak, Mr R
Colless, Mr R
Farlow, Mr S
Harwin, Mr D

Amato, Mr L
Brown, Mr R
Cusack, Ms C
Franklin, Mr B
MacDonald, Mr S

Blair, Mr
Clarke, Mr D
Fang, Mr W (teller)
Green, Mr P
Maclaren-Jones, Mrs
(teller)
Mason-Cox, Mr M
Phelps, Dr P

Mallard, Mr S
Mitchell, Mrs
Taylor, Mrs

Martin, Mr T
Nile, Revd Mr
Ward, Ms P

NOES

Buckingham, Mr J
Field, Mr J
Mookhey, Mr D

Donnelly, Mr G (teller)
Graham, Mr J
Moselmane, Mr S
(teller)
Searle, Mr A
Shoebridge, Mr D

Faruqi, Dr M
Houssos, Ms C
Pearson, Mr M
Secord, Mr W
Veitch, Mr M

Primrose, Mr P
Sharpe, Ms P

NOES

Voltz, Ms L

Walker, Ms D

Wong, Mr E

Amendments agreed to.**Mr JEREMY BUCKINGHAM (20:21):** I move The Greens amendment No. 1 on sheet C2018-077D:No. 1 **Disallowance of water sharing plans**

Page 3. Insert after line 14:

[5] Section 41 Making of management plan

Insert after section 41 (3):

- (4) Part 6 of the *Interpretation Act 1987* (sections 39, 42 and 43 excepted) applies to a management plan that contains water sharing provisions in the same way as it applies to a statutory instrument.

The effect of this amendment is to make a water sharing plan disallowable under part 6 of the Interpretation Act 1987, except for sections 39, 42 and 43 as they apply to the management plan that contains water sharing provisions in the same way as it applies to a statutory instrument. We believe that this is a reasonable and necessary response to the Government bill because it increases the parliamentary oversight so that ministers cannot change water sharing plans to suit various interests without a recourse to Parliament. We think it is about transparency and making sure that people get a say through the Parliament. At this stage, the Parliament has no oversight. We think it is a reasonable amendment. I commend it to the House.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:22): As we know, water sharing plans are developed through a well-established process under the Water Management Act. That process includes public exhibition of draft plans and the concurrence of the Minister for the Environment to the making of a plan. The process ensures that all stakeholders have a full and proper opportunity to have input into the development of water sharing plans. A new step in the water sharing plan process to enable the disallowance of water sharing plans could unwind that sound development and consultation process and let unnecessary uncertainty into the process. It is not supported. In fact, some stakeholders have encouraged us to use those water sharing plans as an alternative vehicle to make some of those changes, rather than allowing the Minister to be able to do it under regulation. The water sharing plans have been in place for a long time and involve a lot of stakeholders. The Government deems it unnecessary to subject the water sharing plans to be able to be disallowed. We cannot support the amendment.

The Hon. MICK VEITCH (20:23): The Opposition will support The Greens amendment.

Mr JEREMY BUCKINGHAM (20:23): In response to the Minister, there is no doubt that the water sharing plans are subject to enormous consultation, but sometimes people are not happy with the outcome of those water sharing plans. They hope that the Parliament has an opportunity to represent their views. The water sharing plans, as we will see in subsequent sections, can be locked in for decades. We believe that it is a legitimate and reasonable response, as the Minister said, to more power and more of the operations being enshrined in the water sharing plans, for the Parliament to be able to say that there is a constituency out there that, for various reasons, believes that water sharing plans are not delivering to them, the environment or whatever.

The Hon. Dr Peter Phelps: They're called South Australians.

Mr JEREMY BUCKINGHAM: Or South Australia—case in point—or Broken Hill, or Menindee.

The Hon. Mick Veitch: Point of order: It has been my experience in my short time in this Chamber that this process goes much more fluidly and quickly if members do not interject across the Chamber and if members on their feet do not respond to those interjections. Chair, I ask that you call the Committee to order so we can focus on what we have to do so that we can move through this in a methodical and rational way.

The CHAIR (The Hon. Trevor Khan): I make the observation that I have put the Hon. Dr Peter Phelps on my list of members to call to order, but I will not write the number one next to his name on this occasion. Mr Jeremy Buckingham's name is not on the list yet. I remind him not to respond to interjections. Mr Jeremy Buckingham has the call.

Mr JEREMY BUCKINGHAM: I have finished.

The CHAIR (The Hon. Trevor Khan): The question is that The Greens amendment No. 1 on sheet C2018-077D be agreed to.

Amendment negatived.

Mr JEREMY BUCKINGHAM: I move The Greens amendment No. 2 on sheet C2018-077D.

No. 2 **Audit of management plans**

Page 3, Schedule 1 [7], lines 23–25. Omit all words on those lines.

This amendment makes audits of water sharing plans a requirement every five years rather than—

The Hon. Wes Fang: Ah, ah.

Mr JEREMY BUCKINGHAM: I note the interjection of the Hon. Wes Fang, which was "Ah, ah," which has been his only contribution to this debate so far.

The Hon. Shaoquett Moselmane: How will Hansard record that?

Mr JEREMY BUCKINGHAM: It was sort of like an "ah".

The Hon. Niall Blair: Point of order: All members must provide their contributions through the Chair at all times.

The CHAIR (The Hon. Trevor Khan): I make two observations: first, Mr Jeremy Buckingham's name has now been written down. I have not written the number one next to it but, if he responds to interjections again, I will. Second, I remind the Hon. Wes Fang that it is not good to be offensive and that he should be quiet. I am here for as long as this takes. If members want to make it painful, then we will sit here until two o'clock or three o'clock in the morning. Let us maintain a degree of civility and quietness and see this through in a reasonable period of time. Mr Jeremy Buckingham has the call.

Mr JEREMY BUCKINGHAM: The bill currently contains a requirement for an audit to be conducted in the first five years, but we know that these water sharing plans cannot only be remade, as we have seen in recent times, but they can also be renewed. Without a requirement for an audit to be conducted every five years, these water sharing plans, which will not be disallowed under the Act, can roll on. It might be that they are audited in the first two or three years, but 18 years later they may still be operational. We believe that is not tenable. We have seen a lot of public concern in this area. There has been corruption, malfeasance and mismanagement. Ensuring there is accountability, transparency in the audit process is completely reasonable.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:28): I covered this topic in my reply. The Government opposes The Greens amendment No. 2. The effect of the Government's amendments in the bill is that the Natural Resources Commission [NRC] will have an important role in auditing and reviewing water sharing plans. The Government's proposed amendment makes clear that the NRC will conduct an audit within the first five years of the plan. This is not a winding back of the audit role. A water sharing plan will be audited in the first five years of the plan. Importantly, the Act already provides that before a plan is extended it must be reviewed by the NRC within the last five years. The effect of this is that there will be an audit in the first five years and, if the plan is to be extended, there will also be a review in the last five years. If a plan is remade, then the audit provision will kick in again.

The Hon. MICK VEITCH (20:29): The Opposition supports The Greens amendment No. 2 on sheet C2018-077D. It is an interesting concept for members who are interested in reading the legislation and in how these amendments work and why crafting of the bill and the amendments are important. The bill states:

[7] **Section 44 Periodic auditing of management plans**

Omit "at intervals of not more than 5 years" from section 44 (1).

Insert instead "within the first 5 years of the plan".

The amendment reads:

Page 3, Schedule 1 [7], lines 23–25. Omit all words on those lines.

Removing those words means that the existing provision remains. With that understanding, the Opposition believes that the existing provisions are more than adequate and we support the amendment.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendment No. 2 on sheet C2018-077D. The question is that the amendment be agreed to.

Amendment negatived.

Mr JEREMY BUCKINGHAM (20:30): By leave: I move The Greens amendments Nos 3, 5, 7, 19, 21 and 22 on sheet C2018-077D in globo:

No. 3 **Assignment of daily extraction component**

Pages 6 and 7, Schedule 1 [27], line 26 on page 6 to line 16 on page 7. Omit all words on those lines.

No. 5 **Assignment of daily extraction component**

Page 7, Schedule 1 [29], lines 19 and 20. Omit all words on those lines.

No. 7 **Assignment of daily extraction component**

Page 7, Schedule 1 [33], lines 38–42. Omit all words on those lines.

No. 19 **Assignment of daily extraction component**

Page 20, Schedule 1 [90], lines 21 and 22. Omit all words on those lines.

No. 21 **Assignment of daily extraction component**

Page 41, Schedule 1 [92], lines 1–4. Omit all words on those lines.

No. 22 **Assignment of daily extraction component**

Page 41, Schedule 1 [93], line 22. Omit all words on that line.

The Greens have grave concerns with the trading of individual daily extraction limits [IDELs]. This is an "off in the never-never" kiss and a promise from the Minister—a promise that the community do not trust. They do not believe that we should allow the Minister or this Government the discretion to be able to put the trading of IDELs into frameworks or regulations. We believe that this was not one of Ken Matthews' recommendations. There is no doubt that Ken Matthews talked about creating IDELs as well as total daily extraction limits [TDELs] for sections of the river. We accept that and think that it is a really good reform but trading them opens up a can of worms. If the Government wants consultation it should do so. The people who are smart about this—Webster Limited, Chris Corrigan, the big irrigators in the north-west—will run rings around the bureaucrats, agencies and the community for years to come.

