

General Purpose Standing Committee No. 5

# **Budget Estimates 2008-2009**

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## How to contact the Committee

Members of the General Purpose Standing Committee No. 5 can be contacted through the Committee Secretariat. Written correspondence and enquiries should be directed to:

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The Director

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General Purpose Standing Committee No. 5

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Legislative Council

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Parliament House, Macquarie Street

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Sydney New South Wales 2000

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Internet [www.parliament.nsw.gov.au/gpsc5](http://www.parliament.nsw.gov.au/gpsc5)

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Email [gpscno5@parliament.nsw.gov.au](mailto:gpscno5@parliament.nsw.gov.au)

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Telephone 9230 3586

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Facsimile 9230 3416

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## Terms of reference

1. That upon tabling, the Budget Estimates and related papers for the financial year 2008-2009 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 committees consider the Budget Estimates in accordance with the allocation of portfolios to the committees.
3. That the initial hearings be scheduled as follows:

### **Day One: Monday 13 October 2008**

GPSC 1	Roads	9.15 am - 11.00 am
GPSC 2	Health, Central Coast	9.15 am - 1.00 pm
GPSC 1	Ports & Waterways	11.15 am - 1.00 pm
GPSC 1	Finance, Infrastructure, Regulatory Reform	2.00 pm - 4.30 pm
GPSC 2	Ageing, Disability Services	2.00 pm - 4.30 pm
GPSC 1	The Legislature	4.45 pm - 6.00 pm
GPSC 2	Aboriginal Affairs	4.45 pm - 6.00 pm

### **Day Two: Tuesday 14 October 2008**

GPSC 1	Treasury	9.15 am - 1.00 pm
GPSC 3	Local Government	9.15 am - 11.45 am
GPSC 3	Mental Health	12.00 pm - 1.00 pm
GPSC 1	Premier	2.00 pm - 5.00 pm
GPSC 3	Police	2.00 pm - 4.00 pm
GPSC 3	Lands	4.15 pm - 5.00 pm
GPSC 3	Emergency Services	5.15 pm - 6.00 pm
GPSC 1	Arts	5.15 pm - 6.00 pm

### **Day Three: Wednesday 15 October 2008**

GPSC 2	Education & Training	9.15 am - 1.00 pm
GPSC 4	Transport & Illawarra	9.15 am - 1.00 pm
GPSC 2	Women	2.00 pm - 2.45 pm
GPSC 2	Community Services	3.00 pm - 6.00 pm
GPSC 4	Planning, Redfern Waterloo	2.00 pm - 6.00 pm

**Day Four: Thursday 16 October 2008**

GPSC 5	Climate Change and the Environment	9.15 am - 11.45 am
GPSC 4	Fair Trading, Citizenship	9.15 am - 1.00 pm
GPSC 5	Commerce	12.00 pm - 1.00 pm
GPSC 4	Small Business, Science & Medical Research	2.00 pm - 3.45 pm
GPSC 5	Primary Industries, Mineral Resources	2.00 pm - 6.30 pm
GPSC 4	Tourism, Hunter	4.00 pm - 6.00 pm

**Day Five: Friday 17 October 2008**

GPSC 5	Energy	9.15 am - 11.15 am
GPSC 3	Attorney General, Justice, Industrial Relations	9.15 am - 1.00 pm
GPSC 5	State Development	11.30 am - 1.00 pm
GPSC 3	Gaming and Racing, Sport and Recreation	2.00 pm - 4.00 pm
GPSC 5	Water, Rural Affairs, Regional Development	2.00 pm - 4.15 pm
GPSC 5	Housing, Western Sydney	4.30 pm - 6.00 pm
GPSC 3	Juvenile Justice, Volunteering, Youth	4.15 pm - 6.00 pm

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

**Day One: 17 November 2008**

GPSC 1

GPSC 2

**Day Two: 18 November 2008**

GPSC 1

GPSC 3

**Day Three: 19 November 2008**

GPSC 4

GPSC 2

**Day Four: 20 November 2008**

GPSC 4

GPSC 5

**Day Five: 21 November 2008**

GPSC 5

GPSC 3

5. That the committees may hold additional supplementary hearings after 21 November 2008 as required.

6. That each scheduled day for the initial round of hearings will begin at 9:15 am and conclude by 6:00 pm except on Thursday 16 October 2008 on which day hearings may conclude by 6.30 pm.
7. The committees must hear evidence in public.
8. 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.
9. There is no provision under this resolution for a Minister to make an opening statement before the committee commences questioning
10. A daily Hansard record is to be published as soon as practicable after each day's proceedings.
11. The committees are to present a final report to the House by the first sitting day in March 2009.
12. Members may lodge questions on notice with the Clerk to the committee during a Budget Estimates hearing and up to two days following.
13. 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.

