

General Purpose Standing Committee No. 5

Budget Estimates 2006-2007

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How to contact the Committee

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Terms of reference

1. That the Budget Estimates and related papers for the financial year 2006-2007 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. For the purposes of this inquiry any member of the House may attend a meeting of a committee in relation to the Budget Estimates and question witnesses, participate in the deliberations of the committee at such meeting and make a dissenting statement relating to the Budget Estimates, but may not vote or be counted for the purpose of any quorum.
4. The committees must hear evidence on the Budget Estimates in public.
5. Not more than three committees are to hear evidence on the Budget Estimates simultaneously.
6. When a committee hears evidence on the Budget Estimates, the Chair is to call on items of expenditure in the order decided on and declare the proposed expenditure open for examination.
7. 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.
8. The report of a committee on the Budget Estimates may propose the further consideration of any items.
9. That a daily Hansard record of the hearings of a committee on the Budget Estimates be published as soon as practicable after each day's proceedings.
10. That the hearings be held according to the following timetable: *

Monday 28 August 2006

9.00 am to 1.00 pm

GPSC 1: Premier, State Development, Citizenship

GPSC 3: Justice, Juvenile Justice

2.00 pm to 6.00 pm

GPSC 4: Local Government, Western Sydney, Fair Trading

GPSC 5: Water Utilities, Regional Development, Small Business, Illawarra

8.00 pm to 10.30 pm

GPSC 1: The Legislature

GPSC 2: Tourism and Sport and Recreation, Women, Aboriginal Affairs

*Note: This timetable was varied by the Leader of the Government. The final timetable for Budget Estimates 2006-2007 is on Parliament's website.

Friday 1 September 2006

9.00 am to 1.00 pm

GPSC 1: Industrial Relations, Commerce, Finance

GPSC 4: Roads

2.00 pm to 6.00 pm

GPSC 3: Police

GPSC 5: Energy, Ports, Waterways

8.00 pm to 10.30 pm

GPSC 3: Gaming and Racing, Central Coast

GPSC 4: Housing

Monday 4 September 2006

9.00 am to 1.00 pm

GPSC 1: Treasury, Infrastructure, Hunter

GPSC 2: Health

2.00 pm to 6.00 pm

GPSC 1: Education and Training

GPSC 5: Environment, Arts

8.00 pm to 10.30 pm

GPSC 2: Community Services, Youth

GPSC 5: Primary Industries

Friday 8 September 2006

9.00 am to 1.00 pm

GPSC 2: Ageing and Disability Services

GPSC 4: Planning, Redfern and Waterloo, Science and Medical Research

2.00 pm to 6.00 pm

GPSC 3: Lands, Emergency Services, Rural Affairs

GPSC 4: Transport

8.00 pm to 10.30 pm

GPSC 3: Attorney General

GPSC 5: Natural Resources, Mineral Resources.

11. The committees may hold supplementary hearings as required.
12. The committees are to present a final report to the House by the last sitting day in November 2006.
13. The timetable in paragraph 10 may be varied by the Leader of the Government, provided the time allocated for each portfolio hearing is not reduced.
14. Members may lodge with the Clerk to the committee proposed issues for questioning up to seven days prior to the holding of the initial hearing for that portfolio.
15. Members may lodge questions on notice with the Clerk to the committee during a Budget Estimates hearing and up to two days following.

Committee membership

Mr Ian Cohen MLC	The Greens	<i>Chair</i>
The Hon Richard Colless MLC	The Nationals	<i>Deputy Chair</i>
The Hon Tony Catanzariti MLC	Australian Labor Party	
The Hon Greg Donnelly MLC	Australian Labor Party	
Ms Sylvia Hale MLC	The Greens	
The Hon Don Harwin MLC	Liberal Party	
The Hon Henry Tsang MLC	Australian Labor Party	