This will see an agglomeration of IDELs in productive areas of the river where there are high-value crops and high need at the expense of other parts of the river. The IDELs will end up in those parts of the basin where people can make money out of them, at the expense of the Lower Darling in particular. By agreeing to the trading of IDELs, members will lock in the death of the Lower Darling. This issue is not something on which the community is well versed, beyond those who are experts in intra-catchment water trading of IDELs. It is as complex as quantum mechanics or Bitcoin trading; it defies the understanding of most people—myself included, some of the time. This is not something that the Matthews inquiry recommended. These amendments will ensure that we have IDELs but that we do not sign up to a trading scheme overseen by a government that has the NSW Irrigators' Council in its ear a lot of the time and that has lost the confidence of the community. I commend the amendments to the House.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:34): I addressed this issue in my reply in the second reading debate and I will repeat what I said then. Water sharing plans will restrict trade between zones, as appropriate, with IDELs. That is clearly something that occurs with water sharing plans at the moment. They are there to limit, stop or protect the exact concern that The Greens member, Mr Jeremy Buckingham, is talking about. Tradeable IDELs provide a market-based mechanism for sharing flows above the commence-to-pump thresholds. It would enable the purchaser of a greater share in a particular event or for a specific period of time to achieve economic, environmental, cultural or social outcomes if desired.

Again, I refer to my earlier example. For instance, the Commonwealth Environmental Water Holder [CEWH] could acquire IDELs to protect particular flows. The bill further provides that a holder of an access licence, for example including the CEWH, does not need to have water in their allocation account in order to purchase the right to an IDEL. This allows for better management of water to achieve environmental outcomes and to manage the third-party impact of protecting that event as it is market based. In regard to further parts of the amendments, particularly concerning section 324 orders, it is not a tool to replace section 324 orders. It is another tool that is available which serves a different purpose.

It will enable the Commonwealth Environmental Water Holder to purchase a proportion of a natural flow if they determine that it meets the environmental outcomes they are seeking. It will not require them to purchase held environmental water twice. It has the additional benefit of being a market-based mechanism that all water users can utilise. To be clear, this means that taxpayers will not have to purchase the same water twice. This is a sensible way forward. To remove the ability for these IDELs to be traded by organisations such as the Commonwealth Environmental Water Holder and to ignore the fact that the trading rules are set up clearly in those water sharing plans shows that there is a lack of understanding when it comes to IDELs. For those reasons, the Government opposes the amendments.

The Hon. DANIEL MOOKHEY (20:36): Labor will support these amendments for two reasons. First, millions of dollars of transactions and trade of assets will occur according to the rules that are set for the market, as the Minister describes. Our view is that such deals should be within the legislation. The effect of these amendments is to ensure that such important rules will not exist simply as regulatory instruments. Investors and any participant in the market, as with every other market in which there is trading, deserves to have those trading rules enshrined in law. We would not allow any other stock market with this much value and this much asset class to trade by way of regulatory instrument.

Mr JEREMY BUCKINGHAM (20:37): I may have misheard but I believe the Minister, in his contribution, said that this process could be valuable for the Commonwealth Environmental Water Holder and that they may use the trading of IDELs to ensure that water gets to where it needs to be. If that is the case, then the taxpayer who has bought the environmental water that is going to be delivered down through the system has to shepherd it down through the trading and purchasing of IDELs. I believe that is what the Minister said. I stand corrected if I am wrong.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendments Nos 3, 5, 7, 19, 21 and 22 on sheet C2018-077D. The question is that the amendments be agreed to.

The Committee divided.

Ayes18
Noes23
Majority.....5

AYES

Buckingham, Mr J	Donnelly, Mr G	Faruqi, Dr M (teller)
Field, Mr J	Graham, Mr J	Houssos, Ms C
Mookhey, Mr D	Moselmane, Mr S	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 (teller)	Wong, Mr E

NOES

Ajaka, Mr	Amato, Mr L	Blair, Mr
Borsak, Mr R	Brown, Mr R	Clarke, Mr D
Colless, Mr R	Cusack, Ms C	Fang, Mr W (teller)
Farlow, Mr S	Franklin, Mr B	Green, Mr P
Harwin, Mr D	MacDonald, Mr S	Maclaren-Jones, Mrs (teller)
Mallard, Mr S	Martin, Mr T	Mason-Cox, Mr M
Mitchell, Mrs	Nile, Revd Mr	Phelps, Dr P
Taylor, Mrs	Ward, Ms P	

Amendments negatived.

Mr JEREMY BUCKINGHAM (20:46): I move The Greens amendment No. 4 on sheet C2018-077D:

No. 4 **Assignment of daily extraction component**

Page 6, Schedule 1 [27], line 33. Insert "of the same category and relating to the same water source and (if applicable) within the same management zone" after "access licences".

This amendment ensures there is a like for like and some certainty that there will not be different classes of licences.

The CHAIR (The Hon. Trevor Khan): Order! I invite members to remain silent.

Mr JEREMY BUCKINGHAM: The amendment makes it clear that individual daily extraction limits [IDELs] cannot be traded unless they are of the same category of licence and relate to the same water source or management zone. This amendment will stop the concentration of IDELs within a particular area such as Webster at Bourke, which is what the people are concerned about. I commend The Greens amendment to the Committee.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:47): The Government is amending this bill partly to try to remove some of the layers of complexity in relation to water management in this State. This amendment is not necessary. It is intended that there will be appropriate trading restrictions on individual daily extraction limits, as there are for trade of allocation and other licence components. However, these restrictions do not need to be included in the legislation because there are other frameworks to manage trade—namely, the Access Licence Dealing Principles Order and individual water sharing plans, which ensure that the trading rules are appropriate for the water source.

It is normal practice to manage trades through the principles order and rules in the water sharing plans. It is proposed that water sharing plans would be amended to restrict trading between water management zones as appropriate to ensure that there are not unintended outcomes for the environment or downstream water users. This is why we added the new subclause (9) to section 71QA, which enables water sharing plans to be amended to include dealing rules. Instead of making it even more complex and coming up with other instruments, let us use the ones we have in place already. For these reasons, the Government opposes the amendment.

The Hon. DANIEL MOOKHEY (20:49): The Opposition supports The Greens amendment for substantially the same reasons it supported the earlier amendments.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendment No. 4 on sheet C2018-077D. The question is that the amendment be agreed to.

Amendment negatived.

Mr JEREMY BUCKINGHAM (20:49): By leave: I move The Greens amendments Nos 6 and 8 on sheet C2018-077D in globo:

No. 6 **Access licences**

Page 7. Insert after line 22:

[31] **Section 77A Cancellation of access licences that can no longer be used or are no longer required**

Omit "unless the access licence is a regulated river supplementary water access licence" from section 77A (1).

No. 8 **Access licences**

Page 8. Insert after line 15:

[35] **Section 87 Compensation payable in certain circumstances for reductions in water allocations arising during initial period for which management plan is in force**

Omit "that is not a regulated river supplementary water access licence" from section 87 (1).

These amendments reverse the changes from 2014, which made supplementary water entitlements compensable under the Act. The Greens do not believe that there is a wide understanding in the community of how much water can be harvested through these supplementary water entitlements. We believe that they were snuck in and resulted in massive windfall benefits. An example is the Nimmie-Caira. Irrigators there all of a sudden had a supplementary water entitlement converted into a right, which they were able to sell back to the Government almost immediately for hundreds of millions of dollars—the biggest pea-and-shell trick in the history of water management in this State. The largest buyback of water in the country's history was done with water that was gifted to a couple of individuals in the Nimmie-Caira and then bought back at enormous cost. Here we are, five years later, hoping that it all turns out all right. The Greens believe that supplementary water entitlements should not be compensable, and these amendments achieve that.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:51): These amendments cannot be supported as they blatantly undermine the legitimate rights of water users—both consumptive and environmental licence holders—who have purchased regulated river supplementary water entitlements. Those users have an established and managed right to access water within long-term average annual diversion limits set in water sharing plans and within the sustainable diversion limits that will apply under the Murray-Darling Basin Plan. Further, it is not appropriate to amend section 87AA, as the compensation provisions in the Water Management Act reflect the agreement between the Commonwealth and New South Wales under the National Water Initiative to assign risks for changes in water allocations.

The Hon. MICK VEITCH (20:52): The Opposition has a degree of sympathy with the intended direction of these two Greens amendments. However, there is potential for unintended consequences in the way that they are crafted, particularly for the smaller irrigators in New South Wales—those that do not make large

extractions—for instance, some of the lucerne growers around the Peel River, of which the Chair would be well aware. The Opposition has a degree of sympathy for but will not be supporting these amendments.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendments Nos 6 and 8 on sheet C2018-077D. The question is that the amendments be agreed to.

Amendments negatived.

Mr JEREMY BUCKINGHAM (20:53): I will not be moving The Greens amendments Nos 9 and 10. I move The Greens amendment No. 11 on sheet C2018-077D:

No. 11 **Metering requirements**

Page 11, Schedule 1 [52]. Insert after line 10:

- (2) It is a mandatory condition that the metering equipment is accurate to +/- 5%, complies with the standards prescribed by the regulations and is installed and in operation on or from:
- (a) 1 January 2021 or any earlier day prescribed by the regulations, or
 - (b) the day on which the relevant water supply work is first operational, whichever is the later.

This amendment makes mandatory the condition that metering equipment is accurate to plus or minus 5 per cent, complies with the standards prescribed by the regulations, and is installed and operational on or from 1 January 2021 or any earlier day prescribed by the regulations, or the day on which the relevant water supply work is first operational, whichever is the later. The Greens believe that meters should be installed for 100 per cent of water users and should be publicly owned.

