



**New South Wales**

# **Legislative Council**

## **PARLIAMENTARY DEBATES (HANSARD)**

**Fifty-Eighth Parliament  
First Session**

**Thursday 1 June 2023**

Authorised by the Parliament of New South Wales



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# LEGISLATIVE COUNCIL

**Thursday 1 June 2023**

**The PRESIDENT (The Hon. Benjamin Cameron Franklin)** took the chair at 10:00.

**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.

## *Business of the House*

### INAUGURAL SPEECHES

**The Hon. PENNY SHARPE:** I move:

- (1) That, on Thursday 1 June 2023, proceedings be interrupted at approximately 6.00 p.m., but not so as to interrupt a member speaking, to enable the Hon. Cameron Murphy, MLC, to give his first speech without any question before the Chair.
- (2) That, on Tuesday 20 June 2023, proceedings be interrupted at approximately 6.00 p.m., but not so as to interrupt a member speaking, to enable the Hon. Tania Mihailuk, MLC, to give her first speech without any question before the Chair.

**Motion agreed to.**

## *Committees*

### PUBLIC WORKS COMMITTEE

### PORTFOLIO COMMITTEE NO. 2 - HEALTH

### SELECT COMMITTEE ON THE STATUS OF WATER TRADING IN NEW SOUTH WALES

### SELECT COMMITTEE ON BARANGAROO SIGHT LINES

### STANDING COMMITTEE ON LAW AND JUSTICE

### PUBLIC ACCOUNTABILITY COMMITTEE

### STANDING COMMITTEE ON STATE DEVELOPMENT

### PUBLIC ACCOUNTABILITY COMMITTEE

### Government Response: Noncompliance with Standing Order

**The Hon. DAMIEN TUDEHOPE:** I move:

- (1) That this House notes:
  - (a) that on 24 May 2023 the President reported that under Standing Order 240 (1), Government responses had not been received for four committee reports tabled during the last session of Parliament;
  - (b) that the President then called on the Hon. Penny Sharpe, Leader of the Government, to explain her reasons for noncompliance, who then addressed the House and provided an explanation for noncompliance;
  - (c) correspondence was tabled in the House on Wednesday 24 May 2023 from the Hon. Penny Sharpe, Leader of the Government in the Legislative Council, expressing:
    - (i) the position of Professor Anne Twomey, as expressed in the Constitution of New South Wales that the effect of prorogation is "to put an end to every proceeding pending in the House prorogued and to vacate all orders of that House which have not been fully executed";
    - (ii) the view that "accordingly, the Government's obligation to provide these responses pursuant to standing orders to provide a response to recommendations contained in committee reports lapsed when the Houses of Parliament were prorogued, or that there is at least significant uncertainty about whether Government responses are required to be provided to committee reports tabled during the last session of Parliament, notwithstanding standing order 240 (4)"; and
    - (iii) the request that the Legislative Council pass a resolution requiring these responses be provided, in accordance with a resolution passed by this House on 13 October 2011, in relation to reports tabled during the Fifty-Fourth Parliament.
  - (d) the commitment made the Hon. Penny Sharpe in her correspondence dated 24 May 2023 that regardless of the position of the Executive Government, the Government plans to voluntarily provide responses to the Parliament by the end of June 2023.
- (2) That this House rejects the Government's view that it is not required to provide a response to reports tabled in the previous Parliament following prorogation of the Parliament and asserts that the Government is bound by Standing Order 240 (4),

which states that "a response is required notwithstanding prorogation of the House or the expiry of the Legislative Assembly", in recognition of the longstanding view that standing orders are not limited to individual Parliaments.

- (3) That, according to Standing Order 240, there be laid upon the table of the House by Thursday 29 June 2023 a response to all Legislative Council committee reports outstanding from the Fifty-Seventh Parliament:
- (a) Report No. 6 of the Public Works Committee entitled *Impact of the Western Harbour Tunnel and Beaches Link*, dated December 2022—response due 6 March 2023;
  - (b) Report No. 60 of Portfolio Committee No 2 entitled *Impact of Ambulance Ramping and Access Block on the Operation of Hospital Emergency Departments in New South Wales*, dated December 2022—response due 9 March 2023;
  - (c) Report of the Select Committee on the Status of Water Trading in New South Wales entitled *Status of Water Trading in New South Wales*, dated December 2022—response due 20 March 2023;
  - (d) Report of the Select Committee on Barangaroo Sight Lines entitled "Barangaroo Sight Lines", dated February 2023—response due 17 May 2023;
  - (e) Standing Committee on Law and Justice:
    - (i) Report No. 82 entitled *2022 Review of the Compulsory Third Party Insurance Scheme*, dated February 2023—response due 24 May 2023; and
    - (ii) Report No. 83 entitled *2022 Review of the Lifetime Care and Support Scheme*, dated February 2023—response due 24 May 2023.
  - (f) Report No. 16 of the Public Accountability Committee entitled *Appointment of Mr John Barilaro as Senior Trade and Investment Commissioner to the Americas: Final Report*, dated February 2023—response due 29 May 2023;
  - (g) Report No. 49 of the Standing Committee on State Development entitled *Allegations of Impropriety Against Agents of the City of Canterbury Bankstown Council*, dated February 2023—response due 29 May 2023; and
  - (h) Report No. 18 of Public Accountability Committee entitled *Allegations of Impropriety Against Agents of the Hills Shire Council and Property Developers in the Region*, dated March 2023—response due 2 June 2023.

**Motion agreed to.**

#### *Documents*

### **ELECTRICITY SUPPLY**

#### **Production of Documents: Order**

**The Hon. MARK LATHAM (10:02):** I seek leave to amend private members' business item No. 121 by inserting ", or the Office of Energy and Climate Change within NSW Treasury" after the words "Planning and Environment".

**Leave granted.**

**The Hon. MARK LATHAM:** Accordingly, I move:

That, under Standing Order 52, there be laid upon the table of the House within 21 days of the date of passing of this resolution the following documents created since 1 March 2023, in electronic format if possible, in the possession, custody or control of the Minister for Climate Change, Energy, Environment and Heritage; the Department of Planning and Environment; or the Office of Energy and Climate Change within NSW Treasury relating to the reliability of electricity supply in New South Wales:

- (a) reports concerning the reliability of New South Wales electricity supply and actions to maintain system reliability through energy transition received by the Energy Ministers Sub-group of the Energy and Climate Change Ministerial Council on Friday 19 May 2023 produced by the following bodies:
  - (i) Australian Energy Market Operator;
  - (ii) Energy Security Board;
  - (iii) Australian Energy Market Commission;
  - (iv) Australian Energy Regulator;
  - (v) AEMO Services; and
  - (vi) any other body operating in the area of energy production, distribution or regulation.
- (b) any legal or other advice regarding the scope or validity of this order of the House created as a result of this order of the House.

**Motion agreed to.**

**AUDITOR-GENERAL****Reports**

**The CLERK:** According to the Government Sector Audit Act 1983, I announce receipt of a Financial Audit Report of the Auditor-General entitled *Natural Disasters*, dated 1 June 2023, received out of session and authorised to be published this day.

*Bills***ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (HOUSING AND PRODUCTIVITY CONTRIBUTIONS) BILL 2023****First Reading**

**Bill received from the Legislative Assembly, read a first time and ordered to be published on motion by the Hon. Penny Sharpe.**

**The Hon. PENNY SHARPE:** According to standing order, I table a statement of public interest.

**Statement of public interest tabled.**

**The PRESIDENT:** According to the resolution of the House of 30 May 2023, the bill now stands referred to Portfolio Committee No. 7 - Planning and Environment for inquiry and report.

**ELECTORAL FUNDING AMENDMENT (REGISTERED CLUBS) BILL 2023****Returned**

**The PRESIDENT:** I report receipt of a message from the Legislative Assembly returning the bill with amendments.

**The Hon. PENNY SHARPE:** I move:

That consideration in Committee be set down as an order of the day for a later hour of the sitting.

**Motion agreed to.**

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

**The Hon. PENNY SHARPE:** I move:

That business of the House notice of motion No. 1 be postponed until a later hour of the sitting.

**Motion agreed to.**

**The Hon. PENNY SHARPE:** I move:

That Government business notices of motions Nos 1 and 2 be postponed until a later hour of the sitting.

**Motion agreed to.**

*Bills***ELECTORAL FUNDING AMENDMENT (REGISTERED CLUBS) BILL 2023****In Committee****Consideration of the Legislative Assembly amendments.***Schedule of the amendments referred to in message of 31 May 2023***No. 1 Close associates**

Page 3, Schedule 1, line 11. Omit "body.". Insert instead—

body, or

(iv) a close associate of the registered club.

**No. 2 Provision of space by registered club**

Page 4, Schedule 2, proposed clause 36A, lines 7–18. Omit all words on the lines. Insert instead—

(1) Permitting the use of part of the premises of a registered club is not a political donation for the purposes of the Act, Part 3, Division 7.

(2) Subclause (1) does not apply—



- (a) if the use is for—
  - (i) electoral fundraising purposes, or
  - (ii) an electoral campaign office, or
- (b) to goods or services provided in association with the use of the part of the premises, including the following—
  - (i) food or beverages,
  - (ii) the use of staff or contractors,
  - (iii) the use of information technology or audio visual facilities.

**The Hon. JOHN GRAHAM (Special Minister of State, Minister for Roads, Minister for the Arts, Minister for Music and the Night-time Economy, and Minister for Jobs and Tourism) (10:19):** I move:

That the Committee agrees to the Legislative Assembly's amendments.

The amendments are sensible. They were moved by the member for Sydney in the lower House and agreed to. The Government supports them. They are clarifications of the original intent of the Electoral Funding Amendment (Registered Clubs) Bill 2023.

**The Hon. DAMIEN TUDEHOPE (10:19):** The Opposition does not oppose the amendments.

**The TEMPORARY CHAIR (The Hon. Peter Primrose):** The question is that the Committee agree to the Legislative Assembly's amendments.

**Motion agreed to.**

**The Hon. JOHN GRAHAM:** I move:

That the Chair do now leave the chair and report that the Committee has agreed to the Legislative Assembly's amendments.

**Motion agreed to.**

### **Adoption of Report**

**The Hon. JOHN GRAHAM:** I move:

That the report be adopted.

**Motion agreed to.**

### **Messages**

**The Hon. JOHN GRAHAM:** I move:

That a message be forwarded to the Legislative Assembly advising it that the Legislative Council agrees to the Assembly's amendments.

**Motion agreed to.**

## **PARLIAMENTARY REMUNERATION AMENDMENT BILL 2023**

### **First Reading**

**Bill introduced, read a first time and ordered to be published on motion by the Hon. John Graham.**

**The Hon. JOHN GRAHAM:** According to standing order, I table a statement of public interest.

**Statement of public interest tabled.**

### **Second Reading Speech**

**The Hon. JOHN GRAHAM (Special Minister of State, Minister for Roads, Minister for the Arts, Minister for Music and the Night-time Economy, and Minister for Jobs and Tourism) (10:23):** I move:

That this bill be now read a second time.

The Parliamentary Remuneration Amendment Bill 2023 is an important bill. I will briefly provide some context to it and the Statutory and Other Offices Remuneration Amendment Bill 2023, which the House will consider next, because the bills should be considered together in the public discussion. The Parliamentary Remuneration Amendment Bill makes changes to the salaries of members, stepping outside the usual process. The Statutory and Other Offices Remuneration Amendment Bill implements the parallel election commitment of the incoming Government to freeze the pay of those in the senior ranks of the public service. The bills are part of an election commitment. The incoming Government felt that one could not be done without the other.

The bills are part of a reinvestment in the public service. The proposed wage freezes in the bills should not be seen as a diminution of the work of our important public servants across the State. In fact, the money saved will be diverted from the top ranks of the public service to essential workers across the State to deal with the well-publicised issue that the public service, like many other sectors, is feeling a workforce squeeze and essential workers are leaving the public service or, in some cases, leaving the State. The bills are part of a number of measures to tackle that issue.

First, the Parliamentary Remuneration Amendment Bill freezes the basic salary of MPs in both Houses for two years. Secondly, the Statutory and Other Offices Remuneration Amendment Bill deals with the senior executive service and certain other categories of workers at the top level of the public service. The Government has committed to asking those workers to have a similar pay freeze. Thirdly, another commitment made by the incoming Government was to cut some of the ranks of the senior levels of the public service that had grown over time, particularly in some clusters. I recognise that the then Government, the now Opposition, also made that commitment. That was common ground in the election—a recognition that over recent years, in no small part due to COVID, there had been a growth in the top ranks of the public service and that one way to reinvest in public service capacity overall and essential workers was to trim that back.

The fourth area identified for close examination by the incoming Government is consultancies—the moving away from permanent work towards temporary work or from permanent public service capacity towards consultancies. The Minister for Finance and the Treasurer are leading that work. The incoming Government will pay close attention to all areas where there will be reductions and freezes with the goal of reinvesting in the public service, in public sector capacity and in essential workers. Members should keep that goal in mind as we debate the bills.

The Government values the role of the public service, which is what we are looking to rebuild. As we debate a freeze on the salary of MPs, I should also say the Government values their role. These bills are no adverse reflection on that. In fact, a much earlier generation of Labor argued that MPs should be paid appropriately so that anyone could serve in Federal or State parliaments. However, at this moment, the Government feels that it is important to say, like for everyone else, the belt has to be tightened. We need to send the appropriate signal, as leaders in the State, that we are pursuing that direction. Those are the reasons we made those election commitments and bring the bill before the House today.

Another piece of context is that the bill is the rejection of the idea that has bounced around New South Wales politics for a little over four years that people can have it all. It has been debated occasionally in the House but, in my view, should have been debated much more. I reject that idea absolutely. Members will recall that it was put on the public record by former Premier Gladys Berejiklian late in the 2019 election campaign. I recognise the good role that the former Premier played during COVID, leading the State in that tough time. I am not launching a broadscale assault on her work. She was, in many respects, a very good Premier. But I reject the idea that you can have it all. Her comment at the time was this:

As Premier, I will never ask you to choose between having world-class schools, hospitals, transport, roads, stadiums or cultural facilities—because the hard work we've done means that today, New South Wales can have it all. And New South Wales should have it all.

That idea sounds jarring in this moment when inflation is rising, interest rates are up and the price of fruit, vegetables, bread and milk are going through the roof. It is so out of step with the public mood that I think it adds important context to the debate to recall that idea that has floated around New South Wales politics for the past four years. It has since been revealed that one reason the then Premier put that view was that it was the view put strongly to her by then Treasurer Perrottet and Minister Stuart Ayres. While he has not been named, I have no doubt that Minister Kean was somewhere in the background of that discussion. That has not been suggested publicly, but I am in no doubt of that. That is the background and the view that the bill rejects. I place that context on the agenda.

It is clear why we have to reject the idea that you can have it all. The State, as we stand here today, is heading towards a debt of over \$180 billion. The State has recorded its largest deficit of \$11 billion—and that is before we get to the figures that the Minister for Finance and the Treasurer have talked about, being the \$7 billion worth of pressure on the State budget that concerns them as they move towards the June economic statement. Those things have been debated recently in this House. What we have not recalled is the fact that those figures are in some ways understated. The last budget contained an incredible detail at page 5-11 of *Budget Paper No. 1*. It was the smallest piece of punctuation but represented the biggest black hole seen in the budget for a long time—a small asterisk that revealed an \$8 billion hole in the capital program. That is to say, the footnote to the capital program, which in this year was supposed to cost \$22.6 billion, revealed it was in fact much higher. The footnote that applied to that said this:

In the 2022-23 Budget, this allowance for capital slippage is set at \$8.0 billion in 2022-23.

The number that was in the budget, adding up to that \$11 billion deficit, was \$22.6 billion. But the number of schools, hospitals and roads that were promised was above \$30 billion. The asterisk meant that an additional \$8 billion that had been promised out in the world was \$8 billion smaller when it made it to the budget papers.

**The Hon. Damien Tudehope:** It's hardly a black hole if we told you about it, mate.

**The Hon. JOHN GRAHAM:** I acknowledge that interjection and say to the Leader of the Opposition that it is hardly up in lights if it is in a tiny footnote.

**The Hon. Damien Tudehope:** Well, read the bloody document.

**The Hon. JOHN GRAHAM:** I did read it, and I raised it at the time—I say through you, Mr President.

**The Hon. Damien Tudehope:** Well, stop going on about it.

**The Hon. JOHN GRAHAM:** I won't stop going on about it.

**The PRESIDENT:** The Leader of the Opposition will have an opportunity to make his own contribution.

**The Hon. Damien Tudehope:** And I will later.

**The Hon. JOHN GRAHAM:** I encourage that. I simply raise the point to reject the idea that you can have it all. The election drew a real line under that. In one sense, the Leader of the Opposition is right to say, "Why are you revisiting ancient history?" It is because we need that idea to be dead. The idea that you can have it all needs to be killed. We need to acknowledge that government and budgets are about choices. We have to kill the idea dead that in State politics you can have it all, unlike every family or individual who has to make tough financial choices.

We have to kill that idea dead, and there is no more important time to do it. The election drew a big line through that approach; the idea was rejected when the Opposition tried to present it again. The trouble is that the idea is not dead when it comes to many of the things that we are debating in State politics today. When it comes to support for home ownership, the Opposition's position is still that we should have both schemes—that is, \$700 million plus \$700 million. It continues with the idea that in home ownership you can have it all. When it comes to Active Kids, the Opposition puts the view, despite the fact that it cut that program, that it should be reinstated in an \$800 million decision.

**The Hon. Bronnie Taylor:** But you are cutting Active Kids.

**The PRESIDENT:** Order! The Leader of the Opposition and the Deputy Leader of The Nationals will have the opportunity to contribute to the debate if they wish, and they should do so from the lectern rather than from the benches.

**The Hon. JOHN GRAHAM:** Thank you for that observation. I encourage them to contribute to the debate. I make that clear. I will not labour the point too much, but after campaigning for a generation for asset recycling these freshly minted anti-privatisation campaigners—these enthusiasts for the modern mood—seem to have drifted back to the idea that you can have it all. That is the idea we seek to kill dead. It is not historic. The 2022-23 budget paper printed in black ink and with \$42 million worth of new spending measures probably should have been printed in red ink. That would have been a more appropriate way to present it to the public. This is not ancient history. It is a live debate. As we bring these bills forward, I say to the Opposition that we cannot have it all. A family and an individual cannot have it all. Everyone knows that. Former leaders of the State knew that. It is not a view that would have been put in front of the public by Howard or Costello. It would never have been put by Hawke, Keating, Carr, Egan or Greiner, and it should not be put today in this place or in public by members opposite.

**The PRESIDENT:** Order! Members will be called to order if they persist with interjecting.

**The Hon. JOHN GRAHAM:** It is a view that the Government simply will not put. Having said that, the Government is pleased to introduce the Parliamentary Remuneration Amendment Bill 2023. The bill proposes amendments to the Parliamentary Remuneration Act 1989. The Government made an election commitment to impose a two-year pay freeze for politicians. The pay freeze will achieve savings that can be used to help fund the essential workers and essential services that keep New South Wales running, and the bill delivers on the election commitment. Members of both Houses receive remuneration determined by the Parliamentary Remuneration Tribunal in accordance with the Act. Members' remuneration consists of a basic salary under part 2 of the Act and additional entitlements under part 3 of the Act.

In addition, recognised office holders, being those members who hold certain parliamentary or Executive Government roles, receive an additional salary and expense allowance as set out in schedule 1 to the Act. That is based on a percentage uplift applied to the basic salary. The amount of members' remuneration is subject to

determinations made by the tribunal under the provisions of the Act. The tribunal may make a determination fixing the amount of the basic salary at such time as the tribunal thinks fit or as the Minister directs. The tribunal makes annual determinations regarding additional entitlements on or before 1 June in each year, or such later date as the Chief Commissioner of the Industrial Relations Commission directs. The practice of the tribunal has been to make a single annual determination each year that determines any changes to both the basic salary and additional entitlements. The most recent determination of the tribunal was made on 24 May 2022. The tribunal made determinations of both basic salary and additional entitlements and these took effect on and from 1 July 2022.

This bill inserts a new section 4A into the Act that imposes temporary arrangements for the determination of basic salary. The new provision provides that a determination of basic salary by the tribunal must not fix an amount that would increase the basic salary to an amount that is more than the amount determined to have effect from 1 July 2022. To the extent that there is any inconsistency between the new section 4A and section 4 (3), the new section will prevail. Section 4 (3) requires that, in making a determination, the tribunal gives effect to the same wages policies the Industrial Relations Commission is required to give effect to under section 146C of the Industrial Relations Act 1996. Under this bill, the provision will be repealed automatically at the end of the day on 30 June 2025. This provision has the effect of freezing the basic salary of members at the amount that was determined by the tribunal last year until 30 June 2025.

The bill does not impact the tribunal's annual determinations under part 3 of the Act regarding additional entitlements. Additional entitlements include matters such as the electoral allowance, communications allowance, general travel allowance, Sydney allowance, and the equipment, services and facilities allowance, all of which are important to the work of members. Section 10 (1) (a) of the Act sets out the principle that additional entitlements are provided for the purpose of facilitating the efficient performance of the parliamentary duties of members. Additional entitlements are necessary for members to be able to perform their duties and serve their constituents in the best possible way. For this reason, additional entitlements will continue to be reviewed. The provisions of the bill will be taken to have commenced on the day that the bill was introduced into Parliament.

The amendments proposed by this bill will honour the Government's election commitment to freeze MP pay for the next two years. I thank the members in both places who have indicated their support for this approach. The Government does not do this happily. However, it does believe it is necessary given the other measures that it will shortly introduce and debate in the Statutory and Other Offices Remuneration Amendment Bill 2023, and given some of the other choices the Government will have to make in relation to budget pressures, about which it has been quite public and looks forward to updating the House in more detail. I commend the bill to the House.

**Debate adjourned.**

## **STATUTORY AND OTHER OFFICES REMUNERATION AMENDMENT BILL 2023**

### **First Reading**

**Bill introduced, read a first time and ordered to be published on motion by the Hon. John Graham.**

**The Hon. JOHN GRAHAM:** According to standing order, I table a statement of public interest.

**Statement of public interest tabled.**

### **Second Reading Speech**

**The Hon. JOHN GRAHAM (Special Minister of State, Minister for Roads, Minister for the Arts, Minister for Music and the Night-time Economy, and Minister for Jobs and Tourism) (10:44):** I move:

That this bill be now read a second time.

The Government is pleased to introduce the Statutory and Other Offices Remuneration Amendment Bill 2023. The bill travels together with the Parliamentary Remuneration Amendment Bill 2023, which I have just introduced, and a number of other election commitments that the Government has made that seek to reinvest important public funds in rebuilding essential services. The Government made an election commitment to impose a two-year pay freeze on the remuneration provided to senior public servants. This pay freeze will achieve savings that can be used to help fund the essential workers and essential services that keep New South Wales running. This bill implements that election commitment.

It is important to note that public servants falling under the various Crown employees awards are not affected by this bill and the Government will negotiate these new agreements in the normal way. Senior public servants are generally remunerated in accordance with the provisions of the Statutory and Other Offices Remuneration Act 1975. That Act provides for the Statutory and Other Offices Remuneration Tribunal to make

determinations under a number of different provisions as to what is the appropriate remuneration, or bands of remuneration, for certain roles.

The Act provides for determinations for the following offices. Part 3 of the Act concerns judicial and non-judicial officer holders, such as independent statutory appointees. A full list of the offices covered by part 3 determinations is contained in schedules 1, 2 and 3 to the Act. Part 3A of the Act concerns executive office holders. The background to the tribunal's determination of 21 July 2022 under section 24C of the Act describes the persons covered by part 3A in the following terms:

1. The Chief Executive Service and Senior Executive Services were employed under the provisions of the former *Public Sector Employment and Management Act 2002* (PSEM Act). That Act was repealed in 2013 and replaced with the *Government Sector Employment Act 2013* (GSE Act).
2. There may be a small number, if any, transitional former senior executives subject to the transitional arrangements provided for in Schedule 4 of the GSE Act, and executives employed in the NSW Police Force Senior Executive Service and the NSW Health Service who continue to be eligible for remuneration packages as determined under Part 3A of the *Statutory and Other Offices Remuneration Act 1975* (SOOR Act). For that reason, the Tribunal will continue to make a determination for the SES remuneration ranges. The Tribunal will review these arrangements each year to determine whether further determinations are required.

In addition, determinations under part 3A are also made under transitional provisions in relation to certain police senior executives and administrative senior executives under the Police Act 1990, as well as the specialist medical skills determination and the general medical skills determination, all of which are relevant to who is covered under this Act. Part 3B of the Act concerns senior executives, and includes secretaries of departments of the public service, the Commissioner of the NSW Police Force, public service senior executives under the Government Sector Employment Act 2013, NSW Police Force senior executives under the Police Act 1990, New South Wales health service senior executives under the Health Services Act 1997 and transport service senior executives under the Transport Administration Act 1988. The tribunal makes its annual determinations of remuneration to be paid on and from 1 July in each year.

I turn now to the detailed provisions in the bill. The bill is in three schedules, and I will deal with each of them sequentially. Schedule 1 amends the existing provisions of the Act. The first amendment at schedule 1 item [1] is to amend section 6AA of the Act, which concerns the requirement of the tribunal to give effect to declared government policy on the remuneration for public sector staff. Currently, that section applies to: determinations made under part 3A of the Act of any alteration in the remuneration packages for executive office holders within the meaning of that part, and part 3A applies to executive office holders; and determinations of any alteration in the remuneration packages applicable to executive bands within the meaning of part 3B, and part 3B applies to senior executives. Section 6AA (2) of the Act states:

In making a determination to which this section applies, the Tribunal is to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* when making or varying awards or orders relating to the conditions of employment of public sector employees.

The bill will omit subsection (2) and insert new subsections (2) and (3) that require the tribunal to give effect to any policy about the remuneration of executive office holders and senior executives that is declared by the regulations to be an aspect of government policy required to be given effect to by the tribunal. That is consistent with the requirement currently in section 6AB that relates to part 3 office holders, which I will speak about in more detail later. The regulations made under that provision will be able to set out a policy and adopt a policy that is set out in another document. The provisions will therefore remove the current necessary statutory nexus between the wages policy that applies to public sector employees under the Industrial Relations Act 1996 and allow for a specific policy to be applied, under the Statutory and Other Offices Remuneration Act 1975, only in relation to the most highly remunerated public sector employees.

Schedule 1 item [2] inserts a new savings and transitional provision that makes provision for machinery matters in relation to the regulation to be enacted by schedule 2. Schedule 2 establishes the Statutory and Other Offices Remuneration (Executive Office Holders and Senior Executives) Regulation 2023. That new regulation is the instrument that will implement the pay freeze for executive office holders and senior executives. The regulation prescribes a policy that the tribunal is not to make a determination that has the effect of awarding an increase in remuneration that takes effect before 1 July 2025.

Schedule 3 to the bill amends the existing Statutory and Other Offices Remuneration (Judicial and Other Office Holders) Regulation 2013. It omits clause 5A of that regulation. Section 5A is a provision regarding a temporary wages policy that had effect for 12 months and was inserted on 29 May 2020 by the Statutory and Other Offices Remuneration (Judicial and Other Office Holders) Amendment (Temporary Wages Policy) Regulation 2020. That provision has now expired and can be repealed. The schedule will insert a new clause 5A that imposes a temporary policy that the tribunal is not to make a determination that has the effect of awarding an increase in remuneration that takes effect before 1 July 2025. That provision will be made pursuant to section

6AB of the Act, which provides that the tribunal must, when making a determination regarding the alteration in the remuneration to be paid to an office holder covered by part 3 of the Act, give effect to any policy concerning the remuneration of officer holders that is declared by the regulations to be an aspect of government policy that is required to be given effect to by the tribunal. That new provision will apply for two years to the exclusion of the other policy contained in clause 6 that otherwise sets a wages policy for the tribunal to apply in making determinations regarding judicial and non-judicial other office holders. The provisions of both the regulations established by and inserted by schedules 2 and 3 to the bill, which give effect to the pay freeze, will expire at the end of 30 June 2025.

The amendments proposed by the bill will honour the Government's election commitment to freeze senior public servants' pay for the next two years. The Government did not make that commitment lightly. It is a reflection of budget pressures and the difficult decisions that must be made elsewhere because of those pressures. It is a decision made with a view to reinvesting in rebuilding public service capacity, in particular, essential workers in the public service who are delivering for the public. I thank them for their work. I commend the bill to the House.

**Debate adjourned.**

### **FIRST HOME BUYER LEGISLATION AMENDMENT BILL 2023**

#### **Second Reading Speech**

**The Hon. DANIEL MOOKHEY (Treasurer) (10:55):** On behalf of the Hon. Penny Sharpe: I move:

That this bill be now read a second time.

The Government is pleased to introduce the First Home Buyer Legislation Amendment Bill 2023. The Government was elected with a comprehensive plan to help everyone in New South Wales enjoy a safe and comfortable place to go at the end of each day and in particular to help more people buy a property they can make into a home. A place to call home is fundamental to everyone's wellbeing and ability to pursue their dreams. It provides a sense of security and a foundation to start a family. Owning one's own home has been called the Australian dream and rightly so because doing so provides a permanent base to put down roots and become part of a community.

Buying a first home is a significant milestone in life, but it has become more difficult to achieve. First home buyers face higher hurdles than in previous years, meaning it now takes longer to save the money needed for a deposit. First home buyers in the 1990s took around six years to save a 20 per cent deposit and one year to save stamp duty. It now takes around 10 years to save a 20 per cent deposit and two years to save for stamp duty. That is based on a New South Wales household with a median household income saving 15 per cent of their income to purchase a medium-priced dwelling. The Government went to the last election with a clear policy to end the forever tax on the family home that was introduced without a mandate by the Perrottet Government. That land tax was comprehensively rejected by the people of New South Wales at the election in March. Instead, the people of New South Wales chose Labor's plan to better target assistance to those buying a home of up to \$1 million, with increased support for those buying above \$650,000.

The bill will help first home buyers who earn low incomes and find it more difficult to save enough while paying someone else rent. The bill will close off access to the former Government's forever land tax scheme, sneakily called First Home Buyer Choice, which provides a choice between paying stamp duty or a forever tax on a family home purchased for up to \$1.5 million. That scheme was a false choice—pay stamp duty now or pay land tax for as long as you stay in that home. It also unfairly offered the biggest discounts on stamp duty to first home buyers who already had enough purchasing power for properties well above the average price for houses in regional areas and apartments and modest houses in Sydney metropolitan areas. As a result of the changes the Government is introducing more first home buyers will not pay stamp duty and more will get a concession. None will pay a forever tax. The thresholds will cut off at a \$1 million purchase price so that the cost of the assistance program will benefit those who truly need help to buy their first home, especially as interest rates rise.

I now turn to the detail of the bill. I refer, first, to increasing First Home Buyer Assistance Scheme thresholds. The bill will expand support for first home buyers by increasing the thresholds that apply under the First Home Buyer Assistance scheme from 1 July 2023. The first home buyer stamp duty exemption threshold for the purchase of a dwelling will increase from \$650,000 to \$800,000. No stamp duty will be paid by first home buyers purchasing a home up to \$800,000. Currently, a first home buyer purchasing a home for \$800,000 needs to pay off stamp duty of \$31,090 or opt into the former Government's land tax and pay an annual bill, starting around \$1,500.

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

*Members***REPRESENTATION OF MINISTERS ABSENT DURING QUESTIONS**

**The Hon. JOHN GRAHAM:** As the Leader of the Government is unwell, I advise that I will be taking questions relating to her portfolio responsibilities during question time today.

*Questions Without Notice***COMPREHENSIVE EXPENDITURE REVIEW**

**The Hon. DAMIEN TUDEHOPE (11:00):** My question is directed to the Minister for Finance. Comprehensive expenditure reviews are classified by the OECD, the IMF, the McKenzie Institute and other experts into distinct models, depending on the design, parameters and the methodology adopted for the review. Will the Minister advise the House whether the comprehensive expenditure review that she is conducting is a bottom-up review, a top-down review or a joint review? What work was done before beginning the review to agree on a standard taxonomy of inputs, outputs and outcomes to ensure a consistent, like-for-like comparison across ministries?

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:01):** I thank the honourable member for his question. I am delighted that he has finally decided to give us some input into the comprehensive expenditure review that I have been speaking about so much. I am delighted to see the constructive way that the Leader of the Opposition has been spending his time, clearly, since question time yesterday in order to provide us with this feedback. I look forward to hearing more of this during question time. I can assure the Leader of the Opposition that we are doing the review in a systematic and careful way.

We are making sure to engage directly with Ministers and with their agencies to ensure that we are being careful and cautious about how the Government is spending its money. It is an enormous privilege for us to be able to take government and to be in a position to be making these important decisions that impact on communities each and every day. We take that very seriously, which is why we are taking the microscope to how the Government is spending its money. It is \$114 billion worth of public taxpayer money. The reason we are being so cautious is that we are deeply concerned about the debt levels to which the former Government led us. That is why we are carefully and cautiously working through exactly how the Government is spending its money.

**The Hon. Wes Fang:** Cuts, cuts.

**The Hon. Sarah Mitchell:** Is there a methodology?

**The Hon. COURTNEY HOUSSOS:** I note the interjections from those opposite. Whilst they were in government, less and less information was disclosed to the public about how they were spending their budgets. During my eight years in Opposition, not much information was published in the budget papers. I note that during question time the Treasurer is studying the former budget papers. That kind of efficient use of time is exactly why he is such an excellent Treasurer of this State and why it is such a privilege to work so closely with him.

*[Opposition members interjected.]*

**The PRESIDENT:** Order!

**The Hon. COURTNEY HOUSSOS:** It is a serious point. The publicly disclosed information in the budget papers, particularly over the course of my eight years in this place—

**The Hon. Damien Tudehope:** Point of order: The Minister has now had 2½ minutes to answer this question. The question, which was reasonably specific, asked the Minister to identify the methodology that she is using for the purposes of conducting the review. We are well aware that she is conducting a review. For the remaining 30 seconds, she should at least direct her attention to a generally well-accepted process for adopting a methodology to do that review to make sure that there is an understanding between ministries about how that will be conducted.

**The PRESIDENT:** The Minister was being directly relevant in the first part of her answer. She has broadened that scope just a little, so perhaps she might refine her answer back to the original question at hand. The Minister has the call.

**The Hon. COURTNEY HOUSSOS:** I was distracted by the budget papers on the table. Let me be very clear: We are conducting a line-by-line audit, and we will be finding all the waste that the member missed during his period as the Minister for Finance.

**The Hon. DAMIEN TUDEHOPE (11:05):** I ask a supplementary question. I thank the Minister for her non-answer. Does the Minister have a formal set of terms of reference or a clear set of parameters and an agreed methodology for her review, or is she making it up as she goes along?

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:05):** I am happy to assure the Leader of the Opposition that we do have terms of reference. As the former Minister for Finance, and as a former member of the Expenditure Review Committee and Cabinet, the member would be aware that there are certain restrictions on what I can speak publicly about. But I assure the member that we have terms of reference and that we are working through this in a methodical and careful way. I am working through this in close consultation with the Treasurer, the Premier and my Cabinet colleagues in order to ensure that the people of New South Wales are getting value for money out of the money that is expended on their behalf.

Those opposite may have made it up as they went along during their 12 years in government, but let me assure members that we are working through this line-by-line audit in a careful and conscientious way because we take the responsibility of government seriously. We understand the privilege of being on the Government benches, and we will ensure that the people of New South Wales are getting value for money for the essential services that they rely on each and every day. That is what we are elected to do, and that is what we take seriously.

**The Hon. MARK LATHAM (11:07):** I ask a second supplementary question. Will the finance Minister elaborate on her initial answer when she spoke about restoring integrity to the New South Wales budget and ensuring that all outcomes for big expenditure programs have clear targets and accountability? She spoke of how the Treasurer spends all day and all night studying his budget papers. Can the Minister assure the House that the outcome-based budgeting of the former Government not only will be continued but also will be made genuine with improved proper, genuine targets and a process of accountability by which those targets and expenditures can be reported to the people of New South Wales?

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:08):** I thank the honourable member for his second supplementary question. I have taken a close look at the budget papers that specifically deal with outcome-based budgeting. I was rather surprised by the lack of detail and rigour in the figures in those budget papers. It is something that we take seriously when reporting to the people of New South Wales the actual targets that we have and whether we are delivering against those targets. We are not looking for more obfuscation. We are not looking to hide things from the people of New South Wales. We want to be honest, open and up-front about what we are seeking to do with those valuable taxpayer funds that we are expending. It is true that there was the terminology "outcome-based budgeting", but that delivered less information for the people of New South Wales. If you look at the appropriations bills that were passed through both Houses under the previous Government—

**The PRESIDENT:** Order! Some Opposition members are sailing very close to the wind.

**The Hon. COURTNEY HOUSSOS:** —you will see less detail and less information for the people of New South Wales. We take this seriously. We are serious about fixing essential services in New South Wales.

*[Opposition members interjected.]*

Members opposite who are interjecting are the ones that oversaw chronic teacher shortages in our schools, temporary employment of nurses in our hospitals at the end of a global pandemic and hundreds of millions of dollars of blowout for the care of our most vulnerable—

**The Hon. Daniel Mookhey:** Point of order: The member asked an excellent second supplementary question and was getting a direct answer from the Minister. The member is entitled to hear the answer, as is the rest of the House. The din of noise coming from the Opposition is such that no-one can appreciate the information the Minister is disclosing, especially considering it is directly relevant to the question.

**The Hon. Damien Tudehope:** To the point of order: What the Treasurer is saying to the member is that he is clearly not listening to the answer. The question asked whether there are formal terms of reference. We have not heard one single word in relation to that. It asked: Is there a clear set of parameters? We have not heard one single word.

**The PRESIDENT:** That was not the second supplementary question asked by the Hon. Mark Latham. There is no point of order.

**The Hon. Mark Latham:** Point of order: Having asked the question about outcome-based budgeting—an important issue in accountability for the people of New South Wales—I thought I was receiving a serious, informative answer from the Minister for Finance, until I could not hear her anymore. I put it to you that, while I am no angel, I can make an assessment that you have lost the control of the proper proceedings of this House.



I know you were a former colleague of those who are causing all the noise and interruption, but it is time to bring some order to the House so a serious question that is being answered in a serious way can actually be heard.

**The PRESIDENT:** I say two things to that. The first is that the Minister was being directly relevant—the Hon. Mark Latham is quite right. She was giving a serious answer to his second supplementary question. The second is that this place has always had, particularly in question time, a robust countenance. I do not seek to eliminate that entirely, but it must be done within parameters and within limits. People must be able to be heard. To that end, members will be called to order if they start to interject too riotously.

**The Hon. COURTNEY HOUSSOS:** In the few seconds I have remaining, I simply say that we are absolutely committed to providing a clear update to the people of New South Wales in September when we deliver a budget informed by our comprehensive expenditure review. We will take a close look at the outcome-based budgeting process that was previously in place to ensure that the people of New South Wales know what their money is being spent on.

### TEACHER WORKFORCE

**The Hon. ANTHONY D'ADAM (11:12):** My question without notice is addressed to the Minister for Finance, and Minister for Natural Resources, representing the Minister for Education and Early Learning. Under the previous Government there was an increase of 8,817 temporary teachers in New South Wales. Will the Minister update the House on how the Government is providing teachers with more secure employment and supporting students in New South Wales?

**The PRESIDENT:** Order! I call the Hon. Sam Faraway to order for the first time. I call the Hon. Bronnie Taylor to order for the first time.

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:13):** I welcome the question from the Hon. Anthony D'Adam. I take this opportunity to place on the record the diligent work that he has done over many budget estimates—we were quite the team—and particularly in uncovering the rate of insecure work that occurred in our teaching workforce under the previous Government. In 2011 there were 11,695 full-time teachers but by the end of its 12-year term there were 21,366 temporary teachers in our schools.

These are not secure jobs that let you plan your life. These are not secure jobs that help you get a loan, where you can take out a mortgage to buy a house. There was an 82 per cent increase in temporary teaching positions in our State under the former Government. Temporary employment makes teaching less attractive but, worst of all, it results in poorer outcomes for our students. When the members opposite were in government, we had the fastest falling education outcomes in the world. It is directly linked to the fact that our teaching—

**The PRESIDENT:** Order! The Deputy Leader of the Opposition may think she is speaking sotto voce—she is doing quite a good job—but I can still hear every word she is saying.

**The Hon. Sarah Mitchell:** I am happy to be loud.

**The PRESIDENT:** She is welcome to make a substantive contribution down the line but not at this moment.

**The Hon. Sarah Mitchell:** She will be.

**The Hon. COURTNEY HOUSSOS:** On 12 February last year the current shadow education Minister said, "providing temporary positions to teachers is a good thing". Providing temporary, insecure jobs is a good thing? What were the results of those temporary jobs? It resulted in worse outcomes for our students. It resulted in chronic teacher shortages across our schools.

**The PRESIDENT:** Order! I call the Hon. Sarah Mitchell to order for the first time.

**The Hon. COURTNEY HOUSSOS:** It meant that the signature program that the former education Minister undertook to solve chronic teacher shortages in New South Wales led to 13 teachers being recruited. At a time when we had thousands of vacancies in our schools we recruited a couple of teachers from overseas.

**The PRESIDENT:** I have asked the Deputy Leader of the Opposition a number of times to cease interjecting.

**The Hon. COURTNEY HOUSSOS:** I am delighted to update the House that in five months members opposite converted exactly zero temporary teachers despite promising to do so. In just 60 days we have made more than a thousand offers for secure jobs to temporary teachers. We are proud of what we are doing in government.

**TEACHER WORKFORCE**

**The Hon. SARAH MITCHELL (11:16):** My question is directed to the Minister for Finance. As the Treasurer has informed us, the comprehensive expenditure review the Minister is conducting will identify productivity savings. What new productivity savings has the Minister identified to offset the cost of meeting the demand from the NSW Teachers Federation for a 15 per cent pay rise over two years?

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:17):** I welcome the question from the current shadow education Minister.

**The Hon. Sarah Mitchell:** Point of order: The Minister seems to delight in not calling me by my parliamentary title.

**The Hon. Stephen Lawrence:** That's a bit precious.

**The Hon. Sarah Mitchell:** I have two points of order then. Previously you have ruled that we have proper titles and that I am either the Deputy Leader of the Opposition or the Hon. Sarah Mitchell. I am very proud to have been a Minister—I said this last time. The Minister seems to delight in referring to us as former Ministers, which is inappropriate. I also take offence to being called "precious" for wanting to be addressed by my correct parliamentary title. I know the Hon. Stephen Lawrence is new but he should be nice to people.

**The Hon. Daniel Mookhey:** To the point of order: I address the first point of order that the Deputy Leader of the Opposition has made. The Minister referred to the Deputy Leader of the Opposition as the shadow education Minister.

**The Hon. Scott Farlow:** She said "current".

**The Hon. Daniel Mookhey:** It is within the realms of the House and parliamentary debate, particularly for a shadow Minister, to be referred to by their shadow titles. I know that because I was constantly referred to as the shadow Treasurer.

**The Hon. Sarah Mitchell:** Were you referred to as "the current shadow Treasurer"?

**The Hon. Daniel Mookhey:** Yes, I was referred to as the current shadow Treasurer. While I was a member of the Opposition I also had various members speculate about my future jobs and whether I would be sacked as shadow Treasurer.

**The Hon. Rose Jackson:** You got promoted!

**The Hon. Natasha Maclaren-Jones:** How did that work out?

**The Hon. Daniel Mookhey:** It worked out really well, now that you mention it. I am no longer the shadow Treasurer; I am the Treasurer. It is within the realm of accepted parliamentary discourse for a shadow Minister to be referred to as a shadow Minister. Adding the adjective "current" makes no change. The Minister was acting within the bounds of ordinary parliamentary discourse.