Other members who attended the hearings

The Hon Kayee Griffin MLC	Australian Labor Party
The Hon Duncan Gay MLC	Liberal Party
The Hon Peter Primrose MLC	Australian Labor Party
The Hon Jan Burnswoods MLC	Australian Labor Party
The Hon Greg Pearce MLC	Liberal Party
The Hon Melinda Pavey MLC	Liberal Party
The Hon Amanda Fazio MLC	Australian Labor Party
The Hon Edward Obeid MLC	Australian Labor Party
The Hon John Ryan MLC	Liberal Party
Ms Lee Rhiannon MLC	The Greens

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Chair's foreword

I am pleased to present the report of General Purpose Standing Committee No. 5 on the 2006-2007 Budget Estimates. The Committee examined the following portfolio areas:

- Environment
- Arts
- Water Utilities
- Regional Development
- Illawarra
- Small Business
- Natural Resources
- Primary Industries
- Mineral Resources
- Energy
- Ports
- Waterways.

The Committee would like to thank the Ministers and other witnesses who gave evidence during the Inquiry.



Mr Ian Cohen MLC

Chair

Chapter 1 Introduction

Referral of the 2006-2007 Budget Estimates

- 1.1 On Thursday 8 June 2006, the Legislative Council resolved ‘that the Budget Estimates and related papers for the financial year 2006-2007 presenting the amounts to be appropriated from the Consolidated Fund be referred to the GPSCs for inquiry and report’.¹
- 1.2 Each committee was to examine the Budget Estimates for the relevant portfolios and report to the House by the last sitting day of November 2006.²

Hearings

- 1.3 The Committee held five public hearings as follows:
- Monday 28 August – Water Utilities, Regional Development, Small Business, Illawarra
 - Friday 1 September – Energy, Ports, Waterways
 - Monday 4 September – Environment, Arts
 - Monday 4 September – Primary Industries, Natural Resources, Mineral Resources
 - Friday 29 September – Water Utilities, Regional Development, Small Business, Illawarra.
- 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/gpsc5.

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 *Minutes of Proceedings, No 7, 2nd Session of the 53rd Parliament, 8 June 2006, item 25*

² *Minutes of Proceedings, No 7, 2nd Session of the 53rd Parliament, 8 June 2006, item 25, para 12*

Chapter 2 Issues raised during hearings

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

Water Utilities, Regional Development, Small Business, Illawarra

2.1 A hearing examining the portfolios of Water Utilities, Regional Development, Small Business and Illawarra was held on Monday 28 August 2006. The following issues were raised:

- appropriateness of Government assistance programs such as the Payroll Incentive Scheme and funding of Country Week
- continuing operation of the Country Embassy by the Department of State and Regional Development
- supply of available employment lands in the Illawarra
- impact of rising fuel prices on regional businesses and communities
- costs of preparatory work for the desalination plant and spending on Sydney Water infrastructure maintenance
- monitoring of water quality from Port Kembla Recycling Plant to Bluescope Steel and the financial arrangements between Sydney Water, Bluescope Steel and Veolia Water
- resignation of the previous Director General of the Department of Energy, Utilities and Sustainability and the recruitment process for the recent appointment of the General Manager of Sydney Water
- total environmental flow for the Hawkesbury Nepean System
- division of responsibility for water resources across different government departments and agencies
- water recycling including the use of ocean outfalls, potential utilisation of the Liverpool to Ashfield pipeline to direct recycled water to customers, and the industrial dispute with the Fire Brigade's Union over the use of recycled water
- Government schemes to encourage major water users to save water, the potential abolition of water restrictions if dam levels rise and the approval process for grants from the Water Savings Fund
- treatment and disposal of water used to clean up spills of radioactive material at the Lucas Heights reactor.