The terms of reference were referred to the Committee by the House on 5 December 2007, see *LC Minutes* (5/12/2007), 423-426, amended by *LC Minutes* (26/6/2008) 721-723, amended by *LC Minutes* (24/09/2008) 785-787

## Committee membership

<b>Mr Ian Cohen MLC</b>	The Greens	<i>Chair</i>
<b>The Hon Rick Colless MLC</b>	The Nationals	<i>Deputy Chair</i>
<b>The Hon Robert Brown MLC</b>	The Shooters Party	
<b>The Hon Tony Catanzariti MLC</b>	Australian Labor Party	
<b>The Hon Charlie Lynn MLC</b>	Liberal Party	
<b>The Hon Lynda Voltz MLC</b>	Australian Labor Party	
<b>The Hon Helen Westwood MLC</b>	Australian Labor Party	

## Non-substantive members who attended the hearings

<b>The Hon Marie Ficarra MLC</b>	Liberal Party
<b>The Hon Eddie Obeid MLC</b>	Australian Labor Party
<b>The Hon David Clarke MLC</b>	Liberal Party
<b>The Hon Kayee Griffin MLC</b>	Australian Labor Party
<b>The Hon Trevor Khan MLC</b>	The Nationals
<b>The Hon Mick Veitch MLC</b>	Australian Labor Party
<b>Dr John Kaye MLC</b>	The Greens
<b>The Hon Matthew Mason-Cox MLC</b>	Liberal Party
<b>The Hon Ian West MLC</b>	Australian Labor Party
<b>The Hon Henry Tsang MLC</b>	Australian Labor Party

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## Chair's foreword

I am pleased to present this report on the Budget Estimates 2008-2009. This annual Inquiry into the Budget Estimates ensures parliamentary oversight of the Budget, and provides an important mechanism for the accountability of the executive government to the Council.

During the initial round of hearings the Committee held seven hearings, receiving 15 hours of evidence, to examine the portfolio areas of Climate Change and the Environment, Commerce, Primary Industries, Mineral Resources, Energy, State Development, Water, Rural Affairs, Regional Development, Housing and Western Sydney.

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 for their contributions to the Inquiry process.



Mr Ian Cohen MLC  
**Chair**



# Chapter 1 Introduction

## Referral of the 2008-2009 Budget Estimates

- 1.1 On 5 December 2007, the Legislative Council resolved ‘that the Budget Estimates and related papers for the financial year 2008-2009 presenting the amounts to be appropriated from the Consolidated Fund be referred to the General Purpose Standing Committees for inquiry and report.’<sup>1</sup>
- 1.2 The resolution (referred to as the Budget Estimates Resolution) required each committee to examine the Budget Estimates for the relevant portfolios and report to the House by the first sitting day in March 2009.<sup>2</sup>

## Hearings

- 1.3 The Committee held seven public hearings as follows:
- Thursday 16 October 2008 – Climate Change and the Environment
  - Thursday 16 October 2008 – Commerce
  - Thursday 16 October 2008 – Primary Industries, Mineral Resources
  - Friday 17 October 2008 – Energy
  - Friday 17 October 2008 – State Development
  - Friday 17 October 2008 – Water, Rural Affairs, Regional Development
  - Friday 17 October 2008 – Housing, Western Sydney.
- 1.4 On Monday 24 November 2008 the Committee also received a briefing by officers from the NSW Food Authority on imported seafood products. The briefing was arranged by the Hon Ian Macdonald MLC, Minister for Primary Industries, in response to questions asked by the Committee during the hearing on Thursday 16 October 2008.
- 1.5 A brief summary of the key issues raised during the hearings is contained in Chapter 2.

## Transcripts

- 1.6 Transcripts of the hearings are available on the Committee’s web page at [www.parliament.nsw.gov.au/gpsc5](http://www.parliament.nsw.gov.au/gpsc5).

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<sup>1</sup> *LC Minutes* (5/12/2007), 423-426

<sup>2</sup> *LC Minutes* (5/12/2007), 423-426, amended by *LC Minutes* (26/6/2008) 721-723, amended by *LC Minutes* (24/09/2008) 785-787

## **Questions on notice**

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

## Chapter 2 Issues raised during hearings

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

### Climate Change and the Environment

2.1 A hearing to examine the portfolio of Climate Change and the Environment was held on Thursday 16 October 2008. The following issues were raised:

- Costing of strategies to reduce carbon emissions and cost impacts on businesses and consumers
- Cost of meeting BASIX requirements and the impact on housing affordability
- Initiatives to reduce e-waste, including national efforts and the 2007 EPR Priority Statement
- Consultation with experts and stakeholders about climate change
- Budget for Climate Change and the Environment portfolio and its various programs
- Amount of electricity used by the aluminium industry
- Living Murray Scheme and measures to protect the River Red Gums
- Environmental obligations of Waste Services NSW, including the operation of the Arrow waste plant at Macarthur Park
- Port Macquarie foreshore development and its impact on the Indo-Pacific bottlenose dolphin
- Commitment for carbon-neutrality of government operations and reporting on energy usage
- Wind generation initiatives, including planning approvals for wind farms
- Annual visitor numbers to national parks
- Kangaroo management and the number of kangaroos culled
- Modelling of the impact of carbon sequestration in State forests
- Budget for the 'orphaned sites' program to manage contaminated sites
- Logging undertaken by Forests NSW in Ramsar wetlands areas
- Minister's initiatives to reduce the environmental footprint of her home and office, and efforts by the Department of Environment and Climate Change (DECC)
- Minister's position on the science of climate change and her consultation with experts
- Progress on achievement of renewable energy targets
- Progress towards a national approach to feed-in tariffs
- Management plan for the Toorale property

- Cooperation with private landholders to promote conservation
- Funding for the satellite monitoring program to detect illegal logging
- New native forestry legislation
- Logging of habitat for the Superb Parrot
- Number of officers employed by DECC at the senior executive level.