**The Hon. Bronnie Taylor:** To the point of order: Mr President, you made very clear rulings about people being referred to by their current titles two days ago and the previous week. Government members continue to flout your rulings. Members on this side of the House, after the Hon. Mark Latham's point of order, were called to order swiftly and promptly. I believe that there should be fair rulings in this place. If members of the Government continue to flout your rulings because they are being derogatory, they should be called to order in a fair and proper manner.

**The PRESIDENT:** I will make a ruling on this because it is an interesting point. I made the point that members should be referred to by their correct titles, and that is what I ask all members to do. That having been said, from time to time throughout debate it is not unreasonable to make a comment that a member on the other side of the House formerly held the office of Minister. That is not flouting the ruling; that is simply a statement of fact. But the Hon. Bronnie Taylor is quite right to say that members should be treated with respect and should be introduced by their correct title, and I ask all members to continue to do that.

I uphold the member's second point of order. The term "precious" is unnecessarily offensive and I ask the member to withdraw the comment.

**The Hon. Stephen Lawrence:** I am happy to withdraw that comment.

**The Hon. COURTNEY HOUSSOS:** Thank you, Mr President. I welcome your ruling that we can use facts in parliamentary debate. I find the shadow education Minister's question about the productivity savings we will be seeking from the NSW Teachers Federation interesting. I assure the shadow education Minister that the Government is engaging with the Teachers Federation, particularly the Deputy Premier and education Minister.

She has been excellent in her engagement with the Teachers Federation and with the Independent Education Union.

The Government understands that the chronic teacher shortages that students and schools are facing will not be solved without genuine engagement and an actual conversation with the worker representatives of those organisations. I thank them for their constructive engagement. We want to solve those problems together. We want to ensure that when our students go to school there is a teacher in front of them. The teacher in front of a student is the single biggest factor in that student's success. We want to make sure that teachers have as much time as possible to focus on teaching, on individualised learning and on the important work they are doing in the classroom.

The shadow education Minister asked me about the productivity savings the Government will be making. I have made the point frequently that I will not canvass exactly what is going to be in the comprehensive expenditure review. I will not be ruling things out or ruling things in. I will not give the House a weekly update on what we are considering. I look forward to giving a full report to the House and to the people of New South Wales when we announce the budget in September, and to being honest with them. I assure the member that we are engaging with teachers in a constructive way to address the concerns they are outlining. They are not new challenges; indeed, the Teachers Federation and the Independent Education Union consistently raised with the former Minister the fact that the administrative burden teachers were under was crushing them. With much fanfare, those opposite announced a fantastic initiative called the Quality Time Program. What did that resolve? There was not a single minute of reduction in administrative time for our teachers. [*Time expired.*]

**The PRESIDENT:** Before I call the next speaker, I welcome to the public gallery the student leaders from high schools in New South Wales who are attending the Secondary Schools Student Leadership Program conducted by the parliamentary education unit. As they can see, we are in the middle of a very robust question time today. They are all very welcome.

#### FLOODPLAIN DEVELOPMENT

**Ms SUE HIGGINSON (11:24):** My question is directed to the Deputy Leader of the Government, representing the Leader of the Government in her capacity representing the Minister for Planning and Public Spaces. The former Premier and the Prime Minister made statements to the effect that there should be no new developments on flood plains in New South Wales following the catastrophic flooding events of last year. Communities in Yamba, Tweed Heads and other coastal areas are facing extreme development pressures. Some developments were approved 25 years ago. What is the Minister doing to develop climate adaptation plans to reform the planning system to protect communities and the environment from inappropriate developments that are vulnerable to floods, fires and other climate-driven catastrophes?

**The Hon. JOHN GRAHAM (Special Minister of State, Minister for Roads, Minister for the Arts, Minister for Music and the Night-time Economy, and Minister for Jobs and Tourism) (11:25):** I thank the member for her question. I know she has been active in the policy area of climate adaptation planning and in advocating on the issue of climate change, an issue that should concern us all. I also recognise that she is from the north of the State and has played a real role in those North Coast communities, which have been so hard hit. It is a subject we have discussed in the House. Our thoughts have been with them—in particular yours, Mr President. The member has played a real role in those communities, so I understand why she asked the question.

It was a commitment of the incoming Government to tackle this issue. I can report to the House that work has begun. The Government is planning for and mitigating against the impact of floods by drafting new rules that will be coming into place and by streamlining planning processes to stop developments on flood plains. Of course, that is not work that the State Government can do alone or without working closely with its agencies. It requires working with councils. It requires the Greater Cities Commission to play a role and the Department of Planning and Environment to lead the work. Each of those agencies has begun work exploring the changes that could help to mitigate that type of development without hindering the supply of housing, something that is of real concern to the Government and especially to the Hon. Rose Jackson, who is leading some of that work for the Government. We have to be able to do both of those things if we are going to tackle those issues.

Members are aware that the 2022 independent flood inquiry led by Michael Fuller and Mary O'Kane made 28 recommendations for future improvements to the way New South Wales plans for, prepares for, responds to and recovers from natural disasters like floods. The inquiry identified a range of things, including that the value of flood plains can be unlocked while also ensuring that they are safely enjoyed to their full potential. The inquiry identified that new buildings must be built out of harm's way and made more resilient. Consistent with those findings, the Government has committed to drafting new rules and streamlining planning processes to stop developments on flood plains, and to charging the Greater Cities Commission and the Department of Planning and Environment with developing those rules within our first 12 months of government while coordinating with

local councils. That work is underway. I am advised that I will be able to update the House further in the middle of the year; I look forward to doing so. It is an important question and important work that is underway.

### LAND MANAGEMENT

**The Hon. CAMERON MURPHY (11:28):** My question without notice is addressed to the Minister for Agriculture. This week is National Reconciliation Week, a poignant time to learn about our shared histories and the cultures and achievements of First Nations peoples. The theme of National Reconciliation Week 2023 is "Be a Voice for Generations". What is the Minister doing to make sure that First Nations cultures and perspectives inform land management?

**The Hon. TARA MORIARTY (Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales) (11:28):** I thank the honourable member for his great question on National Reconciliation Week. Land management, or care of country, is intrinsic to the first custodians of the continent. That is why Local Land Services [LLS] is partnering with First Nations organisations to share traditional land management and ecological knowledge to help protect and strengthen Aboriginal cultural heritage.

The Local Land Services Aboriginal Engagement Strategy works at both State and regional levels to enrich relations, create opportunities and enhance respect for Aboriginal people and communities. Amongst other things, the strategy aims to award at least 3 per cent of the total domestic contracts for goods and services issued by Local Land Services to Aboriginal-owned businesses; increase the number of Aboriginal employment opportunities facilitated by LLS; increase the percentage of Aboriginal employment to a minimum of 3 per cent across all grade levels in LLS—I know we can do better than that but at least it is worthwhile to have a bare minimum; and double the number of Aboriginal executive and leadership roles across the organisation.

The LLS Aboriginal Ranger Program was created to provide meaningful career pathways for Aboriginal people across New South Wales. Local Land Services also supports Aboriginal communities to manage the land they own and care for it through support and training in various land management techniques. I am delighted to say that LLS has created a career pathway program in the Hunter to empower Aboriginal knowledge holders and Elders to share cultural knowledge and land management techniques with community in the region. LLS also assists Aboriginal communities to undertake cultural burning to help mitigate the risk of bushfire.

When I visited Local Land Services in the Hunter, I met with the Indigenous people who are running the program and have been trained in that program. They will continue to do that work across that region. I hope we can expand that fantastic program across New South Wales. I am delighted to update the House on those vital programs. They ensure that First Nations culture and perspectives inform and enrich land management across New South Wales.

**The PRESIDENT:** I welcome to the Legislative Council student leaders from high schools from across New South Wales who are attending the Secondary Schools Leadership Program conducted by the Parliamentary Education and Engagement unit. You are all very welcome.

### RODEO CODE

**The Hon. EMMA HURST (11:31):** I direct my question to the Minister for Agriculture and Western New South Wales. The New South Wales Code of Practice for Animals Used in Rodeo Events states:

The Code ... should be reviewed at intervals of no longer than 2 years to maintain the highest possible standards.

However, since the code was published in 1988 it has never been reviewed or updated. Given the review is now 33 years overdue, will the New South Wales Government commit to undertaking a review of the rodeo code within the next 12 months?

**The Hon. Sarah Mitchell:** Rodeo, rodeo; tomato, tomato.

**The Hon. TARA MORIARTY (Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales) (11:32):** I am going to take a swing. Is it rodeo or rodeo? Good point. I appreciate the question from the honourable member. I note her longstanding interest in animal welfare issues. I look forward to working with the honourable member and her party on how we can enhance animal welfare across New South Wales. Quite a number of Acts are involved in protecting animals and making sure that we can work with animals in the way that we need to across agriculture. I look forward to working with stakeholders across the area to make sure that we get the balance right. I acknowledge the passion of the Animal Justice Party and the role it plays in the Parliament, particularly in this Chamber, in pursuing animal protection measures. It forces us, quite rightly, to make better collective decisions on behalf of the animals the party seeks to defend and for the welfare of animals across agriculture in New South Wales.

In relation to the review of that particular code, I note the question. It is extraordinary to me that it has not been reviewed for 33 years. I will get advice on the circumstances of that review and why it has not happened for 33 years. Indeed, I am not sure who was in government 33 years ago or which successive governments have failed to undertake that review, but it is clearly outstanding. I will take advice on why that has happened and what we can do to progress that assessment. I will come back to the House and the member with an update on what we can do to progress that issue.

### MVP VENTURES PROGRAM

**The Hon. JACQUI MUNRO (11:34):** I direct my question to the Minister for Finance. What does the Minister say to Meead Saberi, co-founder of footpath.ai—a startup promising advanced map routing and wayfinding tools—who applied for a minimum viable product grant with MVP Ventures, having been assured that decisions on applications were made within 40 days, only to be told 45 days after applying that applications for the MVP Ventures program are currently on hold as part of a sector-wide comprehensive expenditure review and will remain on hold until the Government makes decisions for the 2023-24 budget?

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:35):** I thank the honourable member for her question and congratulate her on her inaugural speech last night. To the particular individual whom the honourable member spoke about—I did not catch their name or the specifics—I must say that that is exactly what we are doing. The Government has paused a range of grants programs in order to make a thorough assessment of the state of the budget. Government members are serious about doing so in a careful and methodical way. We are not going to be signing cheques and pushing money out the door as we make difficult decisions to try to fix the mess that was created by those who were in government before us. The laziness and lack of discipline of those former Ministers who sit across from us today meant that they could not make tough decisions. We are not afraid of making tough decisions. We are making them. We are working through this process in a careful and methodical way. I understand that that might be disappointing for those particular individuals involved. I understand that—

**The PRESIDENT:** Order! The Hon. Sam Farraway will cease interjecting.

**The Hon. COURTNEY HOUSSOS:** But these are tough decisions that we must make. There is \$114 billion worth of Government spending, and the budget that was passed through this House by those opposite meant that we were headed for \$180 billion worth of debt. We do not think that is sustainable. We do not think that is acceptable for the people of New South Wales.

**The PRESIDENT:** Order! The Minister will resume her seat. The odd relevant, pithy or humorous interjection is welcomed by all sides of the House, but a constant stream of consciousness is not relevant, pithy or amusing. The Minister has the call.

**The Hon. COURTNEY HOUSSOS:** I can assure those opposite and the community of New South Wales that we are taking care and making deliberate decisions as we prepare the budget. I note the Treasurer, who was diligently working away, as he does, pointed out to me a page from the budget. I refer honourable members to page 5 – 8 of the Budget Statement in *Budget Paper No. 1*, which shows that the total expenses predicted under the previous budget were going to decline by \$6 billion. Members opposite had their own plan for cuts but they were not up-front or honest with the community. They hid it in the budget papers. But do not worry, Mr President. We are going to get to the bottom of it.

**The PRESIDENT:** Order! We will wait until there is silence in the Chamber before I allow the next question.

### NORTH COAST MINISTERIAL VISIT

**The Hon. EMILY SUVAAL (11:39):** My question is addressed to the Minister for the North Coast. The Minister recently went to the North Coast. Will she advise the House on the outcome of her visit?

**The Hon. ROSE JACKSON (Minister for Water, Minister for Housing, Minister for Homelessness, Minister for Mental Health, Minister for Youth, and Minister for the North Coast) (11:39):** I thank the honourable member for the question. I have been to the North Coast a couple of times but I was there again recently. One of the great things about being the Minister for the North Coast is how that portfolio reflects and elevates the work I am doing in my other portfolios. One of the key challenges, and probably the biggest challenge, the North Coast is facing is a housing crisis. There was a housing crisis on the North Coast and in the Northern Rivers before the flooding event. The North Coast was already thousands of dwellings behind where it needed to be for a healthy vacancy rate prior to the flooding. Then that catastrophic event occurred and the situation is now incredibly dire.

On my recent trip, I went to Lismore and visited the mayor, the local member, the Northern Rivers Reconstruction Corporation and one of the pod villages. Then I went back to meet with the Northern Rivers Joint Organisation of councils. It was fantastic to sit down with Sharon Cadwallader, the mayor of Ballina, and talk about their challenges. I also met with the Rous County Council water team. The Government will release its far North Coast regional water strategy soon. It was great to talk to the Rous County Council about some of the content of that strategy and how to deal with the water challenges on the North Coast and in the northern region. It was great to see Tamara Smith and Richie Williamson at that meeting. It was a really fantastic opportunity. There were no partisan politics. Everyone was having a really great open conversation, from Tamara and the mayor of Byron to the mayor of Ballina and Richie. Everyone was having a really thorough conversation about addressing some of those challenges.

We visited the Ballina Hot Meal Centre—a beautiful place with a really beautiful story about the local Rotary club and the Cherry Street Sports Club stepping up to provide that service. They make hundreds of meals with no current government funding for that work. The centre is seeing an increase of people needing meals. I shout out Beatrice from Alstonville, a great-great-grandmother in her late eighties who has been volunteering at the centre for decades. It is wonderful to see the community spirit and the volunteerism that goes into those kinds of programs, but they should not always have to rely on that. They should not always have to rely on people volunteering their time to get those programs off the ground. I visited the Mullumbimby Safe Haven Hub in my capacity as the Minister for Mental Health.

**The Hon. Bronnie Taylor:** Hear, hear!

**The Hon. ROSE JACKSON:** It was great, and I give credit to the former Minister for her support for mental health. I am not trying to politicise it. It is doing great work. It is run by the primary health network in the area. I finished my visit at a site that Ballina Shire Council is trying to get off the ground for affordable housing. It was a busy day, and there is a lot more work to do.

**The PRESIDENT:** Before I call on the Hon. Mark Latham, I welcome to the gallery the school captains of both Alstonville and Mullumbimby high schools.

#### STATE BUDGET

**The Hon. MARK LATHAM (11:43):** My question is directed to the Treasurer. I congratulate him on his public comments expressing determination to end the Matt Kean era of massive debt and deficit in New South Wales fiscal policy. Accordingly, as he goes through his budget papers that are never out of sight, what is the Treasurer doing to overcome the way in which previous budgets went deeper and deeper in debt and deficit as they funded more and more Commonwealth responsibilities? Tens of billions was spent on climate change, child care, labour force participation programs, university research and development, GP clinics, primary health care, and other duplicated spending which encourages Canberra to do less via reverse cost shifting. What advice has the Treasurer received on how defunding Commonwealth responsibilities would return the New South Wales budget to surplus and pay down the huge public debt the new Government has inherited?

**The Hon. DANIEL MOOKHEY (Treasurer) (11:44):** I thank the honourable member for his question. He makes a very good point around cost shifting between jurisdictions, especially between the Commonwealth and the State. I cannot help but note that he made reference to the Matt Kean era when he was Treasurer, and I cannot help but notice, as he has pointed out in the budget paper I am looking at, that in the Matt Kean era, last year expenditure in New South Wales went up 26 per cent—in one year; one in four additional in one year. The Government benchmarked that and looked at every budget from every Australian government going back to the seventies to find out who else accelerated expenditure as much as Matt Kean did. Move aside, Dr Jim Cairns; the record is gone. The great Jim Cairns' record is gone. The actual budget biggest expense increase by any Treasurer in any government of any political persuasion in the past 40 years was Matt Kean, and he gave only one budget.

What is more interesting is that the previous Government hiked expenditure by 26 per cent in one year but then cut it again by 5 per cent and 5 per cent in the next two years—cut, cut, cut. There is \$6 billion due to be cut next year, and an additional \$5 billion to be cut in the year after that. That is before we get to the \$7 billion that is not even in the budget. The Government has been accused of "cut, cut, cut", and I am looking forward to Opposition members saying what they were going to cut. They were planning to have \$6 billion worth of budget cuts.

The Hon. Mark Latham is right to ask what I am doing about cost shifting with the Commonwealth. Firstly, Treasury is engaging very heavily with the Commonwealth Grants Commission to make sure it is reflecting the true cost of delivering government services by State government. Secondly, we are working through each of the Federation funding agreements on the infrastructure side to make sure that New South Wales is, first, getting its fair share and, second, the cost of delivering infrastructure is properly reflected.

Thirdly, when it comes to the general purpose grants or specific purpose grants, we are making sure the Commonwealth is acquitting its responsibilities. Those are the first three aspects. But the Hon. Mark Latham is quite right; the previous Government signed the State up to a variety of schemes that were otherwise the responsibility of the Commonwealth Government. The irony is that the former State Liberal Government signed us up to those arrangements because the Liberal Party in Canberra would not do it for good or for ill. Scott Morrison would not act so Matt Kean put it on our credit card. The Government is going through every one of those initiatives— [*Time expired.*]

**The Hon. MARK LATHAM (11:47):** I ask a supplementary question. It felt like the Treasurer was just warming up with his outline of what has gone wrong in the State budget. Will he elaborate on those points and give a commitment to the Parliament and the people of New South Wales that he will act not as a de facto Commonwealth Treasurer, funding Commonwealth responsibilities, but act solely in the best interests of New South Wales, and that he will end the burden on future generations of huge public debt that they and their children have to pay down?

**The Hon. DANIEL MOOKHEY (Treasurer) (11:47):** I can give the member that assurance. As I was saying, we are working through each of the areas that Matt Kean signed us up for to determine whose responsibility they are. It is the fundamental responsibility of the Commonwealth Government to make sure that, for example, universities are funded.

**The Hon. Sarah Mitchell:** What about child care?

**The Hon. DANIEL MOOKHEY:** I am also of the view that it is the responsibility of the Commonwealth Government to make sure child care is funded; that is true. Equally, it is pleasing that the new Federal Government is taking those core responsibilities much more seriously than the Government it replaced. Equally it is very good that the Federal Government is now prepared to act and invest in those areas which were ignored for 12 years by the former State Government and its counterpart in Canberra. That is a good thing. I was pleased to see tentative and clear steps around improving primary care in the Federal budget, which is the Commonwealth's responsibility. It is good to see that Jim Chalmers is acting in that regard, because everyone should be able to access a GP and we want more people who can use primary care to go to primary care at the same time so we have more space in our emergency departments for those who need acute care. That is just some of what I am doing to properly acquit that responsibility.

But I will be straight with the House: This is difficult. It is tough to do, but we are determined to do it. The Government will, therefore, be going through the budget line by line and making sure that we are acquitting our core responsibilities of making sure that our schools, hospitals, emergency services and the core responsibilities of State Government—our transport system, amongst others—are well funded. We will work in partnership with the Commonwealth in the national interest to get reform, but I send the very clear message that the Commonwealth has its responsibilities and we have our responsibilities. We will go about this in that frame of mind. As the Government hands down the budget in September, I look forward to clearly spelling out a costed plan that is responsible and directs the public's dollars to the public's priorities. [*Time expired.*]

**The Hon. DAMIEN TUDEHOPE (11:49):** I ask a second supplementary question. Does the shadow Treasurer—

**The Hon. Courtney Houssos:** He's the Treasurer.

**The Hon. Mark Latham:** That's you.

**The Hon. DAMIEN TUDEHOPE:** Yes. Does the Treasurer now resile from his support for each of the programs identified by the Hon. Mark Latham when he, as the shadow Treasurer at the time, supported each and every one of the measures in the budget that was presented to the House?

**The Hon. DANIEL MOOKHEY (Treasurer) (11:50):** I cannot speak to what the shadow Treasurer thinks. But with regard to what the Treasurer thinks it is fair to say that the idea that, in the year prior to the election, I, as shadow Treasurer, supported every line item of the budget is not how I recall events. I made it very clear at the time that with regard to what the previous Government handed down we had a few points of difference, it is fair to say, with the budget. If the Opposition wants to talk about what points of difference we had with the previous Government's budget, let me be very clear. I could read my speech again to reiterate what we said. We were so disappointed that the previous Government did not budget, for example, to make sure that more teachers were permanent.

We also had a clear point of difference with the previous Government about the fact that it was prepared to fund trade commissioners in New York, London and Tokyo, pumping massive amounts of money into an extraordinary display of hubris at the same time as we had shortages of essential workers in our schools and

hospitals. That was a key point of difference. We had a huge point of difference with the previous Government about the fact that it was engaging in financial engineering of the Transport Asset Holding Entity. We also had a huge point of difference with the billions of dollars of bailouts it budgeted to pump into icare, having mismanaged and rorted that scheme for years. The proper answer to the question, which I appreciate from the shadow Treasurer, is that I disagreed with the budget last year but the Government is fixing it this year.

### JOB CREATION

**The Hon. SUSAN CARTER (11:52):** My question is directed to the Minister for Finance. What impact on jobs in New South Wales is the Minister expecting from the suspension of programs supporting startups, such as the Minimum Viable Product grants? University of New South Wales Director of Entrepreneurship David Burt warns that this is a terrible outcome for New South Wales-based startups, which are responsible for all net new jobs created. Cathy Lyall from Seed Space also warns that the suspension is likely to lead to companies relocating to more founder-friendly States such as Victoria, where initiatives such as Startup Victoria have had an incredible impact.

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:53):** I thank the honourable member for her question about support for startups and small business. I reiterate my previous answer, which is that I have been forced to pause the grants programs that were in place under the previous Government. I did that as a member of the upper House committee into grants. Members opposite are asking questions about the way that grants were administered under the previous Government. For the first time we saw bushfire grants politicised, so we are very cautious about grants programs.

**The Hon. Wes Fang:** Point of order: My point of order is under Standing Order 65 (5), which states that an answer must be directly relevant to a question. The Minister is straying into areas that are not within the scope of the question that was asked. The Minister is not being directly relevant. I ask that she be brought back to the leave of the question for the remaining two minutes of her answer.

**The PRESIDENT:** The Minister is being directly relevant, but she should remain so for the rest of her answer.

**The Hon. COURTNEY HOUSSOS:** I return to where I was, which is that being a member of the Public Accountability Committee inquiry into grants means that I have a deep level of concern about the way grants programs were administered under the previous Government. That is why this Government paused grants programs as the first part of its comprehensive expenditure review, as the first part of cleaning up the mess that members opposite created. It is a bit rich for former Government members, who politicised bushfire grants funding and provided almost a quarter of a billion dollars worth of funding designed for council amalgamation—

**The Hon. Scott Farlow:** Point of order: The question from the Hon. Susan Carter was a very direct question about startups. It was not about any other grants programs or the former Coalition Government; it was about what this Government is doing when it comes to startups. I ask that the Minister be directly relevant to the question.

**The PRESIDENT:** I have sympathy with the point of order. The Minister is beginning to stray from the leave of the question. I instruct her to be directly relevant to the question.

**The Hon. COURTNEY HOUSSOS:** In relation to the part of the question around the support in place for startups, I assure the House and the startup community that Government members will work closely with our Federal Labor colleagues. I commend the excellent work that Federal Minister Ed Husic is doing through the National Reconstruction Fund and through a range of other measures, particularly around the changes—

**The PRESIDENT:** Order! I have said the Hon. Sam Faraway's name twice but I have not yet called him to order. I will do so if he continues to interject.

**The Hon. COURTNEY HOUSSOS:** I commend the Federal Minister for the very important work he is doing, particularly around the changes to procurement. That is something the Government is really interested in doing, to provide support to small startup organisations to access the procurement policy. That was direct feedback that I received when I was the shadow Minister for Better Regulation and Innovation around the support that government could provide. Instead of pushing valuable taxpayer money out the door with little rigour, the Government is interested in engaging with the startup community. [*Time expired.*]

**The Hon. SUSAN CARTER (11:57):** I ask a supplementary question. In light of her answer, can the Minister for Finance confirm that all grants programs have now been suspended?



**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (11:58):** I can update the House and the member that the Government is taking a very close look at grants programs before they are administered.

**The PRESIDENT:** I call the Hon. Rose Jackson to order for the first time.

#### NIGHT-TIME ECONOMY

**The Hon. Dr SARAH KAINE (11:58):** My question without notice is addressed to the Minister for Music and the Night-time Economy. Will the Minister advise the House on what New South Wales can learn internationally about the importance of a strong and vibrant night-time economy?

**The Hon. JOHN GRAHAM (Special Minister of State, Minister for Roads, Minister for the Arts, Minister for Music and the Night-time Economy, and Minister for Jobs and Tourism) (11:59):** I thank the Hon. Dr Sarah Kaine for her question. If ever there was an answer to sing to, or perhaps throw some lyrics in, this would be it—but I am sorry to disappoint members. I apologise. I recognise the role the Leader of the Opposition has played over the years in entertaining and delighting the Chamber. As in other things, as a government we hope to do better over time on that matter.

Recently night tsars in charge of night-life from around the world—London, New York, Berlin, Montreal, Singapore and Paris—arrived in Sydney to see the city's night-time economy coming back to life. I was pleased to welcome those international guests on behalf of the New South Wales Government. They spoke at the inaugural NEON International Night-Time Economy Forum, which was a first for Sydney. They observed that New South Wales is now the only jurisdiction in the world with a Minister for Music and the Night-time Economy. I had suspected that to be the case, but finally I have confirmation from those international night-time tsars. It turns out that the rest of the world wants their own! They are back off home to lobby their governments and Ministers to have such a Minister in place.

I encourage the Opposition to get a spokesperson for this important area of policy. I was disappointed to see that the shadow Cabinet line-up does not include a shadow night-time economy Minister. There is a range of good candidates. I recognise the Hon. Natalie Ward, who chaired the important parliamentary committee that dealt with the lockouts. Prior to coming into Parliament, the Hon. Jacqui Munro's credentials on this matter were well on the public record. Perhaps the Opposition could look to some of the younger members of the Chamber? The Hon. Chris Rath, employed during the day as Opposition Whip, could perhaps stray further at night. Obviously the Hon. Taylor Martin, one of the youngest members—

**The Hon. Bronnie Taylor:** What about me? That is ageist.

**The Hon. JOHN GRAHAM:** The Hon. Bronnie Taylor is putting herself forward. All these members are welcome.

**The Hon. Bronnie Taylor:** Only in the regions.

**The Hon. Sarah Mitchell:** Regional night-life.

**The Hon. JOHN GRAHAM:** That is exactly right. I encourage the Opposition to join in this international movement. Those international night tsars who came here are keen to have any supporters. It is an international policy movement. I was happy to welcome them here.

**The Hon. Scott Farlow:** It's our policy!

**The Hon. JOHN GRAHAM:** Well step up! The Hon. Scott Farlow now wants a job. I encourage members to come forward and take up the mantle. Their time is now.

The time for questions has expired. If members have further questions I suggest they place them on notice.

#### *Supplementary Questions for Written Answers*

#### COMPREHENSIVE EXPENDITURE REVIEW

**The Hon. DAMIEN TUDEHOPE (12:02):** My supplementary question for written answer is directed to the Minister for Finance. Will the Minister provide the terms of reference, parameters, agreed methodology and timetable for the comprehensive expenditure review?

#### *Questions Without Notice: Take Note*

#### TAKE NOTE OF ANSWERS TO QUESTIONS

**The Hon. DAMIEN TUDEHOPE:** I move:

That the House take note of answers to questions.

## COMPREHENSIVE EXPENDITURE REVIEW

### MVP VENTURES

**The Hon. DAMIEN TUDEHOPE (12:02):** I take note of the answers from the Minister for Finance. We are no clearer on the methodology being used to conduct this so-called comprehensive expenditure review. It does seem to be a case of making it up as one goes along. However, what we do know is, as Paul Kelly so sweetly sings:

From little things big things grow  
From little things big things grow

The Minimum Viable Product grants are well targeted to help entrepreneurs kickstart a new enterprise with flow-on benefits for jobs and the New South Wales economy. With these grants now indefinitely frozen, some of the little things they would have helped grow will now die, cut off at the roots by the laser. From little things, big things grow.

As a father and grandfather, watching little children learn to swim is a delight. The First Lap voucher program helps ensure that those "little things"—children aged between three and six years old—get at least five structured swimming lessons, the foundation for a lifetime of water safety, and can grow into big things. How is the comprehensive expenditure review assessing the value of preventing child deaths by drowning through First Lap? We are not getting any answers. From little things, big things grow. Active Kids vouchers can make the difference in enabling families faced with cost-of-living pressures to pay for the next season's sport for their children. A 2021 review by the University of Sydney found that this program:

... shows promise as a scaled-up intervention to increase children and adolescents' physical activity participation.

This increased participation in physical activity leads to lifelong habits, with health benefits for the individual and savings to the Health budget. From little things, big things grow. A hallmark of the previous Government was that it had vision. It understood what cost-of-living pressures were about. It understood that we should be directing our budget priorities to families. It was a government that in fact renovated the State. It was a government that had a laser-like focus on delivering new hospitals, new schools, new roads and new railways, all of which were for the benefit of the people and families of this State. From little things big things grow.

### STATE BUDGET

**The Hon. MARK LATHAM (12:05):** I take note of answers given by the Treasurer and the Minister for Finance. Certainly it is true that the Coalition is an expert on little things becoming big things and growing even bigger because it has grown the budget larger than Jim Cairns ever did. It was more profligate than any Treasurer—Commonwealth or State—in the history of our nation. It took a budget that was in reasonable shape and grew it bigger and bigger into deeper and deeper debt and deficit. What caused the cost-of-living crisis in Australia? The Leader of the Opposition just pretends that this money grows on trees or drops from the sky, or that he finds it at the bottom of the garden every morning. What caused the cost-of-living crisis in Australia was the major contribution of huge budget deficits to inflation. One cannot stimulate the economy to the extent of Frydenberg and Matt Kean—a massive expansion of fiscal policy leaving debt after debt and deficit after deficit—without an impact on inflation. It is self-evident. It is basic fiscal policy 101 that if one drives these budget deficits and overstimulates the economy, one ends up with inflation.

We have ended up with this dreadful cycle of interest rate rises, where the Reserve Bank made a terrible misjudgement, and we are getting bigger and more interest rate rises than we otherwise would have needed. This is the cause of the cost-of-living crisis. It is no good playing the harp and pulling the heartstrings about the Active Kids program and learn to swim. For decades in New South Wales kids learnt to swim without the nanny state intervention of State subsidies. The kids joined up to sporting clubs without State government vouchers and subsidies. There comes a point—and I hope this is understood by the Treasurer and the Minister for Finance—where someone needs to break the cycle. One can go into deeper and deeper deficit—worse than Jim Cairns, worse than anyone in our history—and drive up inflation and interest rate rises and then turn around and complain about programs that had to be cut, but that cycle just makes things worse.

The cost-of-living crisis is real. Members ought to visit that community cafe in Sadleir, in the western districts of Liverpool. In politics one does get cocooned from the extent of these problems. Members are on a good earner and we go all right, but go out there and see hundreds of working people lining up to take charity such as food parcels and clothing for their kids in winter. This crisis is real, debilitating and cruel. At some point we need to break the cycle of debt and deficit to bring inflation under control. I know that is an objective in Canberra; surely it has to be an objective in Macquarie Street.

Yes, some of these decisions are tough, but the easiest thing for this Government to do is to recognise that funding Commonwealth responsibilities is completely unnecessary. The Wran, Unsworth, Carr, Rees and Iemma governments—one can go back to McKell and Cahill and Renshaw—never saw any need for New South Wales to be funding child care, which has long been a Commonwealth responsibility, nor labour market participation programs, university research and development or GP clinics. None of those governments ever thought it was necessary. [*Time expired.*]

### MVP VENTURES PROGRAM

**The Hon. JACQUI MUNRO (12:09):** I take note of the answer given by the Minister for Finance about minimum viable product [MVP] grants. There is some hypocrisy among members opposite. They come to the Chamber and ask for support for bills to inspire confidence in the people of New South Wales and give certainty to their futures. But the reality is that there is a delay on the confidence-inspiring grants that are required by startup businesses. New South Wales has a fantastic startup culture. The Sydney Startup Hub alone employs 6,000 people. There is also a western Sydney hub. Unfortunately, the Federal Government has already frozen the Boosting Female Founders Initiative grants, which are MVP grants that benefit women founders in particular. The MVP Ventures Program grants go up to \$200,000 for minimum viable products, which is so important for women founders with pre-seed and seed funding.

Even Dan Andrews has recognised the value of those startup grants. Although startup founders in Victoria may risk having to work from home for an extended period, at least they know they have the support of their Government to start up and grow. In Australia, particularly in New South Wales, over 30 businesses are Australian unicorns, which means that, like Atlassian and Canva, they have been able to expand globally and become billion-dollar companies. When in government the Coalition was a recognised leader in startups, with the Sydney Startup Hub, in quantum computing and in the space industry. We created the \$30 million NSW Future Industries Investment Program. Founders need that type of support. It assures them they have the confidence of their government to grow.

It is clear that this Government will continue to delay giving founders and small business people the confidence they need to start. Meead Saberi is a recognised leader at the University of New South Wales, who is doing incredible work with his students to make sure that there are more jobs in New South Wales and there is more private investment coming through. We must ensure that private investment flows to this State so that there is more productivity, more employment and the opportunity to take risks in business. That is a crucial part of the Liberal philosophy. We must ensure that people feel like they receive reward for their effort. Without reward for incredible—

**The Hon. Dr Sarah Kaine:** What about reward for essential workers?

**The Hon. JACQUI MUNRO:** The problem with this Government is that it will not invest in private enterprise, which can give back through taxes that will inevitably support those social programs. [*Time expired.*]

### FLOODPLAIN DEVELOPMENT

**Ms SUE HIGGINSON (12:12):** I take note of the promising answer given by the Deputy Leader of the Government, representing the Leader of the Government representing the Minister for Planning and Public Spaces in the other place. Planning is so fundamental in the face of our changing climate. Unfortunately, our system is not keeping up with the changes we are experiencing at the local landscape level and in local communities. In New South Wales we are bound by the Environmental Planning and Assessment Act, a wonderful piece of legislation introduced in 1979. It includes some fantastic visionary ways of doing planning well and doing it differently to how it was done in the past. It has evolved over the years; however, it has not taken the major steps towards much-needed reform. That is clear in places such as flood plains, where local communities feel extreme development pressure that is colliding with the best interests and function of the environment. We must keep those communities safe from harm. Communities in Yamba, in the Tweed and on the South Coast face extreme pressures from developments that were approved up to 25 years ago.

The pressure from developers and the cost opportunities to enliven those development consents are causing perverse outcomes across the landscape, including housing developments that will quite frankly put people under water. Bad planning has happened in the past in my community of Lismore, and it is happening now. But the Government gave a promising answer to my question on this issue. It appears that the Government is astute, and its eyes are open. But the community cannot wait 12 months. Great minds, visionaries and experts have put on the table the sorts of things we must be doing now. We must impose a moratorium to stop the developments that will put people at risk of harm from flood and fire. Most importantly, we must stop taking out essential native vegetation that stands between the extinction and survival of many unique threatened species that this State is lucky to have.

## STATE BUDGET

**The Hon. MARK BUTTIGIEG (12:15):** I take note of the questions that were asked of the Treasurer and the Minister for Finance, who are doing the job that those opposite should have done prior to the election. They are now on the Opposition benches because they did not do that job. Day after day Opposition members try to get us to reveal the minutia of what we are reviewing to reprioritise the budget. I do not know if it is lost on those opposite, but the election result was about reprioritising the budget to reflect what people in the real world want.

**The Hon. Sarah Mitchell:** Tell us what you want.

**The Hon. MARK BUTTIGIEG:** We want 10,000 permanent teachers. We want more nurses. We want more firefighters. We want more paramedics. We want a decent health system that looks after people. The election was fought and won on those things. You lost because you misplaced your priorities. Instead, you gave out grants to fund follies, like the \$90 million grant for some sort of park rehabilitation in Hornsby. You rorted bushfire grants.

**The PRESIDENT:** Order! The Hon. Mark Buttigieg will direct his remarks through the Chair.

**The Hon. MARK BUTTIGIEG:** Trade commissioners were mentioned earlier in question time. Multimillion-dollar payments have gone to them to perhaps promote the State overseas. Those opposite blame us for wanting to lift the wages cap when the wages of working people have been suppressed for 10 years and inflation is running at 7 per cent. We want to build schools in areas like Gregory Hills, where generations of people have been crying out for them. Guess what? We need money to do that. We have a restricted quantum because we have been left in an abject mess by those opposite—the biggest debt in history. We have to reallocate funds for those priorities. The Minister for Finance and the Treasurer are reviewing the budget to find the money to fund the things we were elected to do. Members opposite blame us for trying to do the things we were elected to do. I shudder to think how long it will take them to get back into government. They are in denial. They have learnt nothing in the two months since their election loss.

## TEACHER WORKFORCE

**The Hon. SARAH MITCHELL (12:18):** I take note of a number of answers given today. I start with the answer from the Minister for Finance to my question about the productivity savings being identified in negotiations with the unions. Those opposite love rewriting history. That is obvious during question time every day. But that was a serious question about what productivity savings measures are being identified through that process. It is particularly important for education because there are always trade-offs when those decisions are made. The reality of productivity savings in education—

**The Hon. Courtney Houssos:** When did you answer a single question that we asked you?

**The Hon. Sarah Mitchell:** You had your go.

**The PRESIDENT:** Order! My earlier ruling on sotto voce comments made by the Hon. Sarah Mitchell applies equally to the Hon. Courtney Houssos.

**The Hon. SARAH MITCHELL:** Productivity savings measures in education can be things like increased class sizes and staff development days during school holidays, which parents and teachers deserve to know about when negotiations are going on. For the Minister to say that she is not going to rule things in or out creates a level of uncertainty about the education sector in this State. I also find it astounding that the Minister has twice represented the Minister for Education and Early Learning in her Dixers. I am not sure why she is not doing them in her own portfolio. But there is a rewriting of history. On the topic of making temporary teachers permanent, the Minister said that we did not convert a single teacher in our time in government.

**The Hon. Courtney Houssos:** Not a single teacher. Look at the upper House inquiry.

**The Hon. SARAH MITCHELL:** That's wrong. You need to check your notes because that is factually incorrect. When we were coming out of the pandemic, we had an agreement with the union to have a moratorium on the staffing arrangements where we could do temporary-to-permanent conversions. Hundreds of teachers were converted in that process, which then laid the policy foundation for the larger temporary-to-permanent conversion. In the election, we announced 15,000 positions—11,000 teachers and 4,000 school support staff. Those opposite talked about 10,000 teachers but now suddenly in government they are also doing 15,000 because that was our policy that work had already begun on before the election. So the idea that Labor did this without any work by us is incorrect.

The Minister also indicated that the work we had done to save teachers time had a zero-hours saving. That is also factually incorrect. We know that we met our target of a 20 per cent reduction in administrative burden for

teachers within the time frame that we had in place. I suggest the Minister does not merely read the notes that she is given but that she makes sure she is not misleading the House in her answers. My final point relates to child care. In his answer the Treasurer said that he believes that child care should be the purview of the Federal Government and should be funded by it. That concerns me, as the shadow Minister for Education and Early Learning, because this House legislated a Childcare and Economic Opportunity Fund to address some of the serious issues in child care. The Government needs to be honest about whether it is going to continue with our massive reforms in early childhood education. We know they are important. *[Time expired.]*

### COMPREHENSIVE EXPENDITURE REVIEW

**The Hon. STEPHEN LAWRENCE (12:21):** I contribute in respect of the various questions that the Minister for Finance fielded in relation to the activities of the Expenditure Review Committee—a topic that has been referred to at length as the black hole. Issues regarding the activities of that committee and the black hole really relate to the forward estimates in the budget. For about half a century it has been common across all levels of government in Australia to do three-year forward estimates. I had some humble experience of that myself on Dubbo Regional Council, where there is a forward estimates system. It is important to note the objectives of the policy of forward estimates, which is basically to provide strategy and discipline to the budget. I am no expert in it but, from my activities on Dubbo council, I can say that there are a couple of objectives and parameters to the process of forward estimates. One is that in the forward estimates you assume that the current expenditure and policy objectives of the Government will continue over the three-year period. One can understand why that is important in terms of budget strategy and discipline.

The three-year estimates from the former Government's budget last year omitted a number of important things that those opposite now pretend to care about. It is important to focus on that. When, for example, we field questions designed to cause alarm in the community about various systems of vouchers, it is important to ask if those things were in the forward estimates. I turn to some of the specific details. It is interesting to hear all the questions that have been asked, but we have not heard those opposite specifically address whether or not those things were in the forward estimates. The 1,100 nurse positions in the forward estimates are unfunded from 30 June 2024, \$100 million of Destination NSW funding is not in the forward estimates and the Active Kids vouchers are unfunded to \$350 million from 30 June 2023. I invite those opposite, if they speak in the take-note debate, to address specifically if those things were in their forward estimates.

### JOB CREATION

#### MVP VENTURES PROGRAM

**The Hon. SUSAN CARTER (12:24):** Despite the invitation of the last speaker, I take note of the answers given to my question and supplementary question to the Minister for Finance, in particular the answer in which she said that in terms of all the programs to support innovation, new investment, job creation, wealth creation and growing of the economy, the Government was going to take a close look while everything was on hold. The Government may have the luxury of putting everything on pause while it looks, line by line, at every program, but the people of New South Wales who are engaged in creating and growing businesses, jobs and investments do not have that luxury. Jesse Wu from Afterwork Ventures notes:

Startups don't have the luxury of time to wait around for governments to get their sh\*t in order. Many were in the middle of (incredibly onerous) application processes, only to be unceremoniously notified the whole program was shutting down.

This is disrespectful behaviour to the people of New South Wales. I argue that it is short-sighted behaviour that does not recognise the great opportunity that startups provide. David Burt, who oversees the UNSW Founders program, said that the MVP grant program was "one of the most effective and important startup support programs available". Perhaps that should be considered in the line-by-line review? The last data that he saw was from 2020. It showed that, from only 181 grant recipients, 830 jobs were created—307 full-time equivalents and 523 contractors. That is an average of 8.9 full-time equivalents per startup. Fifty-four had raised a total of \$231 million in equity. Importantly, 22 reported export revenue of close to \$8 million, and that cohort had an almost 90 per cent survival rate.

If you want to address budget programs, you grow the pie. Investing in startups is a fabulous way to grow the pie. I am concerned that we are seeing incoherent policy settings. Today we heard from the Special Minister of State that one of the objects of the Parliamentary Remuneration Amendment Bill 2023 is to address the flight of workers from New South Wales to other States. Flight to Victoria and other places is exactly what will happen if we do not continue to invest and give certainty to startups.

#### MVP VENTURES PROGRAM

**The Hon. Dr SARAH KAINE (12:27):** I contribute to the debate to take note of the answers regarding grants projects. Last week I spoke in my first take-note debate and mentioned that I was shocked by the hypocrisy

that I witnessed. I did not think that I was easily shocked. Sadly, after another week in here, I am not even surprised anymore. A member of the Opposition just talked about this Government disrespecting the people of New South Wales. I find that astounding given the way that the previous Government treated hundreds of thousands of public sector workers. Members opposite now want to talk about one particular grant program, which I am not suggesting is not important. In fact, the Government is committed to innovation. The startups that come up with those MVP grants are important, and hopefully they do end up as our next Atlassian.