Supplementary hearing

2.2 A supplementary hearing examining the portfolios of Water Utilities, Regional Development, Small Business and Illawarra was held on Friday 29 September 2006. The following issues were raised:

- cost of major recycling projects, including the desalination plant

- water recycling schemes in Europe and Singapore compared to those implemented by Sydney Water
- cooperation between Sydney Water and residential and industrial users in water recycling schemes, as evidenced by the international award given to Sydney Water for their joint project with business under the 'Every Drop Counts' program
- water saving technologies developed by business in cooperation with Sydney Water, such as the waterless wok
- grants for water recycling and improved efficiency of water use awarded through the Water Saving Fund
- project to harvest stormwater from the building at No. 1 Martin Place, and any funding support for this project
- salary and position of Ms Kerry Schott as Managing Director and Board Member of Sydney Water
- number of treatment plants discharging effluent into the system
- cost of the oceanographic current monitoring station off Kurnell, and its relationship to the desalination plant
- impact of Shoalhaven water transfers and comparative water usage in the Shoalhaven and Sydney
- challenges facing small businesses in regional areas and schemes to assist these businesses such as Small Business Month and the re-located Country Embassy.

Energy, Ports, Waterways

2.3 A hearing examining the portfolios of Energy, Ports and Waterways was held on Friday 1 September 2006. The following issues were raised:

- asset management including the register, sale and lease of Maritime property assets
- progress of the Ports Growth Plan, including the impact on jobs, Sydney Harbour as a working port, exports, and the planned extension to Port Botany facilities
- expansion of Port Kembla including completion of the rail link and increased truck movements
- truck movements at Port Botany, including queuing of trucks
- bilge release and discharge measures currently in place and developing technology such as disposable absorbent products and separators
- funding to volunteer marine rescue groups for training, such as water traffic control for general activities, and harbour festivities, such as New Year's Eve and Sydney to Hobart Yacht Race
- upgrade of commuter ferry wharves and improved disability access, including the upgrade of Manly Wharf

- safe and responsible use of waterways, including safety equipment requirements, education targeting speed and alcohol, traffic safety signage, toll free weather service, and more rigorous licensing tests
- matters relating to the expected Energy White Paper
- Greenhouse Gas Abatement Scheme, including subsidy incentives for gas-fired power stations
- new coal fired power stations including at Lithgow
- progress of funding offers under the Energy Savings Fund
- rates of return from commercial tenants, including increasing terms of commercial rent as per IPART report
- reliability of electricity supply
- employment opportunities for electrical workers.

Environment, Arts

2.4 A hearing examining the portfolios of Environment and Arts was held on Monday 4 September 2006. The following issues were raised:

- output figures and staffing for the State Library, Australian Museum, Museum of Applied Arts and Sciences (Powerhouse and Observatory), Historic Housing Trust, State Records Authority, Art Gallery of New South Wales, the Whiteley Studio, and the NSW Film and Television Office
- travelling, regional and remote arts programs and the local government Cultural Accord
- public libraries, including per capita funding and the cost to local government
- indigenous arts programs funded through Arts NSW
- various issues relating to water, including Shoalhaven River water transfers, capacity of Sydney dams, ground water and aquifers at Kangaloon, Leonay, Central Coast, Blue Mountains and the Southern Highlands, water quality improvements, the Living Murray initiative, deep water storage and the River Bank Program
- proportion of female kangaroos being culled and impact on kangaroo populations
- waste reduction strategies including electronic waste such as mobile phones, computers and televisions and regulation of and reduction in plastic bag usage by retailers
- Snowy Hydro Authority and the siltation plume
- Sydney air quality issues such as on-going monitoring of air pollution, and the licence issued to Alcoa to process dross and aluminium
- efforts by Government and industry in cleaning up contaminated sites
- access to toilets for people with a disability at the Fairfax trail at Blackheath

- river red gum forests in the Riverina region
- management of national parks including control of pests and feral animals and return of land to traditional owners.

