

**First Reading**

**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [11.15 a.m.]: I move:

That leave be given to bring in the bill.

**The House divided.**

**Ayes, 21**

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

**Noes, 18**

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

**Pair**

Ms Cusack	Mr Moselmane
-----------	--------------

**Question resolved in the affirmative.**

**Motion agreed to.**

**Leave granted.**

**Bill introduced.**

**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [11.24 a.m.]: I move:

That this bill be now read a first time and printed.

**Division called for and Standing Order 114 (4) applied.**

**The House divided.**

**Ayes, 21**

Mr Ajaka	Mr Gay	Reverend Nile
Mr Blair	Mr Green	Mrs Pavey
Mr Borsak	Mr Khan	Mr Pearce
Mr Brown	Mr Lynn	
Mr Clarke	Mr MacDonald	

Ms Ficarra Mr Gallacher Miss Gardiner	Mrs Maclaren-Jones Mr Mason-Cox Mrs Mitchell	<i>Tellers,</i> Mr Colless Dr Phelps
---	--	--

**Noes, 18**

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

**Pair**

Ms Cusack	Mr Moselmane
-----------	--------------

**Question resolved in the affirmative.**

**Motion agreed to.**

**Bill read a first time and ordered to be printed.**

**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [11.27 a.m.]: According to sessional orders for the cut-off date for government bills, I declare the bill to be considered an urgent bill. This matter is urgent for a number of reasons. It is urgent legislation that will provide the right support for officers to return to work, will ensure that the community is protected and will establish a scheme that is sustainable. More broadly, this matter is urgent when we consider the scheme's impact on the NSW Police Force's operational strength and when we consider the impact of the current scheme on injured officers, many of whom are being hurt not helped by the current scheme. This matter is urgent because the costs of the scheme are simply unsustainable and are hurting front-line police.

The legislation is urgent because we want to see police supported so they can remain in their jobs and return to work after they are injured. If this legislation is delayed until the next parliamentary session we can expect to see a significant increase in the number of officers on long-term sick leave over the next three months. I could try to predict the number of additional officers who might go on sick leave in the next three months—one estimate is an extra 110 officers—but whatever the number, it is too many and unnecessary. I am advised that 1,135 officers were on long-term sick leave in 2010-11—a 150 per cent increase since 2005-06 when the Police Death and Disability Scheme was first introduced. To continue to allow police officers to go on long-term sick leave without support is not beneficial to those officers, their families or front-line police. This matter cannot wait another three months because this scheme is hurting the Police Force, the front line and individual officers.

I am advised that 600 to 800 officers of the NSW Police Force are on long-term sick leave—an increase of more than 500 since the introduction of the scheme. But those statistics do not convey what I hear from officers on the ground. They say that the scheme is killing morale amongst our officers on the front line. It is dividing officers between those who stick with the job and those who are seen to take the money and go. The popular mythology that these

injured officers are leaving with fat compensation cheques and walking into high-paying jobs the next day could not be further from the truth. It is our duty to ensure that these officers are rehabilitated and are able to return to meaningful, gainful employment either within the Police Force or outside it. Figures provided by the NSW Police Force suggest that only 2 per cent of officers discharged under the scheme as at May 2011 are back to work without the assistance of government benefits. A massive 85 per cent of officers discharged under the scheme are not working at all and are reliant on government benefits. As a Parliament this is not an outcome that we should want for our individual police.

This scheme should not be allowed to continue unchecked. A few years ago many officers were part of a police force that could rightly stand as the best trained, fittest and the most ethical in the nation. But the continuation of this scheme has made far too many officers unemployable. In essence, this scheme merely offers a big cheque to injured officers so that they go away. This scheme has no regard for their future wellbeing or health. We cannot be proud of this scheme. It places immense strain on the personal relationships of injured officers. Many of them have psychological problems and may not be competent to manage their money. They are unable to find a job. They are dependent on welfare and have little hope for the future. We cannot allow this situation to stand for another three months.