But I could not stay quiet when I heard contributions from members opposite about reward for effort. Reward for effort should not be limited to the private sector; it equally applies to those vital workers who look after us in our schools, hospitals and all of the places that are so important for keeping the community of New South Wales safe and well. When members of the Opposition talk about grants in important areas, I advise them to steer clear of suggesting that the disrespect emanates from this side of the House.

**The PRESIDENT:** Order!

**The Hon. Dr SARAH KAINE:** I reiterate that the Opposition should be clear about where the greatest amount of disrespect has come from for the workers of New South Wales over the past 12 years. It clearly does not rest with this side of the House, or with the finance Minister, Treasurer and other ministerial colleagues, who are trying to sort out the mess left by the Opposition.

### TEACHER WORKFORCE

**The Hon. WES FANG (12:30):** In the remaining brief minutes, I take note of answers given today by the Minister for Finance, representing the Minister for Education and Early Learning. It seems quite odd that a Minister in this House is representing a Minister in the other place. I suspect I know why. I suspect it is because the Minister in the other place is—

**The Hon. Courtney Houssos:** Because we worked closely before the election and we continue to work closely together to fix the problems that you created.

**The Hon. WES FANG:** Mr President, are you going to allow those interjections?

**The PRESIDENT:** It is a bit rich for the honourable member to interject all the time when other members are speaking and then expect others to not do it to him. The member has the call.

**The Hon. WES FANG:** I think saying I do it all the time is probably a bit of a stretch, Mr President.

**The PRESIDENT:** The member has the call.

**The Hon. WES FANG:** I suspect that the Minister for Finance is answering questions for the Minister for Education and Early Learning because she probably does it better than the education Minister. That is interesting. I think it is actually a point that—

**The Hon. Anthony D'Adam:** Point of order: The purpose of this debate is to take note of answers, not to take pot shots at various members in this House or in the other place. I remind the member that making adverse reflections on a member of this House or the other place is unparliamentary and should be done by way of substantive motion, if he wants to do it at all.

**The PRESIDENT:** I do not uphold the point of order at this stage, but I will be listening very closely. The member has the call.

**The Hon. WES FANG:** I suspect that the answers are probably directed better by the Minister for Finance. She is probably a frustrated education Minister. I think that is a reflection of the fact that she is in this job that has to do—

**The Hon. Anthony D'Adam:** Point of order: The member cannot reflect on another member. He just said, "She must be a frustrated education Minister." That is a clear reflection on a member. It is inappropriate, it is unparliamentary, and it should be called to order.

**The PRESIDENT:** The member's time is about to expire. In terms of reflections on members, that was a pretty gentle one, so we will let that one through to the keeper.

Pursuant to standing orders, debate is interrupted to allow the Minister to respond.

### TAKE NOTE OF ANSWERS TO QUESTIONS

**The Hon. COURTNEY HOUSSOS (Minister for Finance, and Minister for Natural Resources) (12:33):** In closing today's take-note debate, I note that after eight question times I have finally been asked by the Opposition whether we have terms of reference for the comprehensive expenditure review that I am undertaking.

Well, yes, of course we do. When I say we are undertaking this in a careful and methodical way, it means that we have terms of reference, that we have a plan we are working through and that we will speak to the community and the Parliament about our plans for the budget in September.

After watching the previous Government over eight years from the Opposition benches and through a series of budget estimates hearings, I had grave concerns about how those opposites managed their time in government. Those concerns only grew in question time today by the fact that it has taken them eight question times to reveal that conducting a review means having a plan for how it will be done. But I am delighted that they finally got here. One of those difficult decisions that we have had to make is to pause not all but a range of discretionary grants programs. I understand the impact of that on individuals, including those that were announced today.

**The PRESIDENT:** Order! The Minister will be heard in silence.

**The Hon. COURTNEY HOUSSOS:** These are tough decisions that we have to make. They are tough decisions that have impacts on individuals. The reason we are making these decisions is that I am not prepared to sign onto every single person in New South Wales having an unsustainable debt level of \$15,000. I am not prepared to sign onto having a \$180 billion worth of debt. I am not prepared to sign onto the short-term policies, pursued by those opposites, that led to temporary teachers in our schools growing by 82 per cent.

As the Minister responsible for procurement, I am keen to engage with the start-up community—like our excellent Federal Minister Ed Husic, who is making changes to the way that procurement works at a Federal level—to allow start-ups and smaller companies to gain access to government procurement contracts. When companies want to go overseas and expand, often the ability to access Australian Government contracts is important in providing that. I am keen to do that.

Earlier in the week during question time, I spoke about swings that we saw across Camden. The new member for Riverstone reminded me about some of the swings that were in his electorate. Holsworthy, Miranda, Ryde, Terrigal—do not worry, we are coming for them as well. It takes a particular level of bravado, after losing the election, to come to this Chamber and bemoan the lack of funding for things like the First Lap voucher and the Active Kids voucher, which were not funded under their own budget. [*Time expired.*]

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

**Motion agreed to.**

#### *Deferred Answers*

### **FERAL ANIMAL CONTROL**

In reply to **The Hon. ROBERT BORSAK** (10 May 2023).

**The Hon. TARA MORIARTY (Minister for Agriculture, Minister for Regional New South Wales, and Minister for Western New South Wales)**—The Minister provided the following response:

1. Feral pigs have a high reproductive rate and populations can recover quickly during good seasonal conditions, as have occurred across large areas of New South Wales in the past few years. Baiting and aerial shooting (supported by trapping and ground shooting) can be highly effective at reducing feral pig populations, provided there is active participation by private and public landholders in priority areas - achieving higher levels of participation is a focus for LLS. The LLS aerial shooting programs have removed over 57,400 feral pigs across the New South Wales landscape during the 2022-2023 financial year.
2. Federal Government processes already exist to allow export of feral pig products as per other wild harvest industries such as feral goats. The limitation is demand for the products at an acceptable price point, noting the challenging economics of wild harvest industries and the problem of variable supply.
3. In New South Wales, all aspects of firearms management, licencing and ownership are controlled by legislation under the Firearms Act 1996 and Firearms Regulation 2017 which are administered by the NSW Police Force.  
  
Under the Firearms Act 1996, a primary producer is able to apply for a Category D firearms licence with a 1-, 2- or 5- year duration. Among the prescribed "genuine reasons" to qualify for a Category D Firearms Licence is participation in an "Authorised Campaign" being conducted by or on behalf of a Government Agency.
4. There has previously been a feral pig harvesting industry in Australia, supported by a regional network of chiller boxes in New South Wales. However, in the same way that kangaroo and feral goat harvesting is challenged by logistics, economics and variable supply, the Australian feral pig industry declined due to export markets lack of demand at an adequate price and hence low returns for the local supply network. This situation has not improved and prices of wild boar meat (e.g. in Europe) would have to increase substantially to encourage local industry to re-engage in feral pig harvesting.

### **DEPARTMENTAL SECRETARIES**

In reply to **The Hon. DAMIEN TUDEHOPE** (11 May 2023).

**The Hon. PENNY SHARPE (Minister for Energy, Minister for Climate Change, Minister for the Environment, and Minister for Heritage)**—The Minister provided the following response:

The employment of the Secretaries of Treasury, Department of Education, and Transport were terminated under section 41(1) of the Government Sector Employment Act 2013. Under the Act each Secretary is entitled to a payment equivalent to 38 weeks' pay and unused recreation and extended leave.

*Written Answers to Supplementary Questions*

**ENMORE PARK**

In reply to **the Hon. NATASHA MACLAREN-JONES** (31 May 2023).

**The Hon. ROSE JACKSON (Minister for Water, Minister for Housing, Minister for Homelessness, Minister for Mental Health, Minister for Youth, and Minister for the North Coast)**—The Minister provided the following response:

I am advised:

The Department of Communities and Justice Homelessness Outreach Support Team [HOST] works collaboratively with partners to provide support and assistance to people sleeping rough in the Sydney, South Eastern Sydney, Northern Sydney District.

Assertive Outreach teams patrol Enmore Park at least three times a week.

- HOST provides regular assertive outreach to the Inner West which covers Enmore Park.
- HOST last attended Enmore Park on 31 May 2023 at 1.00 p.m. Two tents were sighted, contact was attempted but no response was forthcoming and zero children were sighted.

The Department of Communities and Justice's HOST teams and assertive outreach partners will continue to assist and support our homeless community.

Our State is facing a housing and rental crisis and we are taking this issue seriously.

**The PRESIDENT:** I shall now leave the chair. The House will resume at 2.00. p.m.

*Bills*

**FIRST HOME BUYER LEGISLATION AMENDMENT BILL 2023**

**Second Reading Speech**

**Debate resumed from an earlier hour.**

**The Hon. DANIEL MOOKHEY (Treasurer) (14:01):** On behalf of the Hon. Penny Sharpe: I seek leave to have the balance of the second reading speech incorporated in *Hansard*.

**Leave granted.**

Currently, a first home buyer purchasing a home for \$800,000 needs to pay stamp duty of \$31,090 or opt-in to the former Government's land tax and pay an annual bill starting around \$1,500 and continue paying for as long as they own the property.

The stamp duty concession threshold will increase from \$800,000 to \$1 million. This is a sliding concession where a first home buyer purchasing just above \$800,000 pays a small proportion of the full stamp duty that would otherwise be payable and a first home buyer purchasing just below \$1 million will pay most of the full stamp duty that would otherwise be payable.

This Government's support for first home buyers will come without any obligation to pay an ongoing annual land tax.

People buying their first home will enjoy an advantage when bidding on the same property as an investor

**Extending the residence requirement**

The bill will also increase the residence requirement under the First Home Buyers Assistance scheme from six months to 12 months to target the benefits to owner-occupiers and not investors.

The 12-month continuous occupation of the property as their principal place of residence must commence within 12 months of the first home buyer taking possession to satisfy the residence requirement.

For consistency, this extended residence requirement will also apply to first home owner grants for new homes and the duty deferral for owner-occupier off-the-plan purchases.

The Government's fiscal outlays on first home buyer support are intended to increase the owner-occupied share of New South Wales dwellings, helping more young people to get into their own homes earlier in life.

In practice, under current policy around 30 per cent of people who receive a first home buyer duty exemption or concession become landlords within 12 months of completing the residence requirement, renting their properties out. The duty concessions received by this group are helping neither home ownership nor housing affordability. The change made with the Government's new policy will help to reduce the direction of these fiscal subsidies to a group of landlords.

**Closing off the former government's false 'choice' scheme**



The bill will close off access to the so-called First Home Buyer Choice land tax scheme from 1 July 2023.

- The former Government had commenced the scheme on 16 January 2023, shortly before the election.
- Dominic Perrottet's land tax on the family home was introduced without taking the new tax to an election.
- That scheme helps pay for properties up to \$1.5 million. This is not appropriately targeted, as the Sydney median price for a home is around \$1 million.
- Around 50 per cent of the benefit of the stamp duty exemption has been going to just 13 per cent of first home buyers who can afford a home between \$1 million and \$1.5 million.

Those first home buyers who have already opted into the scheme will be grandfathered. This means that they will continue paying annual land tax until they sell the property.

Many first home buyers who have opted into the scheme and bought a house for \$1 million or more have avoided a large sum of stamp duty, so it is appropriate that they continue to pay what they have agreed to. But our better targeted assistance program will no longer force future first home buyers paying less than \$800,000 to do this, and it will no longer give first home buyers who can already afford more than \$1 million or more a publicly funded boost to their purchasing power.

#### **Timeline**

Mr President, the Government is working closely with relevant public and private sector system operators to ensure there is a smooth transition on 1 July 2023.

First home buyers who sign a contract to purchase a home on or after 1 July 2023 will be able to benefit from the increased support under the First Home Buyers Assistance program we bring to this house today.

Access to the land tax scheme will not be available for those who sign a contract on or after 1 July 2023.

#### **Fairness**

Mr President, 84 per cent or five out of every six people buy their first home for less than \$1 million. This bill is for them.

It gives them an advantage against investors and established home owners who do have to pay stamp duty when purchasing another home.

The former Government's scheme allowed first home buyers paying above \$1 million up to \$1.5 million to avoid stamp duty if they opted to pay a land tax.

That scheme did not help home buyers paying between \$650,000 and \$800,000 anywhere near enough, but it gave a tremendous boost to people who were spending more than \$1 million on their first home.

Only 13 per cent of first home buyers currently spend more than \$1 million up to \$1.5 million on their first home. Yet 50 per cent of the total stamp duty being waived under the old Government's scheme was helping this group. Much more help was going to people buying more expensive homes than people struggling to buy a lower-cost home.

The so-called choice for home buyers between \$650,000 and \$1 million was to pay land tax instead, but the stamp duty discount for people with less to spend was much smaller.

Labor's scheme simply abolishes stamp duty for people paying up to \$800,000 for their first home, and it gives concessions up to \$1 million without asking first home buyers to sign up to a land tax instead.

Labor's scheme is better for most people and it is also fairer for people living in all parts of New South Wales.

Over the two financial years before the Liberal's introduced their "choice" scheme, 45 per cent of people who received first home buyer assistance were from outside metropolitan Sydney.

Since the Liberal scheme began in November 2022, just 16 per cent of the people who opted into the new scheme bought a first home in regional and rural New South Wales.

The National Party should be ashamed of supporting a policy which gave so much more support to home buyers paying up to \$1.5 million, and gave much less help to families trying to buy their first home in places like the Tweed, Coffs Harbour, Orange and Bathurst, where the average home costs more than \$650,000.

Labor's plan to abolish stamp duty for all first home buyers up to \$800,000 will benefit the people who need it in Sydney and in regional New South Wales.

A family in Seven Hills in Sydney's west paying \$755,000 for their first apartment will not pay any stamp duty and will be \$21,844 better off under Labor.

A family paying the average price of \$799,000 for their first home in Coffs Harbour will not pay any stamp duty and will not be forced to "choose" a land tax. They will pay nothing under Labor.

A family buying their first home for the average price of \$906,000 in Fairfield will pay around \$16,000 instead of the \$36,000 they would have paid under the Liberals—and again, no land tax.

A family in Dubbo buying their first home will continue to pay no stamp duty and be \$17,000 better off than an investor trying to buy the same \$500,000 property—but they will not be subsidising a government program by giving a first home buyer, with \$1.4 million to spend, a \$61,000 discount on their stamp duty like they were under the Liberals!

We have heard from members opposite about how popular their scheme was—but it turns out the scheme was particularly popular amongst people who could already spend a lot more, and much less popular among people struggling to pay the average price of a home.

It was generous, and very well-taken up by people paying more than \$1 million for their first home, but the benefit was marginal for people paying between \$700,000 and \$800,000.

On current trends, by the year's end more than 5000 people paying between \$700,000 and \$800,000 who would have paid stamp duty or a land tax under the Liberal's policy will instead pay nothing, thanks to the changes we introduce today.

The old policy was not about giving people a choice. It was classic Liberal Party policy to give some people with more money more choice, while working people and people in regional New South Wales got far less.

We congratulate people who have the means to buy a home for more than \$1 million to start their family journey. They deserve what they have worked for and they have our best wishes, but the needs of a young couple struggling to buy an apartment or a modest house in places like Merrylands, Mudgee or Macksville are the concern of this Government, and our program will help more people live in a home of their own.

#### Conclusion

The bill targets assistance to first home buyers in the \$650,000 to \$1 million price range who are finding it difficult to get their first home.

To afford this assistance, the Government is closing access to the former Government's land tax scheme and targeting our assistance program to those who have less than \$1 million to spend on their first home.

From 1 July 2023, these significant changes will help thousands of first home buyers achieve their dream of ownership.

I commend the bill to the House.

### Second Reading Debate

**The Hon. DAMIEN TUDEHOPE (14:01):** The Opposition opposes the First Home Buyer Legislation Amendment Bill 2023. The bill represents a retrograde step in our taxation system and, even worse, represents an increase in the barriers to entry for first home buyers. Its key measure is to deprive first home buyers of what has proven to be a very popular choice: to opt out of paying a large amount of up-front transfer duty of up to \$66,700 and instead accept a small, annual property fee. While the Opposition opposes the bill, it has a number of key amendments that it will move to preserve the power first home buyers currently have. If the amendments are accepted, it will support the bill. Before I turn to the reforms in the bill, I wish to discuss the history and the case for stamp duty reform.

Stamp duty was introduced to New South Wales in 1865 and has been an entrenched feature of the property market since then. It is a mechanism that was suited to a housing market where prices were much lower relative to household incomes and there were fewer and less frequent transactions because mobility was limited. However, the way we live and work has changed significantly. Now young Australians are likely to change jobs 17 times across five different careers over the course of their working lives. The increased mobility in the labour market and the higher frequency of career changes means we ought to make it easier for housing to be transferred so that people have the housing they need, when they need it and where they need it. Further, the increase in housing prices relative to household income has meant that it has become much harder for first-time buyers to purchase a home.

Since 1990 New South Wales average earnings have trebled. However, average house prices have increased by around five times and average stamp duty on dwellings has increased by more than seven times. Meanwhile, home ownership has declined from around 70 per cent in the 1990s to around 64 per cent today. For younger people aged 25 to 34, the national rate of home ownership sits much lower, at around 41 per cent in 2019-20. It is also taking first home buyers longer than ever to save the funds they need for a deposit and to cover the stamp duty. The average sales price has grown from six times the average annual earnings in 1990 to 9.5 times the average annual earnings in 2020. For the full-time worker who earns an average annual earnings and saves 15 per cent of their income, stamp duty adds two-and-a-half years to the time required to save a deposit of 20 per cent of the cost of the average New South Wales property.

Another problem created by stamp duty is the friction it adds to transactions. Many people often stay in homes that do not suit their families or their lifestyles because of the large, up-front transaction costs of buying a property, including stamp duty. Finally, the current stamp duty system gives rise to bracket creep, with stamp duty collecting more and more revenue as house prices increase. I note that Sydney's housing prices, driven primarily by higher interest rates, have cooled since hitting their peak in early 2022 but still remain at record highs compared with a decade ago. It is clear that our society and our housing market has changed and so too should our property tax system. In the late 1990s the introduction of the goods and services tax by the Commonwealth was meant to be accompanied by phasing out State taxes such as stamp duty. While most forms of stamp duty were phased out as part of that process, stamp duty on property transactions still remains a key revenue raiser for State governments.

Numerous expert reports have called for reform to the stamp duty system, including the Harvey report entitled *Review of state business taxes* from 2001; the Independent Pricing and Remuneration Tribunal's *Review*

of *State Taxation* report from 2008; the Henry review of Australia's future tax system from 2010; the *NSW Financial Audit 2011*; the *ACT Taxation Review 2012*; the Commonwealth Productivity Commission report entitled *Shifting the Dial* from 2017; and the New South Wales *Productivity Commission White Paper 2021*. A variety of think tanks have also recommended the replacement of stamp duty with a broad-based land tax, including The Centre for Independent Studies in 2008, The McKell Institute in 2016, the Grattan Institute in 2018 and The Australia Institute in 2020. The former Government also undertook substantial work and consultation on the issue of property tax reform through the 2020 *NSW Review of Federal Financial Relations* chaired by David Thodey; the 2020 Treasury property tax consultation paper; the 2021 property tax progress paper; and a parliamentary inquiry into the provisions of the First Home Buyer Choice policy as it was being legislated.

The overwhelming consensus is clear. Stamp duty creates friction in transactions, disincentivising the transfer of property, and presents a significant barrier to the entry for new entrants—namely, first home buyers. In short, it is a bad and inefficient tax. While there have been lots of calls for change, there has been very little courage. But the former Government had the vision to initiate reform to create a dynamic taxation system that better reflects the way the housing market has changed and how people engage with housing. There is a better way. First Home Buyer Choice represents the beginning of a better way for us to structure our property tax system, to help our economy and to help home owners. It provides immediate relief to first home buyers by removing the up-front barrier that stamp duty presents and shaving up to two years off the time it would take for them to save up for a deposit by giving first home buyers the choice between traditional, up-front stamp duty or a small, annual property fee.

The system puts young people and young families first by giving them the ability to choose to get into the housing market sooner and pay less if it works best for them. The system has a protection to ensure that bills are indexed according to the gross State product, but with a cap of 4 per cent to avoid volatility in payments. The current system also adopts a key measure to increase the number of owner-occupied dwellings by applying a different rate for investors. An owner-occupier who opted into the scheme would pay \$400 plus 0.3 per cent of land value, while an investor would pay \$1,500 plus 1.1 per cent of land value. That increased rate for investors ensures that first home buyers are given an advantage in a property market they are struggling to break into.

The difference in relative burden faced by owner-occupiers and investors helps to shift prices in a way that supports higher home ownership. The bill before us does away with that important design principle. We have seen the success of the scheme already, with 8,576 first home buyers opting in. Some 2,393 purchasers in Western Sydney alone have chosen to opt in, which represents just over 45 per cent of all property purchases. Over \$200 million in up-front stamp duty has been saved. People are voting with their purchases. They want this choice and they are exercising it. I remind the Treasurer that during the second reading debate on the Property Tax (First Home Buyer Choice) Bill 2022 he said:

Labor has decided to vote against the Premier's proposal. We refuse to aid and abet Mr Perrottet in his quest to introduce a land tax on people's homes, without a mandate from the people themselves.

He has repeated that today. What better mandate is there than the informed economic decisions of individuals choosing to opt in to the First Home Buyer Choice scheme? Despite the hubris of those opposite, who claim to have a mandate, I remind them that they did not in fact win a majority government. The people of New South Wales did not accept their horrible scare campaign on First Home Buyer Choice and their continued uptake is proof of that. Instead of giving people a choice, with this bill Labor seeks to deny choice to thousands of future first home buyers, instead lumping them with the burden of up-front stamp duty. It goes to the very heart of Labor's paternalistic, big-government philosophy that the Government knows better than the individual. Members on this side of the House do not accept that.

We know it is individuals, not governments, who are best placed to make decisions about their own economic future. That is why the Liberals and The Nationals were proud to take an expansion of the First Home Buyer Choice scheme to the last election. The expansion would have allowed first home buyers who opted in to the scheme to buy a second property and increased the thresholds by \$50,000 each year so that the scheme kept up with the price increases that occur in property markets. That is what reform in the right direction looks like: making our system more dynamic and adaptable to the realities of our property market. However, instead of moving in the right direction to a better system, this bill represents a retrograde step.

While the Opposition does not oppose the raising of the exemption threshold to \$800,000 and the increase in the concession rate up to \$1 million, as set out in the bill, it is lazy policy to continue the use of stamp duty concessions. Stamp duty concessions have been in place for many years. However, they have not reversed the declining rates of home ownership. Further, the lack of indexation of those concessions means that in due course fewer first home buyers will benefit from any form of assistance as home prices increase and bracket creep limits the opportunity of being part of the scheme. Additionally, the bill would reimpose transfer duty of between \$40,090 and \$66,700 on those first home buyers who purchase property for between \$1 million and \$1.5 million.

Let us be clear: This is a tax hike for thousands of aspirational people and working families who are simply looking to break into the housing market. It is a regeneration of class warfare by the Labor Party, which, despite knowing that Sydney's median house price is \$1,230,581, wants to make it harder for people to get a home in an area they wish to live in, work in and raise a family in. The claim that the current policy does not assist regional New South Wales is disingenuous as it fails to reflect that the median house price in our regions is below the existing thresholds for stamp duty concessions. It means for the first home buyers purchasing a median-priced house in Marsden Park, they will have to pay the full stamp duty of \$47,913. In Bankstown, where the median price is above Labor's million-dollar threshold, they will have to pay around \$50,883 up-front. Labor's policy reflects a failure to understand the changed nature of housing.

Labor wants your first home to be your last home. Labor members do not believe in making it easier for anyone to upsize or downsize so that they have the housing that they need when they need it. They do not believe in helping anyone to get into the market sooner. Instead they will keep home buyers in a system where they will compete against wealthy investors who can afford to pay large, up-front stamp duty. They do not believe in trusting home buyers to make decisions about their economic future. Moreover, the bill would create a less favourable situation for most of those people purchasing a property for between \$850,000 and \$1 million compared with the choice available under the First Home Buyer Choice scheme. In his second reading speech on the bill in the other place, the Minister for Planning and Public Spaces said:

A family buying their first home for the average price of \$906,000 in Fairfield will pay around \$16,000, instead of the \$36,000 they would have paid under the Liberals—and, again, no land tax.

The Minister mistakes the amount of transfer duty under Labor's plan by about 33 per cent. It would be \$21,247, not around \$16,000 as he misleadingly told the House. He also misleadingly stated that under the Liberals they would have paid \$36,000 in transfer duty. That is misleading because it ignores the key element in the excellent scheme that the bill seeks to abolish: choice. I note that the former Treasurer raised that very concern in the other place during debate on the bill last night, yet the Minister failed to respond or correct the error of the calculation in relation to the stamp duty that he indicated would be paid. I invite the Treasurer to clarify that point.

Under the former Liberal-Nationals Government's First Home Buyer Choice scheme, those first home buyers could choose to avoid the up-front \$35,860 in transfer duty and pay a small amount of annual property tax instead. For a typical house in Fairfield valued at around \$900,000, the break-even point would be around 29 years, which is well past the average 10 years that first home buyers stay in the first home they move into. If First Home Buyer Choice remained an option with Labor's proposed concessional transfer duty, then it would still be around 15 years before the break-even point for a house and around 33 years for a unit. The Minister also stated that the scheme outlined in the bill would be:

... a sliding concession where a first home buyer purchasing just above \$800,000 pays a small proportion of the full stamp duty that would otherwise be payable and a first home buyer purchasing just below \$1 million will pay most of the full stamp duty that would otherwise be payable.

However, when compared with the existing First Home Buyer Choice policy, it starts to be less favourable somewhere around a purchase price of \$850,000, depending on whether it is a unit or a house and on the ratio between the purchase values and the land values in a particular area. This short-sighted reform by Labor has a minimal impact upon the rate of first home buyers making purchases. In fact, modelling on this policy by the Parliamentary Budget Office indicated that it is expected to increase first home buyer volumes by an average of 0.6 per cent over the four years to 2025-26.

For Labor to act as though this reform will be revolutionary for first home buyers is a fiction. Instead, it will disempower thousands of first home buyers by abolishing their choice. We will seek to amend the bill to protect the interests of first home buyers and preserve the choice they have embraced so eagerly. The Opposition will move an amendment to delete schedule 2 from the bill, which will have the effect of maintaining the First Home Buyer Choice scheme in full rather than just for those who have been fortunate enough to take advantage of it before 1 July 2023. The amendment will leave in place the parts of the bill that increase the threshold for exemption from transfer duty and for a sliding concession on transfer duty.

The previous Liberal-Nationals Government raised the threshold at which no transfer duty was to be paid by first home buyers to \$650,000. The Opposition has absolutely no objection to raising the threshold further to \$800,000. We need to do everything we can to get more aspiring working families into affordable homes for the first time. The measure will save first home buyers up to \$31,000 in transfer duty. However, the Opposition will move a further set of amendments to index the threshold to annual changes in the median price of house transfers in Sydney for the June quarter each year. For example, the median price for the June 2022 quarter was 5.83 per cent higher than in June 2021. Indexing the thresholds to reflect fluctuations in the median cost of homes is a more sensible approach than waiting for the benefit of the threshold to be eroded by bracket creep over several

years before increasing it by legislation at the whim of the Parliament to produce revenue at any particular time. We need a scheme that ensures that the catchment of first home buyers remains in place as it is today.

The third measure in the bill increases the residence requirement for first home buyers to occupy the home for a continuous period from six months to 12 months. The Minister in the other place stated that this aspect of the bill is designed to increase the share of owner-occupied dwellings, which is a welcome goal. However, he stated:

In practice, under the current policy around 30 per cent of people who receive a first home buyer duty exemption or concession become landlords within 12 months of completing the residence requirement, renting their properties out. The duty concessions received by this group are helping neither home ownership nor housing affordability. The change made with the Government's new policy will help to reduce the direction of these fiscal subsidies to a group of landlords.

If purchasers are selling 12 months after the six-month residence requirement—18 months after purchase—the reform to change the residence requirement to 12 months will have no material impact upon the length of time people transact. The Opposition is concerned that aspect of the reform will give rise to unintended consequences for purchasers who, through unforeseen circumstances, need to transact sooner and will be punished with the imposition of the full duty. If the goal is to increase owner-occupied properties, it makes sense to have different rates applied to owner-occupiers and investors. The current policy has this in place under First Home Buyer Choice. The Opposition welcomes more clarity on this matter and will move to retain the six-month occupation rule.

The requirement is also to be applied to eligible tenants purchasing a home under section 278 of the Duties Act 1997. An eligible tenant is defined as a person who is "a tenant of the Department of Housing, or is a tenant under the Community Tenancy Scheme administered within the Department of Family and Community Services, or is a tenant of the Aboriginal Housing Office". On the face of it, that seems to be counterproductive to the goal of freeing up public and Aboriginal housing by giving tax breaks in the form of exemptions from transfer duty to tenants seeking to purchase a home. We welcome some further clarification on that issue. Finally, the Hon. Natalie Ward will move an Opposition amendment to include an exemption from or a concessional rate of stamp duty for people fleeing an existing residence due to domestic violence. There should be no impediment to someone seeking to buy a home as a result of leaving their current residence due to domestic violence. We should encourage some form of opportunity for home ownership by providing such people with an exemption or a concessional rate of stamp duty for the purchase of buying an alternative residence.

Housing affordability is at a crisis point in Sydney. The bill represents a tinkering at the edges of economic reform. Walking away from landmark reform will only serve to entrench the existing problems in our housing market. During the election campaign we foreshadowed expanding our scheme by way of opportunities for people fleeing domestic violence. We sought to expand the scheme by indexing it each year. At the heart of the First Home Buyer Choice scheme was stamp duty reform designed to eliminate a bad tax. I ask members opposite, who are hell-bent on going down this path, why is it that they think returning to a scheme that entrenches stamp duty on property transactions is a viable and productive way of dealing with the property market in this State. This was their opportunity to potentially expand the scheme. It was their opportunity to be seen as reformers. Adopting the bill and entrenching stamp duty is a return to the Labor of the sixties and seventies, when it could no longer think in terms of reform but only in terms of the way things used to be done.

It is a tragedy for the people of this State that we are not more imaginative, more bold and more enterprising in the way we see our role in this place. People expect us to be reformers. They expect us to be able to make hard decisions and, as I said earlier, they expect us to be courageous. The bill is the opposite of courageous. It entrenches notions of the so-called forever tax and the scare campaign built around that forever tax that never existed. Members opposite know that the majority of people do not live in their first house much longer than seven years or eight years after purchase, and yet they persisted in continuing a scare campaign on the basis that it was a forever tax. That was misleading. They knew it was misleading yet, for political expediency, they persisted in trying to defeat our scheme and return to the archaic taxation system of stamp duty. They persisted in that campaign.

The Government has lost an opportunity to demonstrate that it can continue with reform. It has lost an opportunity to tell the people of this State that it wants to be involved at the heart of property transactions to reflect the manner in which people live their lives today. We do not live in a society where taxation should be developed on the basis of how it was in the 1860s. The bill takes us back to a taxation system entrenched in the 1860s. We had an opportunity to move away from that, but the bill brought to the Parliament today is a move to eliminate a reform that could have been much more special. It would have been a great credit to the new Treasurer to acknowledge that our reform was a proper and good reform that was worth expanding. That would have been his opportunity, which he never took. It will be to his undying shame that he did not adopt that when he had the opportunity to do so.

**The Hon. Daniel Mookhey:** Undying shame?

**The Hon. DAMIEN TUDEHOPE:** He acknowledges the label. In years to come when we assess the manner in which we have avoided making home ownership more affordable and the way this bill has avoided more appropriately reforming our tax system, he will bear the label of it because he is the Treasurer in a government that had the opportunity of expanding on proper and good reform. He is aware of all the reports, which are bipartisan in nature. The McKell Institute, for example, is no friend of the Coalition, and yet its entrenched view was that this is the sort of reform needed for property taxation in this State. But the Treasurer comes into this House and says, "No, we will take you back to the 1860s and to the Labor policies of the 1960s and 1970s."

On a personal level, I intimately know the struggles that first home buyers have with stamp duty payments. Calculating stamp duty is part of their loan transaction for the purposes of completing a purchase of a new property. The Treasurer talks about a forever tax; the forever tax that first home buyers pay is the borrowing of the extra money they need to complete the purchase. That is a forever tax. They will forgo that money forever on the basis that they have to find that lump sum to purchase a property. Today is a sad day because a newly minted Treasurer has brought to the House one of his signature proposals of abolishing proper reform.

I do not say this willingly, but I thought he was better than this. With the articulation of his positions as shadow Treasurer and his deep knowledge of financial and fiscal systems, I thought, if elected—and I hoped that he would never be elected but, in any event, he has been—we would get a Treasurer who would recognise that the bill before the House is not the way to go. I thought he would have said, "Notwithstanding that this was introduced by my political opponents—forget that—this was worth doing." Yet he introduces this bill to the House and says, "Hopefully I will get it passed this afternoon and it will contribute to the coffers of the Government for the purposes of preparing my budget in September." Perhaps the budget will be in October later this year. Is it going to be September or October?

**The Hon. Daniel Mookhey:** It will be 19 September.

**The Hon. DAMIEN TUDEHOPE:** Is that set in concrete?

**The Hon. Daniel Mookhey:** We have announced it.

**The Hon. DAMIEN TUDEHOPE:** He hopes to use the bill as the basis of predictions for his budget later this year. I understand that he wants to be seen as a financial manager, but doing so at the cost of proper reform in this place is a tragedy not only for this Parliament but also for the people we serve and first home buyers. People will look back on it as a tragedy that this Parliament vandalised proper reform introduced by the previous Government instead of taking the opportunity to expand upon it. Other members will move amendments later.

I urge the House to reject the abolition of the First Home Buyer Choice component of the bill. I urge members to potentially accept the increase in the exemption rate and the concessional rate. That is a position that the Government can either accept or reject. That is its decision. We would have had to make similar decisions. Ours was to give people the opportunity to make choices, and to index the property tax. It is the Government's choice to increase the exemption in concessional rates. But it should not make that choice at the expense of jettisoning proper and good reform. I urge members to reject the component of the bill that removes the First Home Buyer Choice scheme, which has been already taken up by so many people in this State. It was proper and good reform.

**Ms ABIGAIL BOYD (14:34):** On behalf of The Greens, I contribute to debate on the First Home Buyer Legislation Amendment Bill 2023. When the Property Tax (First Home Buyer Choice) Bill 2022 was first put forward by the previous Government in an incredibly rushed manner in the dying days of the last parliamentary term, as I am sure members well recall—not how one would do a proper reform—The Greens successfully moved to refer it to an upper House inquiry. Evidence presented during that inquiry made it crystal clear that the First Home Buyer Choice scheme was neither a sensible first step towards a broad-based equitable transition away from stamp duty to land tax nor a valid housing affordability measure. Evidence given during that inquiry said that the previous Government's scheme would be likely to push prices up if anything. On that basis, and given that the hundreds of millions of dollars being spent on the scheme could be better spent on other measures like increasing housing supply through direct investment by the Government, The Greens voted against the bill. Our position has not changed.

Further, in the upper House, The Greens attempted to delay the start date of the Perrottet land tax scheme until after the State election, given the Labor Party committed to repeal the scheme if it won. I moved an amendment at that time that would have had the impact of avoiding the whole debacle we now find ourselves in by ensuring that the scheme would not take effect until after the election—and only then if the government elected was not going to move to repeal the scheme entirely. The Labor Opposition at the time had made it patently clear,

as early as November last year, that it would repeal the rushed and incomplete Perrottet scheme should it win the election. At the time, I said in this place that the amendment would have given more certainty for first home buyers while potentially saving the Government millions in administrative costs and hassle.

Labor did win the election and, true to its word, is now moving to repeal the previous Government's legislation. But now we have to have a big hoo-ha about it and spend time and money unpicking something that should never have been introduced in the first place. As I warned last year, we have now created a separate class of home owners, a small group of people who have taken up the scheme and will now be grandfathered under it, necessitating all of the infrastructure and resourcing among banks, financial advisers, conveyancers, a sub-team of public service officials in New South Wales, and a continuing stream of work for the Valuer General's office that we did not need.

What a wasteful and confusing process begun by a former Coalition Government without the courage to do stamp duty reform properly, and continued on by the new Labor Government in the form of the bill. The one silver lining to the whole messy debacle at the expense of the people of New South Wales is that the bill goes beyond a simple repeal of the botched Perrottet scheme and makes some small headway towards making the property tax structure ever so slightly more progressive by increasing the stamp duty-free threshold from \$650,000 to \$800,000 and introducing concessional treatment for purchases between \$800,000 and \$1 million. The Greens have long supported a well-managed, broad-based and equitable transition from stamp duty to land tax. As I have said many times before, we have the benefit of our experience shepherding in stamp duty reform as part of the Labor-Greens Government in the Australian Capital Territory. We know that any reform must be well planned, equitable and avoid unintended negative consequences on an already cooked housing market.

Stamp duty is an old-fashioned tax that has had its day and should be transitioned out, but let us not kid ourselves that the only barrier to housing affordability in this State is stamp duty. Until we address the fact that investors and property developers have been allowed to treat houses as a commodity at the expense of people having a place to call home, we will not see any real improvement in housing affordability. Australia's housing affordability crisis will not be fixed with a tweak to a first home buyer scheme. It will not be fixed simply by creating more supply. It will take a number of reforms to actually make a difference to housing affordability, and those reforms must be built on the fundamental premise that housing is first and foremost about providing people with a home and not a commodity.

Housing profiteers have been allowed to run rampant in this country. The number of empty houses across our State on any given day is disgusting and far exceeds the number of homeless people. Whether they are people's second, third or fourth holiday homes, sitting empty until they choose to use them, whether they are let out on short-term rental or used exclusively for Airbnb, or whether they are deliberately kept empty and preserved for sale in a capital gains play, these homes should not be allowed to sit empty while hundreds of thousands of people are without a home and millions of Australians are in housing stress.

The Government must rein in profiteering on the essential public good that is housing. Tax incentives at a State and Federal level must be adjusted not only to curb investor activity at the expense of home owners, but also to incentivise investors to keep their housing occupied. We must recognise that government can take a direct role in building housing. Many more things can be done to address the housing crisis. In that context we deal with the repeal of this piffling scheme, which does not touch the sides of what is required to ensure that every person in our State has a roof over their head. The Greens support the bill for the same reasons that we rejected the Perrottet scheme when it was proposed. This is not the end of the story. We need real courage and leadership from the Government to address the housing affordability crisis, which means standing up to property developers and re-embracing the role of government in building housing itself.

**The Hon. CHRIS RATH (14:41):** I oppose the First Home Buyer Legislation Amendment Bill 2023. The starting point in debate on the bill should be to look at the problem we are trying to fix. Every member knows that housing affordability is a huge problem. It has often been debated in the House and it was certainly a key issue during the State election. The statistics are quite worrying. In 2006 in Sydney the median house price was 8.5 times the median income, but in 2021 that figure had risen to 15.3. Housing affordability has deteriorated significantly in Sydney over the past 20 years, so clearly something needs to be done. All members agree that this is a problem, so this is not one of those situations where there is a misdiagnosis of what the problem is. Members across the Chamber hold different views of what the solution is. The Opposition views part of the solution as giving people a choice between paying a stamp duty or a small annual land tax, which is what we brought to the election. I will speak more on that shortly.

If the tax system were created from scratch today, stamp duty would not be used. It is an incredibly inefficient, unfair and outdated tax that is not fit for purpose. However, we must look at the system that is already in place because we do not have the benefit of creating a tax system from scratch. Every tax review commissioned by the Labor Party or the Coalition going back decades has said that stamp duty is an inefficient, unfair tax that

should be phased out. The tax review that is probably quoted most often is the 2010 Henry tax review, commissioned by the then Federal Labor Government. In my view it is probably the most comprehensive tax review of all time. It is great reading. The review identifies stamp duty as being volatile, inequitable, inefficient and inconsistent with the needs of a modern tax system. It is a volatile form of revenue because it is subject to Australia's ever-changing property prices and, more particularly, the highly fluctuating quantum of property transactions; it is inequitable because people who move more frequently pay more tax, irrespective of their income or wealth; and it is inefficient and outdated because the tax's high dead-weight loss is created from discouraging transactions, meaning property is misallocated away from its most valuable use.

Housing affordability is a huge problem in Sydney and elsewhere in New South Wales and stamp duty is an unfair, inefficient, outdated and complex tax. Yet we find ourselves in a situation where members on one side of the Chamber want to do something about getting rid of stamp duty and improving housing affordability in this city and this State and those on the other side do not. I will speak about the first principles before I go into the specifics. Stamp duty is a bad tax not only because it is infamously productivity stifling but also because it puts up a huge barrier for first home buyers to enter the market. That means those aiming to upsize to suit their family needs are inhibited from moving, elderly Australians are remaining in their oversized homes for longer than is necessary, investors find their assets even more illiquid as they hang on to their properties for longer to recoup the cost of stamp duty, and labour is inefficiently allocated to housing, as people are less likely to move to change jobs or their location of employment.

Stamp duty is a terrible tax that is worsening the housing affordability crisis in Sydney and elsewhere in New South Wales. I agree with The Greens' very principled position that stamp duty should eventually be abolished in its entirety. I say to those who think that the legislation introduced by the previous Government at the end of last year does not go far enough that it was a first step. Of course, nobody likes stamp duty. As I said at the beginning of my speech, it would not be used if the tax system were created from scratch, but it remains an important first step for first home buyers.

NSW Treasury modelling under the previous Government a couple of years ago indicated that if stamp duty were abolished entirely and replaced with a land tax model, home prices would reduce by 3 per cent to 4 per cent and gross State product would rise by 1.7 per cent because of productivity increases. So stamp duty should not be used unless it has to be. The Labor Government in the Australian Capital Territory did something about it a few years ago, and it should be applauded for that. It moved to a system where, eventually, no property owner in the ACT will have to pay stamp duty. The ACT Government should be commended for that economic reform. The previous Government's bill was slightly different. It was an important first step that, ideally, would have happened with a phased approach. The fundamental difference between the New South Wales reforms and the ACT model was that the ACT locked in properties indefinitely, whereas we wanted to give people a choice.

At the heart of the bill, which seeks to repeal the First Home Buyer Choice scheme, is who to trust to make financial and housing decisions. Do people trust their own judgement on what is in their best financial interest when buying property or do they trust the Government's judgement? What we did in government was give people a choice. We did not believe that government should make that choice for them. We believed that individuals were capable of making that choice. If they decided to pay stamp duty, they could. No-one was forcing them to go down the path of a land tax—nobody. If the land tax was so unpopular, why did so many people sign up for it as opposed to the stamp duty? It is because when people are given a choice, they do not choose stamp duty.

When we gave people a choice, they chose the flat rate annual land tax. That is what our modelling showed, and we called on the Government to release the more up-to-date data that would show how many people have chosen stamp duty and how many have chosen the land tax since we left government. I think members will find that people would have chosen the land tax option instead of stamp duty in definitely two-thirds of property transactions between \$800,000 and \$1.5 million—probably more like 80 per cent. If it is so unbelievably unpopular, why do people keep choosing the land tax over stamp duty?

I tackle this issue of the Government's mandate. When parties get elected, they say that they have a mandate to do certain things. No doubt this Government brought this policy to the election and would phrase it as it having a mandate to do this. Putting aside for one moment the fact that it is a minority government in the Legislative Assembly—and certainly the Government holds a minority of seats in this Chamber—a mandate does not mean that we as the Opposition give them a blank cheque on everything. We need to stand up for our voters. Certainly 35 per cent of the State voted for us and, in many ways, we betray our voters and the policies we brought to the election if we capitulate on our policies to the Government's mandate. The Opposition also has a role to fight for its policies, which we believe are in the best interests of the State. We cannot betray our voters by simply agreeing to the Government's so-called mandate.