## Commerce

**2.2** A hearing to examine the portfolio of Commerce was held on Thursday 16 October 2008. The following issues were raised:

- Connecting NSW website and phone line, including its planned relocation to a regional area, referral of callers to other government agencies, staffing levels, its performance and cost
- Proposal for a free Wi-Fi service in Sydney city
- Procurement policy for purchasing goods and services, including the role of government procurement in developing specific industries in New South Wales, and consideration of environmental concerns in making purchasing decisions
- Guidelines for NSW Government advertising
- Spending on government advertising including the electricity reform package
- Purchase of diesel fuel and the whole-of-government fuel contract
- Policy on open source software.

## Primary Industries, Mineral Resources

**2.3** A hearing to examine the portfolios of Primary Industries and Mineral Resources was held on Thursday 16 October 2008. The following issues were raised:

- Spending on drought relief programs and the employment of drought assistance workers
- Measures to address the potential locust plague
- Sale of surplus equine influenza vaccine
- Restructure of rural lands protection boards including consultation
- Travelling stock routes, including size and management
- Funding for research into emissions reductions measures
- Support from the Department of Primary Industries (DPI) for organic farmers
- Minister's approach to clean coal technology
- Budget for research into soil carbon sequestration

- Structure of DPI, number of senior executive officers, and the role of the media and communications section
- Response to alleged logging of River Red Gums in areas covered by the Ramsar Convention
- Impact of the NSW Food Authority's 'name and shame' website
- Response to importation of melamine-contaminated products from China, and measures to ensure the integrity of imported foodstuffs
- Measures to protect agricultural land in the Sydney basin against urban encroachment
- Current review of the Plantations and Reafforestation Act
- Infrastructure support for the forestry industry, including the Bombala softwood mill
- Game Council activities to control feral animals and the net public benefit from its work
- Regulation of private native forests
- Incidence of hunters involved in illegal hunting practices
- Support for the development of second generation bio-fuels
- Research into downstream chemical impacts from plantation activities
- Levies to be paid by commercial fishermen in the Hastings River
- Stevens Report on restructuring the fishing industry, including consultation
- Number of recreational fishing licences
- Initiatives to combat illegal fishing activity and incorrect marketing of seafood
- Current state of the abalone stock on the South Coast
- Regulation of shark catches and shark finning, and research into shark populations
- Management of marine parks, including whether the Hawkesbury Shelf bio-region will be declared a marine park
- Ban on commercial fishing in Sydney Harbour and the payment of structural readjustment funds
- Waiver of fees for fishermen operating in inland restricted fisheries
- Initiatives to protect the Murray Cod
- Measures to protect the Grey Nurse Shark, including research efforts
- Assessment of dioxin levels in imported fish
- Effectiveness of shark nets and the impact on other marine species, including research into alternative options
- Tender for mineral exploration licences and how the funds raised will be spent
- Hydro-geological study on the effect of mining on the Liverpool Plains

- Mining industry's response to the Stein Report into occupational health and safety measures
- Increased value of mining royalties
- Upgrade of Newcastle port facilities
- Applications for exploration of oil and gas reserves
- Public access to mining proposals
- Economic value of food and agriculture production
- Duration of the licence for the Castlerock exploration site
- Research budget for new mineral exploration.

## Energy

2.4 A hearing to examine the portfolio of Energy was held on Friday 17 October 2008. The following issues were raised:

- Minister's May 2008 trade mission to China, including the cost, staff in attendance and the Minister's declaration of pecuniary interests
- Investment in the electricity sector
- Development of a position on feed-in tariffs and consultation at the Council of Australian Governments' meeting to achieve national consistency
- Clean coal and carbon capture, including research undertaken and the timeline for the demonstration plant being operational
- Dividends from electricity assets and investment in capital programs
- Renegotiation of expiring coal contracts, and ensuring access to coal supplies
- Federal Government's proposed carbon tax
- Research into geothermal power generation in the Moomba area
- Hedging contracts for coal and electricity
- Strategies to reduce home and business energy consumption
- Renewable energy projects being developed, including wind and solar
- Compensation under the Carbon Pollution Reduction Scheme.

## State Development

2.5 A hearing to examine the portfolio of State Development was held on Friday 17 October 2008. The following issues were raised:

- V8 Super Car race at Sydney Olympic Park, Homebush, including the release of the feasibility study and other documents relating to the decision to stage the event; consultation with Sydney Olympic Park Authority, Olympic Park tenants and local residents; government funding for the event; whether any lobbying took place in support of the event; the potential influence of the event on driver behaviour, and the number of trees to be removed to stage the event
- Government support for the consolidation of the financial services sector in Sydney
- Decentralisation of government departments and the relocation of government services outside the Sydney area
- Programs to support regional development
- Infrastructure proposals for regional areas
- Economic returns from World Youth Day
- Funding for Events NSW and staging of major events in Sydney.