This should be compulsory by 1 January 2021 and it should meet that tolerance. The Government has not made a strong case as to why the metering of a public asset is not being handled by a public agency. Instead, it is being handled by the private sector. This amendment sets a three-year time frame to meet that standard. The Government, by its own admission, is only going to be metering about 40 per cent of those who access water. That flies in the face of what it said about no meter, no pump. The Greens are very concerned about the privatisation of metering proposed by this Government. This amendment will play a key part in the strengthening of compliance. I repeat: Metering should be compulsory by 1 January 2021.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (20:55): The Government opposes The Greens amendment No. 11. This amendment is impractical and would create unintended consequences for the metering framework. Technical requirements around metering should not be in the primary Act, as these technical requirements vary depending on the circumstances, the location of the meter and the type of meter. It is for those reasons that this technical detail should be in the regulations, and further consultation needs to occur with affected stakeholders and the meter market to make sure that the requirements are crystal clear and can be implemented. The time frames in the amendment are also impractical and unachievable. There are not enough qualified installers in the market to be able to install all of the required meters by 2021, which I clearly outlined in my second reading speech.

We know that because we have been consulting with the market about it. This amendment would result in potentially dodgy installations and inaccurate meters. We will implement practical time frames through regulations. This staged process will be based on risk, with the largest and highest risk users metered by the end of 2019. I make it clear that the Government is targeting 95 per cent of the water take across the State. We do not want to subject good people who have been doing the right thing, or those who are under the threshold that has been set, to over prosecution or regulation because of a difference in belief as to how this should be implemented. I repeat: We are doing this with the market in a staged process to make sure that we get the highest level of compliance and 95 per cent of the water take across the State. The Government opposes the amendment.

The Hon. MICK VEITCH (20:57): In my travels around the State I have spoken to small irrigators about this legislation. They have raised concerns with me about the cost of implementation and that they might get caught up in a framework they cannot afford—having to put metering in place. They are also concerned about the availability of meters in the marketplace to meet the requirements of the legislation, if they are made to do this. So in this circumstance a lot of the Minister's statements tonight are valid. The Opposition is concerned about the cost of implementation and the unintended consequences on the smaller irrigators, particularly those on the eastern flowing rivers. The Opposition opposes The Greens amendment No. 11.

Mr JEREMY BUCKINGHAM (20:58): That is why the metering should be publicly owned. Why is every residential property in this State metered? Why is every household, everyone who lives in a strata, every business other than those that access—

The Hon. Niall Blair: Point of order: This amendment is not about the ownership of the meters. The Greens amendment No. 11 relates to the accuracy of the meters and the implementation date.

Mr JEREMY BUCKINGHAM: No, the implementation date.

The Hon. Niall Blair: Ownership is different.

The CHAIR (The Hon. Trevor Khan): There is no point of order. Mr Jeremy Buckingham has the call.

Mr JEREMY BUCKINGHAM: The point I make is that if the Government—with its coffers full, as it has been crowing about all day—were to publicly fund the implementation of these meters we could afford them and they would roll out. Why does the Government not invest in metering everyone who is extracting water from our rivers, such as other public utilities and agencies do? That is why we think it is a failure to put it in the hands of the private sector and to put the onus on the farmers to do it. Farmers are being told that a water meter is to be installed to monitor—I note the Minister nodding his head. He should go out there and fund installation with his billions of dollars of surplus. You do not have the money to publicly fund the installation—

The Hon. Niall Blair: Point of order—

The CHAIR (The Hon. Trevor Khan): I anticipate that the Minister's point of order will be that Mr Jeremy Buckingham is not speaking to the amendment. If the Minister is taking that point of order, I will uphold it because the member is not speaking to the amendment before the Committee.

The Hon. Niall Blair: If Mr Jeremy Buckingham wanted to move amendments about whether meters should be publicly or privately owned, or how they are funded, he should have moved those amendments. The amendment that we are dealing with is about the accuracy of the meters and the timeline. The member is not being relevant to the amendment.

Mr JEREMY BUCKINGHAM: To the point of order: The amendment says that they should be installed and operational from January 2021. Clearly, it is about the timing not just the accuracy of those meters.

The CHAIR (The Hon. Trevor Khan): I uphold the point of order. Mr Jeremy Buckingham is not speaking to the amendment.

Mr JEREMY BUCKINGHAM: The Minister in his contribution said it was impractical to roll out accurate meters across the State because the private sector did not have the capacity to do that. We believe that the public sector could do that and that should be considered.

The Hon. Niall Blair: The meters are not available. They are not available. There are not enough installers. It does not matter how much money you have.

Mr JEREMY BUCKINGHAM: I note the interjection of the Minister, who says there is not enough installers and the meters are not available.

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

The Hon. Niall Blair: Did you read my second reading speech?

The CHAIR (The Hon. Trevor Khan): Order! I have already ruled that Mr Jeremy Buckingham must speak to the amendment. He is not speaking to the amendment. He has to explain why his amendment should be supported. What he is now putting is not in support of the amendment but something else. With respect, he is speaking well and truly beyond the amendment.

Mr JEREMY BUCKINGHAM: We think it is eminently achievable to roll out meters by 1 January 2021, as the amendment says. We do not think that that is an unachievable aspiration for this State. We think that we could roll those out, especially if the Government got behind a public agency. Most reasonable people in this State think it is a strange proposition that we cannot in the twenty-first century roll out metering for all those people who access a public resource and benefit financially from it so they can be accountable and monitored. The Greens believe it is a sensible amendment and should be supported.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendment No. 11 on sheet C2018-077D. The question is that the amendment be agreed to.

Amendment negatived.

The Hon. MICK VEITCH (21:03): I move Opposition amendment No. 1 on sheet C2018-087:

No. 1 **Trading in water entitlements**

Page 15. Insert after line 16:

[66] Section 348

Insert after section 347:

348 Water trading offence

A person must not take part in, or carry out (whether directly or indirectly and whether in this jurisdiction or elsewhere) a transaction knowing that it has or is likely to have, or 2 or more transactions knowing that they have or are likely to have, the effect of:

- (a) creating an artificial price for trading in water entitlements, or
- (b) maintaining a price for trading in water entitlements that is artificial (whether or not it was previously artificial).

Tier 1 penalty.

This amendment inserts a water trading offence provision into section 348. It states:

348 Water trading offence

A person must not take part in, or carry out (whether directly or indirectly and whether in this jurisdiction or elsewhere) a transaction knowing that it has or is likely to have, or 2 or more transactions knowing that they have or are likely to have, the effect of:

- (a) creating an artificial price for trading in water entitlements, or
- (b) maintaining a price for trading in water entitlements that is artificial (whether or not it was previously artificial). That is pretty self-explanatory. We are talking about the creation of artificial pricing in trading. Some concerns have been raised in the second reading debate and by stakeholders. The Minister would have received correspondence from individual stakeholders about this. It is pretty self-explanatory. I commend the amendment to the Chamber.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:05): This amendment is unnecessary and impractical to enforce. It would be very difficult to distinguish between legitimate and manipulative trading in the water market as water prices fluctuate in response to seasons, climatic factors and commodity prices. The best approach is to minimise opportunities for market manipulation rather than create offences that will be difficult for the regulator to enforce. That is why we are adopting a precautionary approach to publishing information that could create market inequities. As I said earlier, the Government is still committed to publishing information, but not in a way that will have a negative impact on the rural economy. The Government does not want to create requirements that are unenforceable. The Government opposes the amendment.

The Hon. DANIEL MOOKHEY (21:05): In response to the Minister, of course market manipulation is a complicated subject. It is complicated in the financial markets. It is complicated in the energy markets. But both the financial market and the energy market have comparable provisions to those contained in the Opposition amendments, for the very simple reason that we want to stop people making massive profits by distorting market signals and by distorting pricing signals. There is a known risk of arbitrage in water markets. There is a known risk of people restricting supply and adding supply at various points in order to adjust the prices of trades at the wrong time.

Many people make millions of dollars from this type of trading. There are many people who wish to do this trading. The Opposition is distinguishing the water markets from other instruments for the very simple reason that water interfaces with human needs, stock needs, irrigation needs and agricultural needs. Labor does not think that water should be a financial instrument that is capable of market manipulation. Labor thinks water is different and is worthy of additional protections.

Mr JEREMY BUCKINGHAM (21:06): I support the Opposition's amendment. Clearly, by the Government's own admission, it is undertaking a brand new regime of trading in IDELS and water allocation accounts. The Greens believe that that should be subject to public disclosure. We should be able to see what is going on to see if it is working. More than one set of eyes will help to make sure that if the Government is right and this is going to be the framework that sits on a sustainable footing for the foreseeable future, that we get to see that, prove that and see that disclosure. We think this is about transparency and making sure that we have a system that delivers to more than just big irrigators, because there are many more players. The Hon. Daniel Mookhey is right. This is not just a commodity but fundamental to life and the sustainability of communities and the environment. It goes well beyond a normal market.

The Hon. WALT SECORD (21:08): I make a brief contribution and lend my support to the comments of the Hon. Daniel Mookhey. I congratulate him on succinctly explaining the position of the Opposition with clarity and brevity.

The CHAIR (The Hon. Trevor Khan): The Hon. Mick Veitch has moved Opposition amendment No. 1 on sheet C2018-087. The question is that the amendment be agreed to.

Amendment negatived.