It is important to keep the current arrangements for a couple of key reasons. By having stamp duty we are really saying to first home buyers, "You can't enter the property market yet. You have to wait maybe another



2½ years"—that is what some of the modelling says—"to save up for the stamp duty. We know you want to enter the property market now. You already need to save up your 20 per cent deposit to get into the market as well as all the other associated costs, but you can't enter the property market just yet! We are going to make you wait because we are also going to impose this huge stamp duty on you." I think it is incredibly unfair to say to young people, "We know better than you. We're going to make the decision for you. You don't get a choice about stamp duty versus land tax. We are going to make you wait up to 2½ years so you can afford to pay the stamp duty. You can't enter the property market just yet."

Fundamentally, people choose the land tax over the stamp duty option because it is in their best interests financially to do so. People are really sophisticated when it comes to the property market, particularly in Sydney but across the State. It is a real Sydney ethos for people to research the property market. They are more across the detail and well informed than ever before. People can barely start a conversation in Sydney today without talking about the property market. It happens when we get our hair cut, when we talk to a barista, and when we chat to a taxidriver. People are talking about the property market everywhere. People are incredibly well informed about the property market in Sydney. We trust their judgement to make their own best financial decisions over the Government making the decision for them.

If we tell them they have a choice, most people will say, "Well, this is my first home. Your first home is rarely your forever home. I'm probably not going to be here longer than a couple of years. Maybe I'll be here for five or six years." But the time it takes to break-even when paying stamp duty versus land tax is often more like 20 years. People do not stay in their first home for 20 or 30 years. Often they stay in their first home for a very short time. It might only be a couple of years, but say it is about 10½ years, which is what some of the modelling shows. It is still far better for the vast majority of people to pay land tax rather than stamp duty unless they intend to live in their first home forever. I do not know about you, Mr President, but my first home was a one-bedroom apartment. Certainly I do not want to live in my one-bedroom apartment for the rest of my life. I will probably break even in 30 years' time. In the vast majority of situations, it makes much better sense financially for individuals to pay land tax.

Previously, the Labor Party did support reform in this way. It did support stamp duty reform under its former leaders Jodi McKay and Luke Foley, including the ability to pay stamp duty in instalments over several years. But it seems its members have jettisoned all notions of reform now they have come to government. All reform has been thrown out of the window. The system we put in place is incredibly fair because it also takes into account the indexation relating to basing the property tax on gross State product [GSP] rather than on property values. That is important. As members have seen in the past few years, property prices fluctuate quite radically. During 2020 and 2021 we saw prices radically increasing, and only of late have prices come down a little bit. The fairer system—which we predicted—was to peg it to GSP because it is a more stable metric. Instead of a person having their tax radically fluctuate from year to year, it would only gradually change year on year. It is incredibly fair.

In many ways, the system we brought in was tax reform without losers. When tax reform is introduced, there are often winners and losers. Sometimes it becomes very unpopular because of the number of losers that get wrapped up in the process. With the tax reform choice we brought in, there was essentially no losers. Probably the one loser was the Government, with a slight hit to its revenue, which we took into account when we were in power. But otherwise there are no losers. I do not think this Government would say there are any losers.

Essentially, the Government is trying to say that people in the \$1 million to \$1.5 million property bracket are rich and do not deserve what the Premier called a "subsidy". There is a serious difference between not paying a tax and a subsidy. This is not a subsidy; it is simply a version of tax reform. Essentially, those opposite are saying that the vast majority of people living in Sydney who have opted for the land tax can afford to pay within the \$1 million to \$1.5 million bracket and that somehow because they are buying a property for \$1 million they are absurdly rich. I inform the House that \$1 million does not get anyone much in Sydney. It might be a one- or two-bedroom apartment—that is hardly living the high life! But that seems to be the language being used by Government members. They are calling it a subsidy for those living at the top end of town in their \$1 million apartments, as though it is some sort of extreme luxury.

There is no doubt that Government members will try to push the bill through today. But they must understand that to capitulate to their demands with their so-called mandate would betray our voters. We did not lose the election and lose certain seats because of the First Home Buyer Choice policy. I believe it was a net benefit to us during the campaign, not a negative. There are many reasons why the people of New South Wales may have been tired of the previous Government. I do not say that we did not make mistakes. Of course, we made mistakes and misstepped. Of course, there is a longevity factor when a government has been in power for 12 years. But this did not cost us votes at the election; it probably increased our share of votes to 35 per cent and helped us retain seats. This important economic reform should be protected. I sincerely hope that the bill does not pass today.

**The Hon. ROBERT BORSAK (15:00):** I contribute to debate on the First Home Buyer Legislation Amendment Bill 2023. I have followed with great interest the ongoing debate on the previous Government's forever tax. I agree with the new Government that it is a forever tax. The then Treasurer who became the Premier tried to build a nice little tax earner that would evolve over time into a long-term land tax on the residential home. The land tax on the residential home would not be indexed every now and then; it would be indexed every year on a three-year rolling basis, as far as I understood it. Any property bought by choosing land tax over stamp duty would be affected by land tax. The former Government pushed the nonsense argument that new home buyers would not be negatively affected because they would sell their house in the next five or 10 years and roll it over. If that process continued, then eventually there would be a growing stock of land tax affected properties and people would become land tax renters of their forever home. That is why the former Government realised that it was an unpalatable proposal.

If the aim is to maximise the amount of long-term revenue from property taxes, then from an economic rationalist point of view it is good to get rid of stamp duty because it is lumpy. When the property market is running hot, the Government does well. When the property market slows down, revenue takes a hit. If a generational creeping land tax is built into this process that allows families to be treated as renters and land taxpayers in their own forever home, then we will see a breakdown of the family unit and a breakdown of the long-term stability of the workforce. The whole thing will go to hell, especially with increasing inflation and increasing unimproved capital value [UCV]. We have seen some incredible growth in UCV over the past three, four and five years. I have personally benefitted from it.

First home buyers would be paying a capital gains tax, effectively, on money that they have not actually realised. A family who is finding it hard to pay for food, fuel and electricity in our renewable world of bonhomie and "Aren't we doing so bloody well?" will suddenly have to find more money for an extra tax every year to pay the Government. It might not affect me or other members in the Chamber, but it will be a super tax for future generations of the State. We do not want that. It will change the very nature of families, the way we work and who we are. It is great to see Treasury putting these issues to government, but it is even better to see the Government considering the long-term effects. The short-term effect is that the current Treasurer would like to see the lumpy amount of money that will come in the next two or three years. You will ride the cycle in your own favour. That is probably why this is happening.

At the end of the day, my analysis is that former Treasurer Perrottet's proposal was simply unpalatable and unassailable. By the time he became Premier, it had morphed into some sort of new home buyer scheme that gave home buyers a choice. They could choose to pay the huge lump of money in stamp duty, live in the house and then sell it in a growing property market. And guess what? They would get that stamp duty back. So what bullshit are we listening to? "We sold the property within three to five years and, guess what, we made a profit." So what? If you elected to pay a land tax on the property, then that property may well be land tax affected forever. That is also a problem. It is a terrible sleight of hand. I understand the economic rationalist argument for it: It creates long-term stability, and the growing property market puts a nice growth tax in place for government. That makes a lot of sense for Treasury and the Treasurer.

The Shooters, Fishers and Farmers Party supports the amendments covered in the bill. While we fundamentally believe in a low-tax environment and limited government intervention in markets, we believe that the bill is a step in the right direction for addressing the issue of housing affordability and assisting first home buyers in our State, including those in the bush. The bill aims to provide increased support and assistance to first home buyers, particularly those earning lower incomes who face significant hurdles in saving for a deposit. The bill seeks to close off access to the previous Government's forever land tax scheme, which imposed an ongoing tax on family homes purchased for up to \$1.5 million. That scheme was unfair and failed to target those in genuine need of assistance. Instead, the proposed amendments will increase the thresholds for stamp duty exemptions and concessions under the First Home Buyer Assistance scheme, benefiting those purchasing homes up to \$1 million, which covers a good proportion of homes bought in rural and regional New South Wales.

The Shooters, Fishers and Farmers Party has always understood that stamp duty poses a significant burden on first home buyers. In recent years, the time required to save a 20 per cent deposit and stamp duty has significantly increased. In the 1990s, it took around six years to save a 20 per cent deposit and one year to save stamp duty. Today, it takes approximately 10 years to save a 20 per cent deposit and two years to save stamp duty, based on a median household income in New South Wales. That demonstrates the growing challenge faced by first home buyers in entering the property market.

The proposed changes in the bill will alleviate that burden by increasing the first home buyer stamp duty exemption threshold from \$650,000 to \$800,000, meaning that first home buyers purchasing a home up to \$800,000 will no longer have to pay stamp duty. Additionally, the stamp duty concession threshold will increase from \$800,000 to \$1 million, providing relief to those purchasing homes just above the previous threshold. Those

changes will help thousands of first home buyers fulfill their dream of home ownership and reduce the financial strain when entering the property market. It will help them get their feet on the first rung of the ownership ladder.

The amendments will also provide a rare bias for the bush. We will see an increased number of new home buyers in the bush taking advantage of those concessions. It is not often to see this type of potential bias even inadvertently favour the bush. The original proposal by then Treasurer Perrottet did not even exempt the family farm. We have always opposed an ongoing annual tax on the family home or one that targets family farms. We have always said that we will consider reasonable legislation. We support the proposed amendments because the aim is to create a fairer and more equitable system that benefits those in genuine need.

The Government's plan to increase the residence requirement under the First Home Buyers Assistance scheme from six months to 12 months is a sensible step to ensure that the benefits are targeted at owner-occupiers rather than investors. This change will encourage people buying homes to occupy their purchased properties for a longer duration, supporting the goal of increasing the owner-occupied share of New South Wales dwellings. The bill seeks to close off access to the former Government's First Home Buyer Choice land tax scheme, which was not appropriately targeted and primarily benefited those purchasing homes between \$1 million and \$1.5 million. We support redirecting those resources to the proposed assistance program so that it will benefit those who truly need help buying their first home.

It is essential to consider the long-term benefits that a thriving housing market can bring to the agricultural sector and regional economies. A healthy and stable community relies on the ownership of homes and farms by families, as they form the foundation of our society. By facilitating home ownership for first home buyers, we are not only supporting families but also stimulating economic growth and fostering community stability. In conclusion, this legislation is a positive step towards addressing the housing affordability crisis and supporting the aspirations of first home buyers in our State. By increasing thresholds, introducing an extended residence requirement and abolishing the forever land tax scheme of the former Liberal Government and its Nationals yes-men, the bill provides a fair and inclusive framework that promotes home ownership, stimulates economic growth and strengthens our communities.

**The Hon. EMMA HURST (15:10):** I speak on behalf of the Animal Justice Party on the First Home Buyer Legislation Amendment Bill 2023. The bill makes a number of significant changes to stamp duty and land tax for first home buyers. Firstly, it amends the thresholds in the First Home Buyer Assistance scheme so that first home buyers will pay no stamp duty on a property worth up to \$800,000 and will receive a reduction in stamp duty for a property worth between \$800,000 and \$1 million. This is a significant increase on the previous threshold for stamp duty relief, and appropriately so. Property prices in New South Wales have continued to increase dramatically, along with interest rates, which makes it much harder for people to enter the market and buy their first home. NSW Treasury estimates that five out of every six first home buyers will be eligible for a stamp duty exemption or concession under the changes in the bill. That is excellent. Not having to pay stamp duty, or paying reduced stamp duty, makes it just a bit easier for first home buyers to enter the market and may be the difference needed to allow a person to afford their first home.

Secondly, the bill requires that to be eligible for a stamp duty exemption or concession, the first home buyer must live in the property for at least 12 months. This is an increase on the current requirement of only six months and it is a change I support. We do not want this scheme to be used to facilitate investment properties or for people to purchase homes they plan to live in only briefly and on-sell. The idea is to support people to secure a home they intend to live in, not inflate the property market. The final aspect of the bill, and perhaps the most controversial, is that it repeals the former Coalition Government's opt-in land tax scheme for first home buyers, which allowed first home buyers purchasing properties up to \$1.5 million to opt to either pay one-off stamp duty or an ongoing land tax. This repeal will not affect anyone who has already opted into the land tax scheme. They will be "grandfathered" in and will not be disadvantaged.

The Animal Justice Party was never opposed to the Coalition's opt-in land tax scheme and in fact supported it when it was introduced into the House, when it was the only first home buyers relief on the table. Now we are in a position where we need to make a decision as to which scheme is better and which option will benefit more first home buyers—and, perhaps most importantly, which option will benefit first home buyers that are most in need of support to enter the market in the first place. At the time the Coalition's bill was introduced, an exemption could only be received for a property worth up to \$650,000, and reduced stamp duty for properties worth between \$650,000 and \$800,000. These low-price caps, coupled with rising house prices, limited the number of first home buyers who could access any form of stamp duty concession or exemption.

When the land tax scheme was introduced by the Coalition, the modelling showed that quite a lot of first home owners would be better off if they chose land tax, particularly if they planned to stay in their first home for only a few years. However, if the bill today passes and the price threshold for accessing stamp duty exemptions increases, the situation for first home buyers will be very different. The data shows that the vast majority of first

home buyers purchase a property worth less than \$1 million. That means that when Labor's new scheme comes into effect, approximately 84 per cent of first home buyers will pay reduced stamp duty, or no stamp duty at all. It seems clear to me that Labor's bill is putting a larger number of first home buyers in a much better financial position than they would have been under the Coalition's previous scheme.

Labor's bill effectively eliminates the need or benefit of the opt-in land tax scheme for someone buying a property worth less than \$1 million. For example, someone buying a property worth \$800,000 no longer needs to consider whether they will be better off paying up-front stamp duty or land tax because they will not have to pay any stamp duty. Labor's scheme also targets stamp duty exemptions and concessions to people who are most likely to need the help—that is, those first home buyers purchasing property under \$1 million. While I am very sympathetic to the fact that property prices have increased dramatically and a lot of people are struggling to find affordable homes to purchase, the reality is that a first home buyer who can afford to buy a property over \$1 million is not the person most in need of government assistance.

For those reasons, while we think both schemes have merit, if we must pick one plan over the other, the Animal Justice Party supports the Labor proposal as being of more benefit to the community as a whole. I acknowledge that when we get to Committee of the Whole, amendments will be put forward by the Coalition to omit the sections of the bill that would repeal their land tax scheme, effectively seeking to keep both schemes. While obviously keeping both schemes running would be ideal, we also recognise the huge budgetary implications this would have, particularly in relation to the \$7 billion black hole we keep hearing about, and the many other pressing priorities of the Government, including fixing the broken social housing system.

With that in mind, we need to consider who would benefit most from the opt-in land tax scheme once Labor's stamp duty reforms come into play. It seems that the first home buyers who are most likely to be "better off" under the opt-in land tax scheme, if both are in place, are the small percentage of people buying a property worth over \$1 million, which is the cut-off for receiving any stamp duty concessions and exemptions under Labor. The Coalition plan will no longer benefit people buying their first home on the lower end of the price scale and will serve only to benefit first home buyers who are buying homes on the higher end of the price scale where they cannot access other concessions. At the end of the day, I do not think this is where we should be targeting government support.

While the bill and the debate has been focused on the challenges facing first home buyers, it is important to acknowledge that property ownership is an enormous privilege and one that remains out of reach for far too many people in New South Wales. Everyone, no matter their income or situation, deserves a safe and secure place to call home. In addition to helping first home buyers, we also need to urgently update our rental laws, fix our broken social housing system and support people facing housing insecurity. We should not lose sight of this. The Animal Justice Party is always looking to make decisions that are in the best interests of animals, people and the planet. Having looked at this issue closely, and compared the scheme put forward by Labor versus the Coalition, we believe that Labor's bill has more to offer people who are struggling to enter the market. We recognise the merit of both schemes but feel that on balance Labor's plan is the better one. Given that, the Animal Justice Party supports the bill and I commend it to the House.

**The Hon. SCOTT FARLOW (15:17):** I speak in debate on the First Home Buyer Legislation Amendment Bill 2023. It is an indictment on the new Labor Government that one of its first legislative actions in this place is to make life harder for first home buyers across the State and to tie more first home buyers into paying the most mundane of taxes—stamp duty. The Hon. Chris Rath spoke earlier about the detrimental impact of stamp duty. A Federal financial relations reform package, and a discussion, revealed that this tax was one of the worst taxes in New South Wales, and we tried to transition people from it. The legislation seeks to repeal the Property Tax (First Home Buyer Choice) Bill 2022, which was instrumental in giving first home buyers a choice.

Many members in this Chamber who made contributions to the debate were against that policy, but fundamentally it gave home buyers a choice. Opposition members believe that people should be able to choose whether it is better for them to enter into an arrangement with the Government whereby they pay an annual fee on their property or pay stamp duty up-front. As mentioned by some members—the Hon. Emma Hurst might have referred to it in her contribution—if purchasers plan to stay in a property for a certain number of years and take the first step on the property ladder, it is better to enter into an agreement with the Government to pay the small annual fee for six or seven years rather than pay a large stamp duty fee up-front. Half of those who buy a home sell their property within 10 years. That percentage is even higher for first home buyers as they take that step on the property ladder to attaining property ownership.

There have also been some misconceptions in the Chamber about what that package actually does. The Hon. Robert Borsak mentioned that it transferred the property over to this scheme. That was not part of this at all; it attached to the first home buyer, and it was on that property alone. During the election campaign, the Coalition proposed that that first home buyer would be able to move onto the scheme with future properties. Of course, that

is not before the Chamber today and will not be with this legislation. Nothing changes the nature of that property. That property would then go back onto the market. It could, of course, be part of the First Home Buyer Choice package or, alternatively, could be sold with stamp duty attached to it. Nothing changes the property. It is not changing properties or some stealthy agreement to change properties over to a land tax regime. The package was also mentioned with regard to property increases and price increases. There is an explicit cap of 4 per cent, which is at the high end. A weighted average is applied on that over several years to try to make sure that there are not undue or unnecessary increases in the price that first home buyers pay as part of that fee.

First Home Buyer Choice is founded upon the cornerstone value of the Liberal Party: the freedom of individuals to make the best decision for themselves and their families and not to be dictated to by "Big Brother" governments. The "Government knows best" attitude of the Labor Government will backfire. Should the bill pass, we will look back to the repeal of the Coalition's successful first home buyer legislation as a massive step backwards in helping first home buyers into their homes. As the Leader of the Opposition mentioned earlier, when members opposite talk about the previous Government not having a mandate, that mandate was provided by those people who voluntarily determined that this was the best option for them and opted to become part of that First Home Buyer Choice package and to pay that annual fee. I know from feedback amongst the community that many people waited for that to be able to get into their first home sooner.

Housing affordability is one of the biggest economic and social challenges that we face as a society today. We know from the Government that 314,000 homes must be delivered in the next five years. We need to get more people into homes; we need to get more people buying their own homes. The First Home Buyer Choice package afforded more people that opportunity. It is undoubtedly one of the most important public policy discussions for this Parliament over its term. So much so that almost every member who made an inaugural speech that I attended, particularly members on our side of the House—I note two great contributions from the Hon. Susan Carter and the Hon. Jacqui Munro in this place—spoke extensively about what we needed to do when it came to housing affordability; providing more homes; helping people aspire to the dream of home ownership; and making that dream a reality. It is something we need to deliver in a measured, practical and effective way in order to address the issue.

A key focus of mine as the current shadow Minister for Planning and Public Spaces—I use the word "shadow" after what was discussed earlier today—is ensuring we can deliver the best landscape to build more homes and help first home buyers get onto the property ladder sooner. It also makes this critical work harder if effective policies are being repealed. What do members opposite loathe so much about giving people options to decide for themselves? As the Leader of the Opposition made clear in the second reading debate in the Legislative Assembly, why have two-thirds of eligible first home buyers taken up First Home Buyer Choice if it is such a bad policy? Of the more than 5,000 properties opted into in the First Home Buyer Choice scheme, 45 per cent have been in Western Sydney—the powerhouse of our State. When campaigning in Western Sydney during the election in the electorate of Winston Hills—an electorate that we proudly retain with a fantastic member in Mark Taylor—I was thrilled to hear from people all over who had benefited from this excellent policy.

Sadly, Labor wants to abolish choice and force first home buyers purchasing a median-priced house in Parramatta to pay stamp duty, whereas under the Coalition scheme they will avoid an up-front fee of \$59,000. The First Home Buyer Choice scheme can cut up to two years off the time needed to save for a deposit. This saves young people two years of paying rent, when they are instead paying off a mortgage to own an asset. Forcing more people to rent for longer can only make pressures in the rental market even worse. Removing the Coalition's successful scheme will simply make it harder for people to enter the property market. I do not want to have to clean up more Labor mess should the Coalition form government at the next election—we are optimistic of doing so if the Government continues to make policy choices like this.

That is exactly what the bill will do. It is a lack of choice for first home buyers and a harder market to break into, and it will only make life harder for prospective first home buyers. I had the same trouble when we were trying to buy our first home. We had saved up the money for the deposit and we simply did not have the money to pay for the stamp duty. We were still scrounging around a year later, trying to find more money. It meant that when we were finally able to purchase our own home, the property market had increased by \$100,000 in that year for a modest apartment at that time. If we had been able to get in the market sooner and opt to pay something like the First Home Buyer Choice program, we would have entered the market at a time when it was not inflated.

That is the situation faced by many people in this State and their home ownership aspirations are lessened. The Government now runs around acting as if first home buyers had been forced to adopt the property tax when it could not be further from the truth—they have voted with their feet. I feel as though I need to bring a dictionary into the Chamber every day this week to explain to my Labor colleagues what basic words mean. Today's word

of the day is "choice": "where people can decide between multiple options and make the decision that they think is best".

**The Hon. Daniel Mookhey:** Hang on, let me check.

**The Hon. SCOTT FARLOW:** I do not have the source, whether it is from Macquarie or Merriam-Webster or Oxford, so the Treasurer can choose his own adventure. I will have to improve my notes.

**The Hon. Daniel Mookhey:** ChatGPT.

**The Hon. SCOTT FARLOW:** Only members on the other side of the Chamber are using ChatGPT this week. It is not hard to work out. Just sit down and do the maths—I am sure members opposite are good at that.

**The Hon. Daniel Mookhey:** I am writing tutorials.

**The Hon. SCOTT FARLOW:** I am sure you will be. Between \$850,000 and \$900,000, the Coalition's First Home Buyer Choice scheme would still be more attractive than paying between \$10,000 and \$20,000 in up-front stamp duty for the average buyer who would be moving out of that property within 10 years. For the significant majority of first home buyers buying at over \$900,000, the Coalition's scheme still offers a better deal. I listened to the Treasurer try to justify the Labor policy in the Chamber earlier today. He tried to spin the bizarre story that every home over \$1 million—where Labor support runs out—is being bought by people with ample resources to buy a home. In Sydney, that is simply not the case. It is not the case in somewhere like Ryde; in Drummoyne, that is definitely not the case.

It is not the case even in Parramatta. For example, a three-bedroom house in the electorate of Auburn, represented by my good friend Lynda Voltz, is on the market for \$1.1 million right now. In the electorate of Granville, three-bedroom homes in Merrylands and Guildford have a price guide of more than \$1.05 million. These modest family homes in suburban areas in Western Sydney are not the mansions that Labor wants us to believe; they are fantastic homes for growing families that Labor wants to make inaccessible from potential first home buyers by ripping away any support.

A theme is emerging with this Government: a very loose commitment to the truth on absolutely everything. The Government likes to pretend that it has a strong mandate for these changes when its mandate is thinner than crepe paper. Members opposite need to remember they are a first-term government that does not have a majority in the lower House and definitely not one in this Chamber, although coalitions seem to be emerging. This is a government that crawled over the line into office. Yet it runs around acting like it has a mandate for absolutely everything. The people who have elected to choose the First Home Buyer Choice program have shown their own mandate in supporting this policy.

If the scheme was such a failure, why are first home buyers opting into it? That is two-thirds of all eligible purchases. Clearly, the punters out there were impressed with this policy, and they voted with their feet. Of course, it is a matter for the Government. The Opposition will not stand in its way if it chooses to increase the threshold for first home owner concessions. But the Opposition will never resile from its First Home Buyer Choice policy. We will stand up for measures that will make it easier for first home buyers. We want more people to be home owners and we want there to be more supply. If the bill passes today into law, future generations of first home buyers will be deprived of choice and forced to pay the most regressive tax of all—that is, stamp duty. Opposition members will not stand for that.

**The Hon. SUSAN CARTER (15:29):** I contribute to debate on the First Home Buyer Legislation Amendment Bill 2023. *Back to the Future* was a great 1980s film franchise, but it is a very bad basis for revenue policy. The bill should be opposed because it is a backwards step. It represents a running away from innovation and fails to recognise that stamp duty is a real barrier to home ownership. The bill is authoritarian in tone. It removes a choice currently available to first home buyers and increases the initial acquisition cost of housing. Importantly in the current climate, it also increases the time required to save to be able to buy a house.

For decades voices have railed against stamp duty. In this debate we have heard members cite much of the research and recognise stamp duty as a barrier to home ownership. Along the way some exemptions have been made and some tinkering has been done around the edges, but the First Home Buyer Choice program represented real and effective reform. It was a brave step by a strong government not afraid of positive reform. It focused on helping younger Australians enter the property market, and it has been very popular. The voters have voted with their feet in exercising their choice under the program. It is innovative and a concrete initiative to engage with the impediment to home ownership constituted by stamp duty. To axe it, as the bill attempts to do, is a giant leap backwards.

By providing that a compulsory tax must be paid at the time of acquisition, the bill will lock many people out of the market and, in a climate of rising rents, require that they save for a longer period before they can hope

to achieve their dream of home ownership. The effect on a first-time purchaser of a home valued at just over \$1 million is stark. Home buyers can currently choose between an up-front payment of just over \$40,000 or an annual fee of just over \$2,000. How long does it take to save \$40,000, especially when paying more for electricity, food and rent? Today's news that the indexation rate on HECS-HELP debts has jumped to 7.1 per cent is yet another blow to young, would-be home owners. It is estimated that the indexation rise alone will wipe \$15,000 off the average graduate's borrowing capacity, delaying home ownership even further.

Would-be home owners must feel like Tantalus, with the dream of home ownership dangled before them but always slipping out of reach. By contrast, the introduction of the First Home Buyer Choice scheme offered real relief and hope. It was practical and empowering, and it should be retained. The scheme was estimated to reduce the total time to save and achieve home ownership by at least two years, a positive for would-be home owners. The argument that the bill will remove an ongoing cost in the form of a land tax for home owners is false. Many first home buyers will now have to pay a significant amount of up-front stamp duty which, in almost all cases, they will have to include as part of their borrowing. They will pay stamp duty up-front and then keep paying interest on that stamp duty year after year. They will pay both an up-front charge and a yearly impost. That is hardly a reform.

I acknowledge that the bill preserves the stamp-duty-free threshold and seeks to increase it to \$800,000. But where does that leave those who, under the current scheme, could choose to pay the yearly property tax on houses valued at up to \$1.5 million? The House has heard the argument that those first home buyers are rich and do not need support to access the housing market. Well, what does a home between \$1 million and \$1.5 million look like? Realestate.com.au tells us that it looks like a starter home in much of New South Wales. In Bowral, \$1.2 million will buy a three-bedroom, single-storey house with a backyard, close to a school—not a mansion but a great place for a family to start. In New Lambton, near Newcastle, \$1.2 million will buy a two-bedroom, single-storey house with a backyard, in walking distance of schools—a starter home. In Woonona, in the greater Wollongong area, \$1.3 million will buy a three-bedroom, two-storey house near a huge selection of childcare options for those with young children.

I know I sound like a real estate agent, and that is because I am quoting a real estate website. In Campsie, just over \$1.3 million will buy a two-bedroom, single-storey house. In North Epping, \$1.4 million will buy a three-bedroom villa. That is not *Lifestyles of the Rich and Famous*; it is solid starter-home territory. That is the territory which the First Home Buyer Choice scheme facilitated and which will be denied if the bill passes. Many people in New South Wales will have to save harder and wait longer to buy their first home. It is a retrograde bill that should not be supported.

**The Hon. JACQUI MUNRO (15:36):** I contribute to debate on the First Home Buyer Legislation Amendment Bill 2023. I have to hope that the Government's repeal of the good and popular First Home Buyer Choice scheme is a political stunt, because it is such an objectively bad policy position that a responsible government could never endorse it. Unfortunately, it is no benign political stunt. The regressive return of stamp duty and the move from land tax has individual and economy-wide effects. If the Government will not listen to me, will it listen to economists? Will it listen to first home buyers?

I turn to some of the public commentary on the issue. The reality, which has been spoken about by my colleagues on this side of the Chamber, is that stamp duty is a bad tax. We see headlines such as "Stamp duty is a bad tax", "A terrible tax: Is it time to abolish stamp duty?", "A stamp duty cut may sound crazy now but it's a bad tax due an overhaul", "Time to stamp out stamp duty", "Abolish stamp duty" and "Let's be honest, stamp duty is a terrible tax killing economic growth and productivity". My favourite, which really sums it up, is the ABC News headline "NSW land tax and stamp duty debacle again shows how politics trumps policy". That is the sad reality under this Government. As the Hon. Chris Rath mentioned, the Henry tax review has some choice words that we must heed. The report states:

Stamp duties are a highly inefficient tax on land, while land tax could provide an alternative and more stable source of revenue for the States.

... land tax is one of the most efficient means of raising revenue.

...

Reforming land tax and conveyance stamp duty arrangements, along with the proposed changes to the taxation of rental housing and Rent Assistance, will go some way toward improving housing affordability.

Is that not what it is all about? It is about improving housing affordability, securing our State's financial position and growing our economy. That is what the Treasurer should be focused on. Now I turn to the experts. In 2021 the NSW Productivity Commission's submission to the Federal inquiry into housing affordability and supply in Australia stated:

Stamp duty imposes costs on people at all stages of life. ... Growing families that desire to be closer to schools may face significant costs. Older Australians who own their home are less likely to downsize to more suitable housing.

A piece by the Grattan Institute is titled *NSW should swap stamp duties for a broad-based property tax*. It is the title of the entire submission. It goes on to say this:

NSW has one of Australia's least efficient tax systems, with each dollar of revenue raised costing the economy 30 cents. The NSW Government should abolish stamp duties and replace them with a general property tax ...

The economic gains from that reform would be large. Shifting from stamp duty to a broad-based property tax could leave New South Wales between \$4.1 billion and \$5.2 billion a year better off according to estimates based on the excess burden of taxes. These are the cold, hard facts that the Treasurer is unfortunately unwilling to accept. That is why I suspect the policy is, in fact, a political stunt. The Labor Government took its role in opposition far too literally and decided to oppose the land tax policy simply as a point of political differentiation. Little did they think that, in minority government, they would have to answer for their policy positions. I still have not heard one reason why this is a useful policy in the long term. If we have a responsible Treasurer who is committed to the long term, then he could surely listen to the experts, if not to me, about how this will impact our economy and people over the long term.

My suspicion is that this policy is a way to continue the sugar hit of stamp duty that the Government will need to rake in at the expense of the better long-term policies that we could implement. The reality is that we have been primed for a September budget full of cuts, and if this is the way to give the coffers a sugar hit to make up for spending over the next four years—until they make it to the next election—then that is something they are apparently willing to do. It is very concerning that this Government is acting at the long-term expense of the residents of New South Wales in favour of its own political prospects.

I go back to the idea that there are macro and micro effects. Individually, the concept of choice has been explained clearly. According to one of my favourite sources for definitions, Urban Dictionary, choice is "a word to describe a favourable situation; describing something enjoyable; top-notch; of utmost quality". It is choice. It was a choice policy that those on our side were able to implement. Unfortunately, the Government refuses to accept the fact that the choice that has been offered to New South Wales residents has been taken up with great effect. If it was not a popular policy, why would people be choosing it? The only rationale for implementing the Government's policy is that it strengthens the coffers in the short term at the expense of the long term, because we hear from economists and experts that land tax is an efficient way to tax and to continue to grow our economy.

I do not know about those opposite, but I have been contacted about this by people in my age cohort. This tax will impact young people particularly. An example of the messages I have been getting says this:

Stamp duty is an absolutely ridiculous and inefficient tax, not just for first home buyers but the entire economy. The upfront cost is crazy for first home buyers, but it also doesn't make sense to make them pay that upfront rather than paying a tax over time and letting them invest that money for a return.

That is the kind of mood that I continue to see. A real estate agent who specialises in first home buyers contacted me and said that his clients would be hugely affected. That is the reality of the property market in New South Wales and particularly around Greater Sydney. In areas with high numbers of families, like Sutherland, the median house price is about \$1.4 million. In Parramatta it is \$1.1 million. Those areas should be desirable to live in. We should encourage people to live in our suburbs, and we should encourage people to invest their money in the way that they choose. That is why the optional land tax was so popular.

I go back to the macro view. If a government is looking at the long term and thinking it will be in government for eight to 12 years, we would expect it to adopt policies that benefit people over that time frame. But that is clearly not the case. This policy is geared towards the next election. It is about making sure that, by September, the Government has some dollars in the bank, because, unfortunately, growing the pie and growing the economy is not part of the strategy that we are about to see. Instead, we will have regressive taxes that will be imposed upon us for evermore. Considering the increase in the value of land and property over the past decade and more, the reality is that prices will increase. Does that mean that stamp duty will continue to be waived for greater and greater purchase prices? It is unclear how this is a sustainable tax in the long term.

This impacts women, in particular, in addition to young people. When we talk about women who want to enter the property market, particularly single women, we need to understand that choice should be at the heart of how they invest. Think about the fact that investors are encouraged and incentivised to act under this policy. Somebody who may not wish to live in a property that they would get a stamp duty exemption for will buy that property for the benefit, rent it out and themselves rent a property in the city. We do not want to see that cycle continue. We on this side of the House believe in property rights. We believe that the people of New South Wales should be able to choose and afford to buy the property that they want to live in. We want people to be able to afford their own homes so that they can bring up their families in the manner of their choosing.



Previous speakers have already referred to mobility. Unfortunately, stamp duty reduces mobility. We want to make sure that the property market is expanded so that we have an increasing supply of homes and that the people who wish to buy a house are incentivised to do so—when they need to downsize, in addition to when they buy their first home. People in a big house—with a big backyard and maybe a swimming pool, if they are lucky—where they have brought their family up and have many beautiful memories may not want the maintenance or the rates associated with a larger property when their children leave and hopefully buy their own homes. But, if they are disincentivised to downsize to an apartment, a terrace or a smaller home, they will not do so. The supply of larger housing stock will be restricted because people are not incentivised to move out.

I still have not heard why this policy could possibly be good in the long term. I have seen evidence that land tax is good for individuals in people choosing to take it up. I see no reason why the choice of land tax or stamp duty as desired cannot be maintained and why we cannot continue, as the Hon. Chris Rath spoke about, to wind back stamp duty as a policy that exists at all. We want to get to a point where land tax is a fundamental part of our tax system. I spoke about tax in my inaugural speech. I think wholesale reform is absolutely necessary. I also said that I am not a destinationalist; I am a directionalist. It is about making moves to ensure that those policies become better over time both for our citizens and our budget. The First Home Buyer Choice scheme clearly does that.

This regressive move is disappointing. I feel passionately about that on behalf of my own age group and, of course, the younger age groups who will be locked out of the property system through these measures. We have spoken about the gap between houses worth \$1 million and \$1.5 million. Essentially, that is a huge part of the property market in Australia, New South Wales in particular and Sydney even more so. In the spirit of ensuring good, long-term policy, I urge the Government to reconsider the repeal of this good and popular scheme. I urge the Government to listen to the people of New South Wales who have chosen to opt in to the First Home Buyer Choice scheme rather than having to work much harder to pay for their first home by choosing to pay stamp duty.

As the Hon. Scott Farlow said, people are being outplayed by the market. As much as they try to save, they will continue to find that the increasing proportion of stamp duty in that cost becomes further out of reach as time goes by. We must ensure that those people can get into the property market and buy their first home. At the micro and macro levels, it is clear that the First Home Buyer Choice scheme was positive for people in New South Wales. The Government is acting in its self-interest, rather than in the interests of the people of New South Wales, by repealing this scheme. I will be very sad to see the Government vote in favour of the bill because I, my friends, people in my cohort, first home buyers and people fleeing domestic violence—and people would have chosen to pay land tax under First Home Buyer Choice for a variety of other reasons—will be shut out and our choice will be removed. This political stunt will have repercussions for individuals and the budget for years to come.

If Government members will not listen to members on this side of the House, if they will not listen to the thousands of home buyers who have chosen land tax over stamp duty, if they will not listen to the economic experts—who are despairing at the winding back of the progress achieved by the former Government—who on earth will they listen to?

**The Hon. NATALIE WARD (15:52):** I oppose the repeal of First Home Buyer Choice under the First Home Buyer Legislation Amendment Bill 2023. It is a very sad day in this place. We are denying choice to people who want to participate in the economy, who want to build the great Australian dream, who want security and safety, and who want to be able to choose their future and determine where and when they buy a home. As I reflect on the bill, I am saddened by this day, as are many people who do not have the joy of owning their own home or of entering the market at this time. We should be building for the future, for generations ahead—not just for this budget cycle but for future generations, for our children's children. I believe that is what we did as a government. We looked not only to the next election but also to our children's children and giving them choice.

That is particularly important given Government members have spoken repeatedly of the challenges they face in balancing the budget due to the state of the economy and other global challenges. One would have thought that empowering more people to participate in the economy would have been one of their first priorities. Rather than standing for progress, it seems they are standing in the way of progress by cutting out this choice and by cutting out the opportunity for people to participate in the home ownership market. In particular, they stand in the way of young people purchasing their first home, they stand in the way of progress and they stand in the way of aspiration.

First Home Buyer Choice legislation was designed to provide first home buyers with a choice. It is very simple. If one likes the existing system, that is fine. Go ahead and pay stamp duty. But if it is unaffordable or unattainable, or if it will set one back 10 years from entering the market, then why would we not empower those people to find another avenue of entry? First Home Buyer Choice legislation was designed to provide first home buyers with a choice. We get to choose a number of things in our lives: We choose our friends, we choose our partner, we choose whether or not to have a family and, for those of us in this House, we choose to join a political

party and stand for Parliament. Ultimately, we have a choice about the opportunities we want to take and we have a choice about how we vote on legislation.

Government members are saying to the people of New South Wales, "We are taking away your choice. We are taking away that opportunity." Members on this side of the House know that this freedom flows through the Liberal Party. We are a party that believes in individual choice and individual freedom. The essence of the Liberal Party and of Australia is that we aspire for more for everyone in our community, and people can choose how they view that success. That goes to the great Australian dream of home ownership. It goes to the very fundamental being of families and the family unit. It goes to the safety and security that comes from owning one's own home and not being at the behest of others.

Buying a home for the first time is one of the most critical milestones in an individual's life. Those of us who are lucky enough to have been there remember that very clearly, and the struggle that it takes to get there. Why on earth would we not make it better for the next generation? That is why I cannot for the life of me understand the decision of the Government to remove that choice for individuals who are trying to buy their first home. The First Home Buyer Choice scheme has empowered first home buyers to fast-track their path to home ownership, should they choose, by selecting an option that best suits their financial circumstances and personal aspirations. Since January more than 4,800 first home buyers applied to take part in the program. The numbers are evidence of the success of the program.

Choosing to pay land tax over up-front stamp duty is a huge choice. Land tax provides opportunity for people to fast-track their participation in the market. NSW Treasury modelling showed that some of those first home buyers who opted in to the program would be ahead for up to 63 years before they reached the value of the stamp duty. Today we are looking at the prospect of taking away a very significant opportunity for them to get ahead—by up to 63 years. We all know the challenges of saving for an initial deposit and stamp duty to buy one's own home. We know the challenges of the cost of living at the moment. All of us in this place know that is a challenge. But it is particularly challenging and stressful for many young people and families who want to buy their own home, establish themselves in the market and have their own space.

We know that everyone's financial position is different. First Home Buyer Choice allows people to choose the tax arrangements, cash flow, timing and opportunity that will work best for them. Fundamentally, that is what Australians are about. If a first home buyer expects to live in their first home for several decades or longer, they might decide to pay stamp duty. Some families do choose to stay in the same home for many years, but many do not. For someone who is struggling to save the up-front costs on their first home purchase, or for those who do not plan to hold that first home for decades, property tax is preferable. The numbers are absolutely clear. In other words, it is a choice. With interest rates as high as they are and potentially increasing, the high cost of living is at the forefront of what the community is thinking about right now. The Government has chosen to make it even more difficult for them to achieve the great Australian dream.

As members of the Government know, rates of home ownership in New South Wales have fallen from 70 per cent in the 1990s to around 64 per cent in 2021. That is not good and should not be encouraged. The national rate of home ownership for younger people aged 25 to 34 trying to get into the housing market for the first time is much lower. That is devastating for communities and generations. The former Government challenged that head on and decided to offer an opportunity, pathway and choice. The Opposition knows home ownership is a challenge in Australia. Rather than invest in that progress and in the next generation, the Government has elected to stop progress.

Many of my colleagues and I have been contacted by young people looking to enter the housing market. Today I spoke with Priya, who is 27. She said, "I would dearly love, as would my sister, to buy my first home." She is living at home. She wants to invest in the market and become a home owner. She is working hard; she has finished her education and is a professional. She cannot become a home owner. She said, "I would have invested in this. I did not have time, and I can see that this is now a door that is closing on my future. It will set me back." That is devastating for her and her family. She will continue to live at home. As a parent of teenagers, I understand her parents' frustration, and love, of that. Priya can see years dissipate before her eyes, and that is a challenge.

When people buy their own home they also become a ratepayer, investing in their local community and council, and paying for the upkeep and upgrade of their local area. They invest in not only home improvement but also the economy when they seek to improve their homes or invest in them. Look at the great rates of IKEA and Freedom Furniture sales. The Opposition knows that home ownership is about stability for families and the need to not move from rental property to rental property. Home owners then become invested in their community as they raise children and join sporting associations, clubs, churches and schools. They become participants in their communities, and this bill will take that away.

The Government's housing affordability strategy is basically the punchline to: What comes first? The chicken or the egg? On the one hand, the Government is saying that we need more homes. It is the "get out of the way" strategy. The Minister for Homelessness says, "Let's get out of the way of more homes." On the other hand, the Government will not make it easier for first home buyers to choose where they want to purchase their first home. If reform and progress lie at the heart of this Government, and it speaks of reform and the future, the bill and the Government's agenda do not cut it. The bill is unfair to a generation of people who had hope and opportunity, and that is seen in the numbers of the current scheme.

I will move a number of amendments on behalf of the Opposition in relation to access for domestic violence victim-survivors. In my former role as the Minister for Women's Safety and the Prevention of Domestic and Sexual Violence, I saw very closely the need for, and importance of, having a safe place to rest, recover and rebuild. Having a safe place is fundamental to that recovery. Looking at my amendments through an economic lens, they are an opportunity for the Government to get victim-survivors into a place where they can rest, recover and rebuild and get on with their lives. That is important for not just them but also their children and community. I will move those amendments during the Committee stage.

Today is a sad day for New South Wales. We are saying to future generations that they will not have a choice and we will close the door on them. For what? For one budget cycle. That is sad when expenditure in certain areas does not benefit many people, like the Ultimate Fighting Championship and scrapping Active Kids vouchers. The current first home buyer scheme sets up the next generation for success and ultimately sets the Government up for success. Today is a very sad day. I oppose the bill, but I will move amendments to it.

**The Hon. AILEEN MacDONALD (16:04):** In the short time that New South Wales residents have had the wonderful choice about the way in which they purchase their home, many have found the ability of choosing a small annual land tax over stamp duty to be the best option for them. Home buyers were given a choice that suited their lifestyle and circumstances. The land tax goes to the value of opportunity, freedom, aspiration and reward for an initiative. So far, more than 5,300 properties have been purchased in New South Wales using the option of a land tax over the hefty and obstructive stamp duty. More than 8,600 first home buyers have already been helped. Imagine how many more would have had the opportunity if the choice was to continue. Furthermore, more than \$200 million in up-front stamp duty has been saved. Clearly the chance to bypass the onerous stamp duty and opt for a small annual tax was an appealing chance for many young Australians, allowing them to get into a home sooner.