I will address the costs of the scheme. This matter is urgent because, as members would have read or been briefed, the scheme is projected to cost \$2.5 billion more over four years than was committed to by the former Government. Members may also be aware that Treasury has projected additional workers compensation costs associated with the scheme have been estimated at \$1.9 billion over four years. This is a \$4.4 billion liability that needs to be addressed as soon as possible. Some members might say that if it is going to cost such an astronomical amount over the next four years then surely a few extra months cannot hurt. Those members are totally wrong. Including the flow-on cost to the workers compensation scheme, I am advised that the scheme costs \$15 million a week—or \$12.5 million more than it should. If we wait until the next parliamentary session to consider this legislation we face a further three or four months of expenditure on a scheme that is failing our police. An extra three months at \$1.25 million a week is an extra \$150 million on a scheme that does not work.

I would like to be able to say that this is \$150 million that could be spent on schools, nurses, transport or even extra police. Unfortunately, that is not true because it is \$150 million that the State does not have and cannot afford. This is \$150 million that will otherwise be added to the budget black hole that this Government inherited from those opposite. This is an extra \$150 million in three months on a scheme that simply does not work and is hurting the force and our injured police officers. This matter is urgent because let us not forget that while this Government has promised the Police Force it will meet the cost overruns in the death and disability scheme, the Police Force budget cannot be totally isolated. Costs for workers compensation top-up, overtime and higher duties allowances for officers who fill in for other officers on long-term sick leave come directly out of the Police Force budget. Frankly, we should spend this money on proactive front-line policing and not on plugging holes in rosters. This money and the front-line policing it could support are especially important considering that we are approaching the Police Force's busiest time of the year—the summer months, and especially Christmas and New Year.

Some members might suggest that if we delayed the bill for three months we could spend the time holding further consultations with the Police Association. As I informed the House yesterday, extensive discussions have been had with the association. The negotiating committee met for the first time on 27 July 2011 and I am advised that the committee has met

seven times. The last meeting was on 2 October 2011. Indeed, since the Treasurer delivered his Budget Speech and declared that the Government expected the reforms to be completed by the end of the year, the association should have been clear about the timetable we were working within. I acknowledge the willingness of the association to participate in talks with the Government about possible reforms to the new scheme. However, it should also be acknowledged that the association's pre-election submission presented to the Opposition and to the Government clearly stated that it would not negotiate on benefit levels. The association canvassed changing one of the lump sum benefits to an annuity, but its principal solution was for the Government to throw more money at the problem. We could discuss this matter for another three months, but I am convinced the association will be unable to support these necessary reforms given its public statement on scheme design.

The Liberal-Nationals Government remains committed to maintaining a death and disability insurance scheme for our police officers and their families, but any scheme must be financially and operationally sustainable. Obviously we have not been able to reach agreement with the association on the terms of a reform scheme but we are committed to reform—something the last Government did not have the guts to do. The inability of those opposite to address this issue has come at a great cost to our State, our Police Force and our injured officers. This bill should be declared urgent in order to prevent further costs to police and to our injured police officers.

**The Hon. STEVE WHAN** [11.37 a.m.]: The Opposition strongly opposes the motion to declare the Police Amendment (Death and Disability) Bill 2011 urgent. We will not stand by and allow this Government to ram through legislation that will deprive injured police officers of the benefits they have had in previous years. This Government has acknowledged that it refuses to continue to consult with the Police Association. It is clear from what the Minister has said that this is because the Police Association will not bend to the Government's will. The Police Association is perfectly within its rights—

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

**The Hon. Duncan Gay:** Point of order: The point of this contribution is to establish urgency; it is not open slather for making political points against the Government. I request that you draw the Hon. Steve Whan back to the leave of the motion.

**The PRESIDENT:** Order! There is no point of order. The Hon. Steve Whan has the call.

**The Hon. STEVE WHAN:** The Government has introduced this bill in haste. Government members have been in office for eight months yet they have introduced this bill—a bill unseen by the Opposition and the Police Association until now—with only seven sitting days remaining in this parliamentary session. They are seeking to ram it through in this session of Parliament. This is far too serious a matter with far too serious an impact on police officers' lives and their capacity to be rehabilitated if they are injured at work for the Government to ram the bill through in this hasty manner. It is an outrageous breach of the trust that many police put in this Government at the last election. Before the election Barry O'Farrell went to the Police Association conference but he did not stand up and tell them that he was going to bring in legislation like this. He did not tell them that he was going to attack the rights and benefits available to members of the Police Force and he certainly did not tell them in the months since what was going to happen.