Mr JEREMY BUCKINGHAM (21:08): I move The Greens amendment No. 14 on sheet C2018-077D:

No. 14 **Rebuttable presumptions for offence proceedings**

Page 16, Schedule 1 [73]. Insert after line 7:

- (e2) the fact that metering equipment:
 - (i) is installed in connection with a water management work on a landholder's land or in a river or lake within the landholder's land, and
 - (ii) is damaged, destroyed or inoperable, gives rise to a rebuttable presumption that the damage to or destruction or inoperability of the metering equipment was caused by the landholder, and
- (e3) the fact that a person cannot produce metering records that the person is required to keep under this Act gives rise to a rebuttable presumption that the person has not kept those records, and

The amendment inserts new rebuttable presumptions related to meter tampering and meter records. The Greens believe there has been systemic tampering of meters and a failure to keep records. The amendment puts an onus on irrigators to prove that they have not tampered with a meter if it was damaged or that they kept records that cannot be produced. The Greens believe this amendment responds to what we have seen occurring in the community and that it is a sensible way of ensuring accountability on the part of those who access a public resource.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:10): The amendment is unnecessary. The Water Management Act already sets out offences for meter tampering, failing to ensure proper operation of meters and failing to keep metering records. Rebuttal presumptions are not appropriate to use in this circumstance. They are designed to assist where the elements of an offence are difficult for the prosecution to prove because they are uniquely within the knowledge of the defendant. That is not the case with metering records.

Practical steps can be taken to determine whether someone has kept a record. The onus is on the water user to keep the record and to produce it as evidence if a prosecution were to occur. The regulations will require meters to have tamper evident seals, which make it easier to determine whether meters have been tampered with. The regulations will also require meters to be maintained regularly by a qualified person. Together those regulations will provide for a more robust metering framework. The Greens amendment assumes that all water users are tampering with meters, and that is incorrect. The vast majority of water users do the right thing and comply with the rules. For those reasons, the Government opposes the amendment.

The Hon. DANIEL MOOKHEY (21:11): The Opposition supports the amendment. The Minister explained when rebuttable presumptions should be used, and described a situation where it was difficult to prove an offence. Members should examine the enforcement record over the past six years. Many people say that the regulator has not been able to bring prosecutions because intent to damage a meter has not been able to be proved. The point of inserting a rebuttable presumption is to allow the regulator to overcome that hurdle to ensure the law is far more enforceable.

Rebuttable presumptions are always used in circumstances where it is difficult to prove technical issues such as whether a meter is maintained to an appropriate standard in order to allow prosecutions to take place. That is the theory behind why rebuttable presumptions. Matthews and others have revealed that the destruction of logbooks and tampering with meters being determined to be due to natural causes is the reason that people are not prosecuted. One of the main points raised by Matthews is that we must overcome that hurdle to bring prosecutions. The Greens amendment will achieve that. The lawyers in the Chamber understand that when it comes to something as technical as when and how a meter was damaged, this amendment makes it clear that the water user has that presumption. It sets out the procedure that the water user can follow to rebut that presumption, and it is nowhere near as dangerous as the Minister implied.

Mr JEREMY BUCKINGHAM (21:13): I will not let it stand that this amendment is about categorising or characterising all water users in this State as criminals.

The Hon. Niall Blair: I did not say that.

Mr JEREMY BUCKINGHAM: The Minister clearly said that The Greens are assuming that water users will do the wrong thing. The Hon. Daniel Mookhey is correct in saying that one of the key issues that arose in the *Four Corners* program and the Matthews inquiry was the failure to keep logbooks. The Greens want to ensure that the onus is on water users through those rebuttable presumptions.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:14): Mr Jeremy Buckingham is seeking to put a provision in that makes it look like we are saying, "You are all doing the wrong thing and you have to prove that you have done the right thing." He is saying, "You have all done the wrong thing until you prove the opposite." That is what he is doing.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendment No. 14 on sheet C2018-077D. The question is that the amendment be agreed to.

Amendment negatived.

The Hon. MICK VEITCH (21:15): By leave: I move Opposition amendments Nos 1 and 2 on sheet C2018-075A in globo:

No. 1 **Disclosure of information about water allocation accounts**

Page 16, Schedule 1 [78]. Insert after line 31:

- (4) The Minister must publish on the register the information contained in the water allocation accounts of all holders of access licences or approvals, and any related meter readings available to the Minister, and must ensure that the published information is up to date.

No. 2 **Disclosure of information about water allocation accounts**

Page 16, Schedule 1 [78], lines 37–39. Omit all words on those lines.

These amendments are about the disclosure of information on water allocation grants and about the Minister publishing on a public register the information contained in the water allocation accounts of all holders of access licences or approvals, and any related meter readings available to the Minister, and ensuring that the published information is up to date—essentially, real-time reporting on the use of water. These issues have been raised in other fora and during the second reading debate today. Stakeholders have put these positions to us. Essentially, the disclosure of information about water allocation is extremely important. It is done in other spheres and there is no reason for not doing it in New South Wales, particularly in relation to water allocation.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:16): These amendments are premature and have the potential to distort and manipulate the existing water market. For that reason the Government opposes the amendments. The bill as it currently stands enables this to be required by regulation, but due to the risks to water users and potential impacts on market efficiency, it is not being implemented at this time. The Government needs more time to work through these issues and determine a way forward. The objective is to increase the transparency of information about water usage while managing risks to communities and the market.

There are also risks to New South Wales water users if other jurisdictions are not publishing the same information, particularly in the connected markets, and there will be information imbalances between water users. New South Wales is investigating whether it may be possible to present aggregated data or delayed data. These issues will continue to be consulted on with the community to ensure we provide for a more transparent framework. We have a responsibility not to do anything that would have a negative impact on the rural economy, therefore we oppose the amendments.

The Hon. DANIEL MOOKHEY (21:18): This goes to the heart of Mr Matthews' recommendations. He recommends the mass introduction of transparency at every available opportunity. The introduction of a register is not a minor aspect of his recommendations, it is a major aspect, because he understands the need for a compliance culture in which everybody has enough information to ensure that their neighbours are complying and that those who are complying are congratulated on doing so. Neighbours who are not complying should be held to account. You cannot do that unless you have the information. That is the first point.

The second aspect as to why these amendments should be preferred is that, in response to the Minister's critique that somehow this creates a market manipulation risk, I point out first that we had the opportunity to provide an offence against that and secondly that no-one has identified this as causing a market manipulation risk. That was the argument advanced in the second reading debate by the Minister, and now in Committee we are being told the real risk here is market manipulation. Which one is it? If it is commercial-in-confidence I will simply make the point that he would be the first Minister to assert that the right to access water, a public resource, is akin to a property right like owning a share and therefore is required to be commercial-in-confidence. This is a

public resource. The public should know how much it trades for. If it is the second argument about market manipulation risk, I nominate the Minister to cite one authority that agrees with him.

The CHAIR (The Hon. Trevor Khan): The Hon. Mick Veitch has moved Opposition amendments Nos 1 and 2 on sheet C2018-075A. The question is that the amendments be agreed to.

Amendments negated.

Mr JEREMY BUCKINGHAM (21:20): I move The Greens amendment No. 15 on sheet C2018-077D:

No. 15 **Compensation**

Page 17, Schedule 1 [83], line 29. Insert "or as a consequence of the imposition of a mandatory condition, relating to the protection of environmental water, on an access licence or an approval by a regulation made under this Act" after "that section".

This amendment relates to compensation and inserts on line 29 of page 17 under schedule 1 "or as a consequence of the imposition of a mandatory condition, relating to the protection of environmental water, on an access licence or an approval by a regulation made under this Act". What this does is make sure there is no compensation payable for mandatory conditions imposed under the new clause 115 relating to protecting environmental water. We believe this is important. It was in the exposure draft but removed after pressure from irrigators. We do not believe taxpayers should have to pay twice for environmental water. We do not believe irrigators should be compensated for those mandatory conditions.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:21): This amendment is now redundant because the amendment the Government moved earlier tonight changed the scope of the new conditions powered by regulations so that there is no need to include this change. I reiterate that we still have the ability to impose these mandatory conditions. However, they will be imposed through rules in relevant water sharing plans. The amendment that The Greens disagreed with and opposed earlier has already made this change. This amendment is not needed because we did it earlier.

The Hon. DANIEL MOOKHEY (21:22): Labor will be opposing the amendment. While we on this side have a view that aspects of the argument advanced by The Greens have some merit to them, in truth more information is required for us to assess whether the concerns are valid enough for us to insert this amendment into legislation.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendment No. 15 on sheet C2018-077D. The question is that the amendment be agreed to.

Amendment negated.

Mr JEREMY BUCKINGHAM (21:22): I move The Greens amendment No. 16 on sheet C2018-077D:

No. 16 **Recovery of enforcement costs**

Page 18. Insert after line 18:

[86] Section 400 Regulations

Insert after section 400 (1) (e):

- (f) the recovery of enforcement and compliance costs arising from the enforcement of this Act or instruments under this Act from licence and approval holders and other persons whose water usage is regulated by or under this Act.

This amendment makes sure that there is a recovery of enforcement costs. The Greens do not believe that that burden should be put onto the taxpayer. It is a long-held Greens policy position to support a levy on large water users to pay the cost of compliance and enforcement. I commend the amendment to the Committee.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:23): The Government believes that this amendment is not required. There are already arrangements in place that provide for recovery of costs in relation to compliance. Under the Independent Pricing and Regulatory Tribunal [IPART] pricing determination the cost of compliance management services are recovered from water users. This includes on-ground and remote monitoring activities such as investigations and taking statutory compliance actions under the Water Management Act. The current pricing determination is in place until July 2020. Additionally there are existing provisions in the Water Management Act that allow the court to make a wide range of orders relating to costs and expenses against a person who is found to have committed an offence. The Government opposes the amendment.