## Water, Rural Affairs, Regional Development

2.6 A hearing to examine the portfolios of Water, Rural Affairs and Regional Development was held on Friday 17 October 2008. The following issues were raised in relation to the Water portfolio:

- Desalination plant, including its initial two-year operation and the criteria for bringing it into operation thereafter; costs of water produced; impact on fish in the discharge outlet; damage to residential properties, and environmental damage including grouting concrete on the sea floor at Kurnell
- Tillegra Dam, including the costs of construction, the site selection process and the consideration of low-cost alternative options
- Groundwater resources on the Central Coast, and changes to the water licence allocation for the Coca Cola site
- Water licences, including proportion of licences that are metered
- Maintenance of water pipes in the Sydney metropolitan area
- Fixed water charges for farmers
- Federal Government's water buy-back program, including the extent of buy-backs and the acquisition of Toorale station.

**2.7** The following issues were raised in relation to the Rural Affairs and Regional Development portfolios:

- March 2008 Report by the Rural and Regional Taskforce regarding delivery of Government services, and the response to its recommendations
- Water buy-backs by the Federal Government in the Riverina area, and the balancing of environmental needs with the needs of regional communities
- Efforts to support the continuation of regional air services to mid-sized towns
- Sites for the expansion of renewable energy
- Regional development opportunities of the Casino-Murwillumbah rail link
- Responsibilities and budget of the Rural Affairs portfolio.

## **Housing, Western Sydney**

**2.8** A hearing to examine the portfolios of Housing and Western Sydney was held on Friday 17 October 2008. The following issues were raised:

- Bonnyrigg Living Communities Project and private sector redevelopment of public housing
- Public housing stock and waiting lists, including the construction of new houses
- Response to the tenant fraud amnesty, including the interim results on rent recovery
- Maintenance of public housing, including the proposed Treasury loan to fund such maintenance; the extent of the maintenance backlog; maintenance issues at Riverwood Housing Estate, and the development of a new program to address maintenance issues
- Limited equity tenant-owned cooperatives
- Initiatives to promote affordable housing, including the new house and land packages at Minto
- Impact of demographic changes on the design of public housing
- Measures to cross-check tenants' income with other government agencies
- Number of public housing tenants with a mental illness and measures to support them
- Provision of public housing for homeless people
- Number of high-value properties owned by Housing NSW.

## Appendix 1 Witnesses at hearings

### 1. Climate Change and the Environment – Thursday 16 October 2008

Name	Position and Organisation
The Hon Carmel Tebbutt MP	Minister for Climate Change and the Environment
Ms Lisa Corbyn	Director-General, Department of Environment and Climate Change
Ms Sally Barnes	Deputy Director-General, Parks and Wildlife Group, Department of Environment and Climate Change
Mr Simon Smith	Deputy Director General, Climate Change, Policy and Programs Group, Department of Environment and Climate Change.

### 2. Commerce – Thursday 16 October 2008

Name	Position and Organisation
The Hon Carmel Tebbutt MP	Minister for Commerce
Mr David Callahan	Acting Director-General, Department of Commerce
Mr Paul Dexter	Chief Financial Officer, Department of Commerce
Mr Glenn Smith	Executive Director, Corporate Services and Review, Department of Commerce

### 3. Primary Industries, Mineral Resources – Thursday 16 October 2008

Name	Position and Organisation
The Hon Ian Macdonald MLC	Minister for Primary Industries and Mineral Resources
Mr Doug Hocking	Acting Director-General, Department of Primary Industries
Mr Nick Roberts	Chief Executive Officer, Forests NSW
Mr Alan Coutts	Executive Director, Department of Mineral Resources
Mr George Davey	Director-General, NSW Food Authority

### 4. Energy – Friday 17 October 2008

Name	Position and Organisation
The Hon Ian Macdonald MLC	Minister for Energy
Mr Mark Duffy	Director-General, Department of Water and Energy
Ms Leisel Baumgartner	Deputy Director-General, Department of Water and Energy

### 5. State Development – Friday 17 October 2008

Name	Position and Organisation
The Hon Ian Macdonald MLC	Minister for State Development
Mr Barry Buffier	Director-General, Department of State and Regional Development
Mr Warwick Glenn	Executive Director, Investment Division Department

**6. Water, Rural Affairs, Regional Development – Friday 17 October 2008**

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<b>Name</b>	<b>Position and Organisation</b>
The Hon Phillip Costa MP	Minister for Water, Rural Affairs and Regional Development
Mr Mark Duffy	Director-General, Department of Water and Energy
Mr David Harriss	Deputy Director-General, Department of Water and Energy
Ms Leisl Baumgartner	Deputy Director-General, Department of Water and Energy
Dr Kerry Schott	Managing Director, Sydney Water Corporation
Mr Kevin Young	Managing Director, Hunter Water Corporation
Mr George Warne	Chief Executive Officer, State Water Corporation
Mr Michael Bullen	Chief Executive Officer, Sydney Catchment Authority
Mr Barry Buffier	Director-General, Department of State and Regional Development
Mr Michael Cullen	Executive Director, Regional Development, Department of State and Regional Development.

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**7. Housing, Western Sydney – Friday 17 October 2008**

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<b>Name</b>	<b>Position and Organisation</b>
The Hon David Borger MP	Minister for Housing and Western Sydney
Mr Mike Allen	Director-General, Department of Housing
Mr John Scott	Director, Regional and Strategic Issues, Department of Premier and Cabinet.

