

General Purpose Standing Committee No. 1

Budget Estimates 2012-2013

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Terms of reference

1. That upon tabling, the Budget Estimates and related papers for the financial year 2012-2013 presenting the amounts to be appropriated from the Consolidated Fund be referred to the General Purpose Standing Committees for inquiry and report.
2. That the initial hearings be scheduled as follows:

Day One: Monday 8 October 2012

GPSC1 Finance and Services, The Illawarra	9.00 am – 1.00 pm
GPSC2 Ageing, Disability Services	9.00 am – 11.00 am
GPSC5 Primary Industries, Small Business	10.00 am – 1.00 pm
GPSC2 Health, Medical Research	2.00 pm – 6.00 pm
GPSC1 Planning and Infrastructure	3.45 pm – 6.00 pm

Day Two: Tuesday 9 October 2012

GPSC1 Treasury, Industrial Relations	9.00 am – 1.00 pm
GPSC3 Trade and Investment, Regional Infrastructure and Services	9.00 am – 12.00 pm
GPSC3 The Legislature	12.15 pm – 1.00 pm
GPSC1 Premier, Western Sydney	2.00 pm – 6.00 pm
GPSC3 Transport	2.00 pm – 6.00 pm

Day Three: Wednesday 10 October 2012

GPSC2 Citizenship and Communities, Aboriginal Affairs	9.00 am – 10.30 am
GPSC2 Mental Health, Healthy Lifestyles, Western NSW	10.45 am – 12.00 pm
GPSC2 Sport and Recreation	12.15 pm – 1.00 pm
GPSC2 Education	2.00 pm – 6.00 pm
GPSC4 Attorney General, Justice	2.00 pm – 6.00 pm

Day Four: Thursday 11 October 2012

GPSC5 The Environment, Heritage	9.00 am – 1.00 pm
GPSC4 Police and Emergency Services, The Hunter	2.00 pm – 6.00 pm
GPSC5 Local Government, The North Coast	2.00 pm – 3.30 pm
GPSC5 Fair Trading	3.45 pm – 5.45 pm

Day Five: Friday 12 October 2012

GPSC5 Resources and Energy, Special Minister of State, The Central Coast	9.00 am – 1.00 pm
GPSC3 Tourism, Major Events, Hospitality and Racing, The Arts	9.00 am – 1.00 pm

GPSC2 Family and Community Services, Women	2.00 pm – 5.00 pm
GPSC3 Roads and Ports	2.00 pm – 6.00 pm

3. That an initial round of supplementary hearings be scheduled as follows:

Day One: Monday 26 November 2012

GPSC1
GPSC2

Day Two: Tuesday 27 November 2012

GPSC1
GPSC3

Day Three: Wednesday 28 November 2012

GPSC4
GPSC2

Day Four: Thursday 29 November 2012

GPSC4
GPSC5

Day Five: Friday 30 November 2012

GPSC5
GPSC3

4. That each scheduled day for the initial round of hearings will begin at 9.00 am and conclude by 6.00 pm.
5. The committees must hear evidence in public.
6. The committees may ask for explanations from Ministers in the House, or officers of departments, statutory bodies or corporations, relating to the items of proposed expenditure.
7. There is no provision under this resolution for a Minister to make an opening statement before the committee commences questions.
8. A daily Hansard record is to be published as soon as practicable after each day's proceedings.
9. The committees are to present a final report to the House by the last sitting day of the first sitting week in February 2013.
10. Members may lodge questions on notice with the Clerk to the committee during a Budget Estimates hearing and up to two days following.
11. All answers to questions taken on notice during the hearing, and questions on notice lodged up to two days following the hearing, must be provided within 21 days, or as otherwise determined by the committee.

These terms of reference were referred to the Committee by the House on 15 March 2012, see *LC Minutes* (15/3/2012) 819, Item 19; amended by *LC Minutes* (19/09/2012) 1247, Item 8.

Committee membership

Revd the Hon Fred Nile MLC	Christian Democratic Party	<i>Chair</i>
The Hon Melinda Pavey MLC	The Nationals	<i>Deputy Chair</i>
The Hon Catherine Cusack MLC	Liberal Party	
Dr John Kaye MLC	The Greens	
The Hon Matthew Mason-Cox MLC	Liberal Party	
The Hon Walt Secord MLC	Australian Labor Party	
The Hon Mick Veitch MLC	Australian Labor Party	

Non-substantive members who attended the hearings

The Hon Sophie Cotsis MLC	Australian Labor Party
The Hon Greg Donnelly MLC	Australian Labor Party
The Hon Luke Foley MLC	Australian Labor Party
The Hon Shaoquett Moselmane MLC	Australian Labor Party
The Hon Peter Primrose MLC	Australian Labor Party
The Hon Adam Searle MLC	Australian Labor Party
Mr David Shoebridge MLC	The Greens

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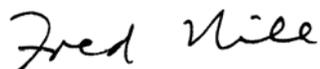
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Chair's foreword

I am pleased to present this report on the Inquiry into Budget Estimates 2012-2013. This annual Inquiry ensures parliamentary oversight of the Budget Estimates, and provides an important mechanism for the accountability of the executive government to the Council.

During the week of 8-12 October 2012 the committee held four hearings, receiving fourteen hours of evidence, to examine the portfolio areas of: Finance and Services, The Illawarra; Planning and Infrastructure; Treasury, Industrial Relations and Premier, Western Sydney. A supplementary hearing for the Treasury portfolio was held on Monday 26 November 2012.

On behalf of the Committee, I would like to thank the Ministers and their officers who assisted the Committee during this important Inquiry. I am grateful to my fellow committee members and the Secretariat staff for their contributions to the Inquiry process.



Revd the Hon Fred Nile MLC
Chairman

Chapter 1 Introduction

Referral of the 2012-2013 Budget Estimates

- 1.1 On 15 March 2012, the Legislative Council resolved that 'the Budget Estimates and related papers for the financial year 2012-2013 presenting the amounts to be appropriated from the Consolidated Fund be referred to the General Purpose Standing Committees for inquiry and report.'¹
- 1.2 Each Committee was required to examine the Budget Estimates for the relevant portfolios and report to the house by the last sitting day of the first sitting week in February 2013.