The Hon. DANIEL MOOKHEY (21:23): Labor supports the amendment. It is a longstanding principle that sector-based enforcement costs are recovered from the sector. In so far as the Minister is correct in saying that already happens in respect to the Independent Pricing and Regulatory Tribunal [IPART], we on this side do not think this amendment is at all harmful to the status quo. For that reason, Labor will support it.

The CHAIR (The Hon. Trevor Khan): The question is that The Greens amendment No. 16 on sheet C2018-077D be agreed to.

Amendment negatived.

The Hon. MICK VEITCH (21:24): I move Opposition amendment No. 3 on sheet C2018-075A.

No. 3 **Commonwealth water legislation**

Page 18, Schedule 1 [86], lines 19–46. Omit all words on those lines.

This amendment relates to sections 400A and 400B where we are inserting excluded matters. This amendment is about moving out of the Murray-Darling arrangements via regulation. This was a matter discussed at length by a numbers of the Opposition during the second reading debate. Therefore, my contribution will not be covering all of that turf. This is a critical issue for the Opposition with regard to this legislation. By moving to an arrangement where a regulation will provide the Minister with the opportunity to decide whether the State moves out of the Murray-Darling arrangements or not is clearly not acceptable. It should be as it is currently provided for in the legislation. If this amendment does not get up, the Opposition will not support the third reading of the bill.

Mr JEREMY BUCKINGHAM (21:25:0): The Greens will support the Opposition amendment. The Greens had a similar amendment drafted. This amendment was well ventilated during the second reading debate. This section is of grave concern for The Greens and the community. The Murray-Darling Basin Plan is well supported as a framework for water management in this country. To allow a government to move out of that plan by regulation is of grave concern and The Greens will not support it, because it delivers the plan B that has been spoken about for so long.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:26:0): The New South Wales Government is committed to the basin plan and is working hard to implement the plan in New South Wales despite the actions of others to try to blow up the plan, actions supported by some in this Chamber. The proposed amendments will not allow New South Wales to walk away from the Murray-Darling Basin Plan, even if it is not in the interests of New South Wales to continue. On the contrary, the bill contains all the necessary amendments needed to fully comply with the Government's obligations under, and implement the requirements of, the Commonwealth Water Act, the basin plan and intergovernmental agreements. The Commonwealth Water Act enables States to be able to resolve inconsistencies in terms of how the Commonwealth and State frameworks operate together. The proposed amendments enable the State to declare matters to be excluded or dispatched from the Commonwealth legislation that would otherwise apply to New South Wales.

This will enable the continued efficient operation of the water management framework in New South Wales and is a necessary provision given the two interrelated frameworks. The Government has already demonstrated that it is committed to the basin plan. In Canberra, The Greens and Labor voted against components of the plan being implemented, components that were written into the original plan—the original plan that, I remind the member, The Greens opposed. The Greens did not support the Murray-Darling Basin Plan.

Mr Jeremy Buckingham: No, because the Government gutted it and gutted it and gutted it.

The CHAIR (The Hon. Trevor Khan): That is an interjection and it is disorderly.

The Hon. NIALL BLAIR: The Government has demonstrated that it is at the table regarding the Murray-Darling Basin Plan. The amendments and parts of the bill are a further demonstration of that. The amendments that are being put forward here are not necessary and should be opposed.

The Hon. DANIEL MOOKHEY (21:28:0): Proposed section 400B reads:

Displacement of Commonwealth water legislation

The regulations may declare any provision of this Act to be a Commonwealth water legislation displacement provision for the purposes of section 250D of the *Water Act 2007* of the Commonwealth.

That is more than an adequate enough head of power for any Minister—this Minister or any Minister that comes after him—to achieve the effective displacement of water under the Murray-Darling Basin Plan. The Opposition's argument is that, should New South Wales ever make a decision to do so, it should do so with the consent of its Parliament, not by way of regulation to suit the whim of a government of the day.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:29): There may be a misinterpretation of this part of the bill and how it interacts with our ongoing commitment to the Murray-Darling Basin Plan. The Government consulted with the Murray-Darling Basin Authority [MDBA] on the amendments in this bill and I can guarantee London to a brick that if there was a problem with this part of the Act we would have heard from the MDBA. They are not backwards in coming forward and they certainly would have picked up the phone and called me directly. The chair himself would have called me directly if the authority thought for one second that we would include a provision that would let us get out easily at the stroke of a pen.

I honestly think there may be a misunderstanding. This amendment has not been raised as a concern by the MDBA. It is not the Government's intention to try to include a sneaky way out. We have demonstrated our commitment to the plan. I cannot reiterate enough the provisions in the amendments we are proposing that commit us to the implementation of the plan. This was directly presented to the ministerial council two weeks ago in Canberra. Not one State nor the MDBA raised an issue or thought that we were blowing up the plan. I guarantee if they thought for one second that we were they would have picked up the phone and called us or they would be sitting in the gallery tonight listening to the debate.

Mr JEREMY BUCKINGHAM (21:30): I am surprised that the ministerial council is going into this sort of nuance and detail in considering—

The Hon. Niall Blair: Really?

Mr JEREMY BUCKINGHAM: Yes. I am surprised that the ministerial council was considering and discussing this clause, as the Minister said. The Minister has said that this is a necessary provision but he has not said why it is necessary. Why does the Government say it will walk away from the Murray-Darling Basin Plan? The Minister has said repeatedly in this place, "We will walk away". They are the words he has used in this Chamber. The Minister's emphasis is now writ large in this amendment. He has not given a reason as to why this amendment is necessary if we are all committed to a Murray-Darling Basin plan. I know those opposite are committed to the failure of the Murray Darling Basin Plan as far as the environment or downstream water users in the Barwon-Darling are concerned and they will consider it a success if irrigators are able to keep doing what they have always done. The Minister has not given a single reason as to why this is necessary.

The CHAIR (The Hon. Trevor Khan): The Hon. Mick Veitch has moved Opposition amendment No. 3 on sheet C2018-075A. The question is that the amendment be agreed to.

The Committee divided.

Ayes 18
Noes 22
Majority..... 4

AYES

Buckingham, Mr J	Donnelly, Mr G (teller)	Faruqi, Dr M
Field, Mr J	Graham, Mr J	Houssos, Ms C
Mookhey, Mr D	Moselmane, Mr S (teller)	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

Ajaka, Mr	Amato, Mr L	Blair, Mr
Brown, Mr R	Clarke, Mr D	Colless, Mr R
Cusack, Ms C	Fang, Mr W (teller)	Farlow, Mr S
Franklin, Mr B	Green, Mr P	Harwin, Mr D
MacDonald, Mr S	Maclaren-Jones, Mrs (teller)	Mallard, Mr S
Martin, Mr T	Mason-Cox, Mr M	Mitchell, Mrs
Nile, Revd Mr	Phelps, Dr P	Taylor, Mrs
Ward, Ms P		

Amendment negatived.

Mr JEREMY BUCKINGHAM (21:39): By leave: I move The Greens amendments Nos 18 and 20 on sheet C2018-077D in globo:

No. 18 **Taking of water from Barwon-Darling water source**

Page 20, Schedule 1 [90]. Insert after line 2:

11 Clause 42 (3) (a)

Omit "three times".

No. 20 **Flow information**

Page 38, Schedule 1 [90]. Insert after line 44:

Part 7 Amendment relating to inflow information

53 Management plans to be amended

This Part applies to the following management plans:

- (a) *Water Sharing Plan for the Bega and Brogo Rivers Area Regulated, Unregulated and Alluvial Water Sources 2011,*
- (b) *Water Sharing Plan for the Belubula Regulated River Water Source 2012,*
- (c) *Water Sharing Plan for the Gwydir Regulated River Water Source 2016,*
- (d) *Water Sharing Plan for the Macquarie and Cudgegong Regulated Rivers Water Source 2016,*
- (e) *Water Sharing Plan for the NSW Border Rivers Regulated River Water Source 2009,*
- (f) *Water Sharing Plan for the Paterson Regulated River Water Source 2007,*
- (g) *Water Sharing Plan for the Peel Valley Regulated, Unregulated, Alluvium and Fractured Rock Water Sources 2010,*
- (h) *Water Sharing Plan for the Richmond River Area Unregulated, Regulated and Alluvial Water Sources 2010,*
- (i) *Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated River Water Sources 2016.*

54 Amendment of management plans

- (1) The management plans referred to in clause 53 are amended by omitting "historical flow information held by the Department when this Plan commenced" wherever occurring and by inserting instead "flow information held by the NSW Department of Industry".
- (2) The management plans referred to in clause 53 (c), (d) and (i) are amended by omitting "historical flow information held by the Department as at 1 July 2004" wherever occurring and by inserting instead "flow information held by the NSW Department of Industry".