This legislation has been floated by the Government in the past few days with no notice to the association. It is simply hypocritical of the Minister to say that he has had extensive

discussions with the Police Association and then tell us he has decided to bring on the legislation now and not wait because it was clear that the association was not going to negotiate on benefit levels. I admire the Police Association for standing up for its members; that is its job. It is this Government's job to respect the work of the police and make sure they can continue to do it with security. Over the past few days we have all started to receive emails from concerned police. Detective Senior Constable Jill Harvey has emailed many of us about the reduction in protection and the abolition of assistance for partially disabled police officers.

Many of us have received an email from the wife of a police officer in Nowra who described her reaction to this Government's actions as "disappointed, bewildered and let down". She has been let down by a police Minister who, amazingly, used to be a police officer. It is a sellout of the police he used to work with. At very short notice, members of the Police Association are in the public gallery today. They have expressed their dismay at this Minister's action. In some of the briefing material they have said there is no evidence of any abuse of the death and disability scheme. The Commissioner of Police personally signs off on all medical discharges. The association said:

The Parsons Review commissioned by the current Police Minister specifically looked at injury management. Part of this review saw Assistant Commissioner Peter Gallagher undertake a specific analysis of over 700 medical discharge files and he concluded that there was no evidence whatsoever of any systemic rotting of the D & D scheme. The Commissioner is publicly stating this fact.

The Leader of the House is busy interjecting and trying to slow things down. Obviously he did not listen to his Minister when for most of his 10-minute speech he canvassed the history of this scheme, applying his and the Government's spin. The simple reality is that this is an outrageous act by a government that wants to get away with reducing the benefits for police and with slamming the people that it was more than happy to visit before the election to get their votes and tell them it would be a government that served police properly. Every single member opposite should be embarrassed about this legislation. They have sold out the people they claimed to represent when they came in here. They have sold out the police. It is an outrage that the Government is doing it in this way.

**The Hon. Duncan Gay:** Point of order: As interesting as this tirade is, it has absolutely nothing to do with whether the House grants urgency. I request that you draw the member back to the leave of the debate.

**The Hon. STEVE WHAN:** To the point of order: For the vast majority of his speech the Minister talked about the details of the scheme and the bill, which is exactly what I am doing.

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

**The Hon. STEVE WHAN:** Ministers opposite do not want to hear this. They want to ram the legislation through this place in the seven remaining sitting days of this session of Parliament because they do not want to face a campaign by police officers around this State. They are scared of the emails that are going to come in because they and backbench members are embarrassed—

**The Hon. Charlie Lynn:** Bring it on.

**The Hon. STEVE WHAN:** I acknowledge the Hon. Charlie Lynn's interjection. He does not

mind if the police do not like him. We will not agree to ram through this piece of legislation of which members have had 10 minutes notice. The shadow Minister was briefed just 10 minutes ago by the Minister's office, who led him to believe the Minister would give his second reading speech and adjourn debate on the bill until next session when in fact we have heard from the Minister that he wants to ram it through before Christmas because Treasury is telling him it wants the money back. This side of politics is not willing to put police officers' benefits and future welfare at risk to satisfy this Government's haste to try to recover money. It requires far more consideration than this Government is willing to give it. It is an outrage that members opposite who went around the countryside before the election telling police they were their friends are now ramming this bill through this place. Our side of politics is not willing to support this sort of move. The Police Association's advice is as follows:

Since 2005 almost 1200 police have been medically discharged because they have been assessed by independent medical practitioners (nominated by NSW Police) as so incapacitated that they cannot perform any duties whatsoever with NSW.

Those people who have been injured at work deserve to be able to live with a secure future. Clearly this Government is taking away the security that these people and their families felt they had under the legislation. If this Government were so confident that its changes would guarantee their security it would have no fear about the bill being scrutinised during the months this Parliament is in recess over Christmas. What we are seeing from this Government is simply a fear of scrutiny. Those opposite are rushing to get this bill through Parliament because they do not want to face up to the lobbying and the campaign that quite rightly will come from police in New South Wales and their union. They deserve to be able to stand up for their benefits.