Hearings

- 1.3 The Committee held five public hearings as follows:
- Monday 8 October 2012 – Finance and Services, The Illawarra
 - Monday 8 October 2012 – Planning and Infrastructure
 - Tuesday 9 October 2012 – Treasury, Industrial Relations
 - Tuesday 9 October 2012 – Premier, Western Sydney
 - Monday 26 November – Treasury (*supplementary hearing*).
- 1.4 A brief summary of the key issues raised during the hearings is contained in Chapter 2.

Transcripts

- 1.5 Transcripts of the hearings are available on the Committee's web page at: www.parliament.nsw.gov.au/gpsc1.

Questions on notice

- 1.6 Questions taken on notice, and the answers to these questions, are also available on the Committee's web page.

¹ *LC Minutes* (15/03/2012) 819, Item 19; as amended by *LC Minutes* (19/09/2012) 1247, Item 8.

Chapter 2 Issues raised during hearings

This Chapter provides a brief summary by portfolio of the key issues raised during the hearings.

Finance and Services, The Illawarra

2.1 A hearing examining the portfolios of Finance and Services, and The Illawarra was held on Monday 8 October 2012. Issues raised during the Committee's examination of Finance and Services include:

- Sydney Water: projected capital expenditure, water meter replacement program and estimated bills for Sydney Water customers
- Hunter Water and future capital and infrastructure needs in the Hunter region
- Maintenance and development of housing
- Impact of recent amendments to workers compensation legislation.

2.2 Issues raised during the Committee's examination of The Illawarra include:

- Long term lease of Port Kembla facilities
- \$100m investment in Illawarra region, under the guidance of Infrastructure NSW
- Public housing in Bomaderry, Warrawong, and Claymore.

Planning and Infrastructure

2.3 A hearing examining the portfolios of Planning and Infrastructure was held on Monday 8 October 2012. Issues raised include:

- Infrastructure NSW and public transport
- Strategic Regional Land Use Policy
- Local council involvement in development and planning
- A New Planning System for NSW green paper
- Development reform, especially the interaction between enterprise zones and local environment plans.

Treasury, Industrial Relations

2.4 A hearing examining the portfolios of Treasury and Industrial Relations was held on Tuesday 9 October 2012. Issues raised during the Committee's examination of the Treasury portfolio include:

- Restart NSW: windfall revenues, long-term lease of the Sydney Desalination Plant, and Waratah Bonds
- Distribution of GST revenue to NSW by the Commonwealth
- Appointment of the Chair of Networks NSW

- Cobbora coal mine
- Electricity transactions
- Financial measures including reform of taxes and improving fiscal effectiveness across the NSW Government.

Issues raised during the Committee's examination of the Industrial Relations portfolio include:

- Negotiations with public sector employees and the Public Service Association
- Funding wage increases for community sector workers
- Work undertaken by the NSW Office of Industrial Relations
- Leave for victims of domestic violence.

The Premier, Western Sydney

2.5 A hearing examining the portfolios of Premier, and Western Sydney was held on Tuesday 9 October 2012. Issues raised include:

- The State's financial position
- Redevelopment of Barangaroo
- Investment in Western Sydney, including widening the M5, WestConnex, and the north-west and south-west rail projects
- Dividends from electricity companies
- The State's housing market and strategies to open additional land and stimulate investment
- Shooting in national parks
- Mr Roger Massy-Greene's appointment as Chairman of Networks NSW
- The report into Strike Force Emblems.

Supplementary hearing – Treasury

2.6 A supplementary hearing into the Treasury portfolio was held on Monday 26 November 2012. The following issues were raised:

- NSW Auditor General's Financial Audit into the Budget Papers
- The number, and nature, of accounting errors that resulted in a \$1 billion improvement to the Budget bottom line
- The role played by the Auditor General in preparing state audits
- Networks NSW, including appointments to the board and executive remuneration
- The development of Barangaroo, especially Crown Ltd's proposal
- The closure of the Cronulla Fisheries Centre of Excellence

- Investment strategies undertaken by NSW, including TCorp's investment in tobacco assets.

Appendix 1 Witnesses

1. Finance and Services, The Illawarra – Monday 8 October 2012

Name	Position and organisation
The Hon. Greg Pearce MLC	Minister for Finance and Services, Minister for The Illawarra
Mr Michael Coutts-Trotter	Director General, Department of Finance and Services

2. Planning and Infrastructure – Monday 8 October 2012

Name	Position and organisation
The Hon. Brad Hazzard MP	Minister for Planning and Infrastructure
Mr Sam Haddad	Director General, Department of Planning and Infrastructure
Mr Richard Pearson	Deputy Director General, Department of Planning and Infrastructure

3. Treasury, Industrial Relations – Tuesday 9 October 2012

Name	Position and organisation
The Hon. Mike Baird MP	Treasurer, Minister for Industrial Relations
Mr Philip Gaetjens	Secretary, NSW Treasury
Mr Mark Ronsisvalle	Deputy Secretary, Budget and Financial Management Directorate, NSW Treasury
Mr Timothy Spencer	Deputy Secretary, Commercial Policy and Financing Directorate, NSW Treasury
Mr Matthew Roberts	Deputy Secretary, Economic, Environment and Communities, NSW Treasury
Dr Caralee McLeish	Deputy Secretary, Human and Social Directorate, NSW Treasury
Mr Kevin Cosgriff	Deputy Secretary, Fiscal and Economic Directorate, NSW Treasury
Ms Vicki Telfer	Executive Director, NSW Industrial Relations, NSW Treasury

4. Premier, Western Sydney – Tuesday 9 October 2012

Name	Position and organisation
The Hon. Barry O'Farrell MP	Premier, Minister for Western Sydney
Mr Chris Eccles	Director General, Department of Premier and Cabinet
Mr Paul Broad	Chief Executive Officer, Infrastructure NSW
Mr Graeme Head	NSW Public Service Commissioner