Home ownership rates have been sharply declining for both young and middle-aged adults over the past 30 years, due largely to housing affordability. The need to save for stamp duty in addition to a deposit adds an extra two years to the time needed to save for a first home. By removing the impediment of stamp duty, more young people are able to get into the housing market immediately. This Government is very good at using language to try to frame the debate in a way that marks the former Government as greedy overlords looking to tax the people of New South Wales into the ground, euphemistically referring to the land tax option as a forever tax. Nothing could be further from the truth.

The current first home buyer scheme is about choice, opportunity and signing up for the dream of home ownership. First home buyers of today are not like first home buyers of 50 or 25 years ago. They do not stay in their first homes forever, as the many career changes that are now the norm mean changing locations and homes. The choice the previous Government's reform gave first home buyers was to get a foot in the door and achieve a dream. It is about giving people the choice to make what they understand to be the best decision for them and their future and finances. Our lifestyles have changed, and the First Home Buyer Choice was a reflection of the changing way in which we look at home ownership.

Labor has insinuated that the land tax unfairly benefits very wealthy people who are buying homes over \$1 million. Have they looked at the property prices in Sydney recently? Those buying a \$1 million home are not moving into some decadent mansion that the phrase "million-dollar home" still seems to conjure up. The median house price in 2022 for Parramatta, Sutherland, inner south-west, Baulkham Hills and Hawkesbury all exceeded \$1 million. First home buyers who are looking to purchase a home over \$800,000 should be given a choice. If the Government gets its way, the bill will be a step backwards for the people of New South Wales. We were given a glimpse of real and historic reform, and now we face a return to the policies that keep housing affordability at crisis levels and dampen the hopes of aspiring home owners.

**The Hon. NATASHA MACLAREN-JONES (16:08):** I oppose the First Home Buyers Legislation Amendment Bill 2023. Eliminating the Liberal-Nationals First Home Buyer Choice is a backwards step for the State. The Labor Government's first home buyers bill will do nothing to assist housing challenges facing first home buyers in New South Wales. Simply modifying the transfer duty thresholds falls short of delivering the comprehensive tax reform necessary to distance ourselves from a tax system widely acknowledged as flawed. For many first home buyers purchasing properties valued between \$850,000 and \$900,000, the First Home Buyer

Choice remains more appealing compared with paying an up-front transfer duty ranging from \$10,000 to \$20,000, with the break-even point ranging between six and 30 years. For those buying properties over \$900,000, the First Home Buyer Choice offers a better deal.

Home ownership across the nation has fallen over the past 20 years to just 41 per cent for individuals aged 25 to 34. To empower people in New South Wales to reclaim their dreams of home ownership and forge a future where the possibilities are limitless, we had to break away from the norm and chart a new course. Data from Revenue NSW has shown that 5,210 properties were purchased using the Coalition's First Home Buyer Choice. Yet the Labor Government repeatedly refuses to release complex data on the Coalition's successful First Home Buyer Choice scheme, which hinders fair analysis. Instead, it presents selective data without providing an opportunity for proper examination. The fact is that the alternative proposed by Labor lacks transparency.

The Coalition maintains its support for the First Home Buyer Choice, not only because it directly benefits first home buyers by saving them up-front transfer duty, but also because it is a preliminary step towards broader reform of the flawed tax of transfer duty. That is why the Coalition increased the transfer duty thresholds to exempt or provide concessions to more first home buyers while in office. Despite the need to provide greater support for individuals and families, and address the rising cost of living, the current Labor Government fails to offer any specific details or demonstrate how it will address the cost-of-living pressures faced by households. First home buyers are grappling with one of the world's most expensive housing markets, and this bill restricts support for them by imposing exorbitant stamp duty on individuals and families.

Overall home ownership rates in New South Wales have declined from 70 per cent in the 1990s to 64 per cent in 2021. And as I mentioned earlier, among younger individuals aged 25 to 34, the national rate of home ownership is even lower, sitting at approximately 41 per cent in 2019-20. First home buyers are taking longer than ever to save the funds necessary for a deposit and stamp duty. In the 1990s the median New South Wales household set aside 15 per cent of its income for around six years to save for a 20 per cent deposit on a median property and for one year to save for stamp duty. Presently, that same household needs approximately 10 years to save for a 20 per cent deposit and two years to save for stamp duty.

Members on this side of the House strongly believe people should have the choice to make a decision that best reflects their personal financial circumstances. Members on the other side claim that the current choice offered to aspiring first home buyers is a "forever tax", despite the Premier selectively quoting figures. The truth is that for a median-priced home in Sydney, first home buyers would be burdened with a \$50,000 stamp duty bill. For properties above \$800,000, in many cases an annual land tax option would provide better value for money for first home buyers, as evidenced by the number of people who have chosen the scheme in its brief operational period.

It is unsurprising that the Premier lacks a detailed understanding of his Government's supposed plan to address housing affordability. Even his own planning Minister incorrectly referred to the current First Home Buyer Choice as a "land tax"—not once or twice, but 16 times—in his second reading speech. To clarify for members opposite, the First Home Buyer Choice is not a land tax. It could not be any clearer. The frequently asked questions section on the First Home Buyer Choice website explicitly states:

There are no proposed changes to land tax. Land tax is an annual tax levied at the beginning of each calendar year on the total value of all the land you own that is above the land tax threshold.

Since we are discussing taxes, let us not forget that the former Labor Government introduced 11 new taxes and increased taxes 21 times during its time in office. In stark contrast, the Liberals and The Nationals implemented 31 tax cuts, delivering over \$9 billion in tax relief savings for households and businesses. Labor is known for imposing high taxes while in office, while the Liberal-Nationals Coalition represents the interests of individuals, families and businesses. We only need to look at what Labor would do to achieve its alleged budget savings and productivity gains, and how many programs currently alleviating cost-of-living pressures for families and businesses would be eliminated. When Labor previously managed the budget in 2010, essential projects were left unfunded, resulting in a staggering \$30 billion infrastructure backlog that paralysed our State. When Labor cannot manage the budget, it will turn to the citizens of New South Wales to pay its debts.

These are undoubtedly challenging times for individuals, families and businesses across the State. We face a tough economic environment, characterised by high inflation, rising interest rates and cost-of-living pressures. If members on the other side were genuinely committed to addressing cost-of-living pressures, they would acknowledge the \$7.2 billion that the Liberal-Nationals Government invested in 2022-23 to alleviate such pressures for households throughout New South Wales. That investment included \$608 million in stamp duty relief for first home buyers, which entailed introducing the first home buyer property tax option and continuing first home buyer stamp duty exemptions.

Members on the other side find it impossible to accept that the Coalition has introduced the most significant property tax change in New South Wales history by providing a choice to pay either an annual property payment

or stamp duty for properties up to \$1.5 million. The measure lowers the up-front costs of purchasing a property and shortens the time required to save for a deposit by up to two years, expediting the pathway to home ownership for so many people. And it was in addition to the Coalition's comprehensive package to help address housing affordability for first home buyers, informed by expert advice, including from Glenn Stevens, the former Governor of the Reserve Bank of Australia.

Since the introduction of that support package in July 2017, more than 170,000 people had accessed first home buyer duty concessions by May 2022. Each person saved up to \$24,740 in that period, which increased to \$31,335 between August 2020 and July 2021. Between July 2017 to May 2022 over 40,000 people received first home owner grants, which are currently worth \$10,000 each. Figures from the Australian Bureau of Statistics confirm that the annual number of housing finance approvals to New South Wales first home buyers more than doubled over the 12 months to May 2022, compared to the low in the 12 months to April 2017. The Liberal-Nationals Government averaged over 70,000 building approvals a year for new homes in its last term of office.

The First Home Buyer Choice scheme empowers first home buyers with the option to choose between paying up-front stamp duty or a small annual property tax when purchasing their first home. That choice is built on a fundamental value of the Liberals and The Nationals—the freedom to choose. The reform introduced by the Coalition allows first home buyers to overcome one of the most significant barriers to home ownership and allows them to achieve their dream. Purchasing a first home is a critical milestone in a person's life. Under this Labor Government many will be locked out of the market. Homes are where families are raised, where we spend time with friends, and where we create living memories. Unfortunately, many young people today see the dream of owning their own place as unattainable. That is why the Coalition embarked on an important reform, restoring power to first home buyers across the State.

First Home Buyer Choice opens new opportunities for first home buyers to enter the market and take the first step on the property ladder. By bypassing one of the biggest hurdles faced by many individuals when buying their first home—stamp duty—the Coalition's policy has reduced the time required to save for a home. It has helped more young people throughout New South Wales become home owners and raise a family in that home. It is regrettable that the Government prefers to engage in a campaign of misrepresentation and change a groundbreaking and effective reform in our State.

Government members are communicating a lack of genuine concern for the best interests of the people of New South Wales. They demonstrate a disregard for prioritising reforms and show their sole agenda revolves around repealing substantial and transformative reforms. In many ways, they are betraying the young people and families in New South Wales who stand to benefit from the Coalition's groundbreaking reforms. The fact is that we should prioritise the young people in this State. Everything we do should be about giving them choice in managing their financial obligations. Unfortunately, the bill before the House today will do nothing but fail young people. For those reasons, the Opposition does not support the bill.

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** I remind members to stand and seek the call.

**The Hon. WES FANG (16:19):** I make a brief contribution to debate on the First Home Buyer Legislation Amendment Bill 2023. I start by saying that we do not need to be here, because the Government's position has come out of politics, not policy. Government members opposed the previous Liberal-Nationals policy, not from a policy position but rather just as something to oppose. Today our hand is being forced. Throughout the election campaign the Labor Party continually articulated that it would repeal the current policy, which is accepted and appreciated by first home buyers who purchase a property for between \$1 million and \$1.5 million. It is not unreasonable that a first home buyer in some metropolitan areas has to pay that amount for their first home. The existing scheme means that it is less likely they will miss out because they have the option to not pay stamp duty on their first home.

There is merit in some of what the Labor Party has brought forward today. The increase to the point at which concessions are implemented has merit, and members on this side of the House acknowledge and support that. People like me who live in regional areas often say that if people cannot afford a house in Sydney, they should come to the regions. Despite the fact that property prices have increased in recent times—there are always market fluctuations, especially given the current circumstances—the measures in the bill to increase the level up to which a first home buyer would get relief from stamp duty has merit and the Opposition supports that.

As a Parliament, we should be doing everything we can to assist first home buyers purchase their first homes. While there is no doubt that those in rural and regional areas are in a better position to access the housing relief proposed within the parameters of the bill, first home buyers in metropolitan areas facing a purchase above \$1 million have been forgotten by the Government. That is a real tragedy. The Opposition offered choice to first

home buyers, whereas this Government is seeking to remove it. Not only that, first home buyers who do not have the luxury of buying a house under \$1 million will be forced to pay all the stamp duty.

I know amendments to the bill will be proposed. I also understand the politics of how we ended up in this situation. I urge Government members to think about what the bill proposes and the people who will be impacted by this decision. First home buyers who do not have the luxury of buying a house for under \$1 million—which is becoming increasingly prevalent—should have the choice that the previous Government offered if they are not eligible for stamp duty concessions as outlined in the bill. Let us make the support as wide as possible to help New South Wales first home buyers reach the Australian dream. I urge all members to support the Opposition amendments. While I suspect many members have already experienced the joy of first home ownership, many other people will not be able to do so if the bill is passed.

**The Hon. DANIEL MOOKHEY (Treasurer) (16:26):** In reply: I thank all members who made contributions to the second reading debate: the Leader of the Opposition, the Hon. Damien Tudehope; Ms Abigail Boyd; the Hon. Chris Rath; the Hon. Scott Farlow; the Hon. Robert Borsak; the Hon. Emma Hurst; the Hon. Jacqui Munro; the Hon. Natalie Ward; the Hon. Aileen MacDonald; the Hon. Natasha Maclaren-Jones; and the Hon. Wes Fang. Government members remain of the view that we would prefer to see more first home buyers pay no tax, instead of a land tax, and help go to those who are most at risk of being pushed out of the property market altogether as interest rates rise.

The Government also remains of the view that at a time when cost-of-living pressures are immense asking people to pay a land tax on their family home is asking them to pay a tax on an asset that does not earn income, which then requires them to use their other income to pay that tax. For a long time property prices have risen much faster than people's incomes. For as long as that continues, under the previous Government's scheme, the tax will rise even if incomes do not. That is why the Government is proposing the changes in the bill. Various members raised matters for which they sought specific replies. It is more appropriate to provide those replies in the Committee stage, because their comments were made in support of foreshadowed amendments that will be considered in the Committee stage, should the bill pass through the second reading stage. I commend the bill to the House.

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

**The House divided.**

Ayes .....21  
Noes .....17  
Majority.....4

#### AYES

Banasiak	Faehrmann	Lawrence
Borsak	Graham	Mookhey
Boyd	Higginson	Moriarty
Buttigieg	Houssos	Murphy (teller)
Cohn	Hurst	Nanva (teller)
D'Adam	Jackson	Primrose
Donnelly	Kaine	Suvaal

#### NOES

Carter	Maclaren-Jones	Rath (teller)
Fang (teller)	Martin	Roberts
Farlow	Merton	Ruddick
Farraway	Mihailuk	Taylor
Latham	Mitchell	Ward
MacDonald	Munro	

#### PAIRS

Sharpe

Tudehope

**Motion agreed to.**

### In Committee

**The CHAIR (The Hon. Rod Roberts):** There being no objection, the Committee will consider the bill as a whole. I have before me one set of amendments, those being Opposition amendments on sheet c2023-025G.

**The Hon. SCOTT FARLOW (16:37):** By leave: I move Opposition amendments Nos 1 and 15 on sheet c2023-025G in globo:

**No. 1 Principal place of residence requirements**

Page 3, Schedule 1[1], lines 2 and 3. Omit all words on the lines.

**No. 15 Principal place of residence requirements**

Page 5, Schedule 3, lines 3 and 4. Omit all words on the lines.

The bill seeks to amend the residency requirements for not just applicants for First Home Buyer Assistance and the First Home Owner Grant but also eligible tenants of the Department of Housing community tenancy scheme and the Aboriginal Housing Office who seek to purchase a home, and for those purchasing a home off the plan. Failure to comply with the residency requirements for each of those three distinct categories of home buyers will leave them liable to pay any duty for which they were given an exemption or concession, or to repay any grant that they were given. The current provisions require those home buyers to occupy the relevant property as their principal place of residence for no less than six months or face the cost of paying duty or repaying a grant.

The bill seeks to make the residency requirement twice as onerous as it currently is by increasing it from six months to 12 months. That is not a matter that was canvassed publicly by the Government prior to the introduction of the bill. The only justification offered is a claim that some 30 per cent of first home buyers become landlords within 12 months of completing the residence requirement—that is to say, within 18 months of purchasing the first home. We are not told how often this occurs within 12 months of purchasing the first home, which would be the only relevant piece of data in this context.

There are many legitimate reasons why those who have in good faith purchased a new home may need to move out, perhaps temporarily, between six and 12 months after purchasing it. These include new job opportunities, job losses affecting financial factors, family matters—including illness requiring an extended visit, perhaps overseas—and so forth. I acknowledge that the relevant Acts each provide the chief commissioner with a limited discretion to waive the residency requirement in certain circumstances. However, doubling the length of the residency requirement could have an unnecessary impact on the number of such applications, which is undesirable. As a former Parliamentary Secretary to the Treasurer, I have dealt with a lot of correspondence on that matter and I can say that it comes up frequently.

A glaring example of unintended consequences is including eligible tenants who would otherwise be helped into a home, which would free up a place in public or Aboriginal housing or in a community tenancy scheme, but who cannot take the risk of having to pay duty for failing to stay in that home for 12 months. The Treasurer has simply done a text search for "residency requirement" and mindlessly changed it everywhere it occurs from six months to 12 months. The two Opposition amendments would delete those provisions from the bill and leave the six-month residency requirement in place. If the Government wishes to return in the future with a more targeted and better justified proposal for amending the residency requirement, then that could be duly considered on its merit. The Opposition has moved sensible amendments in good faith. I commend them to the House.

**The Hon. DANIEL MOOKHEY (Treasurer) (16:40):** This is the first time I have had the opportunity to participate in a debate in the Committee stage with the Hon. Rod Roberts in the chair. I congratulate you and honour your wisdom. I am sure I am likely to breach it a few times.

**The Hon. Bronnie Taylor:** He knows how to suck up.

**The Hon. DANIEL MOOKHEY:** There is a reason why I am on this side. The Government does not support the Opposition amendments. We are restoring the position of the former Government to the original incarnation of the scheme when it introduced the first home buyer concession arrangement. In fact, we are reverting back to the settings that were first introduced by Treasurer Berejiklian or Treasurer Perrottet. As a matter of principle, if we offer a public benefit for the purpose of promoting owner occupation, then we should tie that benefit to a requirement to occupy, and 12 months is a reasonable time. We do not accept the claim that this is an extra burden. It is about ensuring some of the original integrity and safeguards that were in the scheme in the first instance. I hear the Opposition's claim that the bill will affect others, but I point out that the Government has not received such advice and nor has it been contacted by anyone in the sector. Should any of those concerns arise, we will deal with them in good faith.

**Ms ABIGAIL BOYD (16:42):** The Greens do not support Opposition amendments Nos 1 and 15. Similar to the contribution of the Treasurer, we have not been contacted by tenancy groups, housing affordability peak bodies or anyone with an interest to say that extending the residency requirement will cause a problem. To our knowledge, the Coalition Government introduced the scheme, which incentivises early landlording in circumstances where properties would otherwise be available for genuine first home buyers. For that reason, we support the extension from six months to 12 months to make sure that this relief for first home buyers is targeted to those who need it.

**The Hon. EMMA HURST (16:43):** I indicate that the Animal Justice Party will not support the Opposition amendments. As I indicated in my second reading contribution, changing the minimum residency requirement from six to 12 months is a positive move. The scheme should not be used for people to quickly flick properties or further inflate the property market. It should be used for people genuinely looking to settle into their first home. Requiring them to live in the home for 12 months goes some way to ensuring that it will be. I also note that hardship provisions are already embedded in the Duties Act 1997 to protect people if their circumstances dramatically change due to loss of employment or illness during the first 12 months of living in the property. For those reasons, the Animal Justice Party does not support Opposition amendments Nos 1 and 15.

**The CHAIR (The Hon. Rod Roberts):** The Hon. Scott Farlow has moved Opposition amendments Nos 1 and 15 on sheet c2023-025G. The question is that the amendments be agreed to.

**The Committee divided.**

Ayes .....17

Noes .....21

Majority.....4

#### AYES

Carter  
Fang (teller)  
Farlow  
Farraway  
Franklin  
Latham

MacDonald  
Maclaren-Jones  
Martin  
Merton  
Mihailuk  
Mitchell

Munro  
Rath (teller)  
Ruddick  
Taylor  
Ward

#### NOES

Banasiak  
Borsak  
Boyd  
Buttigieg  
Cohn  
D'Adam  
Donnelly

Faehrmann  
Graham  
Higginson  
Houssos  
Hurst  
Jackson  
Kaine

Lawrence  
Mookhey  
Moriarty  
Murphy (teller)  
Nanva (teller)  
Primrose  
Suvaal

#### PAIRS

Tudehope

Sharpe

**Amendments negatived.**

**The Hon. NATALIE WARD (16:53):** By leave: I move Opposition amendments Nos 2, 12 and 14 on sheet c2023-025G in globo:

No. 2    **Application to victims of family or domestic violence**

Page 3, Schedule 1. Insert after line 3—

[1A]    **Section 69A**

Insert after section 69—

**69A    Regulations must apply scheme to victims of family or domestic violence**

(1)    The object of this section is to enable a victim of family or domestic violence to be eligible for a concession or exemption from duty on a similar basis to a person acquiring a first home if the victim—

(a) leaves home as a result of the violence, and



- (b) within a reasonable time after leaving home, acquires a home.
- (2) The regulations must contain provisions that give effect to the object of this section.
- (3) Subsection (2) does not have effect until 1 September 2023.
- (4) In this section—
  - acquire a home* includes acquire a vacant block of residential land intended to be used as the site of a home.
  - victim of family or domestic violence* means a person who has been the victim of a domestic violence offence within the meaning of the *Crimes (Domestic and Personal Violence) Act 2007*.

No. 12 **Application to victims of family or domestic violence**

Page 4, Schedule 2. Insert after line 2—

[1] **Section 4A**

Insert after section 4—

**4A Regulations must apply scheme to victims of family or domestic violence**

- (1) The object of this section is to enable a victim of family or domestic violence to be eligible to opt to make land subject to property tax on a similar basis to a first home buyer if the victim—
  - (a) leaves home as a result of the violence, and
  - (b) within a reasonable time after leaving home, is the transferee under an eligible transfer.
- (2) The regulations must contain provisions that give effect to the object of this section.
- (3) Subsection (2) does not have effect until 1 September 2023.
- (4) In this section—
  - victim of family or domestic violence* means a person who has been the victim of a domestic violence offence within the meaning of the *Crimes (Domestic and Personal Violence) Act 2007*.

No. 14 **Application to victims of family or domestic violence**

Page 5, Schedule 3. Insert after line 2—

[1] **Section 7A**

Insert after section 7—

**7A Regulations must apply scheme to victims of family or domestic violence**

- (1) The object of this section is to enable a victim of family or domestic violence to be eligible for a first home owner grant on a similar basis to a first home owner if the victim—
  - (a) leaves home as a result of the violence, and
  - (b) within a reasonable time after leaving home, enters an eligible transaction.
- (2) The regulations must contain provisions that give effect to the object of this section.
- (3) Subsection (2) does not have effect until 1 September 2023.
- (4) In this section—
  - victim of family or domestic violence* means a person who has been the victim of a domestic violence offence within the meaning of the *Crimes (Domestic and Personal Violence) Act 2007*.

The three amendments relate to giving victims of family or domestic violence access to the scheme. It will come as no surprise to members that it is important to me, as the former Minister for Women's Safety and the Prevention of Domestic and Sexual Violence, that we consider the opportunity to provide a safe space for victim-survivors to heal and rebuild. That is the intent behind the amendments—to enable them to access the scheme and have the opportunity to buy their own home to rest and recover.

The amendments insert identical provisions in the Duties Act 1997, the Property Tax (First Home Buyer Choice) Act 2022 and the First Home Owner Grant and Shared Equity Act 2000 to enable a victim of family and domestic violence to access a duty exemption or concession, or a grant, or to choose a property tax, rather than the transfer duty available to a first home buyer, without needing to be a first home buyer. To give context, they

may have purchased a home already but be fleeing that home. Providing access to measures that would assist them to buy their own home was part of the Coalition's landmark policy. In opposition, we seek to apply that to the bill.

Many victims of family and domestic violence may be able to stay in their homes because the perpetrator is required to relocate, particularly under our Staying Home Leaving Violence policy, but sadly that does not always happen. Having to leave—and the associated uncertainty and family upheaval—is one of the greatest contributors to the ongoing trauma of the domestic and family violence they deal with. A victim of family and domestic violence who has had to leave home as a result of that violence, and who has the opportunity within a reasonable time after leaving home under those circumstances to acquire a new home, deserves the same support as offered to first home buyers—the opportunity to restart and rebuild. The amendments provide for the detailed criteria and processes for that support to be made by regulation and allow three months for the regulations to be made. We feel that is a fair period. It gives a fair opportunity for those people to get into the market and rebuild as they literally start over.

The amendments do not in any way interfere with the other aspects of the bill. They stand alone and provide the opportunity to victim-survivors to access what we believe should be a bipartisan opportunity for them to rebuild. Obviously, if the bill does not pass in a form that includes the abolition of the First Home Buyer Choice for purchases from 1 July 2023, amendment No. 12 would be moot. I urge all members to support the amendments, which are designed to help victims of family and domestic violence flee from that violence. I spent many hours meeting with victim-survivors and frontline support services who indicated to me, as I am sure they would to the current Minister, that it is a priority for them to get into a safe space, rebuild and have stability for them and their children wherever possible. To establish a new home and a new life is one of the critical first steps to rebuilding. Addressing the uncertainty of not being in their own home, after having to flee because the perpetrator is not able to be removed, is critical to their recovery. It is also an economic imperative. I urge members to consider the amendments to provide that opportunity to victim-survivors, and I commend them to the Committee.

**The Hon. DANIEL MOOKHEY (Treasurer) (16:57):** I acknowledge the work done by the Hon. Natalie Ward when she was the Minister. It is important that we ensure that supporting victim-survivors of domestic violence remains above politics and that we debate the amendments in a spirit of seriousness and respect. The Government has carefully reviewed the Opposition's amendments. The Government does not support them because it announced two weeks ago that it has established a task force to be co-chaired by the Minister for the Prevention of Domestic Violence and Sexual Assault, and Minister for Women; and Domestic Violence NSW. The job of that task force is to develop the criteria that would allow the Government to provide support to victim-survivors of domestic violence through a shared equity scheme. The Government has taken that view for two reasons. Firstly, we think that by pursuing reform through a shared equity scheme we are more likely to be in a position to assist people to leave violent relationships and also recover and return to home ownership.

The second point of that task force is to properly consult with people around how to define a victim of family or domestic violence for the purposes of accessing such schemes. It is important that we undertake that consultation because that is not an easy question to answer. Obviously, there is a continuum of violence in relationships, and it is appropriate that we work respectfully with experts in the area to properly define the criteria. The Government anticipates receiving and considering the results of that task force as part of the budget process. We will deal with that in the budget on 19 September 2023, which I look forward to delivering. As a result, we do think that we should allow the task force to do its work.

**Ms ABIGAIL BOYD (16:59):** A lot was said during the election campaign about domestic violence initiatives. Both major parties came out with a range of perhaps innovative but, on the whole, quite surprising and largely unwanted initiatives, like the idea of stamp duty exemptions for women fleeing domestic violence and the stuff about background checks. A whole lot of things were announced by both sides during the election that were not evidence-based and were not asked for by the sector, and the sector was increasingly annoyed. The sector is so experienced and so knowledgeable on what they are talking about. Chair, you sat through the coercive control inquiry.

**The Hon. Natalie Ward:** Point of order: While no doubt well intended, the honourable member is straying far beyond the amendments before the Committee. Chair, I ask that you direct the member's comments to her contribution in debate on the amendments before the Committee. This discussion is not about the election campaign of various parties or about the sector; it is about the amendments before the Committee, which I think are very straightforward.

**Ms ABIGAIL BOYD:** To the point of order: Chair, as you will shortly find out, my contribution is aimed at pointing out why these are such misguided amendments and how they were drafted based on the same misunderstandings shown during the election campaign.

**The CHAIR (The Hon. Rod Roberts):** I intend to give the member that latitude. The member has the call.

**Ms ABIGAIL BOYD:** As we saw during the coercive control inquiry, we and the sector know that very few people get convicted of domestic violence. It is nice that women fleeing domestic violence can have a document, all signed and sealed, that they can take to the tax office to claim some sort of exemption from having already purchased a home and wanting to be part of the first home buyer scheme. It is not just that the sector did not ask for anything like this and has been lukewarm in its response to the Government's similar proposal about shared equity. If implemented in the way that it has been suggested, it would be practically incapable of being used by anybody. In the context of a sector that is crying out for proper emergency crisis housing and proper reforms, to offer up these sorts of amendments now and push what was a misguided election initiative in the context of this repeal bill is misguided.

We appreciate the new Labor Government's commitment to doing this properly. The task force has been established, as far as I can tell. That task force will look at what the situation is for women fleeing domestic violence and at what would actually make a difference when it comes to rebuilding their lives, having financial security and being able to move forward. A lot of gender norms permeate our property laws and our taxation laws, and we could be doing a lot of things that would be a lot simpler than this. Couples who have been together and have had their first home may have broken that relationship for whatever reason. Whether they have gone down the court procedure, whether they wanted to go to that level, or they just no longer wanted to be with each other, we should make changes to our tax laws to allow individuals to then also get back onto the property ladder in a way that does not punish them for those prior relationships. We can do a lot here. The Labor Government's approach to work with the sector to see whether it would make a real difference in practice is welcome. For those reasons, we will not support the Opposition's amendments.

**The Hon. EMMA HURST (17:04):** I speak briefly to indicate that the Animal Justice Party will not support the Opposition's amendments. I recognise the work of the Hon. Natalie Ward in this space and her genuine passion in this area. However, the Animal Justice Party believes that it is critically important to ensure that people leaving domestic violence situations are able to access secure housing, along with their children and animal family members, whether that be emergency housing, social housing, rental accommodation or purchasing a home.

We are concerned that the amendments put forward are not the best use of revenue to support survivors of domestic violence. In particular, I am concerned that the definition of a "victim of family or domestic violence" contained in the amendments is far too narrow as it captures only the rare situations where there is a conviction against the abuser. That means it could exclude many genuine victim-survivors of domestic violence from gaining access to the scheme. On top of that, few victim-survivors leave a violent situation with the financial ability to purchase a home. Even with the assistance of the first home buyer scheme, it is simply out of reach for most survivors, and it means that the benefit of the amendments is narrow. It will not provide the support needed to the majority of people. It could benefit a tiny proportion of victim-survivors, but it will not target those who need help the most. Many in the domestic violence sector have expressed similar frustrations.

As we have heard today, the Government is working on expanding the Shared Equity Home Buyer Helper scheme, in partnership with Domestic Violence NSW. My understanding is that the Government is working with the sector to determine how to best capture survivors of domestic violence in the scheme, not just those few who have successfully had their abuser convicted in the court system. We believe that is a better and more considered approach, rather than inserting a narrow definition of domestic violence victims in this legislation. For those reasons, the AJP will not support the amendments at this time.

**The CHAIR (The Hon. Rod Roberts):** The Hon. Natalie Ward has moved Opposition amendments Nos 2, 12 and 14 on sheet c2023-025G. The question is that the amendments be agreed to.

**The Committee divided.**

Ayes .....17  
Noes .....21  
Majority.....4

AYES

Carter  
Fang (teller)  
Farlow  
Farraway  
Franklin

MacDonald  
Maclaren-Jones  
Martin  
Merton  
Mihailuk

Munro  
Rath (teller)  
Ruddick  
Taylor  
Ward

## AYES

Latham

Mitchell

## NOES

Banasiak  
Borsak  
Boyd  
Buttigieg  
Cohn  
D'Adam  
Donnelly

Faehrmann  
Graham  
Higginson  
Houssos  
Hurst  
Jackson  
Kaine

Lawrence  
Mookhey  
Moriarty  
Murphy (teller)  
Nanva (teller)  
Primrose  
Suvaal

## PAIRS

Tudehope

Sharpe

**Amendments negatived.**

**The Hon. SCOTT FARLOW (17:15):** By leave: I move Opposition amendments Nos 3 to 11 on sheet c2023-025G in globo:

**No. 3 Indexation of amounts**

Page 3, Schedule 1[2], line 5. Omit "\$1,000,000". Insert instead "\$1,000,000, as indexed in accordance with subsection (3A)".

**No. 4 Indexation of amounts**

Page 3, Schedule 1. Insert after line 5—

**[2A] Section 74(3A)–(3D)**

Insert after section 74(3)—

(3A) On 30 September 2024 and on 30 September in each subsequent year, the amount in subsection (3)(a) must be adjusted—

(a) in line with the percentage change between—

- (i) the amount reported for the June quarter in the same year, and
- (ii) the amount reported for the June quarter in the previous year, or

(b) if an amount is not reported for the purposes of paragraph (a)—in accordance with an equivalent methodology prescribed by the regulations.

(3B) In subsection (3A), *amount reported* means the amount in the Median Price of Established House Transfers (Unstratified); Sydney as reported by the Australian Bureau of Statistics.

(3C) The Chief Commissioner must, before 30 September in a year, publish the adjusted amount that will apply on 30 September in the year.

(3D) The adjusted amount must be published in the Gazette.

**No. 5 Indexation of amounts**

Page 3, Schedule 1[3], line 7. Omit "\$800,000". Insert instead "\$800,000, as indexed in accordance with subsection (4)".

**No. 6 Indexation of amounts**

Page 3, Schedule 1[4]. Omit "\$1,000,000" from the formula. Insert instead "A".

**No. 7 Indexation of amounts**

Page 3, Schedule 1[4]. Omit "\$200,000" from the formula. Insert instead "B".

**No. 8 Indexation of amounts**

Page 3, Schedule 1. Insert after line 9—

**[4A] Section 78A(2), definitions of "A" and "B"**

Insert after the definition of *N*—

*A* is the amount referred to in section 74(3)(a).

*B* is the amount referred to in section 74(3)(a) minus the amount referred to in subsection (1)(a).

No. 9 **Indexation of amounts**

Page 3, Schedule 1[5], line 11. Omit "\$800,000". Insert instead "the amount referred to in subsection (1)(a)".

No. 10 **Indexation of amounts**

Page 3, Schedule 1[6], line 13. Omit "\$1,000,000". Insert instead "\$1,000,000, as indexed in accordance with section 74(3A)".

No. 11 **Indexation of amounts**

Page 3, Schedule 1. Insert after line 13—

**[6A] Section 78A(4)–(7)**

Insert after section 78A(3)—

- (4) On 30 September 2024 and on 30 September in each subsequent year, the amount in subsection (1)(a) must be adjusted—
  - (a) in line with the percentage change between—
    - (i) the amount reported for the June quarter in the same year, and
    - (ii) the amount reported for the June quarter in the previous year, or
  - (b) if an amount is not reported for the purposes of paragraph (a)—in accordance with an equivalent methodology prescribed by the regulations.
- (5) In subsection (4), *amount reported* means the amount in the Median Price of Established House Transfers (Unstratified); Sydney as reported by the Australian Bureau of Statistics.
- (6) The Chief Commissioner must, before 30 September in a year, publish the adjusted amount that will apply on 30 September in the year.
- (7) The adjusted amount must be published in the Gazette.

The nine amendments would improve the provisions in the bill which would set new thresholds for an exemption from transfer duty or a concession in the rate of transfer duty by indexing those amounts, set by the bill at \$1 million and \$800,000 respectively. The amendments would also adjust the formula for the concessional rate of transfer duty to account for the indexation.

The purpose of the amendments is to ensure that the real-world value of the exemption from transfer duty or a concessional rate of transfer duty is not eroded over time, especially during periods like the current one, in which median house prices have risen rapidly. The Australian Bureau of Statistics separately reports median house prices for Sydney and for the rest of New South Wales. While the median house price for the rest of New South Wales is sitting at \$700,000 as at December 2022, well below the \$800,000 threshold proposed in the bill for an exemption from duty, in Sydney it is sitting well over it, at \$1.27 million.

For that reason, the amendments propose indexing the two threshold amounts by varying them in September each year, beginning in September 2024, in line with the percentage change between the amount of the unstratified median price of established house transfers in Sydney, as reported by the Australian Bureau of Statistics for the June quarter that year, compared with that reported for the June quarter in the previous year. Included is the usual provision for using an equivalent methodology prescribed in the regulations if the data is not reported. The amendments do not depend in any way on whether First Home Buyer Choice is retained or abolished from 1 July 2023. They simply ensure that the real value of exemptions from duty or a concessional rate of duty for first home buyers is preserved.

**The Hon. DANIEL MOOKHEY (Treasurer) (17:17):** The Government does not support the amendments. Here is why: Firstly, when the House looked at the property tax bill last year, the then Government did not index its thresholds whatsoever. Opposition members say they are all for automatic indexation; it seems that is a new position that they have miraculously reached in the past few months. I accept the fact that there is no particular desire for consistency in the position adopted by the Opposition; nevertheless, that is the first reason. The second reason is that when it comes to important questions to do with taxation, the Government thinks that every case needs to be considered on its own merits. But, in general, the principle that should prevail is that the Parliament should deliberate and decide itself.

**Ms ABIGAIL BOYD (17:18):** The Greens do not support the amendments for much the same reasons as those the Treasurer laid out. We need more oversight by Parliament, not less, when it comes to complicated impacts on the housing market. We do not support an automatic indexation.

**The Hon. EMMA HURST (17:18):** I indicate that the Animal Justice Party will not support the amendments. While we appreciate that there is likely to be a continued increase in housing prices, and there may well be a need for the Parliament to increase the thresholds for stamp duty exemptions and concessions down the line, it is appropriate for the Parliament to have oversight of such an important decision that will affect the ability of the Government to generate revenue. Automatic indexation of the thresholds would have significant budgetary implications. Given the many competing priorities of the Government and the pressing need for funding in other sectors, it is appropriate that we do not build in any increases to those thresholds and instead require the Government to come back to the Parliament when it becomes necessary to review the thresholds.

**The CHAIR (The Hon. Rod Roberts):** The Hon. Scott Farlow has moved Opposition amendments Nos 3 to 11 on sheet c2023-025G. The question is that the amendments be agreed to. Is leave granted to ring the bells for one minute?

**Leave granted.**

**The Committee divided.**

Ayes .....16  
Noes .....19  
Majority.....3

#### AYES

Carter  
Fang (teller)  
Farlow  
Farraway  
Franklin  
Latham

MacDonald  
Maclaren-Jones  
Martin  
Merton  
Mihailuk

Mitchell  
Munro  
Rath (teller)  
Ruddick  
Taylor

#### NOES

Banasiak  
Borsak  
Boyd  
Buttigieg  
Cohn  
D'Adam  
Donnelly

Faehrmann  
Graham  
Higginson  
Houssos  
Hurst  
Kaine

Lawrence  
Mookhey  
Murphy (teller)  
Nanva (teller)  
Primrose  
Suvaal

#### PAIRS

Tudehope  
Ward

Jackson  
Sharpe

**Amendments negatived.**

**The Hon. SCOTT FARLOW (17:24):** I move Opposition amendment No. 13 on sheet c2023-025G:

No. 13      **Retention of First Home Buyers Choice**

Page 4, Schedule 2, lines 3–10. Omit all words on the lines.

The amendment would delete the provision of the bill that removes choice for first home buyers for purchases from 1 July 2023. Having canvassed the merits of retaining this choice and its benefits for most first home buyers purchasing a property valued between \$850,000 and \$1.5 million—during the second reading debate on the bill we heard arguments from many members on this side of the House to that effect—I make the observation that the amendment would leave intact the changes in the thresholds for transfer duty exemptions or concessions while preserving the free choice for those for whom it would remain beneficial. Supporting the amendment would leave no first home buyer in New South Wales worse off after 1 July 2023 than they are now. I commend the amendment to the House.

**The Hon. DANIEL MOOKHEY (Treasurer) (17:25):** The Government does not support the amendment as it is reckless. It shows that the Opposition fundamentally no longer cares about the condition of the State's finances. Labor made a clear election choice. We said that if we were elected we would introduce our stamp duty concession so that more first home buyers would pay no tax instead of a land tax. We said we would

fund that by repealing the previous Government's policy. The two schemes were cost comparable at the time they were costed by the Parliamentary Budget Office.

The fact is that to keep both schemes operating would cost the State an additional \$700 million at a time of record debt, rising interest rates and a budget under pressure as a result of \$7 billion of unfunded expenses that we inherited. It is reckless, irresponsible and shows that the modern Liberal Party is trying to have it both ways. The reality is that the Liberal Party has abandoned any concept of being responsible fiscal managers. It has lost the ability to appropriately decide how the public's dollars should be spent to maximise the public's interest. If the Liberal Party no longer cares about any of those principles, what does it stand for?

**Ms ABIGAIL BOYD (17:26):** The Greens do not support the amendment. It is not only financially reckless but it is also evidence of a quite stubborn Opposition that is yet to find a real agenda in this place. I look forward to it finding a real agenda. If it wants to spend the next four years coming up with a broad-based, equitable, progressive, whole-of-system transition away from stamp duty to land tax, we would be very open to hearing about that.

**The Hon. EMMA HURST (17:27):** For the reasons articulated in my contribution to the second reading debate, the Animal Justice Party will not support the amendment, which seeks to remove the part of the bill that repeals the Coalition's optional land tax scheme. While in an ideal world it would be great to keep both the new stamp duty concessions and the optional land tax scheme, the New South Wales Government would have to forgo a significant amount of revenue. That money could be better spent fixing the social housing system, which Labor says it plans to do.

I am very sympathetic to rising apartment and house prices, and I understand it is difficult for people to enter the market or find a home under \$1 million in Sydney. But I also recognise that we have a tight State budget and many important community services are desperately in need of funding. Difficult decisions must be made. I believe Labor's stamp duty scheme will benefit more first home buyers and will target support to those people who need it. That is the scheme that the Animal Justice Party supports. For that reason we do not support the amendment.

**The CHAIR (The Hon. Rod Roberts):** The Hon. Scott Farlow has moved Opposition amendment No. 13 on sheet c2023-025G. The question is that the amendment be agreed to. Is leave granted to ring the bells for one minute?

**Leave granted.**

**The Committee divided.**

Ayes .....16  
Noes .....20  
Majority.....4

#### AYES

Carter  
Fang (teller)  
Farlow  
Farraway  
Franklin  
Latham

MacDonald  
Maclaren-Jones  
Martin  
Merton  
Mihailuk

Mitchell  
Munro  
Rath (teller)  
Ruddick  
Taylor

#### NOES

Banasiak  
Borsak  
Boyd  
Buttigieg  
Cohn  
D'Adam  
Donnelly

Fachrmann  
Graham  
Higginson  
Houssos  
Hurst  
Kaine  
Lawrence

Mookhey  
Moriarty  
Murphy (teller)  
Nanva (teller)  
Primrose  
Suvaal

#### PAIRS

Tudehope  
Ward

Jackson  
Sharpe

**Amendment negatived.**

**The CHAIR (The Hon. Rod Roberts):** The question is that the bill as read be agreed to.

**Motion agreed to.**

**The Hon. DANIEL MOOKHEY:** I move:

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

**Motion agreed to.**

### **Adoption of Report**

**The Hon. DANIEL MOOKHEY:** On behalf of the Hon. Penny Sharpe: I move:

That the report be adopted.

**Motion agreed to.**

### **Third Reading**

**The Hon. DANIEL MOOKHEY:** On behalf of the Hon. Penny Sharpe: I move:

That this bill be now read a third time.

**Motion agreed to.**

## **LAW ENFORCEMENT (POWERS AND RESPONSIBILITIES) AMENDMENT (DIGITAL EVIDENCE ACCESS ORDERS) BILL 2023**

### **First Reading**

**Bill received from the Legislative Assembly, read a first time and ordered to be published on motion by the Hon. John Graham, on behalf of the Hon. Daniel Mookhey.**

**The Hon. JOHN GRAHAM:** According to standing order, I table a statement of public interest.

**Statement of public interest tabled.**

**The Hon. JOHN GRAHAM:** I move:

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

**Motion agreed to.**

**The Hon. JOHN GRAHAM:** I move:

That the second reading of the bill stand as an order of the day for the next sitting day.

**Motion agreed to.**

## **CONSTITUTION AMENDMENT (SYDNEY WATER AND HUNTER WATER) BILL 2023**

### **Second Reading Debate**

**Debate resumed from 30 May 2023.**

**The Hon. SAM FARRAWAY (17:37):** I speak on behalf of the Opposition in this debate as I represent shadow water Minister Steph Cooke from the other place, my colleague in The Nationals, who is present in the gallery tonight. I voice my strong opposition to the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023. The bill, as it currently stands, fails to protect the basic right of all people in New South Wales to access safe, reliable, publicly owned water. It discriminates against the 1.85 million individuals who obtain their water from utilities other than Sydney Water and Hunter Water, leaving us questioning the Labor Government's agenda regarding the privatisation of WaterNSW and other local water utilities across the regions.

Over the past five years New South Wales has been battered by two extremes—as my colleague stated in the lower House. We suffered through the worst drought in our history, only to be then hit by one of the wettest years on record, resulting in devastating floods. The effects of these disasters were felt across the Central West communities, where I live, and right throughout regional New South Wales. Our water resources have been stretched and tested like never before, and it has reinforced the importance of securing our water supplies for the future. It is in this context that we debate the bill, which seeks to amend the Constitution Act 1902 to guarantee the continued public ownership of Sydney Water Corporation and the Hunter Water Corporation.