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## Appendix 2 Minutes

### Minutes No. 14

Friday 26 September 2008

General Purpose Standing Committee No. 5

Room 1136, Parliament House, at 10:00 am

#### 1. Members present

Mr Ian Cohen

Mr Rick Colless

Ms Penny Sharpe (*Catanzariti*)

Mr Robert Brown

Ms Linda Voltz

Ms Helen Westwood

Mr Charlie Lynn

#### 2. Substitutions

Ms Penny Sharpe for Mr Tony Catanzariti.

#### 3. Confirmation of Minutes

Resolved on the motion of Mr Brown: That Minutes 13 be confirmed.

#### 4. \*\*\*

#### 5. Budget Estimates 2008/2009

The Clerk advised the arrangements for the 2008-09 Budget Estimates hearings regarding catering, briefing sessions for members and their staff, filming and witness requests.

The Committee noted no lunch would be provided during the one-hour break between morning and afternoon hearings.

#### 6. \*\*\*

#### 7. Adjournment

The Committee adjourned at 3.00pm *sine die*.

Jonathan Clark

**Clerk to the Committee**

### Minutes No. 15

Thursday, 16 October 2008

General Purpose Standing Committee No. 5

Room 814/815, Parliament House, Sydney, at 9.15 am

#### 1. Members present

Mr Ian Cohen (*Chair*)

Mr Rick Colless (*Deputy Chair*)

Mr Robert Brown

Mr Tony Catanzariti

Ms Marie Ficarra (Lynn)  
Mr Eddie Obeid (Voltz) (from 9:15 am)  
Ms Helen Westwood

## 2. Substitute members

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Ms Ficarra to substitute for Mr Lynn
- Mr Obeid to substitute for Ms Voltz.

## 3. Correspondence

The Committee noted the following items of correspondence sent:

- 29 September 2008 – From Secretariat to Minister Tebbutt, Deputy Premier and Minister for Climate Change and the Environment, regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2008-2009.

## 4. Conduct of hearing

### Allocation of question time

Resolved, on the motion of Mr Colless: That for the initial round of hearings into the Budget Estimates 2008-2009: The sequence of questions to be asked alternate between Opposition, Cross Bench and Government members, in that order, with 20 minutes allocated to each.

### Return date for answers to questions on notice

The Committee indicated their intention not to vary the Budget Estimates Resolution requiring answers to questions on notice to be returned within 21 days.

### Publication of answers to questions on notice

Resolved, on the motion of Ms Ficarra: That, according to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and Standing Order 223(1), the Committee authorise the Clerk of the Committee to publish the answers provided to questions on notice, except those answers for which a confidentiality is requested, after these answers have been circulated to committee members.

### Morning/afternoon break

The Chair advised that there would be a brief break at 10:30 am and 3:30 pm.

## 5. Public hearing: Inquiry into Budget Estimates 2008-2009

Witnesses, the public and media were admitted.

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

The following officials from departments, statutory bodies or corporations were sworn:

- Ms Lisa Corbyn, Director-General, Department of Environment and Climate Change
- Ms Sally Barnes, Deputy Director-General, Parks and Wildlife Group, Department of Environment and Climate Change
- Mr Simon Smith, Deputy Director General, Climate Change, Policy and Programs Group, Department of Environment and Climate Change.

The Chair then declared the proposed expenditure for the portfolio of Climate Change and the Environment open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 11:45 am. The public and media withdrew.

## 6. Adjournment

The Committee adjourned at 11:45 am until Thursday, 16 October 2008 at 12.00 pm.

Merrin Thompson

**Clerk to the Committee**

## Minutes No. 16

Thursday, 16 October 2008

General Purpose Standing Committee No. 5

Room 814/815, Parliament House, Sydney, at 11.56 am

### 1. Members present

Mr Ian Cohen (*Chair*)

Mr Robert Brown

Mr David Clarke (Lynn)

Ms Kayee Griffin (Catanzariti)

Dr John Kaye (participating)

Mr Trevor Khan (Colless)

Mr Mick Veitch (Voltz)

Ms Helen Westwood

### 2. Substitute members

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Clarke to substitute for Mr Lynn
- Ms Griffin to substitute for Mr Catanzariti
- Mr Khan to substitute for Mr Colless
- Mr Veitch to substitute for Ms Voltz.

### 3. Participating members

The Chair advised that the following member would be attending the meeting as a participating member:

- Dr Kaye.

### 4. Correspondence

The Committee noted the following items of correspondence sent:

- 29 September 2008– From Secretariat to Minister Tebbutt, Deputy Premier and Minister for Commerce, regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2008-2009.

### 5. Public hearing: Inquiry into Budget Estimates 2008-2009

Witnesses, the public and media were admitted.

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

The following officials from departments, statutory bodies or corporations were sworn:

- Mr David Callahan, Acting Director-General, Department of Commerce
- Mr Paul Dexter, Chief Financial Officer, Department of Commerce
- Mr Glenn Smith, Executive Director, Corporate Services and Review, Department of Commerce

The Chair then declared the proposed expenditure for the portfolio of Commerce open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 1:00 pm. The public and media withdrew.

## 6. Adjournment

The Committee adjourned at 1:00 pm until Thursday, 16 October 2008 at 2.00 pm.