5. Treasury – Monday 26 November 2012

Name	Position and organisation
The Hon. Mike Baird MP	Treasurer, Minister for Industrial Relations
Mr Philip Gaetjens	Secretary, NSW Treasury
Mr Mark Ronsisvalle	Deputy Secretary, Budget and Financial Management Directorate, NSW Treasury
Mr Timothy Spencer	Deputy Secretary, Commercial Policy and Financing Directorate, NSW Treasury
Mr Matthew Roberts	Deputy Secretary, Economic, Environment and Communities, NSW Treasury
Dr Caralee McLiesh	Deputy Secretary, Human and Social Directorate, NSW Treasury
Mr Kevin Cosgriff	Deputy Secretary, Fiscal and Economic Directorate, NSW Treasury

Appendix 2 Tabled documents

Tuesday 9 October 2012

- 1 Disclosure of political donations and electoral expenditure for a political donor, Eureka Capital Partners Pty Limited, 2010/11, tendered by the Hon Greg Donnelly.
- 2 Disclosure of political donations and electoral expenditure for a political donor, Roger Massy-Greene, 2010/11, tendered by the Hon Greg Donnelly.
- 3 Disclosure of political donations and electoral expenditure for a political donor, Eureka Capital Partners Pty Limited, 2009, tendered by the Hon Greg Donnelly.
- 4 Disclosure of political donations and electoral expenditure for a political donor, Roger Massy-Greene, 2009, tendered by the Hon Greg Donnelly.
- 5 Media release, Premier of NSW, dated Tuesday 9 October 2012, *Government to sell excess property to unlock new housing*, tendered by the Hon Barry O'Farrell MP.
- 6 Media release, NSW Ombudsman, dated Monday 8 October 2012, announcing an inquiry into allegations of improper and/or unlawful conduct by officers involved in Operations Mascot and Florida, and associated matters, tendered by the Hon Barry O'Farrell MP.

Appendix 3 Minutes

Minutes No. 12

Tuesday 18 September 2012

General Purpose Standing Committee No 1

Members Lounge, Parliament House, Sydney, 1.00 pm

1. Members present

Revd Nile (*Chair*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack

Dr Kaye

Mr Mason-Cox

Mr Secord

Mr Veitch

2. Draft minutes

Resolved, on the motion of Ms Cusack: That Draft Minutes No 11 be confirmed.

3. Inquiry into Budget Estimates 2012-2013

The Committee noted the following items of correspondence sent:

3.1 Correspondence

Sent

- 9 August 2011 – From Director, Committees to Minister Pearce, Minister for Finance and Services, and Minister for the Illawarra, regarding the Minister's scheduled appearance for the Inquiry into the Budget Estimates 2012-2013
- 9 August 2011 – From Director, Committees to Minister Hazzard, Minister for Planning and Infrastructure, regarding the Minister's scheduled appearance for the Inquiry into the Budget Estimates 2012-2013
- 9 August 2011 – From Director, Committees to Treasurer Baird, regarding the Treasurer's scheduled appearance for the Inquiry into the Budget Estimates 2012-2013
- 9 August 2011 – From Director, Committees to Premier O'Farrell, Premier and Minister for Western Sydney, regarding the Premier's scheduled appearance for the Inquiry into the Budget Estimates 2012-2013.

3.2 Order for examination of portfolios

Resolved, on the motion of Mr Mason-Cox: That on Monday 8 October 2012 the Finance and Services portfolio and The Illawarra portfolio be examined concurrently.

Resolved, on the motion of Mr Mason-Cox: That on Tuesday 9 October 2012 the Premier portfolio and the Western Sydney portfolio be examined concurrently.

Resolved, on the motion of Mr Mason-Cox: That any matters relating to the order for examination of the Treasury and Industrial Relations be determined by email consultation with Committee members. In the case of disagreement within the Committee, the matter will be determined at a meeting of the Committee.

3.3 Witness requests

Members were advised that any requests for specific witnesses should be emailed to the Secretariat by 5.00 pm, Friday 21 September 2012.

4. Adjournment

The Committee adjourned at 1.15 pm, until 8.45 am, Monday 8 October 2012, Macquarie Room (Budget Estimates: Finance and Services, The Illawarra).

Madeleine Foley

Clerk to the Committee

Minutes No. 13

Monday 8 October 2012

General Purpose Standing Committee No. 1

Macquarie Room, Parliament House, Sydney, at 8.45 am

1. Members present

Revd Nile (*Chairman*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack

Mr Donnelly (*participating*)

Mr Foley (*participating, until 9.25 am*)

Dr Kaye

Mr Mason-Cox

Mr Moselmane (*Mr Veitch*)

Mr Secord

Mr Searle (*participating, from 10.54 am*)

Mr Shoebridge (*participating, from 10.57 am*)

2. Substitutions

The Chairman advised that the following member would be substituting for the hearing:

- Mr Moselmane to substitute for Mr Veitch.

3. Participating members

The Chairman advised that Mr Donnelly, Mr Foley, Mr Shoebridge (*Finance and Services*) and Mr Searle would be attending the hearing as participating members.

4. Draft minutes

Resolved, on the motion of Ms Cusack: That draft Minutes No.12 be confirmed.

5. Correspondence

The Committee noted the following items of correspondence:

Received

- 2 October 2012 – From Ms Lisa Harrington, Policy Advisor Office of the Treasurer, providing a list of witnesses
- 3 October 2012 – From Mr Lee Dixon, Deputy Chief of Staff, Office of the Minister for Planning & Infrastructure, Minister assisting the Premier on Infrastructure NSW, providing a list of witnesses.

Sent

- 25 September 2012 – From the Secretariat to Ms Lisa Harrington, Policy Advisor Office of the Treasurer, informing the Ministry of the time allocation for portfolios and witness requests
- 25 September 2012 – From the Secretariat to Mr Matthew Crocker, Office of the Premier, informing the Ministry of the time allocation for portfolios and witness requests

- 26 September 2012 – From the Secretariat to Mr Stephen Marriott, Senior Policy Advisor, Office of the Hon. Greg Pearce MLC, Minister for Finance and Services, Minister for the Illawarra, informing the Ministry of the allocation time for portfolios and witness requests.