Primary Industries, Natural Resources, Mineral Resources

2.5 A hearing examining the portfolios of Primary Industries, Natural Resources and Mineral Resources was held on Monday 4 September 2006. The following issues were raised:

- threatened species offset ratio of 1:10 or 1:15 at Oxley Downs, Cobar
- land degradation indicators and prevention strategies
- low-flying aircraft and alleged illegal clearing activity
- Orange Agricultural Institute
- drought relief and Drought Transport Subsidies
- comments by the Minister on the Green Movement
- water and ground water issues concerning Kangaloon/Hawkesbury-Nepean/Lower Gwydir/Macquarie Marshes, bulk water prices in NSW, Independent Pricing and Regulatory Tribunal and additional costs to Murray Valley irrigators, potential conflict of interest between ministerial departments (Primary Industries and Natural Resources) over water allocation
- forestry – Riverina region and red gum resources/Pilliga region/Southern forests
- NSW Food Authority activities – education/budget allocations/prosecutions under the NSW Food Act
- fish – Dioxin contamination in Sydney Harbour and the impact of Marine Parks (Batemans Bay and Port Stephens) on local communities
- Department of Primary Industries – finances and Ovine Johne’s Disease industry assistance scheme
- Ministerial office – Department of Environment and Conservation liaison with the Department of Primary Industries regarding major breaches
- mining – coal mining (Collex export terminal/Anvil Hill proposal/BHP Billiton/Caroona coalfield), mining pollution and anomalies in NSW mining legislation – ruby mining/resource assessments/exploration to sampling – requirements for an EIS.

Appendix 1 Witnesses

Water Utilities, Regional Development, Small Business, Illawarra – Monday 28 August 2006

Name	Position
Hon David Campbell MP	Minister for Water Utilities, Minister for Regional Development, Minister for Small Business, Minister for Illawarra
Mr Loftus Harris	Director General, Department of State and Regional Development
Dr Kerry Schott	Managing Director, Sydney Water
Mr Mark Duffy	Acting Director General, Department of Energy, Utilities and Sustainability
Ms Julie Scott	Executive Director, Small Business Development Division, Department of State and Regional Development
Mr Michael Cullen	Executive Director, Regional Development Division, Department of State and Regional Development

Energy, Ports, Waterways – Friday 1 September 2006

Name	Position
Hon Joseph Tripodi MP	Minister for Energy, Minister for Ports and Waterways
Mr Mark Duffy	Acting Director General, Department of Energy, Utilities and Sustainability
Mr Brett Moore	Acting Chief Executive, NSW Maritime
Mr Anthony Middleton	General Manager, Shipping Security and Environment, NSW Maritime
Mr Brian Stanwell	General Manager, Corporate Services, NSW Maritime

Environment, Arts – Monday 4 September 2006

Name	Position
Hon Bob Debus MP	Minister for Environment, Minister for Arts
Mr Robert Adby	Director General, Department of the Arts, Sport and Recreation
Ms Jennifer Lindsay	Deputy Director General, Department of the Arts, Sport and Recreation
Ms Rachel Cheetham	Executive Manager, Finance and Property, Arts NSW
Ms Lisa Corbyn	Director General, Department of Environment and Conservation
Mr Simon Smith	Deputy Director General, Environment Protection and Regulation, Department of Environment and Conservation
Dr Tony Fleming	Deputy Director General, Parks and Wildlife Division, Department of Environment and Conservation
Dr Tim Entwisle	Executive Director, Botanic Gardens, Department of Environment and Conservation
Mr Arthur Diakos	Executive Director, Corporate Services, Department of Environment and Conservation
Mr Graeme Head	Chief Executive, Sydney Catchment Authority

Primary Industries, Natural Resources, Mineral Resources – Monday 4 September 2006

Name	Position
Hon Ian Macdonald MLC	Minister For Primary Industries, Minister for Natural Resources, Minister for Mineral Resources
Mr Alan Coutts	Acting Director General, Department of Primary Industries
Dr Richard Sheldrake	Director General, Department of Natural Resources
Mr George Davey	Director General, NSW Food Authority
Mr Craig Sahlin	Executive Director, Policy and Science, NSW Food Authority

Appendix 2 Minutes

Minutes No. 59

Monday 28 August 2006

At Parliament House at 1:45pm

1. Members present

Mr Ian Cohen (Chairperson)

Mr Tony Catanzariti

Mr Henry Tsang

Ms Sylvia Hale

Mr Don Harwin

Ms Kayee Griffin (Donnelly)

Mr Duncan Gay (Colless)

2. Substitute members

The Committee noted advice of the following substitutions:

- Ms Griffin to substitute for Mr Donnelly
- Mr Gay to substitute for Mr Colless.