I indicate that I will not move The Greens amendment No. 23. Amendments Nos 18 and 20 deal with what we believe are some of the intrinsic flaws in the bill and in the philosophy of the Government. Amendment No. 18 omits the words "three times". Honourable members may be surprised to learn that, under the current regime, irrigators can take 300 per cent of their annual entitlement for an A-class licence in the Barwon-Darling in any year. Before that change, the average A-class extraction across the whole Barwon-Darling was 4.6 gigalitres a year. This rort—the fact that they can take 300 per cent in any year—allowed Webster Limited, for example, to take 12 gigalitres of water over a three-week period during the very low flow period of September 2015. Over the following few months, the accumulative volume of water that made it to Wilcannia, where there is no weir, was less than 12 gigalitres. One irrigation enterprise got 12 gigalitres of water in a matter of weeks, while a whole community was brought to its knees after it did not get nearly as much water because the water never made it there.

Enterprises holding A-class licences pumped and pumped. That is what we will see again. Who owns all the A-class licences? It is Webster and the big cotton growers. We believe the provision that allows those enterprises to take three times their entitlement in any given period is absolutely false. Amendment No. 20 ensures that we reverse the 2014 anti climate change amendments of Kevin Humphries. Those amendments, which the former Minister introduced to the Water Management Act in 2014, allow more releases from storages such as Menindee Lakes by forcing the Office of Water to make decisions on how much to release based on out-dated data that effectively ignores the millennium drought. The Government has conveniently decided to use a data set

that does not recognise the reality of the climate in western New South Wales today. Kevin Humphries did not even pretend about it. In 2014, in Parliament, he said:

When the millennium drought is taken into account, implementation or implementing this current water sharing plan rule would result in significant quantities of water being taken out of production and held in reserve in case an equally severe drought occurs. Modelling indicates that the existing rule could reduce general security licence allocations by 8 per cent, on average, and up to 20 per cent in some years.

He ignored the data and created rubbery figures so he could pretend there was more water than there was. That is an abomination. Who loses from that? It is the downstream water users—people in Pooncarie, Menindee, Louth and Tilpa. Little towns for which water is absolutely fundamental are the losers from the Government's failure to deal with those two issues. I commend the amendments to the Committee.

The Hon. NIALL BLAIR (Minister for Primary Industries, Minister for Regional Water, and Minister for Trade and Industry) (21:44): The Greens amendment No. 18 would mean that water users in the Barwon-Darling could no longer take up to 300 per cent of their shares, plus any water traded out, in any given water year if they have the water in their account. This flexibility in the Barwon-Darling sharing plan is necessary because flows in the Barwon-Darling are highly variable given it is a semi-arid river that is subject to extreme climatic variability. As a result, water users will not be able to access their allocations every year because flows may be below the commence-to-pump level.

The current provisions in the water sharing plan allow water users the opportunity to access their shares over the long term, and provides some flexibility about when they can access flows. For example, some water users may take more water in one year when flows are high and store it for use in a dry year. Water users are not allowed to put their account in debit, so only previous accumulated allocations and water purchased through trade can be taken. Provisions in the amendment bill will clarify the rules for individual annual take limits in the Barwon-Darling to ensure that it operates as originally intended, thereby addressing some of the concerns.

This will ensure that total extraction from the water source in any given year cannot exceed 300 per cent and will support the management of extraction to the long-term average annual extraction limit. Individual annual take, which includes both water extracted as well as any water traded out of an account, will be limited to 300 per cent of shares, plus any additional water assigned to that account—for instance, as a result of trades into the account. In relation to The Greens amendment No. 20, removing reference to the date in these plans would change the allocation baseline. The impact would be a reduction in the volume of water allocated to the environment and irrigators on an annual basis. For those reasons, the Government opposes both amendments.

The Hon. MICK VEITCH (21:45): I will deal first with The Greens amendment No. 20. There is a view that there could be an unintended consequence if we go back on the time lines, particularly when it relates to environmental water. For that reason the Opposition does not support The Greens amendment No. 20. In relation to The Greens amendment No. 18, the Opposition opposes this amendment also for most, but not all, of the reasons articulated by the Minister.

Mr JEREMY BUCKINGHAM (21:46): I respond briefly to the comments of the Minister. We heard from the Minister that there was no water last year and if there is no water this year then next year, when there is a little bit of water, people can pump the guts out of the river. That is the system we have in place now. If there is no water to pump, people should not be able to pump water. The Minister said in his contribution that recognising the science of the millennium drought would change the baseline for the environment and for farmers. Of course it would. If one deals with the science that recognises the long-term average yield should be a lot lower because of the actual climatic conditions, of course everyone has to deal with less. But we are not doing that; we are pretending that the millennium drought and climate change are not happening. We are all pretending there is more water when there is not more. It is an absolute farce; it defies reason and the amendments should be supported.

The CHAIR (The Hon. Trevor Khan): Mr Jeremy Buckingham has moved The Greens amendments Nos 18 and 20 on sheet C2018-077D. 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. NIALL BLAIR: 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. NIALL BLAIR: I move:

That the report be adopted.

Motion agreed to.

Third Reading

The Hon. NIALL BLAIR: I move:

That the third reading of the bill be set down as an order of the day for the next sitting day.

Motion agreed to.

JUSTICE LEGISLATION AMENDMENT BILL (NO 2) 2018**Returned**

The PRESIDENT: I report receipt of a message from the Legislative Assembly returning the abovementioned bill with amendments.

The Hon. DON HARWIN: I move:

That consideration in Committee be set down as an order of the day for the next sitting day.

Motion agreed to.

VICTIMS RIGHTS AND SUPPORT AMENDMENT (STATUTORY REVIEW) BILL 2018**First Reading**

Bill 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 bill to be an urgent bill.

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

Declaration of urgency agreed to.

The Hon. DON HARWIN: I move:

That the second reading of the bill stand an order of the day for the next sitting day.

Motion agreed to.

*Documents***SYDNEY STADIUMS****Tabling of Documents Reported to be Not Privileged**

The CLERK: According to the resolution of 5 June 2018, I table documents identified as not privileged in the report of the Independent Legal Arbiter, the Hon. Keith Mason, AC, QC, dated 22 May 2018, on the disputed claim of privilege on papers relating to an order for papers regarding Sydney stadiums. According to resolution of the House, the documents were redacted of the following information:

- (a) Table 1 in documents 570-575 of documents returned on 19 April 2018 from Venues NSW;
- (b) Schedule 2 in document 0087, and a table referring to information in Schedule 2 in documents 0076, 0077, 0078, 0079 and 0080, returned on 5 April 2018 from Venues NSW;
- (c) hourly rates of consultants;
- (d) personal and private information such as email, postal and residential addresses, telephone numbers, membership numbers, credit card details, banking details, and other personal identifiers relating to members of the public;
- (e) URLs and related Dropbox folders of government departments; and
- (f) banking and credit card details of businesses or companies.

*Adjournment Debate***ADJOURNMENT**

The Hon. DON HARWIN: I move:

That this House do now adjourn.

OPERATION JASPER

The Hon. Dr PETER PHELPS (21:53): Once again I ventilate allegations of serious impropriety relating to the investigation and prosecution of Operation Jasper. This time, however, it is the role of the Office of the Director of Public Prosecutions [DPP] that warrants serious questioning. This follows the disclosure of a number of emails, sent by a solicitor in the Office of the Director of Public Prosecutions, Alison Graylin, to Gardner Brook, a witness that she expected to give evidence for the Crown in a forthcoming trial. In her email of 11 August 2017 to Gardner Brook, Ms Graylin opens with some specific inquiries about, and encouraging sentiments for, Brook's current business dealings, including advice that she had been keeping abreast of them of her own volition. This communication is followed by an email on 15 September 2017 to Gardner Brook which commences with what is clearly an inappropriately personal salutation:

It has been quite a while and I haven't heard anything from you. I hope things are going well with Millennia Minerals and in your own life.

Ms Graylin continues, gloating that:

During the past two years this Office has successfully prosecuted two serious instances of misconduct in public office with very substantial sentences attaching to them (the first being against Eddie Obeid and the second against Ian Macdonald). She then declares:

As a result, two of our three accused persons are already serving time in gaol for corruption. The verdicts in these matters would not have been possible without witnesses who stood up against political corruption, to great public approval.

As you know, you are a very important witness in this prosecution. It is of enormous significance to the people of NSW and representative democracies everywhere.

...

The upcoming trial serves as an opportunity for you to regain some of what this matter has cost you personally. I would like to ensure you have that opportunity. The reality is that guilty verdicts are significantly less likely without your cooperation.

We value your contribution to this prosecution very highly, and I am doing everything in my power to accommodate your needs.

"Public approval", "guilty verdicts" and "vengeance for personal costs" is not the sort of language that one would expect from an independent prosecution by a model litigant. Rather, this smacks of a crusade for scalps by a person who has inappropriately conflated the role of the Office of the Director of Public Prosecutions with the agenda of the Independent Commission Against Corruption [ICAC]. What are we to make of the overt encouragement to join the popular cause of a "successful" prosecution, lest the people of New South Wales and, indeed, the rest of the civilised world be disappointed? That seems to be completely at odds with the DPP Prosecution Guidelines. Guideline No. 2 states:

It cannot be over-emphasised that the purpose of a criminal prosecution is not to obtain a conviction; it is to lay before a jury what the Crown considers to be credible evidence relevant to what is alleged to be a crime ... it must also be done fairly. The role of the prosecutor excludes any notion of winning or losing ...

But there is a more fundamental question: Why is the Office of the Director of Public Prosecutions encouraging Gardner Brook to give evidence in the first place? As I have demonstrated in this place previously, ICAC officers knew from Brook's previously unreleased private examination by counsel assisting Geoffrey Watson, SC, that Brook was a liar and a fraudster. Moreover, they also knew about Brook's psychological assessment, which showed he had "amnesia", "cognitive impairment in ... memory" and:

... he found himself becoming more suggestible when there are things he is not sure of (eg: if certain events have happened).