6. Allocation of question time

Resolved, on the motion of Ms Pavey: That for the initial round of hearings into the Budget Estimates 2012-2013, the sequence of questions to be asked alternate between Opposition, Cross Bench and Government members, in that order, with 20 minutes allocate to each.

7. Public hearing: Budget Estimates 2012-2013 – Finance and Services, The Illawarra

Witnesses, the public and media were admitted.

The Chairman made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded Minister Pearce that he did not need to be sworn, as he had sworn an oath to his office as a member of Parliament.

The following official from the Department of Finance and Services was sworn:

- Mr Michael Coutts-Trotter, Director General.

The Chairman declared the proposed expenditure for the portfolios of Finance and Services, and The Illawarra open for examination.

The Minister and the departmental witness were examined by the Committee.

The Minister and the departmental witness withdrew.

The public hearing concluded at 12.00 pm.

The public and media withdrew.

8. Adjournment

The Committee adjourned at 12.00 pm, until 3.30 pm, Monday 8 October 2012, Macquarie Room (*Planning and Infrastructure*).

Vanessa Viaggio

Clerk to the Committee

Minutes No. 14

Monday 8 October 2012

General Purpose Standing Committee No. 1

Macquarie Room, Parliament House, Sydney, at 3.30 pm

1. Members present

Revd Nile (*Chairman*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack

Mr Mason-Cox

Mr Searle (*Mr Secord*)

Mr Shoebridge (*Dr Kaye, from 3.45 pm*)

Mr Primrose (*Mr Veitch*)

2. Substitutions

The Chairman advised that the following members would be substituting for the hearing:

- Mr Shoebridge to substitute for Dr Kaye
- Mr Searle to substitute for Mr Secord
- Mr Primrose to substitute for Mr Veitch.

3. Correspondence

The Committee noted the following items of correspondence:

Received

- 3 October 2012 – From Mr Stephen Marriott, Senior Policy Advisor, Office of the Hon. Greg Pearce MLC, Minister for Finance and Services, Minister for the Illawarra, providing a list of witnesses
- 4 October 2012 – From Mr Matthew Crocker, Policy Director, Office of the Premier, to the Secretariat, advising additional witnesses
- 5 October 2012 – From Ms Kath McFarlane, Chief of Staff, Office of the Minister for Planning & Infrastructure, Minister assisting the Premier on Infrastructure NSW, advising of an additional witness
- 8 October 2012 – From Mr Matthew Crocker, Policy Director, Office of the Premier, to the Secretariat, advising that one of the requested witnesses, Dr Levine, is not available to attend the Premier's hearing.

Sent

- 3 October 2012 – From the Secretariat to Mr Matthew Crocker, Policy Director, Office of the Premier, requesting additional witness to appear for the Premier portfolio.

Ms Cusack raised concerns regarding the process for inviting witnesses to attend Budget Estimates hearings.

Discussed ensued.

Resolved, on the motion of Ms Cusack: That the process for inviting witnesses to attend Budget Estimates hearing be reviewed by the Secretariat after the conclusion of the Inquiry into Budget Estimates 2012-13.

4. Public hearing: Budget Estimates 2012-2013 – Planning and Infrastructure

Witnesses, the public and media were admitted.

The Chairman made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded Minister Hazzard that he did not need to be sworn, as he had sworn an oath to his office as a member of Parliament.

The following officials from the Department of Planning & Infrastructure were sworn:

- Mr Sam Haddad, Director General
- Mr Richard Pearson, Deputy Director General.

The Chairman declared the proposed expenditure for the portfolio of Planning and Infrastructure open for examination.

The Minister and the departmental witnesses were examined by the Committee.

The Minister and the departmental witnesses withdrew.

The public hearing concluded at 5.15 pm.

The public and media withdrew.

5. Adjournment

The Committee adjourned at 5.15 pm, until 8.45 am, Tuesday 9 October 2012, Jubilee Room (*Treasury, Industrial Relations*).

Stewart Smith
Clerk to the Committee

Minutes No. 15

Tuesday 9 October 2012

General Purpose Standing Committee No. 1

Jubilee Room, Parliament House, Sydney, at 8.45 am

1. Members present

Revd Nile (*Chairman*)
Mrs Pavey (*Deputy Chair*)
Ms Cotsis (*participating*)
Ms Cusack
Mr Donnelly (*Mr Veitch*)
Dr Kaye
Mr Mason-Cox
Mr Secord
Mr Shoebridge (*participating*)

2. Substitutions

The Chairman advised that the following member would be substituting for the hearing:

- Mr Donnelly for Mr Veitch.

3. Participating members

The Chairman advised that the following members would be attending the hearing as participating members:

- Ms Cotsis (*Industrial Relations*)
- Mr Shoebridge (*Industrial Relations*).

4. Public hearing: Budget Estimates 2012-2013 – Treasury, Industrial Relations

Witnesses, the public and media were admitted.

The Chairman made an opening statement regarding the broadcasting of proceedings and other matters. The Chairman reminded Treasurer Baird that he did not need to be sworn, as he had sworn an oath to his office as a member of Parliament.

The following officials from NSW Treasury were sworn:

- Mr Philip Gaetjens, Secretary
- Mr Kevin Cosgriff, Deputy Secretary, Fiscal and Economic Directorate
- Mr Mark Ronsisvalle, Deputy Secretary, Budget and Financial Management Directorate
- Mr Tim Spencer, Deputy Secretary, Commercial Policy and Financing Directorate
- Dr Caralee McLiesh, Deputy Secretary, Human and Social Directorate

- Mr Matthew Roberts, Deputy Secretary, Economic, Environment and Communities.

The Chairman declared the proposed expenditure for the portfolio of Treasury open for examination.

The Minister and the departmental witnesses were examined by the Committee.

The Committee adjourned at 10.30 am for morning tea.

The Committee resumed at 10.45 am.

Ms Cotsis joined the meeting at 11.10 am.

The departmental witnesses withdrew.

Mr Shoebridge joined the meeting at 11.30 am.