3. Correspondence

The Committee noted the following item of correspondence:

Sent

- Letter to Minister Campbell inviting him to appear before the Committee at 2:00pm, Monday 28 August 2006, attaching a copy of any proposed issues submitted in advance for questioning (22 August 2006).

4. Conduct of hearing

Resolved, on the motion of Mr Harwin: That the portfolio areas of Regional Development, Small Business and Illawarra be examined from 2:00pm until 3:30pm, that the portfolio area of Water Utilities be examined from 3:30pm until 5:00pm and that the remaining hour be used to ask questions on any unresolved issues from any of the four portfolio areas.

Resolved, on the motion of Mr Harwin: That the sequence of questions to be asked alternate between Opposition, Cross Bench and Government members with 30 minutes allocated to each.

Resolved, on the motion of Mr Harwin: That Ministers be requested to return answers to questions on notice taken during Budget Estimates hearings, and written questions on notice lodged with the Clerk to the committee during a Budget Estimates hearing and up to two days following, within 21 days of the day on which the question is forwarded to the Minister by the Committee Clerk.

5. Public hearing: Inquiry into Budget Estimates 2006-2007

The public and media were admitted.

Minister Campbell MP, Minister for Water Utilities, Minister for Regional Development, Minister for Small Business and Minister for the Illawarra, was admitted, accompanied by the following officers:

Department of State and Regional Development

Mr Loftus Harris, Director General

Ms Julie Scott, Executive Director, Small Business Development Division

Mr Michael Cullen, Executive Director, Regional Development Division

Sydney Water

Dr Kerry Schott, Managing Director

Department of Energy, Utilities and Sustainability

Mr Mark Duffy, A/Director General.

The Chair made a statement regarding procedural matters. Witnesses from departments, statutory bodies or corporations were sworn or affirmed. The Chair then declared the proposed expenditure for the portfolio areas of Water Utilities, Regional Development, Small Business and the Illawarra open for examination.

The Minister and the officers accompanying the Minister answered questions from members of the Committee.

Evidence concluded and the witnesses, public and the media withdrew.

6. Deliberative meeting

Supplementary hearing

Mr Gay moved: That the Committee invite the Minister and/or relevant Departmental representatives to attend a further hearing to consider matters relating to the portfolio areas of Water Utilities, Regional Development, Small Business and the Illawarra, on a date and time to be determined by the Chair in consultation with the Committee members and the witnesses.

Question put.

The Committee divided.

Ayes: Gay, Harwin, Cohen

Noes: Griffin, Catanzariti, Tsang

There being an equality of votes, the Chair gave his casting vote with the Ayes.

Question resolved in the affirmative.

Mr Harwin moved: That the duration of the supplementary hearing be 2.5 hours.

Question put.

The Committee divided.

Ayes: Gay, Harwin, Cohen

Noes: Griffin, Catanzariti, Tsang

There being an equality of votes, the Chair gave his casting vote with the Ayes.

Question resolved in the affirmative.

7. **Adjournment**

The Committee adjourned at 6:05pm until 1:45pm on Friday 1 September 2006 in the Jubilee Room.

Rachel Callinan

Clerk to the Committee

Minutes No. 60

Friday 1 September 2006

At Parliament House at 1:50pm

1. **Members present**

Mr Ian Cohen (Chairperson)

Ms Jan Burnswoods (Tsang)

Mr Greg Donnelly

Ms Sylvia Hale

Ms Melinda Pavey (Colless)

Mr Greg Pearce (Harwin)

Mr Peter Primrose (Catanzariti)

2. **Substitute members**

The Committee noted advice of the following substitutions:

- Mr Peter Primrose to substitute for Mr Tony Catanzariti.
- Ms Jan Burnswoods to substitute for Mr Henry Tsang
- Mr Greg Pearce to substitute for Mr Don Harwin
- Ms Melinda Pavey to substitute for Mr Richard Colless.