Merrin Thompson

**Clerk to the Committee**

## Minutes No. 17

Thursday, 16 October 2008

General Purpose Standing Committee No. 5

Room 814/815, Parliament House, Sydney, at 2.00 pm

### 1. Members present

Mr Ian Cohen (*Chair*)

Mr Rick Colless (*Deputy Chair*)

Mr Robert Brown

Mr Tony Catanzariti

Matthew Mason-Cox (Lynn)

Mr Eddie Obeid (Voltz)

Ms Helen Westwood

### 2. Substitute members

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Obeid to substitute for Ms Voltz
- Mr Mason-Cox to substitute for Mr Lynn.

### 3. Correspondence

The Committee noted the following items of correspondence sent:

- 29 September 2008– From Secretariat to Minister Macdonald, Minister for Primary Industries and Minister for Mineral Resources, regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2008-2009.

### 4. Conduct of hearing

Resolved, on the motion of Ms Westwood: That the Primary Industries portfolio be examined from 2.00 pm until 5:30 pm and that the Mineral Resources portfolio be examined from 5:30 pm until 6:30 pm.

## 5. Public hearing: Inquiry into Budget Estimates 2008-2009

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded the Minister 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 departments, statutory bodies or corporations were sworn:

- Mr Doug Hocking, Acting Director-General, Department of Primary Industries
- Mr Nick Roberts, Chief Executive Officer, Forests NSW
- Mr Alan Coutts, Executive Director, Department of Mineral Resources
- Mr George Davey, Director-General, NSW Food Authority

The Chair then declared the proposed expenditure for the portfolios of Primary Industries and Mineral Resources open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 6:28 pm. The public and the media withdrew.

## 6. Deliberative meeting

Resolved, on the motion of Mr Colless: That the Committee defer its decision on whether to hold supplementary hearings for the following portfolio areas until after the return of answers to questions on notice:

- Climate Change and the Environment
- Commerce
- Primary Industries
- Mineral Resources.

## 7. Adjournment

The Committee adjourned at 6:35 pm until Friday, 17 October 2008 at 9.00 am.

Merrin Thompson

**Clerk to the Committee**

## Minutes No. 18

Friday, 17 October 2008

General Purpose Standing Committee No. 5

Jubilee Room, Parliament House, Sydney, at 9:00 am

### 1. Members present

Mr Ian Cohen (*Chair*)

Mr Rick Colless (*Deputy Chair*)

Mr Robert Brown

Mr Tony Catanzariti

Dr John Kaye (participating)

Mr Trevor Khan (Lynn)

Ms Lynda Voltz

Mr Eddie Obeid (Westwood) (9:35 am)

**2. Substitute members**

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Khan to substitute for Mr Lynn
- Mr Obeid to substitute for Ms Westwood.

**3. Participating members**

The Chair advised that the following members would be attending the meeting as participating members:

- Dr Kaye.

**4. Correspondence**

The Committee noted the following item of correspondence sent:

- 29 September 2008– From Secretariat to Minister Macdonald, Minister for Energy, regarding the Minister’s scheduled appearance time for the Inquiry into the Budget Estimates 2008-2009.

**5. Conduct of hearing**

The Chair advised that there would be a brief break at 10:30 am and at 3:30 pm.

**6. Public hearing: Inquiry into Budget Estimates 2008-2009**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded the Minister 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 departments, statutory bodies or corporations were sworn:

- Mr Mark Duffy, Director-General, Department of Water and Energy
- Ms Leisel Baumgartner, Deputy Director-General, Department of Water and Energy

The Chair then declared the proposed expenditure for the portfolio of Energy open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 11:21 am. The public and media withdrew.

**7. Other business**

**8. Adjournment**

The Committee adjourned at 11:21 am until Friday, 17 October 2008 at 11:30 am.

Merrin Thompson  
**Clerk to the Committee**

**Minutes No. 19**

Friday, 17 October 2008

General Purpose Standing Committee No. 5

Jubilee Room, Parliament House, Sydney, at 11.25 am

**1. Members present**

Mr Ian Cohen (*Chair*)

Mr Robert Brown

Mr Tony Catanzariti

Ms Ficarra (Colless)

Mr Trevor Khan (Lynn)

Ms Lynda Voltz

Mr Ian West (Westwood)

**2. Substitute members**

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Ms Ficarra to substitute for Mr Colless.
- Mr Khan to substitute for Mr Lynn.
- Mr West to substitute for Ms Westwood.

**3. Correspondence**

The Committee noted the following item of correspondence sent:

- 29 September 2008 – From Secretariat to Minister Macdonald, Minister for State Development, regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2008-2009.

**4. Public hearing: Inquiry into Budget Estimates 2008-2009**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded the Minister 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 departments, statutory bodies or corporations were sworn:

- Mr Barry Buffier, Director-General, Department of State and Regional Development
- Mr Warwick Glenn, Executive Director, Investment Division Department

The Chair then declared the proposed expenditure for the portfolio of State Development open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 1:53 pm. The public and media withdrew.

**5. Adjournment**

The Committee adjourned at 1:53 pm until Friday, 17 October 2008 at 2.00 pm.

Rachel Simpson

**Clerk to the Committee**

**Minutes No. 20**

Friday, 17 October 2008

General Purpose Standing Committee No. 5

Jubilee Room, Parliament House, Sydney, at 2.00 pm

**1. Members present**Mr Ian Cohen (*Chair*)Mr Rick Colless (*Deputy Chair*)

Mr Robert Brown

Mr Tony Catanzariti

Mr David Clarke (Lynn)

Dr John Kaye (participating)

Mr Eddie Obeid (Westwood)

Mr Mick Veitch (West)

**2. Substitute members**

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Clarke to substitute for Mr Lynn
- Mr Obeid to substitute for Ms Westwood
- Mr Veitch to substitute for Mr West.