The following official was sworn:

- Ms Vicki Telfer, Executive Director, NSW Industrial Relations.

The Chairman declared the proposed expenditure for Industrial Relations open for examination.

The Minister and the departmental witnesses withdrew.

Mr Donnelly tendered the following documents:

- Disclosure of political donations and electoral expenditure for a political donor, Eureka Capital Partners Pty Limited, 2010/11
- Disclosure of political donations and electoral expenditure for a political donor, Roger Massy-Greene, 2010/11
- Disclosure of political donations and electoral expenditure for a political donor, Eureka Capital Partners Pty Limited, 2009
- Disclosure of political donations and electoral expenditure for a political donor, Roger Massy-Greene, 2009.

The public hearing concluded at 12.45 pm.

The public and media withdrew.

5. **Tendered documents**

Resolved, on the motion of Mr Secord: That the Committee accept the following documents tendered by Mr Donnelly:

- Disclosure of political donations and electoral expenditure for a political donor, Eureka Capital Partners Pty Limited, 2010/11.
- Disclosure of political donations and electoral expenditure for a political donor, Roger Massy-Greene, 2010/11.
- Disclosure of political donations and electoral expenditure for a political donor, Eureka Capital Partners Pty Limited, 2009.
- Disclosure of political donations and electoral expenditure for a political donor, Roger Massy-Greene, 2009.

6. **Adjournment**

The Committee adjourned at 12.50 pm, until 1.45 pm, Tuesday 9 October 2012, Jubilee Room (*Premier, Western Sydney*).

Madeleine Foley
Clerk to the Committee

Minutes No. 16

Tuesday 9 October 2012

General Purpose Standing Committee No. 1

Jubilee Room, Parliament House, Sydney, at 1.50 pm

1. Members present

Revd Nile (*Chairman*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack

Mr Foley (*Mr Veitch*)

Dr Kaye

Mr Mason-Cox

Mr Primrose

Mr Secord

2. Substitutions

The Chairman advised that the following members would be substituting for the hearing:

- Mr Foley for Mr Veitch.

3. Participating members

The Chairman advised that Mr Primrose will be attending the hearing as a participating member.

Ms Cusack joined the meeting.

4. Public hearing: Budget Estimates 2012-2013 – Premier, Western Sydney

Witnesses, the public and media were admitted.

The Chairman made an opening statement regarding the broadcasting of proceedings and other matters. The Chairman reminded Premier O'Farrell that he did not need to be sworn, as he had sworn an oath to his office as a member of Parliament.

The following officials were sworn:

- Mr Chris Eccles, Direct General, Department of Premier and Cabinet
- Mr Graham Head, NSW Public Service Commissioner
- Mr Paul Broad, Chief Executive Officer, Infrastructure NSW.

The Chairman declared the proposed expenditure for the portfolios of Premier, Western Sydney open for examination.

The Minister and the departmental witnesses were examined by the Committee.

The Committee adjourned at 3.30 pm for afternoon tea.

The Committee resumed at 3.45 pm.

The Premier tendered the following documents:

- Media Release – Premier of NSW, Minister for Western Sydney – Government to sell Excess Property to unlock new housing - dated 9 October 2012

- NSW Ombudsman – Media Statement – dated Monday, 8 October 2012.

The Minister and the departmental witnesses withdrew.

The public hearing concluded at 5.15 pm.

The public and media withdrew.

5. **Tendered documents**

Resolved, on the motion of Ms Pavey: That the Committee accept and publish the following documents tendered during the hearing:

- Media Release – Premier of NSW, Minister for Western Sydney – Government to sell Excess Property to unlock new housing - dated 9 October 2012
- NSW Ombudsman – Media Statement – dated Monday, 8 October 2012.

6. **Supplementary hearings**

Resolved, on the motion of Ms Pavey: That the Committee hold a meeting to deliberate on whether to hold supplementary hearings for all of the portfolios that fall within the Committee's responsibility on a date to be determined following receipt of answers to questions on notice.

7. **Adjournment**

The Committee adjourned at 5.15 pm, *sine die*.

Stephen Frappell

Clerk to the Committee

Minutes No. 17

Tuesday 13 November 2012

General Purpose Standing Committee No. 1

Members' Lounge, Parliament House, Sydney, at 2.00 pm

1. **Members present**

Revd Nile (*Chairman*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack

Dr Kaye

Mr Mason-Cox

Mr Secord

Mr Veitch

2. **Minutes**

Resolved, on the motion of Ms Cusack: That Draft Minutes Nos. 13 - 16 be confirmed.

3. **Correspondence**

The Committee noted the following items of correspondence:

Received

- 1 November 2012 – From Minister Hazzard providing answers to questions on notice and supplementary questions for the portfolio of Planning and Infrastructure

- 1 November 2012 – From Minister Pearce providing answers to questions on notice and supplementary questions for the portfolio of Finance and Services, The Illawarra
- 2 November 2012 – From Treasurer Baird providing answers to questions on notice and supplementary questions for the portfolios of Treasury and Industrial Relations
- 2012 – From Premier O’Farrell providing answers to questions on notice and supplementary questions for the portfolios of Premier and Western Sydney.

Sent

- 11 October 2012 – From the Secretariat to Minister Pearce, Minister for Finance and Services, and Minister for the Illawarra, forwarding highlighted transcript and supplementary questions
- 11 October 2012 – From the Secretariat to Minister Hazzard, Minister for Planning and Infrastructure, forwarding highlighted transcript and supplementary questions
- 12 October 2012 – From the Secretariat to Treasurer Baird, Treasurer and Minister for Industrial Relations, forwarding highlighted transcript and supplementary questions
- 12 October 2012 – From the Secretariat to Premier O’Farrell, Premier and Minister for Western Sydney, forwarding highlighted transcript and supplementary questions.

4. Inquiry into Budget Estimates 2012-2013 - Supplementary hearings

Mr Secord moved: That the Committee hold no further hearings into the portfolios examined during the initial Budget Estimates round, with the exception of the Treasury portfolio, which will be examined by the Committee in a supplementary hearing on Monday 26 November 2012, between the hours of 1.00 pm and 4.00 pm and that the Minister and the public officials who appeared at the initial hearing be invited to appear at the supplementary hearing.