While I am in favour of ensuring public ownership of those crucial water utilities, I must make absolutely clear my deep concern with the bill in its current form. It falls far short of guaranteeing access to safe, reliable, publicly owned water for every citizen of New South Wales rather than just those in Sydney and the Hunter region.

The bill excludes from its protections the 1.85 million people who obtain their water from other utilities. That glaring omission raises serious questions about the Labor Government's intentions towards the future privatisation of WaterNSW and the 89 local water utilities that service regional, rural and remote New South Wales. Those water utilities play a critical role in delivering safe, secure, efficient, sustainable and affordable water supply and sewerage services. They protect public health and the environment and support economic development and livability. Yet they too have been left out of the bill, leaving them vulnerable to future privatisation. Earlier this week in a media release, the chairman of the Country Mayors Association, Mayor Jamie Chaffey, rightly pointed out:

Regional Councils also rely heavily on our utilities for our future viability. That has never been more critical than now.

That fact has been validated by the recent member survey identifying financial viability as our most pressing concern. The deputy chairman of the Country Mayors Association, Mayor Rick Firman, eloquently summed it up, emphasising the vital need for water to remain in the hands of our communities through local government. This is not just about utilities; this is about our lifeblood. It is about the essence that fuels our communities and our lives. He goes on to say that water is life and control of our water must rest in our hands. On 10 May 2006 in this Parliament, former Nationals member for Murrumbidgee Adrian Piccoli stated:

Water is of critical importance in New South Wales.

...

Water is at the forefront of most people's minds.

He also said that water is the lifeblood of all communities. The shadow Minister for Water and I both agree that those words remain as true today as they were then. In a State as vast and diverse as ours, the management and provision of water is a complex and vital task. It is clear that the task is the responsibility of not only Sydney Water and Hunter Water but also key bodies such as WaterNSW and the 89 other water utilities. Consider WaterNSW, which supplies two-thirds of the water used in our State and is responsible for protecting the Greater Sydney drinking water catchment and supplying raw water from their storages to communities, customers, industry and the environment. Despite the crucial role that WaterNSW plays in our State's water infrastructure, it is not included in the protections of the bill. The omission of WaterNSW is a glaring oversight and an unacceptable neglect of an essential component of our overall water supply system. How can we talk of safeguarding our water resources if we fail to protect the organization that provides the bulk of our water supply?

WaterNSW is not the only one left out in the cold; it is all of regional New South Wales when it comes to water. The bill must include WaterNSW and the 89 other water utilities for the basic right of all people in New South Wales to access clean water, regardless of their postcode. Water security has been a priority for successive governments. The former Coalition Government implemented programs such as the Country Towns Water Supply and Sewerage Program and the Safe and Secure Water Program, investing in critical infrastructure to support regional communities. However, the future of those programs remains uncertain under the current Labor Government. I call on the Government to prioritise the investment in and protection of regional, rural, and remote water infrastructure with the same commitment shown to renewable energy. The future of many towns and villages relies on ensuring water security and infrastructure development. The Opposition will move amendments to the bill. The amendments moved in the Legislative Assembly will be moved again in Committee.

The Minister for Local Government in the other place, representing the Minister for Water in the Legislative Council, said that the bill is deficient. The Hon. Ron Hoenig admitted that the bill is deficient by offering a joint select committee to look into the bill but not until after the bill passes. Surely, the Legislative Council is the house of review. For the past four years crossbench members touted that this House is the master of its own destiny and is the house of review. While I support that in principle, how can members not support sending this deficient bill, which was admitted by Ministers of the Labor Government, to a committee. The bill should be reviewed and investigated, but, according to the Government, only if it is rammed through the upper House so Government members can look like they have been busy and had a full agenda all week. They are ticking boxes for Premier Minns.

Members talk of unintended consequences. If that is the case, should we not have a joint select committee investigate them? Unintended consequences were raised during debate in the other place, and I suspect in this place as well. No-one from the Government, including the Minister for Water, can tell me what the unintended consequences are. The Government talks about not having a mandate to make sure we pass legislation that is not deficient. It also says there is no mandate to privatise regional water utilities. I totally disagree with that. The

Minister for Water attended a meeting in Parliament House of the Country Mayors Association, representing 85 per cent of regional and rural New South Wales, to talk about water and had a captive audience.

**The Hon. Rose Jackson:** And I spoke to them, and I answered this question, and they were nodding and clapping, and you were there, and you saw that.

**The Hon. SAM FARRAWAY:** I acknowledge that interjection. The Minister for Water did turn up. She gave a speech. She hung around for five minutes for some questions, and then she said, "Sorry, country mayors, I'm too busy. I need to go get a photo with Julia Gillard."

**The Hon. Rose Jackson:** To talk about mental health. Sorry if you do not care about mental health. Apologies. Is it not an issue in regional New South Wales?

**The Hon. SAM FARRAWAY:** No, it was a fan club. "We had to go with Premier Minns. We needed to go and get a photo for TikTok and Facebook with Julia Gillard."

**The PRESIDENT:** Order! The member will confine his remarks to the bill.

**The Hon. SAM FARRAWAY:** That meeting of country mayors was the perfect opportunity to have meaningful dialogue with them about their regional water utilities and how they can be protected against future privatisation by this Labor Government, which clearly must have a secret agenda. If there was no secret agenda, why do we not expose the flaws of the bill and make it better? Let us ensure that all water infrastructure in the State is protected. Let us have that joint select committee. But, no, we need to ram it through this Parliament, tick some boxes and sell a narrative to the media that the Government has been busy this week, so we are going to pass deficient legislation!

In conclusion, the Opposition truly and genuinely believes that water security can be and should be enshrined with this bill in the New South Wales Constitution Act for everyone in the State, irrespective of where they reside. If the Labor Government genuinely aims to protect end-to-end water supply, it should support the Opposition amendments, which seek to include WaterNSW and local water utilities in the bill. Let us work together to safeguard the fundamental right of all New South Wales residents to access safe, reliable and publicly owned water. Let us support a joint select committee to find the deficiencies and make the bill better.

**The Hon. MARK BANASIAK (17:49):** On behalf of the Shooters, Fishers and Farmers Party, I support the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023. The Shooters believe the bill is a positive step towards protecting the interests of the people of New South Wales and ensuring the long-term public ownership of Sydney Water and Hunter Water. We also believe the supply of water and provision of sewerage services is a natural government monopoly that must be protected for the good and security of the State. During the recent election campaign the Government made a promise to the people of New South Wales that it would take measures to safeguard Sydney Water and Hunter Water from privatisation. I and other members of the Shooters, Fishers and Farmers Party have always said we will consider legislation on a case-by-case basis and support good legislation that benefits the people of New South Wales. Today we fulfill that commitment by supporting the bill.

Under the current legislative framework, a future government could attempt a backdoor privatisation without seeking the agreement of Parliament or obtaining the permission of the people. Such actions have been witnessed in the past with the dodgy deals that were part of the previous Liberal-Nationals Government's day-to-day modus operandi. The detrimental effects of privatisation over the past 12 years are clear. Our electricity assets, ports and toll roads were sold off and essential services were operated by private entities, leading to increased costs for the public. Dividends that should have been reinvested into the State's budget were redirected to private operators. People are being burdened with ever-increasing costs and rising expenses. The Shooters support the blocking of any attempt at privatisation. The process of privatising Sydney Water and Hunter Water should not occur behind closed doors in secrecy but under the public spotlight and the scrutiny of Parliament.

Schedule 1 to the bill inserts proposed part 10 into the Constitution Act 1902. It specifically addresses the continued public ownership of Sydney Water and Hunter Water and emphasises that the storage and supply of water, provision of sewerage services, stormwater drainage systems and wastewater disposal are vital aspects of those corporations' main undertakings. The Shooters support the provisions that protect the core functions necessary for the corporations to serve the people of New South Wales. While the focus of the bill is to safeguard the public ownership of Sydney Water and Hunter Water, it does not limit or constrain their day-to-day operations. The bill provides that routine business operations can continue, including the sale or disposal of landholdings or other assets or services, as long as the main undertakings of the corporations remain in public ownership. Furthermore, Sydney Water and Hunter Water are not precluded from entering into commercial arrangements that provide value for money and improved customer service outcomes, as long as they do not involve the sale or disposal of their main undertakings. The Shooters are cognisant that Sydney Water and Hunter Water are

responsible for supplying services to nearly six million people in Greater Sydney, the Blue Mountains, the Illawarra and the Hunter regions, so the Government must keep those essential resources under public ownership.

While it may be unusual for a State Parliament to insert policy-related provisions into the Constitution, it is done with the clear intent of protecting the interests of the people of New South Wales. I have a history of expressing my concerns about proposed and previous privatisations, so I support the call for a line to be drawn under Sydney Water and Hunter Water. The Shooters also understand that, at its core, the bill recognises that safe, reliable, publicly owned water is not just a need, it is a constitutional right. It is about safeguarding the interests of our people and ensuring that our essential water services remain in public hands. By enshrining those protections in the New South Wales Constitution, Parliament will send a clear message to future governments that the privatisation of Sydney Water and Hunter Water will not be considered without the explicit approval of the elected representatives of the people.

New South Wales should learn from what happened to the Three Waters Reform Programme in New Zealand. The privatisation of Sydney Water and Hunter Water, as well as possibly water assets in rural and regional New South Wales, may lead to similar issues as those faced by local governments in New Zealand, including underinvestment, a lack of accountability, a potential disregard for public interests and a reduction in credit ratings. Our focus should be on improving the public management and accountability of water infrastructure, rather than transferring ownership to private entities for short-term financial gain or budget balancing by incumbent governments.

When discussing Sydney Water and Hunter Water, we should not forget about water supply and services to regional and rural New South Wales. People in the bush should have the same level of service and security of water supply as their city cousins—something that was never on the radar of the city-focused Liberals. Rural and regional water needs to be considered and protected. The Shooters believe, having discussed it with the Minister, that a joint inquiry into regional water supply, security and service standards is the best way to go. If anyone questions why that is the case, they should look at the Three Waters Reform Programme.

**The Hon. Sam Faraway:** We should before we pass the bill.

**The Hon. MARK BANASIAK:** No, we should not. The Three Waters Reform Programme in New Zealand tried to corral 67 local government services into one to protect them from privatisation and it has caused a God-almighty mess. What The Nationals are proposing could do the same. We should take our time to get it right. I am not against protecting rural and regional utility services, but let us get this right by having a deep look into how to do it. Rural and regional utility services are not just one entity; we are talking about a number of utility services. If New Zealand cannot get it right as a country with 67 local government services, how are we going to get it right as a State with far more? Let us take a breath and have a look. I support an inquiry into this issue. I thank the Minister for listening to us and having a sensible discussion about this. It is refreshing to have a sensible discussion with a water Minister; it has not happened in four years. The Shooters, Fishers and Farmers Party supports the bill, demonstrating our commitment to the right of the people of New South Wales to accessible and affordable water services.

**The Hon. SARAH MITCHELL (17:55):** I make a contribution to debate on the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023. I start by acknowledging the presence in the gallery of Ms Steph Cooke, the member for Cootamundra and shadow Minister for Water in the other place. She has done an exceptional job on behalf of the Opposition in relation to the bill. It is worth mentioning that debate on the bill in the lower House was gagged. In her second reading speech the Minister for Water spoke about how important a bill that amends the Constitution is, so it is very serious. The Minister said the Opposition's amendments were a disrespectful way to treat our Constitution. I make the point that gagging elected members from making their views heard in the other place after, I believe, an hour of debate is also disrespectful and that needs to be called out.

I will briefly mention the comments made by my colleague the Hon. Sam Faraway and the Hon. Mark Banasiak. It is clear that the Government has its training wheels on. It is rushing in a bill because it ran a scare campaign during the election that the former Government was going to privatise Sydney Water and Hunter Water. We were not; there was no intention to do that. The bill is the Government's signature piece of legislation. I get that. I have been in Parliament for 12 years, so I understand how politics works. But what the Government has done is admit its inadequacy. The fact that the Minister for Local Government in the other place has already said that a joint committee would be set up to look at how to protect regional water assets from privatisation, that this is a complex issue that involves difficult changes shows that the Government understands that something is missing from the bill.

I take the point of the Hon. Mark Banasiak about passing the bill first and then constructing the legislation, but not privatising regional water if that happens. But what is the rush? If the Government has no intention of

privatising Sydney Water and Hunter Water, why does it not take the time to do the work now? It should be diligent in what it is doing and put forward a bill that is ready and covers everybody, no matter where they live—whether that is in Sydney or regional New South Wales. I look forward to hearing from the Government, particularly from the Minister, on the Opposition's amendments in the Committee stage.

The bill seeks to amend the Constitution Act 1902 to ensure the continuous public ownership of Sydney Water and Hunter Water. As many of my colleagues in the other place and the Hon. Sam Farraway have done, I express my concern that the current version of the bill fails to adequately protect the fundamental right of every individual in our great State to access safe, reliable and publicly owned water. In the past five years New South Wales, particularly the regions, has seen some extreme weather conditions—from the worst drought in history to the record-breaking floods. Those have deeply impacted communities across regional New South Wales. Water is the lifeblood of those communities. Regardless of location, it is our duty as a Parliament to prioritise the security, management and infrastructure of water resources for all citizens across New South Wales. Regrettably, the current version of the bill discriminates against the 1.85 million people who rely on water utilities other than Sydney Water and Hunter Water.

Mr President, while I would love to think that the large crowd gathering in the gallery is here to listen to me talk about Sydney Water, I suspect they are not. I say to them, feel free to stick around! However, what I will do, given the time and earlier considerations of the House, is adjourn this debate so we can hear the inaugural speech of the Hon. Cameron Murphy.

#### **Debate adjourned.**

**The PRESIDENT:** According to the resolution of the House earlier this day, it being 6.00 p.m. proceedings are interrupted to allow the Hon. Cameron Murphy to make his inaugural speech.

#### *Members*

#### **INAUGURAL SPEECHES**

**The PRESIDENT:** I welcome into the gallery this evening the family and friends of the Hon. Cameron Murphy, including his wife, Agatha, his daughter, Ariadne, and his son, Finbar; his father-in-law and former Commissioner of the Australian Human Rights Commissioner, Professor Ozdowski; his mother-in-law, Hanna Ozdowski; the Hon. Michael Kirby, AC, CMG, former justice of the High Court of Australia; Alan Ashton, former member for East Hills; the Hon. Meredith Burgmann, former President of the Legislative Council; Chris Haviland, former member for Macarthur; Paul Lynch, former member for Liverpool; Daryl Melham, former member for Banks; Peter Nagle, former member for Auburn; Ian West, former member of the Legislative Council; Dr Greg Woods, KC, former judge of the District Court of New South Wales; Pauline Wright, magistrate of the Local Court; Commissioner Daniel O'Sullivan of the New South Wales Industrial Relations Commission; and Councillor Linda Downey of the City of Canterbury Bankstown Council.

**The Hon. CAMERON MURPHY (18:00):** Tonight I start by acknowledging that this Parliament sits on Aboriginal land—the Gadigal land of the Eora people, never ceded—and I pay my respect to their Elders past, present and future. Recently the Premier spoke at a law reform dinner where he lightheartedly called me "the great disruptor". It was a reference to my recent preselection, but it really does sum up much of my family history and my own life. I hope his humour also proves to be prescient; I am definitely in this place to make change.

My mother was Ingrid Grzonkowski. She was a Polish-German refugee born under fascist occupation who migrated to Australia in the early 1950s. She came to this country without a word of English and with no possessions. The family escaped starvation in refugee camps in Europe, looking for a better life. Her father, my grandfather, had never even heard of Australia when he came here. He wanted to take his family to America for a new life but came here out of necessity and a belief that his family could not endure further time in refugee camps. There was a boat leaving for Australia, and he took it with his family in the hope of a new life and a new beginning.

My mother taught me to value community, family and opportunity, and not to waste time because she thought life was fragile and short. She was also one of the toughest people that I have ever known. She was typically German: a perfectionist, efficient and very unsympathetic towards failure. It was a product of her upbringing and the challenges she faced as a child. She never suffered fools and was not the parent to turn to for sympathy as a young child. She made up for that in spades through her wonderful capacity to love and to infect others around her with her love for life. I am sure that my mother's strength was what held us together as a family after my father died.

My father was Lionel Murphy, a man about whom much has been said. Born to Irish parents, he was a barrister, a senator, a reforming Attorney-General and a senior member of a government that transformed

Australia. He died a justice of the High Court. Before all of that, he was a scientist. He loved innovation, scientific advancement and new gadgets. In 1986, just a few months before he died, he wanted to do something special so he took my brother and I on our first family holiday of sorts. We chartered a small plane and went to Siding Spring, near Coonabarabran. I remember the vivid beauty of flying between the Warrumbungles and landing in a small town that was absolutely in the middle of nowhere. For two nights we stayed there and went up the mountain to see Halley's Comet through the Anglo-Australian Telescope and its smaller counterparts. My father got to engage with astronomers on their theories about comets, life and the universe itself. We were happy, able to forget about his illness and the problems in the world around us for a weekend.

My father was an intellectually curious person yet was always steadfast in his beliefs. He believed in the dignity of the individual. This was the foundation of his vision of better government, fairer laws, modern courts and a transformed society. I was reminded only the other day that he reformed the Senate, introducing the committee system that was mirrored across all parliaments in Australia, including in this House. I miss him every day, but I am very lucky to not just have memories. My father left a body of work that I can now appreciate for its forward-thinking brilliance. He wrote judgements in plain English. He believed that the law should be democratic, accessible to everyone.

*Neal v The Queen* [1982] 149 CLR 305 is one such judgement. Mr Neal had sworn and spat at an officer of the Queensland Department of Aboriginal and Islanders Advancement and received a harsh jail sentence in the Queensland court. The magistrate had chastised Mr Neal not just for his conduct on the day in question but also for his general activism, saying, "it is only the likes of yourself who push this attitude of the hatred of white authority that upset the harmonious running of these communities". In his judgment in Neal, my father was quoting Oscar Wilde in the *Soul of Man Under Socialism* when he said of Mr Neal:

If he is an agitator, he is in good company. Many of the great religious and political figures of history have been agitators, and human progress owes much to the efforts of these and the many who are unknown. As Wilde aptly pointed out ... "Agitators are a set of interfering, meddling people, who come down to some perfectly contented class of the community and sow the seeds of discontent amongst them ... Without them, in our incomplete state, there would be no advance towards civilization". Mr Neal is entitled to be an agitator.

In one way, Neal was a simple sentence appeal. But really it was a case about power—who has it, who does not have it—and a criticism of its unequal allocation. My father was a supporter of Aboriginal people. Much of his life's work was about their advancement and liberation. This is a passion I share and a cause I am committed to furthering through my work in this place.

My father lived a wonderful life of achievement, but I also saw him suffer and endure the worst of public life and ill health. But just like suffering, being an agitator is absolutely necessary. Like my father, but in my own way, I have often found myself in the position of the contradictor, the agitator and the activist. All these words really describe a person who stands by their beliefs, especially when they are unpopular. Disruptors, in the true sense of the word—not to be confused with the way that modern tech companies exploit workers and break laws until they change them. Disruptors are people who refuse to accept the status quo and who see something that is wrong or that could be improved. If that is what I am, then it is a good thing.

As a young adult I was drawn to the NSW Council for Civil Liberties, a voluntary organisation founded in 1963 which receives no government funding and has a proud history of advocating for the protection and extension of civil rights in this State. Its members believe that the basic rights of the individual should be protected from government interference. The council has supported peaceful protesters from its inception, including those who participated in the first Mardi Gras in 1978, by providing lawyers to appear pro bono for people charged by police. It has assisted people protesting the incarceration of asylum seekers and fighting for the preservation of the natural environment.

Its membership and leadership consist of people from across the political spectrum who demonstrate that it is always possible to find common ground and work together to find a consensus and to achieve change. It is an organisation that has nurtured wonderful advocates for change. I have had the pleasure of working with people like the Hon. Michael Kirby, Pauline Wright, Joan Locke, Michael Kennedy, David Bernie, Stephen Blanks and, more recently, Josh Pallas, and so many others during my time in that organisation. Its leaders trusted me and elected me president of the council in 1999. I was only 26 years old, but perhaps it was a mix of my youthful energy and the experience and knowledge of others that made us a force for positive change.

In 2015, after years of resisting the excesses of lawmakers, I decided to seek a seat in Parliament. People in the left of the Labor Party—including Tom Kelly, Philip Boulten, SC, Alan Ashton, Linda Downey and Daryl Melham—placed their faith in me and supported me as the candidate for East Hills. They did so because they knew I would represent the principles they—and I—have spent our lives fighting for. They knew that I would be an agitator. It was a close election in 2015, but perhaps that is an understatement. Three days before election day I was subjected to a criminal smear campaign organised and executed by rogue elements in the Liberal Party. It

was New South Wales politics at its worst. Suffering and smear are part of public life. I already knew that but it was my wife, Agatha, and my children, Finbar and Ariadne, who have borne the brunt of it and will be forever affected by it. I am eternally grateful for their love and support.

Politics is a battle of ideas where parties and individuals debate the policies and ideals that they stand for. Smear, like violence and corruption of elections, has a tendency to destroy the democratic system that we cherish. Good people shy away from public service because of it. After that election defeat I almost immediately went to the bar where people like Ian Latham and Martin Schume and the wonderful people at Denman Chambers offered me a home. As a barrister I specialised in industrial law, criminal law and intellectual property. Perhaps inevitably I also developed a specialty in protest law. It is not a specialty you hear spoken about often, probably because there is no money in it. Increasing concern in the community about climate change has increased the intensity of protest action. In turn the Executive and the Parliament have responded with more punitive sentences and restrictions. I have represented, pro bono, more than 130 environmental protestors—mostly from Extinction Rebellion—over the past few years, most of them before the recent changes in this place that doubled the penalties for peaceful protest and some after it.

I have seen over time police imposing stricter and stricter bail conditions to prevent people from attending further protests. Restrictions on travel, association, communication and gathering have all been imposed. Before the recently increased penalties, bail conditions were generally removed by the court after charge. I recall on one occasion appearing for 87 Extinction Rebellion protestors and all but one of the protestors had the charges dismissed. They were simply participating in a non-violent protest. After the recent increase in penalties, it was noticeably harder to have those bail conditions removed. Magistrates are now considering bail in the context of charges with penalties at the highest end of the Local Court's jurisdiction. Many of these peaceful protestors are at a greater risk of jail from minor breaches of the onerous bail conditions than they are from the original offence of obstructing traffic or the like.

I have also represented organisations in advance of protests when they came to me for advice in seeking protest authorisation. These have included diverse groups such as one concerned with asylum seeker rights, another against the Russian invasion of Ukraine, and those wanting to protest against religious vilification or discrimination. Once there was even a proposed protest in support of coronations. The members of that group feared that the upcoming coronation would be cancelled, although they also had a most complicated theory as to why someone else—not Charles—was the rightful king.

In New South Wales a group wanting to protest invariably must approach the New South Wales police with an application. A failure to do so might lead to prosecution for offences like obstructing a road, which is a normal consequence of any decently sized protest. Generally, in my experience, police often try to stifle such applications. In most cases the groups were dissuaded from even applying for permission or they were told it would be denied unless they moved to a place around the corner—a place out of sight. The message is that you must plan your protest away from people, away from traffic and outside peak hours. What is left is a protest that hardly anybody will see or hear. Even trade unions, who have a limited exemption from these laws, have been told they cannot organise events in front of our town hall because of the minor disruption it would cause to the light rail transiting in front of it.

I believe in the right to protest—indeed, it is the most important right. Peaceful protest by its very nature is designed to engender discomfort, irritation and disruption. It inevitably blocks roads, which is the precise conduct the new laws I just spoke of are aimed at. Protest is necessary in order to draw attention to a cause, to alert others to the issue and to encourage them to stand with you in advocating for change. There are, of course, many protests that I do not agree with. It makes me angry when I see movements of hate on our streets. It makes me angry when I am stuck on a train or in a car for hours because of a protest. But this is a very small price to pay for part of the cost of a functioning democracy. We must tolerate that with which we do not agree because free expression is the lifeblood of our democracy.

Part 4 of the Summary Offences Act and the recent protest laws have created a system in New South Wales where many people only peacefully protest with permission. That places us on a path to a society such as that which exists in many places internationally where people cannot truly agitate for change. These laws will not entirely stop peaceful protest but they will unnecessarily place good people into contact with the criminal justice system just for standing up for their beliefs. The rule of law goes hand in hand with the right to protest in fomenting a vibrant democracy and a fair society. Imperfect as it may be, as I well know from my work as a barrister, our justice system works. I will staunchly defend and support it as a parliamentarian.

The human rights that underlie our justice system—the rule of law, the right to a fair trial and the presumption of innocence—are universal. Every human being has them and deserves to have them observed. If they are taken from one of us, all of us lose them. As a lawyer and a civil libertarian, that means that you do not get to choose your causes. While you often stand up for those with whom you feel solidarity, you sometimes must

stand for even those who disgust you because human rights are universal. On occasion, those you despise the most also need your counsel the most. We must ensure that everyone has access to advice and to representation. We must ensure that the presumption of innocence continues to be upheld. It is both a legal principle that applies in criminal trials and an expression of the fundamental decency of our society.

I am troubled by any punishment, censure or measure that applies to a person before a finding of guilt, on account of a mere allegation. As a child, I lived through two of the worst examples of trial by media. I saw the way that Lindy Chamberlain was treated. It was not just a media frenzy, but a frenzy that led directly to a flawed investigation and prosecution. Later, I saw my father treated in a similar way. Everyone, no matter who they are or what they are alleged to have done, is entitled to the presumption of innocence, inside and outside of the courtroom. Whatever else I think about the horrific event that occurred in Cooma recently, I was pleased to hear the New South Wales Police Commissioner, Karen Webb, remind us of the importance of the presumption of innocence in relation to the police officer who is now facing charges. It has taken hundreds of years to develop a criminal justice system with rules that provide fairness and ensure that we punish people only when it is proven that they have committed a crime. The fact that we have been able to do so is one of the great achievements of our society. It is also something that must be staunchly defended, and that is what I will do in this place. Witch-hunts are not a legitimate form of justice and they must be called out. They contaminate the legal process and destroy lives.

Furthermore, I will always stand up for the rights of workers in this place. Workers deserve fair pay and I look forward to our new Government removing the public sector wage cap as a priority. Particularly, we must stop the scourge of workplace injuries and deaths, and until then do more to support people through legal and investigative processes that take many years to conclude. My practise in industrial law involved mainly appearing for workers and trade unions. In work health and safety prosecutions, I often appeared as a separate representative for workers. When someone is injured or killed in their workplace, it has a devastating and traumatic effect on so many people. Workers that I have represented have had to recount and relive the events that led to the death of a colleague hundreds of times, as have I as their lawyer, SafeWork investigators, the Coroner, police and prosecutors, not just in the hours after the tragedy but for years afterwards. That process is necessary but it takes its toll on everyone involved. We need to improve it and we must provide proper support for the mental health of everyone involved.

I support social diversity and the collective ability to look after all people. I support protection in the law against vilification. Nobody should be persecuted because of who they are or what they believe in. The protection of minorities makes the whole of society stronger. Our diversity is our strength. The recent election was civil and dignified. I cannot help but contrast it to the 2015 campaign in East Hills. I commend Dominic Perrottet and Chris Minns for showing us all that we can have an election that is squarely focused on the political debate rather than personal attacks. Each of them exercised restraint and consistently refused to engage in personal attacks, whether against each other or towards others suffering from personal failings. Despite many opportunities presenting themselves and even encouragement from some quarters to turn negative, they were unwilling to do so and we are all better off as a result. In that spirit, I intend to serve in this place in a way that seeks unity and to find common ground where possible. I reject the politics of smear and personal destruction. I hope to forge good relationships and commit to a civil and bipartisan spirit. But I will always stand up for my beliefs.

We should continually question whether traditions are relevant and look for ways to improve them. I note that next year we will celebrate the bicentenary of this House, which is a recognition of 200 years of representative democracy, of sorts, in New South Wales. We should use that as an opportunity to reflect on the ways that we can improve the House and the State to make it more democratic and representative. I have a proposal. When the term of our current Governor expires in 2024, we could hold an election for her successor. I would like to see a process where anyone on the electoral roll can be nominated for Governor of this State. It may be that for such a figurehead position acceptable limitations on the election process may be appropriate. Perhaps paid political advertising could be limited and the NSW Electoral Commission advertise the election and encourage people to participate and cast their ballots electronically. The two leading candidates with the highest number of votes could face a run-off election. The winner of the ballot would become the new Governor of New South Wales.

I started this speech talking about a commitment to the dignity of the individual, which defined my father's life work and which he instilled in me from a young age. I have tried to emulate that commitment throughout my working life. I started my career as a trainee with the forestry division of the Construction, Forestry, Maritime, Mining and Energy Union [CFMMEU] in the 1990s. The CFMMEU is a powerful and successful union that advances the industrial interests of its members. Like me, it believes in the importance of broader social activism. My comrades at the CFMMEU have stood with me throughout my adult life. They then supported me in preselection for this place because they know who I am and what I stand for.

I acknowledge and thank them, particularly Rita Mallia and Darren Greenfield who are here tonight. There are many people who supported me on my journey. I thank my parliamentary colleagues Lynda Voltz and the Hon. Anthony D'Adam, as well as the former member for Liverpool, Paul Lynch, for always being in my corner. I thank the rank and file members of the Labor Party, as well as union comrades, who supported and voted for me in my preselection to be in this place. You cannot, in a major party, be elected without being preselected. I cannot tell my story about landing here without talking about my preselection—though in some ways the less said the better.

I am in the Labor Party because I believe in its ideals and its principles. I believe in social justice, fairness, and equality. I believe that government can and should be a force for good in our society. It should do more, not less. I have always believed in democracy and been a lifelong supporter of rank and file ballots. A wonderful thing about them is that sometimes they have unpredictable outcomes. I was not the first choice of the factional leaders of my party to be on our ticket; in fact I was not any of their choices. Neither the left nor the right had me on their tickets at the recent ALP State Conference. While I was not on any of the factional tickets, the Labor Party is a wonderful, democratic institution. The rank and file of the party decided that they did want me to represent them and the people of New South Wales in this place nonetheless.

My pitch to conference delegates was simple: If you like the way the factions in the party have been running things, then you should not vote for me. But if you want an agitator for change, you want something different, then I am your candidate. My old comrades at the CFMMEU and the Maritime Union of Australia joined together with new ones at the Electrical Trades Union and the Health Services Union in their support for me. Rank and file members of the left, like Shannen, Cian, David and Zac, stepped up to run my campaign, and ordinary party members voted for me.

I had no idea at the time but my good friend Rodney Cavalier tells me that only two people in the long history of the NSW Labor Party—more than 130 years—have won preselection against the factional tickets. The first was in 1961 and was a disruptor, also called Murphy. My father was preselected for the Senate against the factional tickets. The second was me, in 2022. My party wanted a disruptor in sending me to this House and I hope to live up to that in the most positive way. In my view, being a disruptor from time to time is an honourable thing. I want to challenge the status quo, to contribute to the battle of ideas and to help bring out the best in this place. If I do those things I will be true to those whose support and influence has brought me here. Thank you, Mr President.

*Members and officers of the House stood and applauded.*

#### *Bills*

### **CONSTITUTION AMENDMENT (SYDNEY WATER AND HUNTER WATER) BILL 2023**

#### **Second Reading Debate**

##### **Debate resumed from an earlier hour.**

**The Hon. SARAH MITCHELL (18:35):** As I was saying earlier, regrettably the current version of the bill discriminates against the 1.85 million people who rely on water utilities other than Sydney Water and Hunter Water. Moreover, by omitting other utilities from its scope, it raises concern about the future privatisation of WaterNSW and the 89 local water utilities serving regional, rural and remote areas of the State. This leaves us to question the agenda of NSW Labor on this issue. We all know that water is a precious resource that has been at the forefront of people's minds, both in areas where we know that it is scarce, such as western New South Wales, and even here in Sydney where awareness of its value has grown. The significance of water security management and infrastructure cannot be overstated and it is crucial that those responsible for the supply and delivery of water have confidence in their future.

I delve briefly into the background of the bill. In the other place the Premier in his second reading speech highlighted that the aim of the bill was to make privatisation of these entities more challenging. However, as I have said, there are significant issues with the bill as it stands. Of the eight State-owned corporations governed under the State Owned Corporations Act 1989, three are responsible for the delivery, supply and management of water and sewerage services in New South Wales. While the bill addresses Sydney Water and Hunter Water, it omits WaterNSW, which is also a State-owned corporation that supplies two-thirds of the water used in our State. I know that the Minister mentioned the fact that these two State-owned corporations are Sydney Water and Hunter Water but in her second reading speech she did not address WaterNSW. I invite her in her reply to outline how she sees that as being any different. We know that WaterNSW also plays a vital role in protecting the Greater Sydney drinking water catchment. It manages 42 storages, including major supply dams like Warragamba Dam. Its reach extends beyond Greater Sydney into regional areas. WaterNSW supplies rural water not only to Sydney Water and Hunter Water but also to various councils and local water utilities.



These entities, governed by the Local Government Act and the Water Management Act, among others, deliver a safe, secure, efficient, sustainable and affordable water supply to 1.85 million people who live in regional New South Wales. These are local water utilities that have been omitted from the bill, either deliberately or because of a glaring oversight from those opposite that demands immediate rectification. It is no surprise that representatives from regional communities like me, the Hon. Sam Farraway and Nationals colleagues in the other House, have spoken out against the bill. We are doing that because we have had representatives from regional communities talk to us about how apprehensive they are about their exclusion from the bill. They are looking to the Parliament for assurance and protection.

I echo the comments made by the Hon. Sam Farraway about the country mayors. I thank them for their feedback. They remember that in 2008 the then Labor water Minister, Nathan Rees, initiated an inquiry to address sustainable water supply and sewage management in non-metropolitan New South Wales. It was a cause for concern for local councils and for water utilities because it threatened to remove their control over water and sewerage services. Retaining the ownership and control over water assets is as crucial today as it was in 2007 and 2008.

That is why our country mayors are speaking up. They remember. They know what had happened under previous Labor governments, and this Government is showing again how the Labor Party does not offer protection from privatisation to those in the bush. It is happy to give that protection to those in Greater Sydney, the Illawarra and the Hunter regions but not to those in rural, regional and remote areas. It is disheartening to see such inequitable safeguards being proposed. The Premier himself has stated that drinkable water is an essential constitutional right. I agree with that. The point is that that should be the case regardless of anyone's location.

The Government should be supporting the proposed amendments that we will be putting forward in the Committee stage. That is the best way to demonstrate its commitment to govern and provide for all citizens, not just those in specific regions. If those opposite genuinely believe that water security should be enshrined in the New South Wales Constitution Act, noting how important our Constitution is, they have the opportunity now to ensure that it is the basic right of every individual in our State to have access to clean water, regardless of their location. During the election campaign, the Premier made a statement saying that he does not possess expertise about regional New South Wales. That has been demonstrated fair and square on the floor of this Chamber tonight. That is why we must make sure that the foreshadowed amendments of the Opposition in the Committee stage are supported. We have to make sure that every resident of New South Wales has that support and constitutional protection, regardless of where their water meter might be located.

In my final remarks, I indicate that my colleague the Hon. Sam Farraway will move a number of amendments that are identical to those moved in the lower House. We urge colleagues to consider supporting those amendments. We will agree to the second reading of the bill in order to debate those amendments. Should they not be passed—if we follow what happened downstairs, that may well be the case—then The Nationals will make their thoughts known during the third reading debate of the bill. I foreshadow that for colleagues. I once again say that there is an opportunity now to get this legislation right and include everywhere across the State, including regional New South Wales. That is exactly what members should be doing.

**The Hon. MARK BUTTIGIEG (18:41):** I feel compelled to participate in debate on the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023, having been such a long-time campaigner against privatisation. Firstly, I congratulate my colleague the Minister for Water for bringing this important election promise to the Parliament, delivering on a key election promise of putting a nail in the coffin of privatisation. It is breathtaking that Opposition members come to this Chamber and try to somehow sell the idea that they are these great advocates of protecting public utilities against privatisation when they were addicted to privatisation.

I remind the House of some of the income-producing public assets that they wantonly flogged off: the Sydney Desalination Plant, Port Botany, Port Kembla, Eraring Energy, Mt Piper and Wallerawang power stations, the Port of Newcastle, Green State Power, Bayswater and Liddell power stations, and Colongra Power Station. I have already listed 11 assets, and that only covered those between 2012 and 2014. Let me go through some others that members will remember from recent memory: Transgrid, Kooragang Island Advanced Water Treatment Plant, Ausgrid, titling and registry business of the Land and Property Information, Endeavour Energy and WestConnex. These were essential monopoly assets transferred from the public's hands into private operators, and now those opposite want to come to this Chamber and tell us that they want to protect public assets on behalf of the people of New South Wales. It just does not wash.

Members will also remember the emblematic example of the incompetence of the Liberal-Nationals Coalition, the worshippers of the private sector. It sold Vales Point Power Station to Delta Electricity for \$1 million. Last year, Vales Point Power Station was onsold to Sev.en Global Investments, an overseas company. We have heard that story before. Reportedly, the resale price for that Vales Point Power Station was at least \$200 million. Anyone listening to this debate or reading *Hansard* will be thinking, "We really got a dodgy deal

when that mob were in power, didn't we? We really did." For those opposite to now come to this Chamber and try to move amendments to the bill to give the impression that they are pro public ownership and anti-privatisation just does not wash.

The Government is delivering on a key election promise. It has only been a tick over two months since 25 March and we are delivering on a key election promise. Again, the proceeds of some of those sales were justified, and continue to be justified, week after week in this House because of this euphemistic asset recycling portrayal that those opposite are on about. It went into things like the new regional fleet built in Spain, which is expected to be 1,205 days late and over \$1 billion over budget. Design changes are expected to cost the taxpayer several hundred million dollars. Let's not forget the New Intercity Fleet built in South Korea. The trains could not even fit tracks or tunnels and are now over three years late. The Sydney Metro project is estimated to be overrun by at least \$12 billion and will not be in action until years after the estimated time frame.

**The Hon. Sarah Mitchell:** Point of order—

**The Hon. MARK BUTTIGIEG:** Those opposite do not like it.

**The Hon. Sarah Mitchell:** I am allowed to take a point of order. We are having a civil debate. This is a bill about Hunter Water and Sydney Water; it is not a bill about trains or anything to do with transport. The member should be relevant to the bill before the House.

**The Hon. MARK BUTTIGIEG:** To the point of order: I was being directly relevant because the whole bill is about keeping Sydney Water and Hunter Water in public hands. I was pointing out the folly of the addiction of those opposite when it was their policy to privatise everything.

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** There is no point of order.

**The Hon. MARK BUTTIGIEG:** Considering that record, why would anyone trust the Liberal-Nationals Coalition to keep essential public assets of Sydney Water and Hunter Water in public hands? Let's not forget that former Premier Gladys Berejiklian made an ironclad guarantee in the lead-up to the 2019 election not to sell any further assets but then proceeded to privatise assets like the remaining public stake in WestConnex. Those opposite are proud that they transferred public wealth to private monopoly toll roads, so the poor old people of New South Wales have to pay a motza just to travel from point A to point B. They have no credibility, and the bill should be passed forthwith.

**Ms CATE FAEHRMANN (18:47):** On behalf of The Greens, I speak in support of the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023. The bill amends the Constitution Act 1902 to ensure the continued public ownership of the Sydney Water Corporation and the Hunter Water Corporation, along with their primary undertakings. The Greens have always advocated for the public ownership of essential services. We support the intent of the bill to ensure that Sydney Water and Hunter Water remain in public ownership and are managed in the public interest rather than being subjected to the whims of market forces.

The bill has come about as a result of internal Treasury documents that revealed that in 2020 and 2021 the New South Wales Government, under then Treasurer Dominic Perrottet, had been considering privatisation options for Sydney Water. A 2020 document prepared by KPMG outlined the "financial challenges" faced by Sydney Water, stating that "major structural changes were being contemplated". One of the KPMG documents prepared in April 2021 included a proposal titled "Majority Interest Asset Financing Model" that suggested a structure allowing Sydney Water to sell a 49 per cent stake in a recycling plant, a decision that would effectively privatise a significant portion of the entity. Despite the fact that Sydney Water, the State's largest water utility, is responsible for supplying drinking water, wastewater and stormwater services to over five million people, those discussions about its future and those workings were being made behind closed doors. So The Greens support the move to legislate requirements for an Act of Parliament to be passed if any future government plans to privatise Sydney or Hunter Water.

My Labor colleagues have been quick to point to the Liberal-Nationals Coalition's record of privatisation of essential services and toll roads, but it is important to put on record during this debate the Labor Party's history of privatisation and the long-term impacts that that legacy has had on our State. The previous State Labor Government privatised a slew of essential services. I was in this House in that Government's dying days in 2010. Bob Carr's Labor Government initially sought to privatise all aspects of electricity generation in the 1990s before the proposal was crushed by the New South Wales union movement and rejected by the ALP State Conference.

By 2010, when I had entered Parliament, Labor took a second and much more successful crack. Just before midnight on 14 December 2010 and an impending electoral defeat, then New South Wales Treasurer Eric Roozendaal announced the sale of the State's public electricity assets. Public electricity retailers Country Energy and Integral Energy and the output from power generator Eraring were sold to Origin Energy for \$3.3 billion.

EnergyAustralia, the output from the Delta West generator, the Mount Piper extension and two Marulan development sites were all sold to the Hong Kong company TRUenergy for \$2 billion. That laid the groundwork for the O'Farrell Liberal Government to sell the State-owned generators, which it did not waste any time doing.

It is worth noting that the Government is now actively considering buying back Eraring, with the Minister for Energy telling *The Sydney Morning Herald* that the Government would intervene to keep the station going if needed. The Government has also committed to creating a publicly owned energy corporation to provide affordable, accessible and reliable energy. The Greens support that. It has been our policy for years, but New South Wales should have retained ownership of its energy assets and corporations in the first place.

Labor also made the decision in 2010 to privatise WSN Environmental Solutions, which at the time boasted 11 waste recycling, processing and disposal facilities across Sydney. The Public Service Association labelled that planned sale a "short-sighted money grab" in which the business was being sold for a "song". Although there are local government-operated waste services, one cannot help but think that a strong State-owned waste recycling business might have gone some way to address the waste crisis that New South Wales is currently facing. I note that Local Government NSW welcomes the bill and recognises the Government's mandate to protect Sydney Water and Hunter Water from any potential privatisation given it was a key election priority.

Despite the Labor Party's sordid history of privatising State assets in New South Wales, it is the lesser of two evils when it comes to privatisation. It is hard to stomach seeing the Liberal Party and The Nationals being anti-privatisation crusaders after spending the past decade lauding their asset recycling model and selling whatever public services and assets Labor had not managed to sell off before them. The Coalition under Premier Mike Baird privatised Hunter Water, an engineering consultancy subsidiary of Hunter Water Corporation, and outsourced the management of Hunter Water's 25 wastewater treatment plants to private operator Veolia.

The offloading of public expertise has contributed to the de-skilling of the public sector that has led to what the Auditor-General identified last year as "instances of over-reliance on consultants and the outsourcing of expertise". The Coalition sold off the State's interest in WestConnex to Transurban while undercutting the value of the project by excluding over \$4 billion in construction costs from the sale price. As members have heard time and again in this place, motorists are now being slogged by Transurban, which bought WestConnex for a steal. Transurban is licking its lips at the hundreds of millions of dollars in toll subsidies soon to be introduced by the Minns Labor Government. The Coalition's disastrous \$5 billion worth of secret bus privatisation contracts have left Sydney commuters waiting for buses that never come. I will address the Opposition's amendments in Committee.