**3. Participating members**

The Chair advised that the following members would be attending the meeting as participating members:

- Dr Kaye.

**4. Correspondence**

The Committee noted the following items of correspondence sent:

- 29 September 2008– From Secretariat to Minister Costa, Minister for Water, Minister for Rural Affairs and Minister for Regional Development, regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2008-2009.

**5. Conduct of hearing**Order for examination of portfolios:

Resolved, on the motion of Mr Colless: That the Rural Affairs and Regional Development portfolios be examined from 2:00 pm until 2:45 pm and that the Water portfolio be examined from 2:45 pm until 4:15 pm.

**6. Public hearing: Inquiry into Budget Estimates 2008-2009**

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded the Minister 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 departments, statutory bodies or corporations were sworn:

- Mr Mark Duffy, Director-General, Department of Water and Energy
- Mr David Harriss, Deputy Director-General, Department of Water and Energy
- Ms Leisl Baumgartner, Deputy Director-General, Department of Water and Energy
- Dr Kerry Schott, Managing Director, Sydney Water Corporation
- Mr Kevin Young, Managing Director, Hunter Water Corporation
- Mr George Warne, Chief Executive Officer, State Water Corporation

- Mr Michael Bullen, Chief Executive Officer, Sydney Catchment Authority
- Mr Barry Buffier, Director-General, Department of State and Regional Development
- Mr Michael Cullen, Executive Director, Regional Development, Department of State and Regional Development.

The Chair then declared the proposed expenditure for the portfolios of Water, Rural Affairs and Regional Development open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 4:20 pm. The public and media withdrew.

## 7. Other business

## 8. Adjournment

The Committee adjourned at 4:20 pm until Friday, 17 October 2008 at 4.30 pm.

Teresa Robinson

**Clerk to the Committee**

## Minutes No. 21

Friday, 17 October 2008

General Purpose Standing Committee No. 5

Jubilee Room, Parliament House, Sydney, at 4.30 pm

### 1. Members present

Ms Westwood (*Temporary Chair*)

Mr Robert Brown

Mr Tony Catanzariti

Mr David Clarke (Lynn)

Ms Sylvia Hale (participating)

Mr Trevor Khan (Colless)

Mr Eddie Obeid (participating)

Mr Henry Tsang (Voltz)

### 2. Substitute members

The Chair advised that he had received written advice that the following members would be substituting for the purposes of this hearing:

- Mr Clarke to substitute for Mr Lynn
- Mr Khan to substitute for Mr Colless
- Mr Tsang to substitute for Ms Voltz

### 3. Participating members

The Chair advised that the following members would be attending the meeting as participating members:

- Mr Obeid.

#### 4. Correspondence

The Committee noted the following items of correspondence sent:

- 29 September 2008 – From Secretariat to Minister Borger, Minister for Housing and Minister for Western Sydney, regarding the Minister's scheduled appearance time for the Inquiry into the Budget Estimates 2008-2009.

#### 5. Election of the Temporary Chair

According to Standing Order 213(2) and the resolution of the House establishing the Committee, the Clerk called for nominations for the Chair.

Mr Brown moved: That Ms Westwood be elected Temporary Chair of the Committee.

There being no further nominations, the Clerk declared Ms Westwood elected Temporary Chair.

#### 6. Public hearing: Inquiry into Budget Estimates 2008-2009

Witnesses, the public and media were admitted.

The Chair made an opening statement regarding the broadcasting of proceedings and other matters. The Chair reminded the Minister 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 departments, statutory bodies or corporations were sworn:

- Mr Mike Allen, Director-General, Department of Housing
- Mr John Scott, Director, Regional and Strategic Issues, Department of Premier and Cabinet.

The Chair then declared the proposed expenditure for the portfolios of Housing and Western Sydney open for examination.

The Minister and other witnesses were examined by the Committee.

The evidence concluded and the witnesses withdrew.

The public hearing concluded at 6:01 pm. The public and media withdrew.

#### 7. Deliberative meeting

##### Supplementary hearings

Resolved, on the motion of Mr Khan: That the Committee defer its decision on whether to hold supplementary hearings for the following portfolio areas until after the return of answers to questions on notice:

- Energy
- State Development
- Water
- Rural Affairs
- Regional Development
- Housing
- Western Sydney.

#### 8. Adjournment

The Committee adjourned at 6:04 pm *sine die*.

Teresa Robinson

**Clerk to the Committee**

**Minutes No. 22**

Thursday, 13 November 2008

General Purpose Standing Committee No. 5

Room 1102, Parliament House, Sydney, at 2.05 pm

**1. Members present**

Mr Ian Cohen (Chair)  
 Mr Robert Brown  
 Mr Tony Catanzariti  
 Mr Rick Colless  
 Mr Charlie Lynn  
 Ms Lynda Voltz  
 Ms Helen Westwood

**2. Minutes**

Resolved, on the motion of Mr Brown: That draft minutes no. 14 be confirmed.

Resolved, on the motion of Mr Catanzariti: That draft minutes no. 15-21 be confirmed.