Question put.

The Committee divided.

Ayes: Ms Cusack, Dr Kaye, Rev Nile, Mr Secord, Mr Veitch.

Noes: Mr Mason-Cox, Ms Pavey.

Question was resolved in the affirmative.

5. Adjournment

The Committee adjourned at 2.30 pm, until 1.00 pm, Monday 26 November 2012, Macquarie Room (*Supplementary hearing into the Treasury*).

Rachal Callinan

Clerk to the Committee

Minutes No. 18

Monday 26 November 2012

General Purpose Standing Committee No. 1

Macquarie Room, Parliament House, Sydney, at 12.45 pm

1. Members present

Revd Nile (*Chairman*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack (*from 12.55 pm*)

Mr Donnelly (*Mr Veitch*)

Dr Kaye (*from 12.55 pm*)

Mr Mason-Cox
Mr Secord

2. Substitutions

The Chairman advised that the following member would be substituting for the hearing:

- Mr Donnelly for Mr Veitch.

3. Participating members

The Chairman advised there were no participating members.

Ms Cusack and Dr Kaye joined the meeting at 12.55 pm.

4. Previous minutes

Resolved, on the motion of Mrs Pavey: That draft Minutes No 17 be confirmed.

5. Correspondence

The Committee noted the following items of correspondence:

Received

- 15 November 2012 – From the Hon. Catherine Cusack MLC to Revd the Hon. Fred Nile MLC, requesting that consideration be given by the Committee to referring an unauthorised disclosure of Committee proceedings to the Privileges Committee
- 19 November 2012 – From Lisa Harrington, advisor to Treasurer Baird, to the Secretariat, confirming the list of witnesses who will be in attendance at the supplementary hearing into the Treasury portfolio.

Sent

- 13 November 2012 – From Chair to Treasurer, inviting the Treasurer and officials from his Department to appear at a supplementary hearing to be held on 26 November 2012.

6. Allocation of question time

Resolved, on the motion of Mrs Pavey: That for the supplementary Treasury hearing into the Budget Estimates 2012-2013, the sequence of questions to be asked alternate between the Opposition and Cross Bench, with each grouping allocated three rounds of 20 minutes. Government members will not ask questions.

7. Public hearing: Budget Estimates 2012-2013 – Treasury (Supplementary hearing)

Witnesses, the public and media were admitted.

The Chairman made an opening statement regarding the broadcasting of proceedings and other matters. The Chairman reminded Treasurer Baird that he did not need to be sworn, as he had sworn an oath to his office as a member of Parliament.

The Chairman reminded the officials from NSW Treasury that they did not need to be sworn as they had already appeared before the Committee for this Inquiry and could give evidence on their former oath or affirmation.

The Chairman declared the proposed expenditure for the portfolio of Treasury open for examination.

The Minister and the following departmental witnesses were examined by the Committee:

- Mr Philip Gaetjens, Secretary
- Mr Kevin Cosgriff, Deputy Secretary, Fiscal and Economic Directorate
- Mr Mark Ronsisvalle, Deputy Secretary, Budget and Financial Management Directorate
- Mr Tim Spencer, Deputy Secretary, Commercial Policy and Financing Directorate

- Dr Caralee McLiesh, Deputy Secretary, Human and Social Directorate
- Mr Matthew Roberts, Deputy Secretary, Economic, Environment and Communities.

The Committee adjourned at 2.29 pm for afternoon tea.

The Committee resumed at 2.39pm.

The departmental witnesses withdrew.

The public hearing concluded at 3.16 pm.

The public and media withdrew.

8. Further supplementary hearings

Mrs Pavey moved: That the Committee hold no further hearings for the portfolio of Treasury.

Question put.

The Committee divided.

Ayes: Ms Cusack, Mr Mason-Cox, Rev Nile, Mrs Pavey

Noes: Dr Kaye, Mr Donnelly, Mr Secord.

Question resolved in the affirmative.

9. Correspondence from Ms Cusack

Ms Cusack moved:

1) That, in response to the unauthorised disclosure of confidential proceedings of GPSC 1 in *The Sydney Morning Herald* on 15 November 2012, and other publications, and in view of the damage that may be caused to the integrity of the committee system by such disclosures, GPSC 1 follow the guidelines advocated by the Standing Committee on Parliamentary Privilege in its 2002 report on unauthorised disclosures of committee proceedings. These are:

- (a) The committee concerned seeks to identify all possible sources of the disclosure.
- (b) The committee decides whether the disclosure is significant enough to justify further inquiry.
- (c) If the committee considers that further inquiry is warranted, the Chair of the committee writes to all persons who had access to the proceedings, requesting an indication as to whether the person was responsible for the disclosure or is able to provide any information that could be of assistance in determining the source of the disclosure.
- (d) The committee comes to a conclusion as to whether the leak is of sufficient seriousness as to constitute a substantial interference with the work of the committee, the Legislative Council committee system, or the functions of the House. This occurs whether or not the source of the disclosure is discovered.
- (e) If the committee concludes that the leak is of sufficient seriousness, it makes a special report to the House, describing the circumstances and the investigations it has made, and recommending that the matter be referred to the Standing Committee on Parliamentary Privilege and Ethics for inquiry and report.

(f) Following tabling of the Special Report, the House may refer the matter to the Standing Committee on Parliamentary Privilege and Ethics.

2) That the Chairman write to the following persons requesting an indication as to whether they were responsible for the disclosure or are able to provide any information that could be of assistance in determining the source of the disclosure:

- Committee members including the Chairman
- Staff of the Committee secretariat
- Journalists who reported the disclosure.

Question put.

The Committee divided.

Ayes: Ms Cusack, Dr Kaye, Mr Mason-Cox, Rev Nile, Mrs Pavey.

Noes: Mr Donnelly, Mr Secord.

Question resolved in the affirmative.

Resolved, on the motion of Ms Cusack: That Ms Cusack obtain the electoral funding declaration for Advocacy Australia for 2010-2011, and that this document be distributed to the rest of the Committee.