The Government has been in office for eight months. This bill has been brought on with no notice, after the estimates hearings, because the Government does not believe it can stand up to scrutiny. The shadow Minister has had about 10 minutes notice of the bill. Around New South Wales the local area commands and police officers are expressing their displeasure. My understanding is that 17 commands have voted no confidence in this Minister who went to the electorate and told them he would be so good for police. They have no confidence in all those opposite who are willing to back unquestioningly this Minister who has sold out his former comrades in the Police Force. It is all very well to call me names from the other side of the Chamber but the fact is that police around the State are angry at the Government for trying to tear away their benefits. They should have every chance to express their displeasure. [*Time expired.*]

**The PRESIDENT:** Order! Under the sessional order relating to the cut-off date for Government bills a crossbench member may speak for not more than 10 minutes. However, I have been approached by two crossbench members asking that leave be granted to allow that 10 minutes to be divided in half so that each of those members may speak for five minutes. There being no objection, that is the course I will follow.

**The Hon. ROBERT BROWN** [11.48 a.m.]: The Shooters and Fishers Party supports the declaration of urgency. It is important that everybody, particularly people in the public gallery, understands what this is about. This Government does not have the ability to ram legislation through Parliament. It does not control this House. In voting to support urgency we do so for a couple of reasons. First, it enables the Minister to put his money where his mouth is. This is the Police Amendment (Death and Disability) Bill 2011; it has been tabled and we all have a copy—and I am sure a copy will be made available to people who have an interest in it. Secondly, it is in the interests of the debate and of any further negotiations that

the Minister be allowed to put on the record his second reading speech. Why? It is because more often than not a piece of legislation in its own right is just a précis. It is very legalistic. Yes, it has to be worked through and it may very well be amended. The Minister's second reading speech is equally important, as are the contributions of other members in debate.

We support urgency because we understand that after the second reading speech is delivered the Government will adjourn the debate. I am sure if the Government reneges on that commitment and does not adjourn the debate another member in this House will seek to do so, and we will support that motion. We support urgency because we believe it gets as much information out in the open as possible to allow this process to proceed. Whether the process takes two weeks or three months is really irrelevant to getting the information on the table. We support urgency.

**Mr DAVID SHOEBRIDGE** [11.50 a.m.]: I speak on behalf of The Greens against the Government's declaration of urgency. I acknowledge the position put by the Shooters and Fishers Party in relation to getting at least some further information from the Government on the record. I note also that there is no promise to the Government that this House will allow the legislation to proceed in the next seven sitting days. Indeed, the reason The Greens are primarily opposed to urgency is that the Government called off negotiations with the Police Association approximately a month before it then effectively sideswiped police in New South Wales by dealing a *fait accompli* in the form of this policy that we now see in statute, which will simply slash the benefits payable to injured police in this State. The Government argues that the bill should be declared urgent because it costs money to pay fair compensation to injured police in New South Wales. That is the reason for urgency: The Government has to keep paying police to compensate them for the very serious injuries they have suffered.

On any view, police in New South Wales do some of the toughest work possible and the great bulk of the economic cost that the Government says it wants to stop flows through to partially but permanently disabled police officers, 90 per cent of whom are suffering from a psychiatric injury so serious they can no longer do their job as a police officer and so serious that the force has not found alternative work for them although they have a right to such work. These officers are so psychologically injured that the Police Force cannot find work for them so they leave the police force. The Hon. Duncan Gay may not want to hear this, but on average the police who leave the force partially and permanently disabled because of psychiatric injuries have spent 15 years serving the people of New South Wales, doing some of the toughest work possible.

I think many of us have seen emails from serving police officers who are currently receiving disability benefits and who face having their lump sum payment reduced, according to one scenario offered by the Government, from \$570,000 to just \$70,000. They spent 15 years working for the people of New South Wales, suffered a serious psychiatric injury and they are going to receive nothing from this scheme in terms of death and disability payments. This is a serious issue facing those police officers, as we speak. Many of them are very distressed, particularly when they first found out about it not from the Minister or from their local area commands, but when the Government did a drop to the *Daily Telegraph*. That is how they found out about it. Those officers are on sick leave and they have no access to the Nemesis report that was put out by the commissioner. The first these people—90 per cent of whom are suffering psychiatric injury—found out about it was when they read about it in *Daily Telegraph* when the Government did a drop to that newspaper because it wanted to put its spin on this particularly vicious cut to fair compensation benefits to psychiatrically injured police.