3. **Correspondence**

The Committee noted the following item of correspondence:

Sent

- Letter to Minister Tripodi inviting him to appear before the Committee at 2pm Friday 1 September 2006, attaching a copy of the proposed issues for questioning submitted in advance (28 August 2006).

4. Conduct of hearing

Resolved on the motion of Ms Pavey: That the Committee examine the portfolio of Ports and Waterways at the same time as the portfolio of Energy.

5. Public hearing: Inquiry into Budget Estimates 2006-2007

The public and media were admitted.

Hon Joseph Tripodi MP, Minister for Energy and Minister for Ports and Waterways, was admitted and accompanied by the following officers:

Department of Energy, Utilities and Sustainability

Mr Mark Duffy, Acting Director General

NSW Maritime

Mr Brett Moore, Acting Chief Executive

Mr Anthony Middleton, General Manager, Shipping, Security and Environment

Mr Brian Stanwell, General Manager, Corporate Services

The Chair made a statement regarding procedural matters. Witnesses from departments, statutory bodies or corporations were sworn or affirmed. The Chair then declared the proposed expenditure for the portfolio areas of Energy and Ports and Waterways open for examination.

The Minister and the officers accompanying the Minister answered questions from members of the Committee.

Evidence concluded and the witnesses, public and the media withdrew.

6. Deliberative meeting***Supplementary hearings***

Resolved, on the motion of Mr Pearce: That the Committee defer a decision on supplementary hearings pending receipt of questions on notice.

7. Adjournment

The Committee adjourned at 6:02 until 1:45pm on Monday 4 September 2006 in the Jubilee Room.

Rachel Callinan

Clerk to the Committee

Minutes No. 61

Monday 4 September 2006

At Parliament House at 1:50pm.

1. Members present

Mr Ian Cohen (Chairperson)

Mr Richard Colless (Deputy Chairperson)

Ms Jan Burnswoods (Tsang)

Mr Greg Donnelly

Ms Kayee Griffin (Catanzariti)
Ms Sylvia Hale
Mr Don Harwin (until 4:00pm)
Mr John Ryan (for Harwin after 4:00pm)

2. Substitute members

The Committee noted advice of the following substitutions:

- Ms Jan Burnswoods to substitute for Mr Henry Tsang
- Ms Kayee Griffin to substitute for Mr Tony Catanzariti
- Mr John Ryan to substitute for Mr Don Harwin from 4:00pm.

3. Correspondence

The Committee noted the following item of correspondence:

Sent

- Letter to Minister Debus inviting him to appear before the Committee at 2pm Monday 4 September 2006, noting that issues no were submitted in advance for questioning (29 August 2006).

4. Conduct of hearing

Resolved, on the motion of Mr Harwin: That Arts be examined for a maximum of 1 hr, from 2pm until 3pm, and Environment be examined from 3pm until 6pm.

5. Public hearing: Inquiry into Budget Estimates 2006-2007

The public and media were admitted.

Hon Bob Debus MP, Minister for the Environment and Minister for the Arts, was admitted and accompanied by the following officers:

Department of the Arts Sport and Recreation

Mr Robert Adby, Director General

The Arts

Ms Jennifer Lindsay, Deputy Director General

Arts NSW

Ms Rachel Cheetham, Executive Manager, Finance and Property

Department of Environment and Conservation

Ms Lisa Corbyn, Director General

Mr Simon Smith, Deputy Director General, Environment Protection and Regulation Division

Mr Arthur Diakos, Executive Director, Corporate Services

Dr Tony Fleming, Deputy Director General, Parks and Wildlife Division

Dr Tim Entwisle, Executive Director, Botanic Gardens

Sydney Catchment Authority

Mr Graham Head, Chief Executive Officer.

The Chair made a statement regarding procedural matters. Witnesses from departments, statutory bodies or corporations were sworn or affirmed. The Chair then declared the proposed expenditure for the portfolio areas of Environment and Arts open for examination.