10. Adjournment

The Committee adjourned at 3.43 pm until February 2013 on a date to be confirmed.

Madeleine Foley

Clerk to the Committee

Minutes No. 19

Wednesday 13 February 2013

General Purpose Standing Committee No. 1

Room 1153, Parliament House, Sydney, at 2.00 pm

1. Members present

Revd Nile (*Chairman*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack

Mr Veitch

Dr Kaye

Mrs MacLaren-Jones (*Mason-Cox*)

Mr Secord

2. Substitutions

The Chairman advised that the following member would be substituting for the hearing:

- Mrs MacLaren-Jones for Mr Mason-Cox

3. Previous minutes

Resolved, on the motion of Mrs Pavey: That draft Minutes No 18 be confirmed.

4. Correspondence

Received:

The Committee noted the following correspondence received:

- 4 December 2012 – Letter from Chairman to Ms Beverly Duffy, Clerk Assistant Committees providing response to unauthorised disclosure of the proceedings of General Purpose Standing Committee No 1.
- Letter to Chairman providing response to letter dated 3 December 2012 regarding unauthorised disclosure of the proceedings of General Purpose Standing Committee No 1 from secretariat:
 - 4 December 2012 – Letter from Ms Shu-Fang Wei
 - 4 December 2012 – Letter from Mr Toby Dagg
 - 6 December 2012 – Letter from Ms Rachel Callinan
- Letter to Chairman providing response to letter dated 3 December 2012 regarding unauthorised disclosure of the proceedings of General Purpose Standing Committee No 1 from Committee members:
 - 6 December 2012 – Letter from Hon Mick Veitch MLC
 - 7 December 2012 – Letter from Dr John Kaye MLC
 - 10 December 2012 – Letter from Hon Melinda Pavey MLC
 - 12 December 2012 – Letter from Hon Walt Secord MLC
 - 14 December 2012 – Letter from Hon Catherine Cusack MLC
 - 17 December 2012 – Email from Hon Matthew Mason-Cox
- Letter to Chairman providing response to letter dated 3 December 2012 regarding unauthorised disclosure of the proceedings of General Purpose Standing Committee No 1 from media outlets:
 - 10 December 2012 – Email from Ms Tanya Evans, Journalist from 2SM, John Laws Morning Show.
 - 11 December 2012 – Email from Ms Alicia Wood, Journalist from News Limited.
 - 11 December 2012 – Email from Mr Heath Aston, Journalist from Sun-Herald.
 - 14 December 2012 – Email from Ms Liz Foschia, Journalist from ABC Radio News.
 - 18 December 2012 – Email from Ms Jessica Grewal, Senior Reporter, APN Newsdesk Sydney.
- 26 November 2012 – Email from Hon Catherine Cusack MLC to the members of General Purpose Standing Committee No. 1, attaching a letter to the Chairman which enclosed a copy of the donor disclosure statement referred to during the supplementary Treasury hearing. Ms Cusack requests that consideration be given to writing to the Australian Electoral Commission to enquire as to the veracity of the return.
- 20 December 2012 – Answers to QON and supplementary questions from the Treasurer's office

Sent:

The Committee noted the following correspondence received:

- 3 December 2012 – Letter from Chairman to members of the Secretariat (Rachel Callinan, Shu-Fang Wei and Toby Dagg) regarding an unauthorised disclosure of the proceedings of General Purpose Standing Committee No 1, requesting notification by writing by Tuesday 14 December 2012 of responsibility for the disclosure or any knowledge of the source, or how the disclosure occurred.
- 3 December 2012 – Letter from Chairman to member of the Committee regarding an unauthorised disclosure of the proceedings of General Purpose Standing Committee No 1, requesting notification by writing by Tuesday 14 December 2012 of responsibility for the disclosure or any knowledge of the source, or how the disclosure occurred.
- 5 December 2012 – Letter from Chairman to various Media outlets (Northern Star, The John Laws Show, ABC Radio, Sun Herald, News Limited) regarding an unauthorised disclosure of the proceedings of General Purpose Standing Committee No 1, requesting notification by writing by Tuesday 14 December 2012 of responsibility for the disclosure or any knowledge of the source, or how the disclosure occurred.

5. Unauthorised disclosure

The Chair circulated a document prepared by the secretariat entitled: Case studies of possible unauthorised disclosures from NSW Legislative Council Committees.

Ms Cusack moved: That the Committee request advice from the Clerk of the Parliaments regarding the unauthorised disclosure of committee proceedings, and in particular:

- The criteria to be used by the Committee to determine what constitutes a ‘substantial interference with the work of a committee’.
- Clarification regarding the circumstances surrounding the unauthorised disclosure during the 2004 GPSC 5 inquiry into the Hunter Economic Zone
- Options for the Committee in the present circumstances.

Question put.

The Committee divided.

Ayes: Ms Cusack, Mrs MacLaren-Jones, Mrs Pavey.

Noes: Revd Nile, Mr Veitch, Dr Kaye, Mr Secord.

Question resolved in the negative.

Dr Kaye moved: That the unauthorised disclosure of committee proceedings be noted and as the significance of the disclosure does not justify further inquiry, no further action be taken.

That the Chair on behalf of the Committee write to the Clerk recommending that educational material be circulated to remind all members of the Council of the guidelines concerning unauthorised disclosures and their responsibilities regarding the importance of maintaining the confidentiality of committee proceedings.

Question put

The Committee divided.

Ayes: Revd Nile, Mr Veitch, Dr Kaye, Mr Secord

Noes: Ms Cusack, Mrs MacLaren-Jones, Mrs Pavey

Question resolved in the affirmative.

Resolved, on the motion of Dr Kaye: This Committee notes that one member is aggrieved by the unauthorised disclosure of the committees proceedings and regrets any hurt caused to the member, or damage to their reputation.

6. Next meeting

Resolved, on the motion of Dr Kaye: That the Committee meet at 1pm on Wednesday 20 February 2013 to deliberate on the draft 2012-13 Budget Estimates Report.