These items are fundamental to the credibility of a witness in a criminal trial, and more so when he is described by both ICAC and the DPP as their key witness. Why did the DPP allow him to give evidence? There are only two possible explanations: Either the DPP hid this evidence, which went to the heart of Gardner Brook's credibility as a witness; or the ICAC never told the DPP about this material. Given what we know from ICAC's behaviour in the Murray Kear prosecution and Magistrate Grogan's comments on that case, the strong balance of probability lies with the latter explanation. This is what we have before us: Repeated failures by ICAC to provide the DPP with all relevant material, especially that of an exculpatory nature, in what appears to be a pattern of systemic maladministration by the ICAC under Ipp and Latham. I hope that the ICAC Inspector who, I understand, takes a healthy interest in my contributions in this Chamber, moves promptly to investigate this deeply concerning state of affairs.

LOCAL GOVERNMENT POLICY

The Hon. PETER PRIMROSE (21:58): Knowing that I would be speaking in this debate on budget day, I took the opportunity to look at what had been announced in previous budgets regarding local government over the past eight long years of the Liberal-Nationals Government. The ministerial budget media releases from sundry local government Ministers make for repetitive reading. They increasingly smack of neglect and laziness.

Admittedly, the colour schemes on the media releases have changed over the years and the shapes of the dot points have varied, but not much else in the way of policy announcements or funding initiatives. The telling fact of course is that other than forced council mergers, the Liberal-Nationals have had no real policy agenda on local government. In fact, the Minister for Local Government, regardless of who it is, has effectively issued the same media release for the last four budgets with only slight variations in the wording. The headlines say things like "Strong investment in local government" and "Record investment in local government". This year's headline is perhaps the most banal of all: "Helping councils deliver for their communities".

But in reality these weasel words do not reflect the actual budget experience for local councils and their communities. They do not explain how cutting 20 per cent from grants and subsidies funding for local libraries helps local communities. The experience of local councils has been one of policy confusion from the Government and massive cost shifting from the State onto local councils, now totalling well over \$680 million every year. Equally, how on earth can the Minister claim that this budget will ensure the Office of Local Government will continue "to provide regulatory, monitoring, and support programmes for local councils" when the office's budget has been halved since 2015-2016? First it was a department, then a division, now an office, and is rapidly approaching being the cupboard of local government.

Despite the headlines in the media releases, there has been no "record" or "strong" investment in local government. In fact, there has been close to a 50 per cent reduction in investment in the local government sector by this Liberal and Nationals Government. Council-maintained local roads make up 90 per cent of the State's road network, but the funding allocation this year effectively remains the same, with no more than minor consumer price index-style increases. Given the cost shifting and all the other cuts that local councils are being asked to absorb, how can the Government seriously expect that New South Wales councils will be able to reduce their road maintenance backlog that is so critical for road safety? Let us continue with the repetitive text of the media releases. Try to pick what years—2015, 2016, 2017 or 2018—these lines were written:

NSW Budget highlights the NSW Government's commitment to strengthen local government

This year's budget highlights the NSW Government's commitment to supporting local councils

The NSW Government will invest ... and deliver the support local councils and communities need

... working collaboratively with local councils to strengthen their capacity ...

The previous and current ministers for local government seem to have woken from their slumber the day before the budget and said, "Yikes, it's the budget. What did we say last year? Okay, let's mix up the sentences a bit, change some of the adjectives and get a new colour for the top. Let's put it in the weasel word and sentence generator so hopefully no-one sees what we've done." Well, for the record, the whole local government sector is awake to what Coalition ministers for local government have done again and again.

This policy lethargy and neglect is, of course, not only apparent at budget time. This Government is even refusing to release Independent Pricing and Regulatory Tribunal reports into the council rating system and red tape reduction that it itself commissioned and received back in 2016. The Labor Opposition and the local government sector want the opportunity to have these policy debates, but the Government has frankly gone missing in action. This New South Wales Liberal and Nationals Government recycles local government budget announcements as fast as it recycles local government ministers. It cuts funding and shifts costs onto local councils. Today, after eight long years, it has once again shown that it is tired, out of touch, and has the wrong priorities.

WOLLAR COMMUNITY SOCIAL IMPACT MANAGEMENT PLAN

Mr DAVID SHOEBRIDGE (22:02): When your Government gets into bed with a multinational bottom-feeding pariah like Peabody Energy and not only works to destroy your home, but then tries to put you into jail for the crime of defending it, you know something is rotten. The residents of Wollar, a small village in the Upper Hunter, will tell you straight up that something is rotten in the State of New South Wales, because this is their story.

Wollar is an historic township that backs onto the Goulburn River National Park, not far from Mudgee. It is built on land that retains an extraordinary Aboriginal history dating back thousands of years. The locality is home to the Mudgee-Wollar Important Bird Area, which provides critical habitat for the endangered regent honeyeater. But Wollar has had a tough history in recent years, starting with the approval of Peabody Energy's Wilpinjong coal mine in 2006. From that time on, the actions of Peabody Energy, with the active support of the planning department and this Government, have all but destroyed this little town. Local residents rightly believe the New South Wales Government has been complicit in the wilful destruction of their community and the removal of their rights to their homes, their health and their community.

Peabody's open-cut mine extends over 28 square kilometres and is approved to operate until 2033. Since the 2006 approval of the mine, which allowed it to extend to within 1.5 kilometres of the township, the noise and dust of the operations has made life almost intolerable for locals. Peabody's response has been to buy out the township. The company now owns all but four properties in the Wollar village and has also hoovered up most of the surrounding properties. The district once had between 300-400 people with approximately 80 in the village itself—it is now down to a handful. Peabody owns the only remaining local shop. The local churches are shut and a lack of volunteers has caused the local New South Wales Rural Fire Service [RFS] brigade to close down.

Despite these existing impacts and some 284 objections, in April 2017 the Planning Assessment Commission [PAC] took only one week to approve an expansion of the mine. The reason given for the decision was that the 2006 approval had already so damaged the township and surrounds that it thought there was nothing left to save. The Department of Planning and Environment said in its assessment of the expansion:

While the project would bring the mine closer to the village and has the potential to exacerbate negative social impacts, the Department considers that the most significant social impacts have already occurred as a result of the approval of the original mine in 2006.

The future that the Government has "planned" for Wollar is the continued failure of the local RFS, the unviability of the Wollar General Store, the closure of the Wollar Public School, the loss of the local hall and the community. To add insult to injury, the Government has also removed the local community's right to appeal the merits of the Planning Assessment Commission's decision in the courts. However, not to be dissuaded, the local community still challenged the PAC decision in the courts based on three separate jurisdictional grounds.

So what did the Government then do? First, it rushed special laws through this Parliament to remove two of those appeal grounds. When that did not stop the resistance, it sent in the police. In April 2017 a peaceful blockade was held at Wollar on the road leading to Peabody's mine. During that protest three people were arrested and charged under a new set of laws for the alleged crime of interfering with the mine's operation. They faced a possible seven-year jail sentence. When the people of Wollar tried to stand up to protect their homes the Government tried to throw them in jail. Thankfully, on 5 June 2018 the Mudgee Local Court threw out those charges. But the approval of the mine extension came with a series of conditions that the local community are still trying to enforce. The conditions include a requirement for Peabody Energy to develop a plan that will "minimise and/or mitigate negative social impacts during operations". This is a so-called Social Impact Management Plan [SIMP]—the first ever.

We join with the people in Wollar and call upon the Government and the Department of Planning and Environment to ensure that this plan is strong and closely monitored to give the locals at least some chance of protecting what remains of their local area. At the very least the Social Impact Management Plan should prevent Peabody from demolishing housing stock. It should prevent Peabody from further damaging the community and it should require the public school and the local store to be kept open. It needs to require community infrastructure such as the local hall is maintained and it needs to encourage people back into the district. For too long the people of Wollar have been brutalised by this Government for the profits of a multinational—a bottom-feeding multinational such as Peabody Energy at that. It is time the people of Wollar got one break from this Government. We call on the Government to make the Social Impact Management Plan respond to the needs of Wollar. Keep this little community safe and save what remains of this precious little part of the State.

NORTH COAST COMMUNITY GROUPS

The Hon. BEN FRANKLIN (22:07): I express my sincere gratitude and thanks to some of the wonderful North Coast services and community groups who make such a difference in the lives of many people in my local area. Community groups are the backbone of regional areas, particularly on the North Coast. Often these groups and their committed staff go largely unrecognised for the incredible work they do. For this reason, I would like to pay tribute to a number of such services from the North Coast.

One group is the Ballina-based Biala Support Services. Biala is a disability support service which provides education and support to many people on the North Coast including students and carers. The support service operates the Biala Special School, which provides education to students with a disability and those on the autism spectrum. The school is focused on providing special education to these students while also providing support for parents, family, carers and friends. That is what makes this school so special—it is not just about the students. Education and support at Biala is for the benefit of the whole community. Students at Biala are provided with a tailored education and are also equipped with skills which they can use through life. Each student is encouraged, supported and fostered to follow their own curiosity and pursue their own interests.

At Biala, students are empowered to recognise and are encouraged to reach their full potential. Staff at the school strive to instil respect, independence and self-confidence in every student. Importantly, each child is encouraged to become his or her own self. It is the staff of Biala who make this service absolutely exceptional.