There is no doubt the scheme requires review. The Police Association has been willing to talk with the Government and have a review to look at a way of making the scheme more financially sustainable while continuing to provide fair compensation benefits. The Police Amendment (Death and Disability) Bill 2011 is not urgent. This House should say to the Government here and now, "We're not going to entertain this bill now; come back to us in February after you have spent two months talking to the Police Association, talking to injured police and coming up with a fairer option." The fact that the Government cut off negotiations 30 days before it presented the bill to the House proves that it is not urgent. It proves that in fact this is about the Government trying to avoid scrutiny.

I have heard mention of 26 March. There was no reference to this sort of slash and burn during the election campaign, just as there was no mention of the slash and burn of other public servants' conditions in the campaign. What is urgent is the Government's need to avoid the continuing bad press. We know, and the people of New South Wales know, this is an ugly attack on fair compensation benefits for police. There are much fairer ways of reforming the system. The Police Association indicated that its door is open and it will continue speaking to the Government. But the Government shut the door in the face of the Police Association and wants to ram through this bill in the next weeks. It is not urgent; the only thing that is urgent is attempting to save the reputation of the Minister for Police and Emergency Services. The Government loves the police when it wants them to do additional work. But the Government does not love the police when it comes to paying them fair wages or fair compensation. The Government's so-called support for police is a one-sided coin.

**Question—That the bill be considered an urgent bill—put.**

**The House divided.**

**Ayes, 21**

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

**Noes, 18**

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

**Pair**

Ms Cusack	Mr Moselmane
-----------	--------------

**Question resolved in the affirmative.**

**Declaration of urgency agreed to.**

**Second Reading**



**The Hon. MICHAEL GALLACHER** (Minister for Police and Emergency Services, Minister for the Hunter, and Vice-President of the Executive Council) [12.02 p.m.]: I move:  
That this bill be now read a second time.

The Police Amendment (Death and Disability) Bill 2011 facilitates the reform of police death and disability entitlements, workers' compensation top-up arrangements and other reforms to injury management practices within the NSW Police Force. The death and disability scheme is having a significant impact on the front line, with between 600 and 800 officers currently on long-term sick leave. Since 2006-07, on average, medical discharges under the Death and Disability Scheme have increased by 79 per annum. Were this trend to continue, in five years time the rate of medical discharge would likely be 792 officers each year. The new arrangements contained in this bill will focus on getting police officers back to work to fix the operational impact and in turn reduce costs. The current scheme discourages officers from returning to work, by topping up salary and making death and disability benefits payable on medical discharge. Once discharged, injured officers receive no further support or assistance from the NSW Police Force.

Complementing changes to the scheme will be an injury management fund comprising \$15 million over three years. The fund will allow those injury management initiatives prioritised by the NSW Police Force to be trialled and evaluated over an initial three-year period. The costs of the NSW Police Force's death and disability and workers' compensation schemes are increasing at an unsustainable rate, and require urgent reform. In 2010-11 the death and disability scheme cost \$288 million—more than 10 times its anticipated cost in 2005. Workers' compensation costs for the NSW Police Force have increased by 742 per cent since 2005-06. Workers' compensation premiums for 2011-12 will cost \$273 million, plus a hindsight adjustment of \$190 million, totalling \$463 million. Death and disability costs are expected to increase to at least \$299 million in 2011-12. When added to \$463 million in workers' compensation costs, the scheme will cost \$762 million this year, which is approaching 50 per cent of New South Wales police salaries of \$1.574 billion.

NSW Treasury has projected that if the current death and disability scheme is not fixed, associated costs could grow to as much as \$4.4 billion over the next four years. The reforms proposed are expected to see the combined costs of death and disability and workers' compensation decrease to around \$200 million per annum, a reduction of \$560 million when compared to the level in 2011-12. I refer now to the details of the bill. Clause 1 of schedule 1 to the bill sets out amendments to the Police Act 1990, including a requirement that the NSW Police Force purchase approved death and disability insurance for police officers who are not otherwise covered by the now closed Police Superannuation Scheme—in other words, police officers employed post-1988. Proposed section 199D provides that the Minister for Police, with the concurrence of the Treasurer, can approve an insurance policy that provides death and disability benefits.