Having outlined Labor's record on privatisation, which was 12 years ago—a fairly long time—I welcome the new Labor Government. It seems to be a very different government to the previous Labor Government in its dying days when Eric Roozendaal sold off everything at the stroke of midnight. The Greens support the bill and its intent. We will continue to support good bills put forward by Labor, particularly bills that protect public essential services and the people who work for them.

**The Hon. MARK LATHAM (18:55):** Listening to Ms Cate Faehrmann, one can only wonder if Labor's record on privatisation is too dreadful. Why did the new leader of The Greens Ms Abigail Boyd announce a Labor-Greens coalition as governing in New South Wales. It was maybe to the surprise of the Labor Party.

**The Hon. Rose Jackson:** She can speak for herself.

**The Hon. MARK LATHAM:** I acknowledge the interjection that Ms Abigail Boyd should speak for herself. We are all waiting to see the tabling of the coalition agreement between Labor and The Greens, which obviously will reflect heavily on questions of privatisation. One Nation opposes the privatisation of Sydney Water and Hunter Water. They are natural monopolies that are not suited to privatisation, and they are also utilities that have performed quite well, measured by the paucity of public complaints about them. Those of us who have been around for a while know that we do not really get complaints about Sydney Water and Hunter Water. The taps turn on. The pricing seems to be reasonable. There are many more complaints made about other utilities in New South Wales. I do not know of a single complaint about Sydney Water that has come through my office. As far as I am aware, that is not something that has featured in parliamentary debate over the past four years. The argument for privatisation appears to be very weak. If a utility is performing to a high level of public satisfaction and there are much greater concerns in New South Wales, why would anyone be considering privatisation?

I heard the protests of Opposition members that they were never going to move forward with privatisation. One can only wonder what happened at the Wollondilly candidate seminar in the very fine town of Picton prior to the last election when the Goulburn and Wollondilly electorates had candidates lined up at a table holding rapid democracy signs that could be turned around to answer "yes" or "no". When the question "Do you support the privatisation of Sydney water?" was asked, the local government Minister—

*[An Opposition member interjected.]*

They are being disowned. Apparently it does not matter, but it mattered at the time. It seemed to be a very honest assessment of what was going on in the minds of the Coalition. The then Minister for Local Government—someone in the Cabinet—holding the marginal seat of Goulburn, Wendy Tuckerman, put up the paddle "yes" in support of the privatisation of Sydney Water. The paddle of a no lesser figure—a very substantial figure—the then Government Whip and member for Wollondilly, who obviously had whipped around opinion in the Legislative Assembly as to where the Coalition stood on privatisation, also said "yes". Every other person along the table, including the now member for Wollondilly, said "no". That seemed to be some sort of nascent declaration of Coalition interest in privatisation. I do not think the Coalition can wipe that away.

The Opposition says that the bill is based on a complete furphy, a falsehood, and they had no interest in privatising Sydney Water, but at least two members, a Liberal member of the Cabinet and a Liberal Whip at the time, put up a "yes" as their answer on the privatisation of Sydney Water. The debate on the bill, the bill itself and the amendments has come down to a battle of the stunts. It seems to be straight out of the stable of Hawker Britton. Labor announced it was going to write the non-privatisation of Sydney Water and Hunter Water into the Constitution Act. Nobody had thought of having economic questions in the Constitution Act before. What does it mean going forward? It means that any government in the future—a Tuckerman-Smith government—wanting to privatise Sydney Water and Hunter Water would just try to get the numbers—

**The Hon. Greg Donnelly:** Just imagine.

**The Hon. MARK LATHAM:** Hopefully they will do a bit more than just put up a paddle. They will put up a bill and have an argument for it—who knows—and hopefully have an argument in the election campaign. The Tuckerman-Smith government would put up a privatisation bill and seek to repeal the provisions that are now before the House. Amending the Constitution Act has all the hallmarks of the Hawker Britton campaign strategy. Its advisers would have said to the Government, "Look, we've got some polling here saying there's some public concern about privatisation. People don't want Sydney Water in particular privatised. How can we get it up there for another day and a half in the election campaign cycle?" The public think the Constitution is the one in Canberra, a really big deal where one needs a referendum to change it and then it is set in stone. They do not really know that in New South Wales the Constitution is an Act of Parliament that can be amended willy-nilly by Parliament at any time.

Basically, what happened is Hawker Britton proposed that the Government write the non-privatisation and protection of Sydney Water and Hunter Water into the Constitution Act to get a day and a half of media coverage. That was the Labor Party campaign stunt. I suppose it worked well for them. They got themselves into minority government and into a Labor-Greens coalition, as announced by the leader of The Greens, Ms Abigail Boyd. Now we see an even bigger stunt from Nationals members, who are asking, "What about all of our country water utilities?" They were as mute as Trappist monks for 12 years on the protection against privatisation of country utilities. They never made any proposals to protect those utilities over 12 years in government. Now they have worked out, after extensive meetings with country mayors over Chinese in Dubbo—

**The Hon. Sam Faraway:** No, that's the Government. The Government had Chinese meals.

**The Hon. Sarah Mitchell:** Tara didn't go.

**The Hon. Scott Farlow:** I thought it was Indian.

**The Hon. MARK LATHAM:** I thought skewered Toole was on the menu in Dubbo. That is really what happened. That is really what they were talking about in Dubbo, and it came about. It is the "battle of the stunts", which happens in politics from time to time. I think The Nationals have been nimble on their feet to try to outflank the Government on this. I will be interested in the views of The Greens because after all their rhetoric after privatisation, surely they would be supporting the amendments for public ownership.

**The Hon. Sarah Mitchell:** You would think. Break the coalition.

**The Hon. MARK LATHAM:** Break the coalition agreement. We have not seen it yet but The Greens are going to rip it up and support The Nationals amendments to protect the public ownership of country water utilities. I would expect that, but I fear The Greens will not be doing that. Despite the coalition they announced with the Labor Government, The Greens are going to vote against The Nationals amendments and leave open the possibility of the privatisation of country water utilities. The Greens are no longer the party of Shoebridge, who in this place lobbied for transparency measures. The Greens now oppose Standing Order 52 requests. They always did things for domestic violence survivors but they voted down an amendment on that earlier on. The Greens are like a sideshow alley magician who grabs a cloth from a bag, lifts it over his head, it drops down and then he

disappears completely. The Shoebridge Greens have disappeared completely from the Chamber. Hang on, they're back.

**Ms Cate Faehrmann:** Point of order: I know the member has a really weird, unhealthy obsession with The Greens, but the bill before the House, like many of the bills that are debated, has nothing to do with The Greens. The member can never help himself. I ask that he be brought back to the leave of the bill, which is about privatisation and Sydney Water.

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** The member will address the bill and the issue of privatisation.

**The Hon. MARK LATHAM:** I just enjoy magic tricks. The Shoebridge Greens have disappeared and they are turning themselves inside out as contortionists. They have become the parliamentary version of the *Kama Sutra* trying to understand the positions they have arrived at. We will go to those questions in the Committee stage. I am sure Ms Cate Faehrmann will outline The Greens' position on the privatisation of water utilities. One would think a party that has railed consistently against privatisation would support an amendment to put anti-privatisation in the Constitution Act, but that is for a future debate. On the question of changing the Constitution Act, it is an unusual circumstance in New South Wales that we do not have referendums anymore to change our Constitution. Perhaps the right way to handle the question of changing the Constitution Act on the question of the ownership of Sydney Water and Hunter Water should be subject to a referendum of the people to find out their point of view. Why was that not put forward by the Labor Party?

**The Hon. Rose Jackson:** We had the election.

**The Hon. MARK LATHAM:** You got 36 per cent of the vote and minority government in the other place, so I am not too sure the mandate argument applies. I have heard that before. From the Opposition the Smith-Tuckerman doctrine swept away the idea that no-one ever talked about privatising utilities, but on the Labor side I am not too sure the mandate argument applies. I think it was the Minister who said the community overwhelmingly backed this proposal. Only getting around one-third of the vote and being in minority government—I think they can do better than that. I believe questions should be put to the people of New South Wales. The Hon. Cameron Murphy had an idea earlier on. We are all running to be Governor now. Big public housing down there and nice trips to Dubai instead of getting your hands dirty opening this wretched place. Plenty of ideas are coming forward for testing the views of the people.

I have done a bit of research on this. Since Federation, New South Wales has had 16 referendums, mostly on the question of closing times for pubs and hotels. Starting in 1916, the six o'clock swill was approved. The people were asked whether they would close the pubs—I do not know what was wrong with them back then—at six o'clock, seven o'clock, eight o'clock, nine o'clock, 10 o'clock or 11 o'clock. It wasn't my ancestors voting because they chose to close them at six o'clock and instituted the six o'clock swill. There was another dreadful one; I almost fell off my chair when I read it. In the year of my birth, 1961, the people were asked whether they approved of a bill to abolish the Legislative Council.

**The Hon. Sarah Mitchell:** Bring it back.

**The Hon. MARK LATHAM:** I am putting forward some proposals for a referendum, but we do not want to get too carried away with resurrecting that idea from 1961. Some questions should never be asked because the answer is horrifying. There was the breakaway movement for a new State of New England, rejected in 1967. Sunday trading of alcohol was not approved. One could not have a drink on a Sunday. Again, my ancestors missed that vote in 1969. Finally, we got into the rhythm of successful referendum questions, starting in 1976 with daylight savings. Then they democratised this place. Of course, the people approved of that. There were also referendums about the four-year parliamentary term, changes to the disclosure of certain pecuniary interests, filling casual Senate vacancies, the fixed four-year term under the Fahey Government and the independence of the judiciary.

New South Wales has not had a referendum question since 1995—28 years without asking the people their view. If we are proposing to change the Constitution Act, I would have thought it is good practice to consider the possibilities of a referendum. It is probably more relevant to have a referendum on preserving the public ownership of Sydney Water and Hunter Water than voting for the Governor. That is my proposal for the Government to consider if the bill is rejected or if it does not like the amendments moved by The Nationals. It is probably best that these questions are put to the people rather than being subject to political stunts at election time.

In closing, I endorse the views of Gerard Hayes of the Health Services Union, who said about the bill that the Government should have higher priorities, such as the abolition of the wages cap. Even Mr Hayes knows there is an element of stuntism in proposing this after the election campaign. The Government should have more

substantial matters to bring before Parliament than a bill that a future Tuckerman-Smith government could easily repeal, along with its pro-privatisation agenda, and all of this will, in the end, count for very little.

**The Hon. SCOTT FARLOW (19:08):** The Hon. Mark Latham is very right that the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023 is a political stunt. The bill was announced in the last week of the election campaign when the Government, then in opposition, was scrounging around, obviously with a bit of polling under its belt, trying to look for something to get a bit of media. The Hon. Daniel Mookhey, as the then shadow Treasurer, would have said that no more could be done, all the policies had been costed and there would be no bing-bang announcements. So they came up with this bill.

As the Hon. Mark Latham mentioned quite rightly, recently Gerard Hayes said in an interview on Ben Fordham's show, "If the Premier's view is that it's more important to prioritise legislation to prevent privatisation of a facility that is not going to be privatised then I think he is missing the boat. The Government came in with commitments and those commitments have taken second place to potential privatisation." That is what Gerard Hayes, the backer of the Hon. Cameron Murphy, told Ben Fordham. Members should be mindful that this was something the Liberals and The Nationals were never going to do when it came to Sydney Water and Hunter Water.

If the Government wants to come in here with a political stunt, it had better make it a good one. It had better actually protect water assets across New South Wales, not just Sydney Water and Hunter Water. This measure by the Minns Labor Government is nothing more than a political stunt. This Mediscare 2.0 was seen throughout the campaign, and I give credit to the Hon. Bob Nanva for the execution of that campaign. "Save Sydney Water!" they said—that is, save the thing that did not need to be saved because nothing was ever going to happen to it. Labor has run ideas, such as Sydney Water being privatised, that no rational person would ever suggest because they are so ridiculous. The lies we see are worse from election to election.

Deep down, I know that every member of the now Government knows in their heart of hearts that Gerard was right: that members on this side of the House were never going to privatise Sydney Water or Hunter Water and there is no need for this legislation. Seeing that it has made it to this House, we will not stand in the way. However, we want to make sure that members opposite are true to their word. If they are genuine and believe this is essential to protect Sydney Water and Hunter Water—and that this House needs to deal with it—it had better protect all water assets. Members can see amendments to that part already.

I turn to the detail of the bill—or, in reality, the lack of important inclusions in the bill. Part 10, section 57 (6) defines "water corporation" only as:

- (a) the Sydney Water Corporation,
- (b) the Hunter Water Corporation.

That is it. The water security of New South Wales is only enshrined to Sydney Water and Hunter Water. The bill fails to outline any of the other water assets or authorities associated with water services in New South Wales. Of most concern to me, as shadow Minister for the Central Coast, is the exclusion of the Central Coast Water Authority. I thank the hardworking member for Terrigal in the other place, Adam Crouch, for highlighting these concerns in the debate in that House. As he stated in the Legislative Assembly's second reading debate:

The Central Coast Water Authority is the third-largest urban water supply system in New South Wales.

The authority caters to 365,000 people on the coast. It supplies water to the entire Central Coast as an essential piece of State infrastructure, with three dams, three weirs, three treatment plants and more than 2,000 kilometres of pipeline. The Central Coast Water Authority is owned by the Central Coast Council and is left out of this legislation. I know that members will consider amendments in the Committee of the Whole stage today. The Coalition proposes amendments that will consider resolutions to the concerns that have been raised. As the Hon. Mark Latham pointed out, if The Greens are genuine in this debate then hopefully they will join us in supporting those amendments.

It is very curious that Labor has excluded regional water assets from inclusion in this legislation. Why? Is it because it has no grand plans for these water agencies? Do they potentially have their own privatisation plans? Or is it because those opposite just do not think about the regions? They do not think about the bush or the Central Coast. If water agency assets need to be protected from a threat that does not exist, even according to Gerard Hayes, why is this only the case in the Sydney metropolitan region and the Hunter and not in other regional areas? I make this observation: The only side of politics that was talking about the privatisation of water assets in the election campaign was the Labor Party. Those opposite seem weirdly obsessed with something the Coalition was never going to do.

How do Labor members go home, whether to the bush or the Central Coast, and explain to their constituents that it is more important to look after Sydney Water and Hunter Water than regional water authorities such as

Central Coast Water Authority or those in the bush? Of course, the people of the Central Coast have great Liberal representatives in Adam Crouch and the Hon. Taylor Martin, who are standing up for them and their interests, while unfortunately Labor members have left those people high and dry. I am sure Labor candidates will be back in three years and nine months asking for the votes of the people on the Central Coast. However, I assume they are not standing up for them in this Chamber today when supporting this legislation.

The bill before the House is light on detail and has not considered water assets in regions all over our State. The Opposition will be very interested to hear from the Minister for Water in her reply as to why only two water corporations have received constitutional protections. For the Labor Party to complete its political stunt, it is passing this clearly thought out, one-page piece of legislation. Labor just wanted to trot out the line of "acting on day one", doing the most important thing of stopping the privatisation of something that was never going to be privatised anyway. Those opposite have not concerned themselves with the detail and have not thought of the bush or regions like the Central Coast, nor the water assets right across the State, including WaterNSW.

I commend in this place the shadow water Minister, Steph Cooke, who is in the gallery today and has been a great fighter when it comes to the legislation before the House. The Labor Government has never had a plan to deliver in the interests of the State. All it is doing is orchestrating lousy political stunts like the one before us today. Passing legislation has real consequences and many opposite do not yet realise this. Legislation is more than just a press release or a social media tile. The early days of this Labor Government are just a stunt show and the performers are falling flat.

**The Hon. WES FANG (19:15):** I contribute to debate on the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023. I begin somewhere I was not expecting to begin when this debate started: agreeing with Ms Cate Faehrmann on some stuff, which concerns me greatly.

**The Hon. Sam Farraway:** Wes!

**The Hon. WES FANG:** I know. But Ms Cate Faehrmann outlined quite perfectly the obsession that the Labor Party has with privatisation. That is where the fear lies with members on this side of the House regarding this bill. Before us is a bill that is deficient. The Hon. Ron Hoenig, the Minister for Local Government in the other place, acknowledges that it is deficient. He knows the Government has screwed up.

The Government has got its training wheels on and does not know what it is doing. It has put a bill forward that stops only two entities from being privatised, forgetting the other 89 water utilities that exist in rural and regional New South Wales as well as WaterNSW. How reckless! How short-sighted is the Labor Party to put forward a bill that only protects two entities. Was it an error? Maybe that is what the Labor Party wants us to think. Maybe those opposite want us to think that they are just a bit silly, they have made a mistake and it is all going to be fixed later on by an inquiry from the Hon. Ron Hoenig. Or, as members on this side of the House suspect, is this like in 2007 and 2008 when those opposite had an inquiry about how to privatise rural and regional water assets? When country mayors came here last week—

**The Hon. Dr Sarah Kaine:** Not again with the country mayors!

**The Hon. Sarah Mitchell:** Acknowledge that.

**The Hon. Sam Farraway:** Get that on tape.

**The Hon. WES FANG:** I will acknowledge that interjection from the Hon. Dr Sarah Kaine. "Not again with the country mayors," she says. Members on this side of the House will stand up for country mayors.

**The Hon. Rose Jackson:** Because they preselect you. We get it. You need their votes. It's okay. We know that's how it works.

**The Hon. Sam Farraway:** That's a good clip, too. Thanks, Rose.

**The Hon. WES FANG:** Thank you, Rose. Mr Assistant President, I ask you to rule that interjections are disorderly. I understand the Minister is under pressure tonight—

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** Order! I remind members that interjections are disorderly. I ask all members, whether interjecting or responding to interjections, to cease doing so. I ask all speakers to please direct their comments through the chair rather than across the table.

**The Hon. WES FANG:** We know that the Labor Party has a history of seeking to privatise rural and regional water assets. We know Labor has tried to do it in the past. Is that what we are seeing here tonight? Is that why Labor is so reluctant to support what we want to do? I have never seen a government so reluctant to accept—

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** I remind all members that interjections are disorderly, as is responding to them.

**The Hon. WES FANG:** This should be a straightforward thing. We know that the Labor Party has acknowledged that there is a mistake here. We know that Labor has screwed up because only two entities are in this bill. It is either a screw up, or it is deliberate. There is an old saying that when you are deciding between screw up and deliberate, take screw up every time. I am not so sure that is the case this time. Is there a secret plan from Labor members to prioritise metropolitan assets and enact what they tried to do last time they were in government, which was to privatise regional and rural water assets? Is that why Labor is so reluctant? Is that why The Greens are on board with them? Is that why The Greens, who apparently are a bastion of anti-privatisation, are not willing to back in the amendments that we will put forward to protect regional and rural water assets?

Labor says it fights privatisation. The Hon. Mark Buttigieg said that he rails against privatisation and that he was driven to make a contribution because he was so anti-privatisation. Yet, the minute we identify that there are 89 regional and rural water assets and WaterNSW that have been left out of the bill, and we ask Labor to take the bill away, to fix it and bring it back to the House, both of those reasonable requests are rejected. What do we see then? We see the amendments that we put forward rejected at every opportunity, both in the other place and, it would appear, by those opposite tonight.

The amendments that we will put forward tonight do nothing more than include rural and regional water assets and WaterNSW in the bill. We are happy to say that we will not privatise Sydney Water or Hunter Water. We said that during the election campaign and we are happy to back the bill in now. All we are doing is seeking to have our communities represented. The Country Mayors Association, Jamie Chaffey—

*[A Government member interjected.]*

Do you have that much disregard for country mayors? Have you met with them? Were you there? I know the Minister for Regional New South Wales wasn't there. The Labor Party doesn't care about country mayors. Your Minister couldn't turn up.

**Ms Cate Faehrmann:** Point of order: This is the second time that the member has tried to explain what the country mayors are saying and, each time, he has not spoken through you but has been distracted and gone off course. Could you bring him back, because I am keen to hear what it was.

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** I ask all members to not be distracted and to address the Chair.

**The Hon. WES FANG:** My apologies, Mr Assistant President. It is difficult when the interjections are so disorderly from those across the Chamber. I put my case forward here not for myself but for the people of rural and regional New South Wales. That is important. The Hon. Mark Latham said that The Greens were not the party of David Shoebridge. We also know that the Labor Party is not the party of the Hon. Mick Veitch. This would never have happened if Mick Veitch was still here. Mick Veitch would have fought for rural and regional New South Wales. He would have told the Labor Party that this bill has to go back to the drawing board. He would have stopped rural and regional communities being treated as second-class citizens by the Labor Party. He would have stood up for country mayors and would not have been sledging them from across the Chamber. The Hon. Mick Veitch would have stood up for our communities. Members opposite have failed. They need to support our communities.

**The Hon. Dr Sarah Kaine:** Point of order: This is my first point of order, and I am sure the Hon. Wes Fang will correct me if I am wrong—

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** I will correct you if required.

**The Hon. Dr Sarah Kaine:** I am not entirely sure, but I think that part of the tirade that I just heard was suggesting to—

**The Hon. Sam Faraway:** What's the standing order? What's the point of order?

**The Hon. Dr Sarah Kaine:** Relevance is one and the other is casting aspersions on those of us on the opposite side of the House. The Hon. Wes Fang does not know what we think of various things and is casting aspersions.

**The Hon. WES FANG:** You've said it. You were yelling it across the Chamber.

**The Hon. Dr Sarah Kaine:** I didn't say it.

**The Hon. WES FANG:** To the point of order: The President gave a ruling last week that wide latitude is to be given during second reading debates. In particular, the President ruled that during debates on revenue, which I would say that this certainly is, even wider latitude is given.



**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** We have always given wide latitude in second reading debates. That does not include shouting at each other across the Chamber and seeking to insult each other. The member will continue and address the Chair.

**The Hon. WES FANG:** I note that the Labor Party is not the party of Mick Veitch anymore. As the chair of the Committee 4 Wagga acknowledged the other day, they are the city-centric Labor Party. They are certainly not the party of rural and regional communities. They have a chance to fix that by taking the bill away from this House and fixing it or adopting our amendments. Other than that, it is all rhetoric. It is a stunt.

**The Hon. CHRIS RATH (19:27):** I support the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023, although I call into substantial doubt its necessity. It was the week of the election when Chris Minns broadcast his intention to enshrine government ownership of Sydney Water into the New South Wales Constitution. Indeed, it was the last formal press conference, convened by Chris Minns on 24 March, when voters were told they must elect Labor to "put Sydney Water in the Constitution and avoid future Liberal governments enacting a backdoor fire sale of Sydney Water".

The now Premier's words were not a desperate defence of an asset at risk. Rather, it is clear that this bill is solely the conclusion of a typical Labor scaremongering campaign. The Perrottet Government had already emphatically ruled out any privatisation of Sydney Water. Weeks before Minns held this election eve press conference, former Treasurer Matt Kean exclusively addressed the claim and he said, "There will be no privatisation of Sydney Water and there will be no privatisation of Sydney Water assets." In essence, we are voting on a bill seeking to protect that which was never at risk. What this tells the people of New South Wales is that the agenda of the new Labor Government is abundantly clear—political stunts not political process, puff not policy, and good gimmicks as opposed to good governance. The time spent debating the bill is nothing more than time wasted by the Minns Government.

At the crux of the bill is the false axiom that Sydney Water is not currently protected. I remind members that Sydney Water is a statutory State-owned corporation. It is simply not possible to sell Sydney Water by stealth or by backdoor fire sale, as Labor has suggested. Any such sale would require an approving Act of Parliament to pass both Chambers. The bill does not offer any significant further protection. Even if government ownership of Sydney Water were enshrined in the Constitution, a future government could hypothetically reverse that decision by, again, an Act of Parliament. The bill is just puff; it is not real policy. It is a stunt, and not even a good one. It is either a half-done stunt or a Labor stuff-up. NSW Labor simply wants to play politics with our State's constitution.

We should not gloss over the fact that it is unconventional to move political issues from the realm of the Chamber into the State's Constitution. I worry about the dangerous precedent that may set for future legislation from this Government. Are we willing to let our State's Constitution, the legal framework by which our State is governed, become a political football? Our Constitution is a rule book. It is not like other constitutions that one reads about around the world, with grand declarations of human rights, and life, liberty and the pursuit of happiness. Our State's Constitution is essentially a bland document, a bland rule book. It is certainly not a political document. I am nonetheless unsurprised. The bill is a concentrated example of the outcomes sought by a government addicted to headlines. Pointscoring in the media is its sole focus.

It is clear that the bill is not only ineffective at protecting water assets but also misses an enormous proportion of them. Two-thirds of water used in New South Wales is not covered by the bill because it is not managed by Sydney Water or Hunter Water but instead by WaterNSW. Does the Labor Government have a secret agenda to privatise excluded water assets? The bill totally ignores the 1.85 million people who obtain their water from water utilities other than Sydney Water and Hunter Water. Why is that? Is it incompetence, a political stunt totally devoid of substance or a genuinely deceptive bill covering up a plan for future privatisation of assets such as WaterNSW? Does Labor have a secret plan to sell off Warragamba Dam? Absurd as that question might sound, that is the scaremongering that we were subjected to during the recent election. It is just Mediscare 2.0. It has no basis of fact whatsoever.

The bill includes no provisions for the 89 local water utilities across regional, rural and remote New South Wales, indicating a further disregard for those outside of Sydney. To borrow the language employed by Labor in supposedly justifying the bill, how can regional, rural and remote families in New South Wales be sure of the security and stability of their water assets? Labor has excluded them simply because of where they live. I find the mandate question incredibly interesting. They supposedly have a mandate to enshrine Sydney Water and Hunter Water in the Constitution, but they do not have a mandate to enshrine WaterNSW or the Warragamba Dam in the Constitution. The Government is essentially saying that it is not going to do anything except that which it brought to the election. There will be no legislation, no regulation changes, no reviews and no dollars spent. It is not going to do anything unless it was taken to the election. That is not how government works. Parties bring certain policies to the election and they get voted in or they do not, depending on those policies. But governments make a huge

number of decisions every single day. They make decisions that never went to an election, whether there is a mandate or not.

If a party comes up with a good idea, like the Liberal Party has done for WaterNSW, it should be adopted. A mandate is not needed to adopt a good idea. If those protections are good enough for the people in Sydney, they are good enough for people living in regional, rural and remote New South Wales. It is telling that the supposed Sydney Water privatisation issue was one of the key pillars of Labor's campaign in March. Rather than discuss substantial policy or present an alternative vision for a stronger State, it resorted to misleading the public in an attempt to win votes. Frankly, I believe New South Wales deserves better than this Government. I sincerely hope the next four years of this Labor Government will not be defined by the same addiction to spin and announcements devoid of substance which categorised Labor's election campaign. Chris Minns is yet to convince us.

**The Hon. ROSE JACKSON (Minister for Water, Minister for Housing, Minister for Homelessness, Minister for Mental Health, Minister for Youth, and Minister for the North Coast) (19:35):** In reply: I thank all members who contributed to debate on the Constitution Amendment (Sydney Water and Hunter Water) Bill 2023. I address some of the issues that were raised, but not all of them. I understand that we will move to the Committee stage next, so I will save some of my remarks for my contribution to that debate. A number of members raised the issue of whether Sydney Water was ever at risk of privatisation. Members opposite repeatedly said that it was not at risk, that this has been a scare campaign made up by the Labor Party and that there was never any consideration of or concern about the privatisation of Sydney Water. That is blatantly untrue.

During the last campaign we obtained a document, through an order of this House, titled "Future Funding Strategy", which makes it pretty clear that it is about future funding plans for Sydney Water. On its first page the document states, "The shareholders", as in the shareholding Ministers, who were then Minister Tudehope and then Treasurer Perrottet, "have large future cash requirements"—indeed, they do, and I have spoken about that—"and have been seeking cash inflows through asset recycling." The next page is about "defining the problem" and the issues they faced. The first dot point is "cash required to fund government plan—active discussions on debt levels and asset recycling with Treasury". It is right there in black and white on page 2.

Page 6 lists the options for going forward—the future funding strategy. Option two is "partial or full sale of Sydney Water through an offer to buy shares". So they are saying, "We could sell the whole thing but, look, we could also sell individual assets or systems." For example, the assumption used was the sale of all wastewater assets. The former Government considered the option of selling the entirety of the State's wastewater assets. To be clear, wastewater assets are the systems that Sydney Water uses to deal with our sewage. There was active consideration of selling it all and putting private profit above wastewater management. There was active consideration of both options. This future funding strategy document contains reference after reference to active consideration of the privatisation of Sydney Water. It is utter nonsense to suggest that we have conducted a scare campaign not based on fact. The facts are right here.

I draw attention to another fact that was often referenced by those opposite, which is one of former Premier Perrottet's famous phrases: Past performance is the best predictor of future performance. I like that phrase too because the pattern of privatisation is clear. Reference was also made to the comments of former Treasurer Matt Kean during the 2019 election ruling out the sale of Sydney Water. During debate it was suggested that because he ruled it out, the bill is unnecessary. Let us remember the context in which that frantic, last-minute comment was made by the Treasurer: Two days before the Premier had completely refused to rule out a sale of Sydney Water. He had refused to clarify whether or not Sydney Water was being considered for sale when directly questioned about it multiple times. We know why—because it was.

After the then Government realised that it went badly—it had privatised everything else, it had these plans and then suddenly realised the political mistake that it had made—the Treasurer tried to clean that up. Labor's history of privatisation has also been referenced during the debate, and in interjections. We utterly disavow and reject that history. I make no bones about the fact that previous Labor governments were in error in pursuing privatisation agendas. Some of us in the Labor Party who were not in Parliament at the time consistently opposed that agenda and are proud to be in this place now as Ministers in this Government to chart a new path forward for the Labor Party.

Those opposite may not like that Labor is able to learn and disavow its mistakes. I hope they hold close the mistakes that they have made. I am certainly not ashamed to say that the past Labor governments made mistakes. I do not mean to call out Assistant President Primrose as someone who at that time was very vocal about those mistakes—sadly then in the minority—but he has been proved right. Others who stood alongside him at the time and those of us who were not then in Parliament were vocal advocates in opposition to that agenda. We are proud to now be leaders in this Government, charting a new path forward for NSW Labor.

It has also been suggested that the constitutional protection that the bill offers is insignificant, irrelevant or unnecessary. I reject that too. This is not new. The Victorian Parliament has pursued exactly this agenda. Additionally, the parliamentary process that we are introducing in the bill is very important because, again, look at the history in 2019.

*[Opposition members interjected.]*

I sat silently for both of your contributions, so show some respect. In 2019 former Premier Gladys Berejiklian committed to no privatisation.

**The Hon. Greg Donnelly:** Point of order: The Minister is correct in her comment about listening without interrupting. I think reciprocal respect is due and honourable members should be guided to provide the Minister with the opportunity to complete her contribution.

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** I uphold the point of order: This is an important debate. The Minister is replying to a number of points that were raised by members. Given the gravity and respect required of this matter, the Minister will be heard in silence.

**The Hon. ROSE JACKSON:** I was addressing some of the issues raised during the second reading debate about whether the constitutional protection that the bill seeks to enshrine is necessary. I was drawing attention to the history in 2019 when former Premier Gladys Berejiklian made the commitment of no plans for additional privatisation. After the election there was a complete and utter betrayal of that commitment. It was a betrayal of the trust of the New South Wales community who voted for the Liberal Government in 2019 based on that commitment. We then had the privatisation of the buses and WestConnex.

That occurred with no parliamentary oversight or parliamentary process. That is what we are trying to rectify in this place. It is true that, in future—hopefully many years down the track—if the Coalition is overwhelmingly elected to the Government benches again, it could pass a law to undo this provision. I want to be honest with the community about that. If in the future the Coalition is overwhelmingly elected to government, it could pass a law to undo this protection. After passing that law it could sell Sydney Water and Hunter Water. The community needs to know that risk exists. But we have at least put in place a parliamentary process so that the Parliament will have a say in that hopefully far, far future. A law will have to be passed. This Chamber will be able to try to stop that happening. Giving this Chamber and this Parliament the opportunity to try to stop that in future is incredibly important.

The requirement of a parliamentary process for a future potential privatisation is significant. We know that because it was not required in 2019, billions of dollars of assets went out the door. There was nothing we could do about it. That is why we are pursuing constitutional protection. That is why we are not taking anyone at their word. I have absolutely no trust in the statements and the flowery comments claiming, "We are never going to do that. We would never try to do that." I am sorry; the trust is gone. It went out with the \$93 billion of assets that were sold. The bill will deliver on our commitment to protect our essential assets from privatisation. I will address additional concerns regarding the amendments during the Committee of the Whole. I commend the bill to the House.

**The ASSISTANT PRESIDENT (The Hon. Peter Primrose):** The question is that this bill be now read a second time.

**Motion agreed to.**

### In Committee

**The CHAIR (The Hon. Rod Roberts):** There being no objection, the Committee will deal with the bill as a whole. I have Opposition amendments on sheet c2023-033.

**The Hon. SAM FARRAWAY (19:47):** By leave: I move Opposition amendments Nos 1 to 8 on sheet c2023-033 in globo:

No. 1 **Water Utilities**

Page 2, clause 1, line 3. Omit "Sydney Water and Hunter Water". Insert instead "Water Utilities".

No. 2 **Water Utilities**

Page 3, Schedule 1, proposed Part 10, lines 4–7. Omit all words on those lines. Insert instead—

**Part 10 Public ownership of water utilities and undertakings**

**57 Water utilities and undertakings to remain in public ownership**

No. 3 **Water Utilities**

Page 3, Schedule 1, proposed section 57(3), line 18. Insert "as a water corporation" after "under an Act".

No. 4 **Expanded meaning of sale or disposal**

Page 3, Schedule 1, proposed section 57. Insert after line 19—

- (3A) To avoid doubt, a partial acquisition by a water corporation of an asset being an asset necessary to enable the water corporation to carry out its principal functions under an Act as a water corporation, where the remainder is owned by an entity that is not a public entity, is also taken to be a sale or disposal of a main undertaking of the water corporation.

No. 5 **Expanded meaning of sale or disposal**

Page 3, Schedule 1, proposed section 57(6). Insert after line 30—

**public entity** includes the following—

- (a) the Crown in the right of the State,
- (b) a Minister,
- (c) a State owned corporation within the meaning of the *State Owned Corporations Act 1989*,
- (d) a public or local authority,
- (e) a water corporation,
- (f) a subsidiary of an entity referred to in paragraphs (a)–(e).

No. 6 **Water Utilities**

Page 3, Schedule 1, proposed section 57(6), definition of **water corporation**, lines 31–33. Omit all words on those lines. Insert instead—

**water functions** means the following—

- (a) the storage or supply of water,
- (b) the provision of sewerage services,
- (c) the provision of stormwater drainage systems,
- (d) the disposal of waste water.

**water corporation** means a public or local body that exercises water functions or holds assets in connection the exercise of water functions, and includes the following—

- (a) the Sydney Water Corporation,
- (b) the Hunter Water Corporation,
- (c) WaterNSW,
- (d) a water supply authority within the meaning of the *Water Management Act 2000*,
- (e) a local council or county council exercising water supply functions under the *Local Government Act 1993*, Chapter 6, Part 3, Division 2, but only in relation to the exercise of water functions.

No. 7 **Critical assets to be owned by water corporations**

Page 3, Schedule 1. Insert after line 33—

**58 Water Corporations not to lease or use private critical assets**

- (1) A water corporation must not, unless authorised by an Act of Parliament—
  - (a) lease a critical asset from an entity that is not a public entity, or
  - (b) enter into an agreement or arrangement with an entity that is not a public entity for the use of a critical asset owned by the entity.
- (2) Subsection (1) does not apply to a renewal of a lease, agreement or arrangement that was in effect at the commencement of this section.
- (3) In this section—

**critical asset** means any real property, plant or equipment necessary to enable a water corporation to carry out its principal functions under an Act as a water corporation.

**public entity** has the same meaning as in section 57.

**water corporation** has the same meaning as in section 57.

No. 8 **Water Utilities**

Long title. Omit "the Sydney Water Corporation and the Hunter Water Corporation". Insert instead "certain water utilities".

The Opposition moves amendments with the intention of improving and strengthening the bill. The Minister is missing the point. We have had the election and the Coalition has been clear that it does not wish to privatise any water infrastructure in the State. The Minister holds up something about placards and former members and a former Cabinet Minister. The reality is that the Minister is missing the point. We are seeking to strengthen and improve the bill through our amendments. During the second reading debate, we were asked why we did not do anything during our time. It is quite simple: The status quo was such that there was not a problem. We were not privatising water infrastructure in the State. The now Labor Government has disrupted that status quo by introducing the bill. In the view of the Opposition, in particular the National Party, the bill completely cuts out regional New South Wales and we are looking to fix that problem. That is why we have moved amendments to strengthen the bill.

The bill amends the Constitution Act 1902 to ensure continued ownership of the Sydney Water Corporation and Hunter Water Corporation. We have argued very forcefully that it falls desperately short when it comes to protecting the basic right of people in this State, wherever they live and no matter their postcode. In his second reading speech the Premier said we need to ensure that we have safe, reliable, publicly owned water. Put simply, the bill discriminates against the 1.85 million people who obtain their water from water utilities other than Sydney Water and Hunter Water. There are several problems with the bill, and that is why our amendments seek to provide real solutions.

Of the eight State-owned corporations governed under the State Owned Corporations Act 1989, three of them are responsible for the delivery of supply and management of water and sewerage to the people of New South Wales: Sydney Water, Hunter Water and WaterNSW. As we have discussed throughout the debate, WaterNSW protects the Greater Sydney drinking water catchment and supplies raw water to the 42 storages to communities, customers and the environment right across metropolitan and regional New South Wales. But omitting WaterNSW from the bill fails to safeguard a future government from selling off the assets held by WaterNSW.

Earlier this week, in an article in *The Sydney Morning Herald*, Minister Jackson said, "Both Sydney Water and Hunter Water are statutory owned corporations and can be safeguarded against privatisation by an amendment to the Constitution Act." So too can WaterNSW. It is a State-owned corporation. It can be safeguarded by an amendment to the Constitution Act, supporting the position of the Opposition's amendments as circulated, and ensuring that WaterNSW is afforded the same protections as Sydney Water and Hunter Water. In addition to WaterNSW, 89 local water utilities are responsible for delivering the safe, efficient, sustainable and affordable water supply and sewerage services to the 1.85 million people in regional New South Wales. Local water utilities are governed in New South Wales by the Local Government Act 1993 and the Water Management Act 2000, but, astonishingly, they too have been left out of the bill. The Opposition's amendments that I have moved will address that omission.

The shadow water Minister has joined us in the Chamber for this debate. She and I reject in the strongest possible terms the suggestion by the Minister that regional councils were not consulted in the preparation of these amendments. We need to go back to last Friday. The Minister herself was the guest speaker and heard directly from members of the Country Mayors Association of New South Wales [CMA]. Despite what the Hon. Dr Sarah Kaine said, the Opposition respects what key stakeholder groups and key representative bodies like the Country Mayors Association have to say. We do not just diss them like the member did earlier when she interjected from the Government benches.

As the guest speaker, the Minister heard directly from the captive audience of 85 per cent of the membership of the Country Mayors Association who were in attendance at the theatre in Parliament House. It was the perfect opportunity to discuss this important bill and the protections that are needed for regional New South Wales. I sat in at that meeting and spoke with the mayors from the beginning to the end; I was there after the Minister left with the Premier to get some photos with Julia Gillard. The mayors sought the support from Minister Jackson that local water utilities would be included in the bill. The Forbes shire mayor, Councillor Phyllis Miller, said:

In response to my question about Local Government retaining ownership of Local Water Utilities in regional NSW that I asked at the meeting of Country Mayors, the Minister for Water, Rose Jackson's response was that it would be the case and I understood this to mean that she supported this being enshrined in the constitution.

At its board meeting, the Central NSW Joint Organisation moved a motion: "That the board (1) advocate regarding the local government water ownership; and (2) the Central NSW Joint Organisation supports an extension to the current protection from privatisation to be extended to WaterNSW and local water utilities." The biggest local government representative organisation and a significant joint organisation in regional New South Wales gave direct feedback, moving it by way of motion. They came to Parliament House to talk to the Minister themselves. Yet we are still moving amendments to the bill that the Government will not accept. It wants to ram the bill through, tick the box and tell *The Daily Telegraph* and SMH, "Look at us. We have done so well. We are going

to pass deficient legislation tonight by not protecting water utilities and water infrastructure in regional New South Wales." It is little wonder that the local water utilities that shadow Minister Steph Cooke has consulted with are seriously nervous about being omitted from the bill and are looking to this Parliament.

They are looking to what has happened in the other place and in this place tonight to ensure that they are protected. The Minister for Water wants to ignore history. She cannot ignore history, because the reality is that some National Party members in the lower House were mayors in 2007 and 2008, and they remember the inquiry that was established by the Minister for Water Nathan Rees to examine sustainable water supply and sewerage management in non-metropolitan New South Wales. The member for Clarence and the member for Northern Tablelands made some cracker speeches and reflections in the other place. They were involved in local government at that time and they remember the shock waves the inquiry sent through local water utilities right across the bush, and the fight that those councils and mayors had against the removal of water and sewerage services from their control. Retaining ownership and control of their water assets remains as important today as it was in 2007 and 2008.

I return to the Country Mayors Association. Despite the interjection and the insult that somehow the National Party and Liberal Party rely on the CMA for preselections, the reality is that the CMA has plenty of Labor Party mayors. Shoalhaven City Council has Labor membership. A new and recent member—

**The Hon. Anthony D'Adam:** Point of order—

**The CHAIR (The Hon. Rod Roberts):** I have been waiting for a Government member to take a point of order. The Hon. Sam Faraway is now straying from the amendments. We heard a lot of this stuff in his contribution to the second reading debate. I have been very liberal and allowed him to go on for some time, but I draw him back to the amendments.

**The Hon. SAM FARRAWAY:** I will revisit the views of Country Mayors Association. I quote, because I think there was—

**The CHAIR (The Hon. Rod Roberts):** I hope there is a nexus between the views of the Country Mayors Association and the amendments, because that is what I have drawn the honourable member back to.

**The Hon. SAM FARRAWAY:** There is. The Country Mayors Association stated:

... on behalf of its members, is calling for an expansion of the scope of the Bill to include all local government-owned assets to stay in the hands of Local Government to ensure Local Government will never lose control of its most important asset - our water.

Deputy chairman of the CMA Mayor Rick Firman stated:

Our CMA members have spoken loudly and clearly ... We strongly and respectfully call on our new State Government to please include the protection of our water in the NSW Constitution ... it really is critical that our members are listened to.

Mayor Chaffey said:

CMA has long held the position that our water and sewer utilities must remain in the hands of Local Government, not State Government or any other entity or be privatised. Do not touch our water. Add Local Government to the Constitution change.

On 10 May the Premier said in the Legislative Assembly:

Members on this side of the House believe that drinkable water is an essential constitutional right, and it will be interesting to see what the Opposition does in relation to that important constitutional change.

Earlier this week the Minister for Water in *The Sydney Morning Herald* also stated, "We do not take amendments to the Constitution lightly." As the Opposition, we do not either. We do not oppose the Government's bill. We are here to strengthen it—to amend it and make it better—but Government members are hell-bent on not allowing that to happen. Let me be very clear. Members on this side of the Chamber do not take the amendments lightly. That is why we have worked hard. In particular, the shadow Minister for Water has worked incredibly hard to ensure that this "important constitutional change", to quote the Premier again, is done correctly and thoroughly. We have identified the gaping holes in the bill—big enough to drive a truck through—and we have sought to fix them.

The gaping holes mean that the constitutional safeguards in the bill are afforded only to those living in Greater Sydney, the Illawarra, the Blue Mountains and the lower Hunter. Those exact same safeguards are not afforded to the people of regional, rural and remote New South Wales. The Government must support our amendments, thereby demonstrating that it is governing not just for Greater Sydney, the lower Hunter, the Blue Mountains and the Illawarra but for all areas in this State.