**3. Correspondence**

The Committee noted the following items of correspondence:

***Sent***

- 23 October 2008 – Letter from the Chair to Ms Lisa Corbyn, Director General, Department of Environment and Climate Change, forwarding an email from a member of the public identifying an area that they believe may contain radioactive material, and advising that any future claims would be directed to the Department
- 22 October 2008 – Letters from the Secretariat requesting answers to Budget Estimates questions on notice by 5 pm Wednesday 12 November 2008, to:
  - Minister Macdonald – Energy, State Development
  - Minister Costa – Water, Rural Affairs, Regional Development.
  - Minister Borger – Housing, Western Sydney.
- 21 October 2008 – Letters from the Secretariat requesting answers to Budget Estimates questions on notice by 5 pm Tuesday 11 November 2008, to:
  - Minister Tebbutt – Climate Change and the Environment, Commerce
  - Minister Macdonald – Primary Industries, Mineral Resources.

***Received***

- 27 October 2008 – Letter from Ms Kerry Schott, Managing Director, Sydney Water to the A/Director-Committees, providing clarification of Ms Schott's evidence during the Budget Estimates hearing on Friday 17 October 2008
- Letters providing answers to questions taken on notice during the Budget Estimates hearings on Thursday 16 October 2008:
  - 11 November – Minister Tebbutt (Climate Change and the Environment)
  - 11 November – Minister Tebbutt (Commerce)
  - 12 November – Minister Macdonald (Primary Industries, Mineral Resources).
- 11 November 2008 – Letter from Minister Macdonald, Minister for Primary Industries, offering to arrange for the NSW Food Authority to give the Committee a briefing in relation to imported prawn products.
- Letters providing answers to questions taken on notice during the Budget Estimates hearings on Friday 17 October 2008:
  - 12 November – Minister Macdonald (Energy, State Development)
  - 12 November – Minister Costa (Water, Rural Affairs, Regional Development)
  - 12 November – Minister Borger (Housing, Western Sydney).

- 12 November 2008 – Letter from Minister Costa, Minister for Water, providing clarification of the Minister’s evidence during the Budget Estimates hearing on Friday 17 October 2008.

Resolved, on the motion of Mr Colless: That the Committee accept Minister Macdonald’s offer of a briefing on imported prawn products, and request that the briefing have a duration of one hour and be on farmed seafood products. Further, that the briefing be held in the week beginning Monday 24 November 2008, on a date to be determined by the Chair in consultation with Committee members.

#### 4. Budget Estimates supplementary hearings

Mr Colless moved: That the Committee hold a further hearing to examine matters relating to the Climate Change and the Environment portfolio.

Question put and negatived.

Resolved, on the motion of Ms Voltz: That the Committee hold no further hearings to consider matters relating to the portfolios of:

- Climate Change and the Environment
- Commerce
- Primary Industries
- Mineral Resources
- Energy
- State Development
- Water
- Rural Affairs
- Regional Development
- Housing
- Western Sydney.

#### 5. Adjournment

The Committee adjourned at 2.20 pm *sine die*.

Madeleine Foley

**Clerk to the Committee**

#### **Draft Minutes No. 23**

Monday 24 November 2008

General Purpose Standing Committee No. 5

Room 1254, Parliament House, Sydney, at 1 pm

#### 1. Members present

Mr Ian Cohen (*Chair*)

Mr Rick Colless (*Deputy Chair*)

Mr Robert Brown

Mr Tony Catanzariti

Mr Charlie Lynn

Mr Christine Robertson (*Voltz*)

Ms Helen Westwood

## 2. **Substitute members**

The Chair advised that he had received written advice that the following member would be substituting for the purposes of this hearing:

- Ms Robertson to substitute for Ms Voltz.

## 3. **Briefing by officers from the NSW Food Authority**

The Committee received a briefing on imported seafood products by the following officers from the NSW Food Authority:

- Mr Craig Sahlin, Deputy Director General, Executive Director Science and Policy
- Mr Peter Day, Executive Director Compliance, Investigation and Enforcement
- Dr Liza Szabo, Chief Scientist.

The officers from the NSW Food Authority were accompanied by Mr Jason Stewart, Policy Advisor to the Hon Ian Macdonald, Minister for Primary Industries.

The Chair welcomed the officers and thanked them for the offer to provide a private briefing to the Committee.

Mr Sahlin, Mr Day and Dr Szabo proceeded to provide an overview of the governance arrangements, including the quality assurance and screening programs, which regulate imported seafood products, and the role of the NSW Food Authority in ensuring food safety and maintaining appropriate standards.

The briefing concluded and the officers withdrew.

## 2. **Deliberative meeting: Minutes**

Resolved, on the motion of Ms Westwood: That draft minutes no. 22 be confirmed.

## 3. **Chair's draft report on the Budget Estimates 2008-2009**

The Chair tabled his draft report entitled *Budget Estimates 2008-2009*, which, having been previously circulated, was taken as being read.

Resolved, on the motion of Mr Colless: That the draft report (as amended) be the report of the Committee. Further, that the Committee present the report to the House, together with transcripts of evidence, answers to questions on notice, minutes of proceedings and correspondence relating to the inquiry.

## 4. **Adjournment**

The Committee adjourned at 2.15 pm *sine die*.

Madeleine Foley

**Clerk to the Committee**