Under proposed section 199E, the Minister may not approve an insurance policy unless satisfied that the cost to the State will be approximately 4.6 per cent of police salaries. A regulation-making power also is included that gives capacity for changes to the State's investment if required. Any regulation made under this provision would be subject to the normal processes in relation to a disallowance motion by Parliament. In other words, we will not be subjected to allegations that things are being hidden if changes need to be made. Under proposed section 199F, police officers will continue to contribute 1.8 per cent of salary through salary sacrifice, or 0.88 per cent if retaining additional benefits cover under the now closed State Authorities Superannuation Fund.

At this point I pause to explain the detail of the insurance policy proposed to be endorsed under the terms of the bill. The insurance policy, offered by the insurance group called TAL, if approved, would provide the following on-duty benefits: a lump sum benefit payable if an officer dies—this amount is unchanged from existing death benefit; a lump sum benefit payable if an officer is totally and permanently disabled due to an injury—the scale of benefits has been reduced in line with that which is generally commercially available; an income protection benefit that begins after a six-months waiting period following injury, during which time an officer's salary is maintained at 100 per cent by the NSW Police Force. This will provide 75 per cent of salary for eight months, and 65 per cent of salary thereafter for the remainder of a five-year benefit period—that is, for 52 months. In the event of total and permanent disability, the insurance policy will pay both the lump sum benefit and the income protection benefit, which can be commuted to a lump sum at the insurer's discretion. Off duty benefits also apply.

Proposed section 199I of the Act will rescind the Crown Employees (Police Death and Disability Award) 2005. Under proposed section 199J the current unlimited award entitlements to workers' compensation top-up will be rescinded. Proposed section 199K ensures that the New South Wales Police Force will provide transitional coverage to officers during any period that an approved policy is not in force. The transitional coverage will be equivalent to payments made to officers covered by the approved policy.

A regulation-making power under proposed section 199G covers provisions that may or may not be included in an approved insurance policy, participation in injury management initiatives and other transitional provisions. Ongoing reviews of the costs of the scheme and for the Auditor-General to undertake a performance audit within 12 months of the new arrangements are also provided for under proposed sections 199L and 199M. I believe this will be a valuable review for police, this Parliament and the community in ascertaining the impact of the changes on the long-term sustainability of the scheme. We have included this provision at the suggestion of Reverend the Hon. Fred Nile, who raised it during discussions. I thank him for that.

Under schedule 2 of the bill a number of amendments will be made to the Police Regulation 2008. Current workers' compensation top-up entitlements will be restricted to a maximum period of six months. After this time, it is proposed that income protection benefits will apply. Schedule 3 of the bill establishes a framework under the State Authorities Superannuation Act 1987 for regulations allowing officers to relinquish their additional benefits cover, which provides death and total disability cover, and to be covered by the new scheme. Schedule 4 of the bill contains amendments to the Industrial Relations Act 1996 to prevent the Industrial Relations Commission from dealing with future death and disability and workers' compensation top-up matters.

As a new entitlement to death and disability will be provided for via legislation, the jurisdiction of the Industrial Relations Commission is unnecessary and potentially could undermine the basis of the proposed insurance cover. Further, under the terms of schedule 4, any purported savings from the reforms cannot be considered an employee-related cost saving for salary increases. It may be noted that the Government is proposing to invest the equivalent of an additional 1 per cent of salaries into the new scheme. That equates to an additional \$10 million per year that the Government is putting into the scheme in addition to the \$15 million over the next three years for injury management.

Schedule 4 also makes ancillary amendments to the Industrial Relations Commission's jurisdiction to deal with unfair contracts claims. If passed, the Act will commence on

proclamation, which will be timed to occur concurrently with the approval of an insurance policy. Reforms to the current death and disability scheme are long overdue. This bill will not only help bring the costs of the current scheme down to sustainable levels but will also help fix a scheme that is not working and not doing enough for injured police officers in New South Wales. I commend the bill to the House.

**Debate adjourned on motion by the Hon. Rick Colless and set down as an order of the day for a future day.**