The Opposition believes that water security should be enshrined in the Constitution Act and this should be done regardless of where someone lives in New South Wales. It is disappointing that there was a lost opportunity here. Local government Minister Ron Hoenig—representing the water Minister downstairs—let the cat out of the

bag. He admitted that the bill is deficient, that there was consultation with the crossbench and that the idea of a joint select committee had come up. We support a joint select committee having a look at it.

A committee could hear from the CMA, local councils and the water utility operators themselves. It could hear from Labor mayors, Liberal mayors, Nationals mayors—who cares. It should just go and listen to mayors. That opportunity was there. We could very well have had a short and sharp inquiry through a joint select committee. We could have held an inquiry to make sure the stakeholders and those in the bush were heard and then come back to this place to improve the bill and pass it. But no, we are here tonight to ram through the bill because this is about politics; it is not about protecting water and ensuring it is not privatised in the bush. This is to tick boxes so that the Government looks good this week, but it completely disrespects and disregards the views of those in the bush.

If the Government and all members of this place were truly genuine and serious about protecting the end-to-end water supply in New South Wales, they would support the amendments. Members would look to have this process strengthened and improved, so that one of the first bills passed in this Parliament could be a better bill. The Government could say it was governing for all, not just those living in the Sydney Water and Hunter Water areas. It could govern in a way that ensures that communities, councils and their water utilities are protected.

There was talk earlier about WaterNSW just being a retailer. We can have that debate. But the reality is that in the bush local government and the local water utilities are the infrastructure, the asset holder and the retailer. Local government is the closest government to the people. It is what the community sees, hears and works with every single day of the week. There was the opportunity to fix the bill properly and to strengthen it. Instead, I suspect that the Government is more interested in politics than actually fixing the bill, and we will see the result in the vote on the amendments that I have moved tonight.

**The Hon. ROSE JACKSON (Minister for Water, Minister for Housing, Minister for Homelessness, Minister for Mental Health, Minister for Youth, and Minister for the North Coast) (20:02):** The Government opposes the amendments from the Opposition. I will talk about why that is in relation to each of them, as they have been moved together. Specifically, the Government opposes the amendments that seek to expand the scope of the bill as it relates to Sydney Water and references in amendments No. 4 and No. 7 that seek to limit the capacity of Sydney Water and Hunter Water to participate in lease and other partnership agreements. If those amendments are successful, it would prevent the expansion of the Sydney Desalination Plant.

I wish the Sydney Desalination Plant was not a private entity. The privatisation of it was a terrible shame and a bad deal for New South Wales. It was an example of the interest of those opposite in privatising our essential water utility. The reality is, it was sold. If these amendments pass, Sydney Water will not be able to partner with the desalination plant to expand its operations. That is a critical issue for a city like Sydney. The desalination plant is already supplying 15 per cent of our water supply. We are probably going to need to expand it as we enter into a more climate-variable future and need to augment our rainwater supply. That is a huge risk for a city like Sydney.

Similarly, a number of water filtration plants that Sydney Water uses to clean and provide our high-quality drinking water in Sydney are operated currently by private entities. The Prospect Water Filtration Plant deals with 80 per cent of our drinking water. If the amendments are successful, those arrangements will be put at risk. The partnership that Sydney Water has with either the desalination plant or the private operators of some of its water filtration plant will be made illegal under the amendments moved by those opposite. Hunter Water leases land at Walsh Point from the Port of Newcastle as part of its crucial drought response. Again, I do not support the privatisation of the Port of Newcastle—wasn't that terrible? Wasn't that a bad deal? But the reality is the Port of Newcastle was privatised, and Hunter Water partners with the Port of Newcastle as a part of its critical drought response. That would be made illegal under the amendments moved by the Opposition. That is the consequence of the amendments.

The partnerships that Sydney Water has with either the desalination plant or private operators of some of its water filtration plants will be made illegal under the amendments moved by those opposite. As part of its crucial drought response, Hunter Water leases land at Walsh Point from the Port of Newcastle. I do not support the privatisation of the Port of Newcastle. That was terrible; it was a bad deal. But the reality is the Port of Newcastle was privatised, and Hunter Water partners with the Port of Newcastle as a critical part of its drought response. As I said, that would be made illegal under the amendments moved by the Opposition. That is the consequence of the amendments. The partnerships that Sydney Water and Hunter Water have will all be gone because of the reckless and ill-conceived amendments from the Opposition.

WaterNSW plays a critically different role to Sydney Water and Hunter Water. I apologise if Opposition members do not know the difference between a bulk water supplier and a water retailer. Sydney Water and Hunter Water are water retailers. They are the profitable part of the operation. They are the bits that were at risk, as seen in those documents. They are the bits where when a private operator is given a chance, suddenly the bills go up,

they are gouging customers and cutting costs. That is the risk the Government is trying to mitigate. WaterNSW is a bulk water operator. It plays a completely different role.

A critical part of that role is the operation of our dams. If the Opposition had thought through its amendments, the operation of dams is where the rubber would hit the road. WaterNSW partners with the private sector for renewable energy storage programs using its dam infrastructure. The entire energy package the previous Government put together is premised on private operator engagement in renewable energy. A critical part of that is the pumped hydro and storage. To its credit, WaterNSW is partnering with private operators to deliver renewable energy storage in their dams as part of the pumped hydro scheme. Arrangements all over regional New South Wales lead to that conclusion. All those projects provide energy security and jobs in regional New South Wales. They are partnerships between WaterNSW and the private sector, and they are all put at risk because of the ill-conceived amendments from the Opposition. WaterNSW also has a substantial landholding in regional New South Wales—

*[Opposition members interjected.]*

**The CHAIR (The Hon. Rod Roberts):** Order! The Minister will resume her seat. It is well known that I am not as tolerant as other occupants of the chair in this place. The Minister was mute during the Hon. Sam Faraway's contribution. I am sure she was extremely tempted to interject, but she did not. She paid the member the courtesy that he deserves as a member of this Chamber. She also adhered to the standing orders of this Chamber. The Minister and the Hon. Sam Faraway have both been warned during the day by other occupants of the chair. This will be my last and only warning before I start calling members to order. I anticipate that they will want to be in the Chamber for the division. The Minister has the call.

**The Hon. ROSE JACKSON:** I was outlining the reasons that WaterNSW has not been included in this bill and the potential serious consequences of the Opposition's amendments. As a bulk water supplier and dam operator, WaterNSW has partnerships with private entities in the renewable energy market. Those partnerships would all be put at risk by the Opposition's amendments. They go beyond that. WaterNSW is a substantial landholder in regional New South Wales. It has 174 grazing and agricultural lease agreements with private farmers, including operations like animal grazing. Those arrangements would be put at risk if the Opposition amendments pass, because WaterNSW would no longer be able to engage in lease arrangements with private entities or private individuals.

So much for The Nationals being the advocates of regional New South Wales. The Opposition's amendments would put 174 farmers who lease WaterNSW land to run their grazing operations out of business. That is because the ill-conceived Opposition amendments would add WaterNSW to this bill despite the fact that it does a completely different job to Sydney Water and Hunter Water. They would not only add it to the bill but also prevent it from engaging in lease arrangements with any private individual or entity. It is not just land for agricultural purposes; it is boat ramps and recreational areas. It is a whole range of leases and partnerships that WaterNSW makes regarding its land and assets in regional New South Wales. All of those will be gone if the amendments pass. When we said that the consequences of amending the Constitution are serious, we were not joking. There are real consequences if the amendments pass and they will be substantial in the regions.

I turn specifically to the concerns about the local water utilities. I have dealt with the Sydney Water, Hunter Water and WaterNSW components of the amendments and why all of those are incredibly risky and a mistake. I start with the Country Mayors Association. I was invited to visit the Country Mayors Association and I accepted the invitation with pleasure. I had a fantastic discussion with them about housing and mental health. I apologise that I had to leave early to meet the chair of Beyond Blue, one of the major mental health organisations in this country, not just this State. Millions of people rely on Beyond Blue. I am sorry that I had to leave and meet the chair and general manager. I apologised and was up-front.

One of the mayors asked me a question that had nothing to do with this bill. It was: Does the State Government have an agenda to take over local water utilities? I gave a direct and clear answer: No, we have no such agenda. It had nothing to do with the bill and I am extremely concerned that, despite the hundreds of people who saw that exchange, I have been verbalised and taken out of context. I was asked one specific question about the bill by another mayor: "Why aren't you including local water utilities in your bill?" I gave a comprehensive answer along the lines of what I have said today, which was basically, "We haven't consulted with you and that is really disrespectful." That was the abridged version of my comments. And they all nodded along. Jamie Chaffey, the chair of the Country Mayors Association, has my phone number. He has never called me and has never sought to talk to me about the bill.

**The Hon. Stephen Lawrence:** The Hon. Sam Faraway misled the House.

**The Hon. Sam Faraway:** Point of order—



**The CHAIR (The Hon. Rod Roberts):** The Minister will resume her seat.

**The Hon. Sam Faraway:** I accepted your last ruling, Chair. I have listened to the Minister. She is getting to an important point. But the Hon. Stephen Lawrence is interjecting from the Government backbench. He accused me of misleading Parliament.

**The CHAIR (The Hon. Rod Roberts):** The same rule applies to everyone. I will make an example of the Hon. Stephen Lawrence. I call the Hon. Stephen Lawrence to order for the first time.

**The Hon. ROSE JACKSON:** I was outlining the circumstances of my dialogue with the Country Mayors Association, which is that I was asked one question in relation to the bill. I gave an answer that seemed to be widely accepted by the room. After that I heard nothing. No-one has written to me. Mayor Chaffey has not called me. He has my phone number. I saw the press release. I had no notice of it; I was not contacted in relation to any of the concerns in it. As I said, a question was asked and no concerns were raised. So I texted Mayor Chaffey:

Hi Jamie. I saw your press release. As you have my direct number, you are welcome to talk to me directly at any stage about concerns you have. That has always been the approach I have taken, as I hope demonstrated by our prior chat and my attendance at the meeting on Friday.

**The Hon. Sarah Mitchell:** You are verballing a mayor.

**The Hon. ROSE JACKSON:** Sorry, I don't know if you heard the bit where I said that they put out a press release verballing me without calling me or writing to me.

**The CHAIR (The Hon. Rod Roberts):** The Minister will direct her comments through the Chair. She will not further incite other members.

**The Hon. ROSE JACKSON:** I said:

... as I hope demonstrated by our prior chat and my attendance at the meeting on Friday. Rose.

Mayor Chaffey replied:

Minister, I welcome conversations. The CMA appreciate your commitment to regional councils and working together for positive outcomes.

He then wrote in a text message to me:

Please consider adding local government to your protection measures via the constitutional change.

So I am not verballing him. He sent me a text message yesterday, I think, after sending out a press release misrepresenting my comments at the Country Mayors Association. I draw the attention of the House to the comments made by Local Government NSW, the peak local government body in the State. It has seen the bill and the Opposition's amendments, and it considers it critical to consult with the local government sector on how the bill is best implemented. It states:

The 89 local water utilities [LWUs] across NSW have incredibly diverse and complex operating models, and partner with a range of entities in their critical water supply functions. One size fits all approaches are rarely the solution for local government, and this is an area that requires close involvement of the local government sector in any proposals for reform.

The Government and Opposition can go press releases at 50 paces on this, but it is clear that the local government sector is not united in any way in supporting the Opposition's amendments—in fact, it has articulated very clear concerns with them. I appreciate the concern of local governments about their future status. Obviously, the Government has no interest in privatising any water utilities, but that is a decision for local governments to make. The Government respects their autonomy and democratic rights to make decisions for themselves. There are extremely important protections regarding the private activities of local governments under the Local Government Act but, fundamentally, if local councils do not want their local water utilities privatised, they should not sell them. That decision is theirs. That is the control and autonomy they have and the Government respects that.

The Government is very interested in an ongoing conversation with local governments about the governance arrangements that they would like, having made clear that we have no interest in taking over local water utilities—in fact, we just want to support them to do their job. If, as a result of that, they feel they need additional protections, the Government is extremely open to that, but that is a conversation we need to have openly, honestly and clearly with them. The way the Opposition has proposed its amendments clearly will have a range of unintended consequences that will remove autonomy from local governments and remove their capacity to make decisions about the services they deliver in their communities. I seek an extension of time.

**Leave granted.**

**The Hon. ROSE JACKSON:** When I have previously raised the potential unintended consequences of the Opposition's amendments, it has been said, "What are they? Name them." Well, I will. If the Opposition's

amendments are agreed to, Singleton Council, which has a partnership with AGL Macquarie to deliver water to one of its small communities and joint venture arrangements with other mines for water supply in others, would be breaking the law. Bega Valley Shire Council and City of Coffs Harbour have entered into lease arrangements with private sector partners to build and operate their plants for a period of time before handing back operational responsibility. Those arrangements deliver greater value and financeability for councils. They would also be affected by the Opposition's proposed amendments. Narromine Shire Council partnered with a specialised water treatment company to install an advanced water treatment plant during the drought. After commissioning, the company operated the plant remotely and attended the site for routine maintenance, in support of the council. The Opposition's amendments would stifle such innovation where it is needed most, in our regional communities, in times of drought.

Emergency treatment plants during drought would also be affected. Possible solutions during drought include private entities installing modular plants for groundwater. We have to take those kinds of actions to ensure that our towns do not run out of water. A number of local water utilities partner with private operators—local plumbers and maintenance contractors—on the ground in their communities to support them in operating their services. As a result of the amendments, which would include local water utilities in the bill and prohibit them from partnering with or leasing any part of their work or plant from private operators, all of those specific unintended consequences that I have just outlined would occur. That is reckless and dangerous. It is a stunt by those opposite to make it look like the new Government does not care about regional New South Wales.

I know that The Nationals are smarting after the election loss and that this is a try-on, but it is utter nonsense. I will not be lectured by those opposite who say that Government members do not care about regional water security and quality when there are hundreds of towns in category five for extreme or very high-risk water security and water quality, after 12 years of neglect and delay by those opposite. I will not be lectured when we are trying to get it fixed—literally flying into Walgett and saying, "How has this happened? Let us try to turn the situation around." And now we see this, and it is disingenuous, reckless and dangerous. It has real consequences, as I have outlined. We oppose the Opposition amendments, and I call on the House to reject them and support the bill that delivers on the mandate to stop privatisation in New South Wales.

**Ms CATE FAEHRMANN (20:20):** I very reluctantly oppose the amendments put forward by The Nationals, because of course The Greens would love to support amendments that genuinely strengthened any bill that was about preventing the privatisation of public assets. We would be genuinely engaging with the amendments if we thought that the attempt was genuine. I note the contribution of the Minister, who has gone through the history of stakeholders lobbying in support of the amendments. Of course, there have been none. No stakeholders have lobbied the crossbench or The Greens to support the Coalition amendments.

I understand there was a threat back in 2007-08. Again, the Labor Party had a sordid history at that stage. It was then dabbling in potential privatisation and actually privatised certain energy organisations, which I spoke about in my contribution to the second reading debate. Opposition members are talking about the inquiry that happened in 2007-08. The Coalition got into government in 2011. If the local water utilities were so concerned, did the Coalition act at that point? Did Opposition members have the Country Mayors Association and the local water utilities hounding them as soon as they were in government to please take action to ensure that their local water utilities were not privatised? If it was such a big bad threat under the Labor Government back in 2007-08, then from 2011 to 2022 would have been the time to actually put in place legislation to assure those local water utilities that the then Government would not do that.

I also note that the Minister read out some of that fantastic content from a document that was uncovered by an order for papers in this place that indeed said that privatising Sydney Water was under active consideration. There were no documents about the local water utilities. In fact, there was nothing from the Country Mayors Association, whose members I met with via Zoom in the lead-up to the election and who talked me through their election platform, including—

**The Hon. Wes Fang:** Via Zoom? You did not go to see them?

**Ms CATE FAEHRMANN:** And I went to their conference; I went to their political leaders' forum as well. Were there any questions about privatising local water utilities at that election forum? No, there were not. When I was meeting with Jamie Chaffey on Zoom and he was talking me through their priorities, there was no mention of the threat of local water utilities being privatised. Sure, there was stuff to help with metering. There was a little bit about water security, as the Minister has indicated. The fact is that over the past 12 years members opposite did nothing to help local communities genuinely have a more secure water supply. But we have been lobbied by Local Government NSW, which has urged us to support the bill before us. It has talked with us about the shortcomings—that is putting it politely—of the Opposition's amendments. It has talked of the complexities and the fact that Local Government NSW and local councils have not been consulted. It is honestly unbelievable, given the history of those opposite with privatisation and everything they did with water in those 12 years.

I phoned Steph Cooke to see whether I could get her to convince The Greens to support the amendments. As I said, I genuinely wanted us to support something if there was a threat and the amendments were a genuine attempt to do what was potentially needed to protect local water utilities. But indeed they are not. Not a single stakeholder has genuinely been requesting or advocating for this. All they are doing is supporting this political stunt. Those opposite have no agenda and this is all they can bring up this week. It is pathetic, really, and it is sad. We do not support the amendments.

**The Hon. SARAH MITCHELL (20:26):** I do not intend to make a long contribution but there are a couple of things I want to say in response to the Minister's comments on the amendments. She said that this is about water retailers and not bulk water suppliers. If you are talking about WaterNSW as a bulk water supplier, if it is privatised there is nothing to stop an entity that purchases WaterNSW from starting to charge excessive amounts of money for water. There are flow-on effects of that. There would be implications if something like WaterNSW as a bulk provider was privatised. Hence the reasons—

**Ms Cate Faehrmann:** Did you know this three months ago? Did you know it when you were in government?

**The Hon. SARAH MITCHELL:** We had no plans.

**The CHAIR (The Hon. Rod Roberts):** Order! Ms Cate Faehrmann was heard in silence. She will show the Hon. Sarah Mitchell the same respect.

**The Hon. SARAH MITCHELL:** Currently we have a bill before the Committee about the privatisation of water supply. Now is the time to be talking about the elements of this bill that are deficient. That is exactly what these amendments are trying to address. The Minister also made points in reference to this being about water retailers, and that local governments can make decisions about things they are doing. But we know this is something Labor looked at when it was last in government. We know right now that the Government has the power to intervene in local government and local councils and take over their water supply. We know it. The country mayors know it. They are concerned about it because Labor has tried it once.

I also say to the Minister—I say this in a genuine way because I think she is not doing a bad job—that when you are in government and make decisions, people will be critical of what you do. The country mayors are allowed to be critical because they do not agree. With respect to Jamie Chaffey—in the interests of full disclosure, he is the mayor of my local council and I know him well—he has sent the Minister a text as the chair of a significant regional mayors' peak body saying, "Please include us in what you're doing". That is a genuine thing for him to do as a stakeholder. Using Gunnedah Shire Council as an example, it is responsible as a water retailer. I am a ratepayer in Gunnedah shire and I get my water bill from it—sometimes it is a little bit too high. But there would be real concerns and impacts on regional people if it was to be privatised.

The whole point of these amendments is to provide those same safeguards for people in regional New South Wales as for those in Sydney. That is not a big ask and it is something we should be doing. Throughout the debate today members have admitted that there are deficiencies in the bill. There is talk of a committee, so we know that the bill requires amendment. If a committee looks at this bill seriously, the likelihood is that we will be back here debating it sooner rather than later because there are things missing. This is an opportunity to move some amendments that will make it better.

The last point I make, which I invite the Minister to respond to if she chooses, relates to the Minister referring to the impact that this would have on leasing agreements that already are in place. The Minister also spoke about the desalination plant, local government leases, land, et cetera. There is a very clear part of amendment No. 7, which states:

(2) Subsection (1)—

that refers to water corporations not being permitted to lease or use the asset—

does not apply to a renewal of a lease, agreement or arrangement that was in effect at the commencement of this section.

There is no threat to any of those existing lease arrangements. This is covered in the grandfathering clause that is already in the amendment. I would really like the Minister to respond to that part because the safeguards are there. The grandfather clause is written in with that amendment. I will listen to any advice the Minister can provide, but I think it is important that the Minister addresses that, if she choose; it is a matter for her.

**The CHAIR (The Hon. Rod Roberts):** The Hon. Sam Faraway has moved Opposition amendments Nos 1 to 8 on sheet c2023-033. The question is that the amendments be agreed to.

**The Committee divided.**

Ayes ..... 15

Noes .....21  
Majority.....6

#### AYES

Carter	Latham	Mihailuk
Fang (teller)	MacDonald	Mitchell
Farlow	Maclaren-Jones	Munro
Farraway	Martin	Rath (teller)
Franklin	Merton	Taylor

#### NOES

Banasiak	Faehrmann	Lawrence
Borsak	Graham	Mookhey
Boyd	Higginson	Moriarty
Buttigieg	Houssos	Nanva (teller)
Cohn	Hurst	Primrose
D'Adam (teller)	Jackson	Ruddick
Donnelly	Kaine	Suvaal

#### PAIRS

Tudehope	Sharpe
Ward	Murphy

**Amendments negatived.**

**The CHAIR (The Hon. Rod Roberts):** The question is that the bill as read be agreed to.

**Motion agreed to.**

**The Hon. ROSE JACKSON:** I move:

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

**Motion agreed to.**

#### Adoption of Report

**The Hon. ROSE JACKSON:** I move:

That the report be adopted.

**Motion agreed to.**

#### Third Reading

**The Hon. ROSE JACKSON (Minister for Water, Minister for Housing, Minister for Homelessness, Minister for Mental Health, Minister for Youth, and Minister for the North Coast) (20:39):** I move:

That this bill be now read a third time.

**The Hon. SARAH MITCHELL (20:39):** The Nationals have been clear from the beginning. It is imperative to keep the State's water infrastructure under public ownership. We proposed amendments. The Committee considered our perspective and has not supported the amendments. The Nationals cannot support the bill as it stands. There is no guarantee that the Government will rectify the existing gap concerning regional and rural New South Wales. Our constituents elected us to represent them and to advocate for their needs. We must heed that call. We have a responsibility to stand up for the people who chose to elect us. As the Leader of The Nationals, Dugald Saunders, has indicated in the other place, we will introduce our own bill to guarantee support for regional areas. We look forward to rehashing these issues and giving members some time to consider what we put forward. The Nationals will not support the third reading of the bill.

**The PRESIDENT:** The question is that this bill be now read a third time. Is leave granted to ring the bells for one minute?

**Leave granted.**

**The House divided.**

Ayes .....32  
 Noes .....5  
 Majority.....27

#### AYES

Banasiak	Higginson	Mihailuk
Borsak	Houssos	Mookhey
Boyd	Hurst	Moriarty
Buttigieg	Jackson	Munro
Carter	Kaine	Nanva (teller)
Cohn	Latham	Primrose
D'Adam	Lawrence	Rath (teller)
Donnelly	MacDonald	Roberts
Faehrmann	Maclaren-Jones	Suvaal
Farlow	Martin	Ward
Graham	Merton	

#### NOES

Fang	Mitchell	Taylor (teller)
Farraway (teller)	Ruddick	

**Motion agreed to.**

#### *Business of the House*

#### WITHDRAWAL OF BUSINESS

**The Hon. ROSE JACKSON:** On behalf of the Hon. Penny Sharpe: I withdraw business of the House notice of motion No. 1.

#### *Adjournment Debate*

#### ADJOURNMENT

**The Hon. ROSE JACKSON:** I move:

That this House do now adjourn.

#### BOWEL CANCER

**The Hon. BRONNIE TAYLOR (20:45):** This week 300 Australians will be diagnosed with bowel cancer and it will claim the lives of 103. In New South Wales, 4,974 people are diagnosed with bowel cancer every year. While the risk of bowel cancer increases significantly with age, the disease does not discriminate, affecting people of all ages. Alarming, bowel cancer rates are up 266 per cent among 15- to 24-year-olds. In Australia, one in 10 people diagnosed with bowel cancer are under the age of 50. Each year, that is 1,680 young people. People born in 1990 onwards have double the risk of colon cancer and quadruple the risk of rectal cancer compared with people born in 1950.

Research has found that because they are young, young people are often overlooked for bowel cancer. That contributes to a delay in diagnosis and subsequent treatment. Young people spend between three months and five years seeing multiple doctors before a diagnosis. They may make 10 or more visits to GPs. Early onset bowel cancer patients perceive age bias as a barrier to diagnosis for the deadliest cancer in people aged 25 to 44. The statistics suggest that young people should never be told that they are too young to have bowel cancer. The good news is that if it is caught in time, almost 99 per cent of bowel cancer cases can be successfully treated. June is Bowel Cancer Awareness Month, Bowel Cancer Australia's event to raise awareness of Australia's second deadliest cancer.

I acknowledge the wonderful bowel cancer nurses and stoma therapists, including the telehealth nurses who provide care for those in regional and rural New South Wales. A stoma nurse is a special sort of person. They provide preoperative and postoperative support for those with bowel cancer, often sighting where stomas will be, which can be a physically and mentally difficult thing to cope with. I give a big shout-out to Kirsti Dixon, who was my senior policy adviser in Health. I worked with her at Prince Henry Hospital a long time ago in my 20s. We worked there together for a number of years and then ended up in Cooma hospital together. I married a farmer and she married a lifty in the ski fields. We have enjoyed a wonderful relationship. She is an incredible and

respected stomal therapist. She is back doing frontline nursing, which is terrific. Stoma nurses are experienced in caring for people who have had surgical treatment for their bowel cancer and require a temporary or permanent ileostomy or colostomy.

This week there has been a lot of discussion about the importance of primary care. The Treasurer spoke about it today. Primary care is important, but prevention and screening are also important. Being an ex-McGrath breast cancer nurse, I know that we have got great results for breast cancer treatment in this State and in this country because of our fantastic screening program. I commend the people who are now speaking about making the bowel test available for people under 50. I am 54—I know everyone wants to say I do not look it—and I get that little test in the mail. It comes to me in Nimmitabel. I know that people think, "Oh, my goodness. I really don't want to do that." But I urge everyone to do it. I was speaking to a friend the other day who is my age. She had absolutely no symptoms, but she did the test in her bowel kit and found out that she has advanced bowel cancer. She has just gone through nine months of treatment. I urge everyone today to please use their platforms, social media and conversations to tell people about this.

I have said it many times in this place, but do not let the abnormal become normal. Do not let an abnormal bowel habit become something that you think is normal, because it is not. Prevention is better than cure. I urge all members in this Chamber and throughout this Parliament to acknowledge that through the privilege we have of serving in this place, whatever your political bias, we have a responsibility to make sure that we are promoting things like Bowel Cancer Awareness Month. It might be mentioned in a conversation or something on your social media tile that prompts someone to do the test. It honestly could save a life. We all have a responsibility to do that. To everybody out there, use your bowel kits and do the test. If anyone is over 50 like me, they come for free. If anything is abnormal, please see your GP and get a bowel kit. Bowel cancer is affecting young people at an increase of 226 per cent, and that is concerning.

#### ANTI-PROTEST LAWS

**Ms ABIGAIL BOYD (20:51):** Another Australian State has fallen before the march of authoritarian fossil capital. This week the South Australian Labor Government, in lock step with the coalition of reactionary conservative political parties, passed new laws criminalising the peaceful, disruptive protest actions of brave climate defenders who are awake to the reality of the existential threat of climate change induced by fossil fuel. After this shameful act, peaceful protesters will now face a \$50,000 fine or a three-month jail sentence. The New South Wales Parliament carries a heavy burden of blame and responsibility for ushering in this new authoritarian era. A little over a year ago, New South Wales passed new laws explicitly targeted at the peaceful actions of activists, particularly those who criticise and challenge the power of fossil fuels and the ruling capitalist elite. Those new laws brought in fines of \$22,000 and jail sentences of up to two years. Protesters were harassed by police, subjected to outrageous and punitive bail conditions, and even subjected to military-style raids by camouflaged and heavily armed police.

Those laws, far from provoking outrage and defiance by most political parties in this place, were gleefully rushed into law with barely any resistance. Every single day in this Parliament there is so much heat and determined opposition between supposed opposite sides of the political spectrum on some of the most mundane and inconsequential legislation. When it came to the question of this most precious and vital right in our society, it was all quiet on the western front. The Greens, the Animal Justice Party and a few progressive Independents were the only voices to speak out and fight in defence of our right to dissent. Far from being the canary in the coalmine—oh, the irony—those disgusting and undemocratic laws birthed in New South Wales became the template to be replicated across this country.

I note the valiant efforts of my South Australian Greens colleagues Rob Simms and Tammy Franks to stymie the passage of their Parliament's version of these laws. In a marathon week that included a 14-hour filibuster effort, they fought and raged but were ultimately unsuccessful in their attempt to halt them. The knowledge that history will judge their actions kindly is cold comfort, indeed, and I know their disappointment and feeling of desolation well. The New South Wales laws are currently before the courts being challenged on their constitutional validity.

I thank the Knitting Nannas and the Environmental Defenders Office for their efforts to preserve our democratic freedoms of speech and assembly. A cohort of climate defenders from Rising Tide also faced court today, charged for briefly halting the passage of a train bearing coal that was destined to be burnt and would spew greenhouse gases into our atmosphere, inching us further towards climate annihilation. I thank those brave activists. They knowingly put themselves at risk of arrest, of being fined or imprisoned, fully aware that the risk to them, and to the rest of us, of continued inaction on the climate crisis is a far graver one. By disrupting a coal train, the Rising Tide group engaged in a classic act of peaceful protest, the kind of non-violent direct action that has been a critical component of the movements that have paved the way for so much social change over the decades.

This crackdown on protest is not unique to Australia. That playbook is being adhered to by governments captured by fossil fuel interests around the world. In the United Kingdom, protesters are facing increased jail sentences, and when they face the courts they are being gagged from even explaining their reasons for protesting, with activists charged with contempt of court for even mentioning the scientific realities of impending climate breakdown. In the Netherlands earlier this week 1,400 protesters were arrested for protesting government inaction to avert climate change. Trace the passage of these new laws, and of the criminalisation and over-policing of activism, and you will trace the corrosive influence of the fossil fuel industry. There is a term for this: It is called state capture. It is called crony capitalism, where craven politicians and political movements allow the wizened and bony hands of the fossil fuel powered elites to pull their strings. Protest is an essential corrector to the mistakes of governments. It is an essential part of any healthy democracy. It is the conscience of the people.

We have to continue to vigorously resist the authoritarian state-captured creep that is tearing down our fundamental rights, and we must continue to take the fight to those with the most to gain from quashing our freedoms, chief among them being the fossil fuel industry. It feels like we are on the back foot right now, but every day is a new chance to struggle and to win. We find ourselves with a new Government in this State and a new opportunity to right these wrongs. Just as New South Wales was the first to fall, setting off a cascade of repression around the country, there is still hope that a change of government could see a change of fortunes, not just here in New South Wales but in a wave across the continent. Every day is a chance to be better. I encourage everyone, particularly those in this place, to seize that opportunity and actually stand for something bigger than themselves.

### WESTERN NEW SOUTH WALES CRIME

**The Hon. STEPHEN LAWRENCE (20:56):** My adjournment speech is about crime in the Dubbo region and in western New South Wales generally. In my time involved in local government in the Dubbo region, and now in State Government, it has been an issue of constant concern. I have worked closely on the issue in conjunction with my previous colleagues on Dubbo Regional Council and with Dugald Saunders, the member for Dubbo, since he has been in that position. Lately community concern has spiked and it is correct to say that crime in certain categories has also spiked. The expression of community concern started with a range of things occurring on social media. That, in part, was sparked by the fact that juvenile criminals were choosing to broadcast their activities on social media and in a corresponding way that accelerated community concern. It then reached the mainstream media and there has been a fair bit of coverage about crime rates.

In the Dubbo region we are very fortunate not to have high rates of violent crime in the public sense. For example, you are not at a greater risk of suffering a robbery in public, or anything of that nature. Tourists thinking about visiting Dubbo do not have to worry or be scared off by that. As a consequence of entrenched levels of social disadvantage, we suffer from elevated crime rates in certain areas, particularly what could be called low-level property crime and very high rates of domestic violence. In some categories, that is two to three times the State average and that is unfortunate. It spikes up and down.

The ABC recently chose to publish some statistics about property theft which showed, perhaps unsurprisingly, a low around 2010, 2011, then quite a high peak around 2016, which tracks with the ice epidemic that was occurring at that time. It shows from around 2020 a spike in property crimes in the Dubbo region, so that community concern is certainly very understandable. A councillor chose recently to take a motion to council to call a crime summit and bring State political leaders and so forth to Dubbo. That was not supported by the council at the end of the day. It chose to look more at a crime prevention strategy and so forth. I certainly do not criticise that decision.

In my previous term on council, we had a strong focus on securing for Dubbo a range of programs, including a Drug Court, a Youth Koori Court and a drug rehab centre, and we wanted a Justice Reinvestment project for Dubbo. We got the first three of those. I might have said this in my inaugural speech, but I commend Dugald Saunders for his hard work on those projects. It was very much a collaboration with the previous State Government. But the fourth of those things, the Justice Reinvestment project, is worthy of more scrutiny. I am sure members will have heard about the success of the Justice Reinvestment project in Bourke—the Maranguka project—in driving down crime rates. A crime summit or something of that nature in Dubbo would be or would have been a good opportunity to push that sort of thing. But I will continue in my capacity as an MP—and I know Dugald Saunders will too—to look closely at that to address issues of crime because, fundamentally, we need the policing services and that side of the equation to be taken care of.

Long-term strategic projects that tackle the underlying causes of crime have a meaningful impact and let young people live meaningful lives. Those projects include the Youth Koori Court, which has just got up and running in Dubbo and is incredibly exciting, and the drug rehab centre. We are having some issues around the location, but I am confident that will be built soon. It will help people and families to progress away from those

issues. The Drug Court, which has started its operations, will work in conjunction with the rehab centre. So there is certainly hope on the horizon for the beginning of those fundamentally important projects.

### TAX REFORM

**The Hon. CHRIS RATH (21:01):** The following words beckon for the defence of small-government policy and the free market. They are also the words chosen by my good friend Harry Stutchbury to explain the impetus for his new book, *Markets and Prosperity*, a collection of 17 essays from politicians, academics, business leaders and journalists:

It's not a good time to be an economic rationalist, a small-l liberal, a libertarian, a neo-liberal, a Keating-Labor technocrat, a classical liberal or a small-government conservative. The curves of history have shifted, temporarily at least, away from smaller government and incentive-based policy to paternalistic, economic virtue-signalling.

*Markets and Prosperity* is set to be launched on Thursday 15 June at the Centre for Independent Studies. I eagerly await being able to read the insights contained within, which reflect a variety of professional experiences and political beliefs. It will also be launched within the NSW Young Liberal movement on 23 June, organised by my fantastic staffer, Lachlan Clark. Engaging our future leaders with substantive ideas as opposed to populist rhetoric on the left or right is always for good governance of tomorrow.

I am fortunate enough to have been able to make my own contribution to the book, which focuses on the opportunity State governments have for productive and meaningful economic reform at this Parliament's level. I invite members, including the Treasurer—and certainly those other Ministers within the Labor Government—to read *Markets and Prosperity* in order to understand where they can leverage markets and incentives to solve our most acute problems. However, should members not have the time to read the text in its entirety, I will summarise my contributions for the benefit of the House.

I have submitted four ideas for discussion. First, as I said in my inaugural speech, I outline the necessity for and means by which we could phase out payroll tax. The 2010 Henry tax review commissioned by the Rudd Government identified payroll tax as the third most inefficient tax—not just in New South Wales, but of all taxes nationwide. The inefficiencies and market distortions caused by payroll tax are multifaceted and are often worsened by bandaids solutions. An example of this is the distortionary payroll tax threshold—tweaked slightly budget by budget—making businesses sit beneath the threshold amount to avoid the tax and causing an enormous deadweight loss across the economy. Removing payroll tax entirely will require either replacement by a more efficient tax or an extended phasing-out period, which I identified to be 20 years.

I discuss both options in detail within the book. The next proposal is similarly critical of the inequitable, volatile and inefficient tax of stamp duty, which we have heard a lot about today. It is particularly topical given the Government's abolition, as of today, of the First Home Buyer Choice policy. I cannot overstate how significant of a barrier stamp duty is for first home buyers. The ideal scenario for the abolition of stamp duty is to gradually increase the stamp duty free threshold, which can initially apply only to first home buyers, before extending it to all owner-occupied properties.

The approach of measured and steady change links to the third chapter, which is on refocusing and restraining expenditure. Much of refocusing expenditure links to my previously stated opposition to pork-barrelling and the need for taxpayer funds to be spent only on essential government functions. Restraint involves committing to a genuine effort to ensure expenditure growth does not outpace that of revenue. The Government must always maintain a triple-A credit rating to guarantee we are ready for crises such as the COVID-19 pandemic of the past few years. We have come out of the pandemic in a relatively secure position because of the strong financial management of the previous Liberal-Nationals Government, and restraining expenditure will ensure this security continues.

The final section looks at privatisation and asset recycling. Where appropriate, unlocking capital from selling or leasing one asset to fund other critical projects should not be shied away from. I emphasise, where appropriate; certain assets should remain within the remit of government. However, privatisation should not be discussed as an inherently evil concept. There are many historical examples where privatisation has allowed us to build new productive infrastructure. These are simply my own thoughts within one section of the book. Finally, I give a shout-out to my super smart staffer, Cooper Gannon, for helping along the way.

### CLIMATE CHANGE

**Ms SUE HIGGINSON (21:06):** Last week record high sea surface temperatures, record high global air temperatures and record low global sea ice extent were all recorded on the same day. This week the South Australian Government spent 14 hours debating Labor's draconian new anti-protest laws aimed at cracking down on young people fighting for their future. I commend my Green colleagues in that place for their fierce resistance and their work to try to prevent South Australia from becoming the next State to fall in the cascade of States that



have introduced anti-protest laws. Unfortunately, as happened here in New South Wales, the laws were pushed through.

Young people across the world, in this country and this State have taken to the streets, the bridges, the ports, the waters and the trees calling for their governments to take action on climate change and end the destruction of our planet through extracting, exporting and burning fossil fuels and logging our precious native forests, sending us deeper and deeper into the climate crisis. Yet, instead of heeding their calls to take strong action against climate change, the people making the decisions to send us down this path—many of the people in this place and other parliaments across the country—are taking dangerous steps to silence dissent. It is absolutely time to stop the nonsense. The best way to prevent climate activists from blocking traffic on the Sydney Harbour Bridge or from blockading coal trains into the Port of Newcastle is to take action on climate change. We do not need to pass draconian laws that violate our civil rights. We need to end coal and gas, end native forest logging, engage in earth repair and prepare our communities and infrastructure for increasing temperatures and climate-induced disasters. And we need to work with our neighbours to do the same.

In Newcastle last month brave activists from the movement Rising Tide climbed aboard and surrounded a coal train of 100 carriages full to the brim with coal. As the sun rose on 16 April, the train was halted and held up for five hours. One by one, police officers arrested activists young and old and, eventually, the coal operation continued. Every year over 130 million tonnes of coal travel out of the Port of Newcastle to fuel the climate crisis. Among those Rising Tide activists were amazing young Greens members Taylor Vandijk and Cooper Riach, who faced court today. They received convictions and excessive fines under the laws that protect the interests of fossil fuel companies over their rights, as young people in this State, to live in a safe climate. They will appeal and justice will eventually prevail, but what an absurd, disproportionate and costly response.

In contrast, fossil fuel giant Santos is bullying landholders across the most important agricultural land in the State. It is literally threatening farmers who do not want the Hunter Gas Pipeline to cut through their land. It is a pipeline that will facilitate the destruction of the Pilliga and the Liverpool Plains for gas extraction that will fuel the climate crisis. But Santos is threatening that if landholders do not say yes, it will exercise its legal right under an authority provided by this State to force its way onto their land. Santos gets the State-sanctioned legal protection to bully farmers, invade their lands, destroy the Pilliga, threaten our water and food security and cook the planet, while young people who wish to protect their futures and the planet, who peacefully protest or engage in acts of non-violent civil disobedience are being punished, fined and sent to prison.

It is time for members in this place to stop this nonsense and the attack on young people who are begging us to use our power and privilege in this place to take real action on climate change. Young people like Cooper and Taylor, who live with the honest and real fear about their future and this beautiful blue-green planet and have the courage to take a stand, need and deserve our support and work. Taylor and Cooper are part of the incredible and growing movement working to see an end to coal and gas in this State by 2030, and the end of logging across our public native forest estate as soon as possible and begin the repair. Today, like every day, I salute the courage of the activists, protesters and those who have the courage to engage in acts of non-violent civil disobedience. I am absolutely committed to using my position in this place to repeal the anti-protest laws that have been passed over the past 12 years in this place, enshrine the right to protest in our law and ensure that no person in this State ever goes to prison for engaging in an act of non-violent civil disobedience as part of a genuine protest. That is what a mature democracy demands, and that is what a mature democracy needs.

#### **MOSAIC BRANDS LIMITED**

**The Hon. Dr SARAH KAINE (21:11):** Prior to joining this place, I was an executive at the NSW Employee Relations Inspectorate in the Department of Premier and Cabinet. For those who may not be aware, the NSW Employee Relations Inspectorate enforces New South Wales industrial relations regulation and promotes a culture of compliance in local government, transport and private sector workplaces. This includes compliance with the Long Service Leave Act 1955, Local Government (State) Award 2020 and various transport industry determinations. The inspectorate engages in a range of tasks to ensure that workers within the New South Wales jurisdiction have access to information and education services about industrial regulation in New South Wales and can lodge individual complaints when employers are not compliant with those regulations. The inspectorate also contains the strategic investigation team, which utilises a strategic enforcement model to proactively identify and audit organisations.

Today I recognise the hard work of the public servants at the Employee Relations Inspectorate and congratulate them on the result of their recent prosecution of Australia's largest specialty fashion group, Mosaic Brands Limited. The Mosaic Group includes well-known brands such as Millers, Noni B, Rivers, Katies and Rockmans, and has 1,110 stores nationally. Mosaic pled guilty to underpaying 223 of its workers across 324 offences and has been issued with a \$29,000 fine. This prosecution is the largest number of offences prosecuted simultaneously in New South Wales for long service leave underpayments. It is also a record penalty

for the inspectorate. I echo Minister Cotsis' statement that the New South Wales Government is committed to standing up for workers and investigating businesses that are short-changing their staff.

This result is fantastic, but what we often fail to recognise and hear about in these results is the amount of work that has gone into this from our public servants to secure the result. This prosecution is the result of hundreds of hours of work by multiple inspectors. From calculations to communications, it is quite difficult to grasp the work that was put in to ensure this outcome. Today I acknowledge my former colleagues, the public servants who are committed to service of people of New South Wales and who put in hours of work to ensure that this outcome was delivered. Thanks to their hard work and dedication, 223 low-paid mainly women workers have had their entitlements recovered. Mosaic has committed to conducting a full audit, which should ensure that no other workers across its brands have been underpaid.

While I am proud of what the team has achieved, I take a moment to consider the penalty amount. While \$29,000 is a record penalty, one must consider its ability to act as a deterrent to a company whose revenue in the last financial year was nearly \$620 million. That is not a comment about the judge's decision but rather about the maximum penalty amounts for wage theft in this State. We must not forget that incorrect payments of long service leave are indeed a form of wage theft.

In New South Wales the maximum penalty for an offence under the Long Service Leave Act is 20 penalty units, which, with the current penalty unit of \$110, is \$2,200. Comparatively, in Victoria an offence under the Victorian Long Service Leave Act carries a maximum of 60 penalty units for a body corporate, which is approximately \$11,000 at the current penalty unit rate. In Victoria the penalties also apply for every day during which the offence continues, which can lead to a significant penalty. Given the results of the Mosaic case, it is time we consider whether our penalties under the Long Service Leave Act are proportionate and appropriate, particularly for large corporations, and whether they truly serve their purpose as a deterrent to committing wage theft against the workers of New South Wales.

**The PRESIDENT:** The question is that this House do now adjourn.

**Motion agreed to.**

**The House adjourned at 21:15 until Tuesday 20 June 2023 at 12:30.**