Linda Walsh, Chief Executive Officer of Biala, has championed this wonderful service for years. Because of Linda, our North Coast community has celebrated the expansion of the service and felt the great impacts it has had for many members of the community most in need. I must also thank Bhavni Stewart, the Biala Special School Principal and the champion behind the wonderful education at the school. The New South Wales Government thanks Linda, Bhavni and the whole team at Biala for their hard work and dedication. They have enriched the lives of so many young people, and for that we cannot thank them enough.

Earlier this year I had the pleasure of joining the Minister for Disability Services, Ray Williams, to launch a Titans Physical Disability Rugby League side as part of the NSW Physical Disability Rugby League Association. I have spoken in this Chamber previously on the importance of sport to local communities. I reiterate: Sport is an essential element of every local area. From athletics and swimming through to weekend footy and tennis, sport has not just physical benefits but also significant mental and social benefits. Everyone should have the opportunity in their life to play sport, irrespective of their abilities, and that is exactly what the NSW Physical Disability Rugby League Association provides.

The Titans Physical Disability Rugby League side is providing opportunities to people on the North Coast to train and play rugby league. The team is made up of some incredibly talented players, including six from Ballina, four from Lismore, two from the Gold Coast and one each from Lennox Head, Casino and Alstonville. The new team started their training in February this year with support from FSG Australia and the Ballina Seagulls Rugby League Club. I extend my heartfelt thanks to the Ballina Seagulls Rugby League Club, led by President Max Beecher, and to all those involved with the club for their support for the disability team. The team will take part in the 2019 NSW Physical Disability Rugby League Association competition, and I wish them the very best of luck.

Another wonderful service on the North Coast is Sheraton House in Ballina. The exceptional facility provides accommodation for homeless men and is the only accommodation facility for men between Tweed Heads and Newcastle. Sheraton House provides eight crisis beds and two medium-term beds for homeless men every night of the year. But it is not a just a bed that is provided; the men receive meals, showering facilities, clothes-washing facilities and other supplies. Many men who turn to Sheraton House for assistance are facing challenges with alcohol and drug abuse, gambling and mental health issues as well as other social and physical health problems. Thanks to the wonderful staff at Sheraton House, these men can be referred to the services they require to get their feet back on the ground—and, most importantly, they are provided with assistance to find and to establish themselves in permanent accommodation. I extend my warmest thanks to the whole Sheraton House team, particularly Paul Lloyd, Bob Hosie and especially day-to-day manager Mick Maloney for the extraordinary job they do in providing these services for men when they are at their most vulnerable.

Those are just a few of the community services on the North Coast that are making a tremendous difference in the lives of so many people. To every person who has played a role in providing these services, the New South Wales Government says thank you. We are deeply appreciative of all that they do.

STATE BUDGET AND EDUCATION

The Hon. SHAOQUETT MOSELMANE (22:12): Today's New South Wales State budget is very disappointing—and particularly so after eight years of failure to address the schools overcrowding crisis, eight years of failure to adequately staff hospitals and years of botched infrastructure projects. Only now, with an election bearing down on them, have the Premier and her Government finally woken up to the pressing needs of the State's schools and hospitals. Even after that awakening, patients in Tweed, Maitland, Westmead, Randwick, Liverpool and Campbelltown will still have to wait until the mid-2020s for their hospital upgrades to be completed. Meeting the important needs of the people has been delayed, and the unnecessary demolition and rebuild of the Sydney Football Stadium has been expedited, bringing forward \$729 million in the budget.

Despite being in its eighth year in office, the Coalition has failed to address the fact that 180,000 new school places are needed in the next 15 years, announcing just 13 new schools, with none of them having a start or finish date, nor a single dollar next to them in the budget. Instead, the schools have just a total figure of \$417 million for "planning" over four forward years. The Government would have us believe that the crisis in infrastructure spending, in school maintenance backlogs and in spiralling emergency wait times does not exist. But looking at the budget, next to all those school projects promised, how much has the Government actually committed to spending? More often than not, the estimated cost of the project is "n.a.", meaning the Government does not know how much it is actually going to spend.

All it has done with the budget today is a deceptive catch-up. As the Leader of the Opposition said in the other place the budget is one big con. The budget is about covering up the Government's ideological obsession with under-spending on essential services and then privatising them. The evidence for that is that New South Wales has the second longest waiting times in Australia for ambulances. This Government has closed more

schools than it has opened, despite the fact that the population of school-aged young people is booming across the State. Electricity prices have increased by 60 per cent since 2011. Infrastructure spending has blown out on projects like the Tibby Cotter Bridge to nowhere that cost \$38 million instead of \$10 million.

What is the Government's response to the growing list of failures? It is nothing short of a cover-up. For example, its recipe for TAFE is: step one, gut TAFE so the quality of education available to apprentices and other prospective TAFE students drops dramatically; step two, when everyone complains about the number of places available at TAFE as a result of the Government cuts, hand money to dodgy private education colleges; step three, ignore years of outcry from tireless community campaigners calling on them to reinstate TAFE teachers; step four, with an election looming, put just a little bit back in the system to try and cover up the real mess this Government made in the first place and hope no-one will notice.

When Labor left office, the TAFE system in this State was world class. Members on this side of the Chamber have always been committed from an ideological perspective to improving educational outcomes for all, no matter their background. The Liberals and The Nationals have spent eight years destroying the very idea that everyone could have a world-class education. Today they have sought to insult the community by throwing them a sweetener in a desperate hope that their electoral fortunes might turn around before March next year. I say to the Government that the community is on to it. They are not stupid. They know what the Government has done and they will not forget. They know that all the Government is about is making sure its members who are in trouble in seats such as Oatley and Riverstone get a bit of help before March next year. That is what this budget is all about. It is desperate, it is deceptive and the people of New South Wales see right through it.

STATE BUDGET

Mr JUSTIN FIELD (22:16): Today's budget fails to prepare New South Wales for the future. It continues this Coalition Government's privatisation obsession and barely plays catch-up on its underinvestment in essential infrastructure and services over the past seven years. In a gross act of intergenerational theft, this budget fails to address the most critical issue of our time—climate change. Climate action spending will fall for the third consecutive year under this budget. There is no path away from the use of polluting fossil fuels and towards 100 per cent renewable energy or achieving net zero emissions.

The Government's own Climate Change Fund—the fund supposed to turbocharge renewable energy in this State—has now underspent to the tune of \$450 million. Money is just sitting there. While the world burns, this Government is squandering more money on Sydney sport stadiums than it is spending on climate action. We are the wealthiest State in one of the wealthiest nations on the planet but inequality is growing. There is a deep fundamental flaw in budget decision-making by the Government. It is time to move past just measuring gross domestic product and towards making those things that truly matter the focus of the work of government.

We live in a society, not an economy, but we would not know that from the way the Government crows about surpluses while our child protection system is in disarray. The Greens believe we should start to create alternative indicators of our performance as a State—a set of measures to assess our wellbeing as a society, not just our economic output. Meaningful indicators of genuine process and wellbeing, secure work, free time with family and friends, clean air and water, being safe on our streets, affordable and secure housing, having a genuine say in government—those are the things we should measure and that our budgets should support.

Over the past 10 years, more than \$52 billion worth of public services have been privatised by Coalition and Labor Governments. It has been a disaster and today's budget is an admission of that failure. An amount of \$1.9 billion in electricity subsidies will go to help people pay exorbitant bills, which is a direct subsidy to allow the price gouging by the privatised electricity companies to continue. It is a disgrace. The Greens want these essential public services returned to public ownership. Energy is too important to leave to big corporations who see households and the State budget as cash cows to bolster their profits.

Despite decades of uninterrupted economic growth, 10,000 more people have become homeless in this State since the Liberals came to Government. The Greens believe housing is a human right. It should not be a privilege. Significant investment in public and social housing is needed to address homelessness and housing insecurity in this State. New laws are needed to provide long-term security and affordability to renters, and they would not cost a thing. The Greens want new laws to end unfair no-grounds evictions and limit exorbitant rental increases. That is The Greens' vision.

The Greens believe no greater investment can be made than the investment in our children. Every dollar spent on early learning returns \$17 in benefit to the community but it is a priceless gift to our next generation. The Greens would ensure free universal access to early learning for all kids for the two years before formal primary school. At the other end of learning, the continued dismantling of TAFE is a stain on this and former governments. At a time when employment security is falling and automation is making the need to reskill more important than

ever, our vocational education system must be world class. The Greens' Save TAFE Bill would guarantee that 100 per cent of public money directed to vocational education is directed to the public TAFE system. There is no justification to bolster profits for the private training sector through public spending.

The Greens want to invest in the services and infrastructure people need, and we need the revenue to support that. Taxes from gambling and coal royalties must fall as these damaging industries are wound back. As house prices moderate, stamp duty revenues will slow. That risk to revenue is starkly reflected in today's budget. It is time to have a public conversation about broadening the tax base for New South Wales through expanding land tax, especially for property investors.

This budget is a missed opportunity because this is a Government guided by the calculator rather than the needs of the community. The public are being treated like customers rather than citizens. The Greens have a different set of priorities—priorities to make New South Wales fairer, friendlier and more environmentally sustainable, a State where the wellbeing of all citizens is what truly matters. [*Time expired.*]

The PRESIDENT: The question is that this House do now adjourn.

Motion agreed to.

The House adjourned at 22:23 until Wednesday 20 June 2018 at 11:00.