7. Adjournment

The Committee adjourned at 2.55 pm until 1pm, Wednesday 20 February 2013.

Beverly Duffy

Clerk to the Committee

Draft Minutes No. 20

Wednesday 20 February 2013

General Purpose Standing Committee No. 1

Members' Lounge, Parliament House, Sydney, at 1.03 pm

1. Members present

Revd Nile (*Chairman*)

Mrs Pavey (*Deputy Chair*)

Ms Cusack

Dr Kaye

Mr Mason-Cox

Mr Secord

Mr Veitch

2. Draft Minutes

Resolved, on the motion of Ms Cusack: That Item 5 of draft Minutes No. 19 be amended by inserting the following words: The Chair circulated a document prepared by the secretariat entitled: Case studies of possible unauthorised disclosures from NSW Legislative Council Committees.

Resolved, on the motion of Mr Veitch: That draft Minutes No. 19, as amended, be confirmed.

3. Budget Estimates 2012-2013: Chair's Draft Report

Resolved, on the motion of Ms Cusack: That the document entitled: Case studies of possible unauthorised disclosures from NSW Legislative Council Committees circulated by the Chair on 13 February 2013, be appended to the Committee's final Budget Estimates report.

Resolved, on the motion of Dr Kaye:

- That the Report, as amended, be the report of the Committee
- That the Committee present the report to the House, together with transcripts of evidence, tabled documents, answers to questions on notice, minutes of proceedings and correspondence relating to the Inquiry.

4. Adjournment

The Committee adjourned at 1.10 pm, *sine die*.

Beverly Duffy

Clerk to the Committee

Appendix 4 Case studies of possible unauthorised disclosures from NSW Legislative Council committees

Committee	Inquiry	Tabling date	Nature of possible disclosure	Action
Select	Select Committee on the Cross City Tunnel	February 2006	Two committee members made comments to the media about the deliberations of the Committee. Unauthorised disclosure of Chair's draft First Report	Separate motions were moved in relation to each member: that the Committee note the comments made, considers that the comments were in breach of confidentiality requirements and to remind the member that deliberations of the Committee should not be disclosed until Committee has reported to the House. Motion in relation to one member affirmed, motion in relation the other member negated. (<i>Minutes reference No 10, 23 February 2006, Item 7</i>). Committee resolved to write to members, staff and journalists requesting an indication as to whether they were responsible for the disclosure or are able to provide any information that could be of assistance in determining the source of the disclosure. <i>Minutes reference No 10, 23 February 2006, Item 4 and 5</i> .
Select	Select Committee on Juvenile Offenders	29 July 2005	One member of the Committee (not the Chair) talked to the media about a private site visit conducted in relation to the inquiry	The Committee passed a motion that all Members be aware of the need to maintain confidentiality of committee proceedings under standing order 224. (<i>Minute reference, Meeting 5, 8 April 2005</i>).
GP4	The Designer Outlet Centre, Liverpool	December 2004	Release of confidential draft report to the <i>Sydney Morning Herald</i>	The Committee deferred the consideration of a motion to a later hour, that the Clerks give advice to the Committee on what action can be taken on the continuous leaking of Committee documents (<i>Minutes reference, Meeting 55, 16 December 2004</i>)
GP4	The Designer Outlet Centre, Liverpool	December 2004	Release of confidential correspondence	Committee resolved to write to the letter's author explaining that the letter had not been circulated to the Committee prior to being disclosed to the media, and suggesting the leak had not come from the Committee (<i>Minute reference, Meeting 50, 11 October 2004</i>).
Social Issues	Issues relating to Redfern/Waterloo	August 2004 (Interim Report) December 2004 (Final Report)	Release of confidential draft interim report to media prior to Committee meeting to consider the report	Chair addressed the Committee about the unauthorised disclosure, as did the Clerk Assistant Committees (<i>Minute reference, Meeting 37, 26 July 2004</i>)
Social issues	Issues relating to Redfern/Waterloo	August 2004 (Interim Report) December 2004 (Final Report)	Release of private submission to the media	Secretariat informed Committee members of relevant procedures in relation to unauthorised disclosure (<i>Minute reference, Meeting 33, 4 June 2004</i>)

GP5	Hunter Economic Zone and the Tomalpin Woodlands	December 2004	Unauthorised disclosure of committee proceedings	<p>Committee resolved:</p> <p>That the unauthorised disclosure be noted and as the significance of the disclosure did not justify further inquiry, no further action be taken.</p> <p>That the Chair on behalf of the Committee write to the Clerk recommending that educational material be prepared to remind all members of the Council of the guidelines concerning unauthorised disclosures and their responsibilities regarding the importance of maintaining the confidentiality of committee proceedings.</p>
GP3	Review of Inquiry into Cabramatta Policing	September 2002	Reporting on a submission by Reba Meagher MP prior to the submission being distributed to the Committee (<i>unclear as to details</i>).	<p>The Clerk Assistant-Committees tabled a briefing paper on the principles governing unauthorised disclosure of parliamentary proceedings.</p> <p>Committee resolved that the Committee write to Ms Reba Meagher enclosing the briefing paper and circulate it to all members and their staff so that in future there could be no basis for not understanding the status of submissions to an inquiry. (<i>Minutes No 54, 23 May 2002, Items 5.3 and 5.4</i>)</p>
GP3	Inquiry into Aspects of the Department of Corrective Services	July 2002	A member advised the Shadow Minister for Corrective Services about the Committee's decision to refer the subject matter of the inquiry to ICAC.	<ul style="list-style-type: none"> • The member explained his actions to the Committee. He said he was unaware that a report would be prepared as the mechanisms for the referral to ICAC and that by informing the Shadow Minister he was technically disclosing a report recommendations. • The member apologised for his inadvertent disclosure • The Committee accepted the explanation and agreed that no further action was required. <p>(<i>Minutes reference No 57, 17 June 2002, Item 4</i>).</p>
GP3	Cabaramatta Policing	July 2001	Unauthorised publication of sections of a confidential submission and subsequent issue by police of a directive memorandum to police officers who gave evidence to the committee	Special report to the House