The Minister and the officers accompanying the Minister answered questions from members of the Committee.

Evidence concluded and the witnesses, public and the media withdrew.

6. Deliberative meeting

Supplementary hearings

Resolved, on the motion of Ms Hale: That the Committee defer a decision on supplementary hearings pending receipt of questions on notice.

7. Adjournment

The Committee adjourned at 6:07pm until 6:45pm on Monday 4 September 2006 in the Jubilee Room.

Rachel Callinan
Clerk to the Committee

Minutes No. 62

Monday 4 September 2006
At Parliament House at 6.50pm.

1. Members present

Mr Ian Cohen (Chairperson)
Mr Richard Colless (Deputy Chairperson)
Mr Tony Catanzariti
Ms Amanda Fazio (Donnelly)
Mr Duncan Gay (Harwin)
Mr Eddie Obeid (Tsang)
Ms Lee Rhiannon (Hale)

2. Substitute members

The Committee noted advice of the following substitutions:

- Ms Amanda Fazio to substitute for Mr Greg Donnelly
- Mr Eddie Obeid to substitute for Mr Henry Tsang
- Mr Duncan Gay to substitute for Mr Don Harwin
- Ms Lee Rhiannon to substitute for Ms Sylvia Hale.

3. Correspondence

The Committee noted the following item of correspondence:

Sent

- Letter to Minister Macdonald inviting him to appear before the Committee at 7pm Monday 4 September 2006, noting that no issues for questioning were submitted in advance (29 August 2006).

4. Conduct of hearing

Resolved, on the motion of Ms Rhiannon: That Primary Industries be examined from 7:00pm until 8:30pm, and Natural Resources and Mineral Resources be examined from 8:30pm until 11:00pm.

5. Public hearing: Inquiry into Budget Estimates 2006-2007

The public and media were admitted.

Hon Ian Macdonald MLC, Minister for Primary Industries, Minister for Natural Resources, and Minister for Mineral Resources, was admitted and accompanied by the following officers:

Department of Natural Resources

Dr Richard Sheldrake, Director General

Forests NSW

Mr Alastair Howard, Chief Executive Officer

NSW Food Authority

Mr George Davey, Director General

Mr Craig Sahlin, Executive Director, Policy and Science

Department of Primary Industries

Mr Alan Coutts, Acting Director General, Department of Primary industries

Mr Alan Gleeson, Executive Officer, Corporate Services, Department of Primary Industries

The Chair made a statement regarding procedural matters. Witnesses from departments, statutory bodies or corporations were sworn or affirmed. The Chair then declared the proposed expenditure for the portfolio areas of Primary Industries, Natural Resources and Mineral Resources, open for examination.

The Minister and the officers accompanying the Minister answered questions from members of the Committee.

Evidence concluded and the witnesses, public and the media withdrew.

6. Deliberative meeting

Supplementary hearings

Resolved, on the motion of Mr Colless: That the Committee resolve whether to hold a further hearing pending receipt of the questions on notice.

7. Adjournment

The Committee adjourned at 11:05 *sine die*.

Rachel Callinan
Clerk to the Committee

Minutes No. 63

Friday 29 September 2006

At Parliament House at 9.50am

1. Members present

Mr Ian Cohen (Chair)
Mr Richard Colless (Deputy Chair)
Mr Tony Catanzariti
Mr Greg Donnelly
Ms Sylvia Hale
Mr Don Harwin
Mr Henry Tsang

2. Minutes

Resolved, on the motion of Mr Colless: That minutes no. 61 and 62 be confirmed.

Resolved, on the motion of Mr Harwin: That minutes no. 59 be confirmed.

Resolved, on the motion of Mr Donnelly: That minutes no. 60 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Sent

- Email to Hon David Campbell MP, Minister for Water Utilities, Regional Development, Small Business and Illawarra, from Principal Council Officer attaching an invitation for the Minister and departmental officials to appear before the Committee at a supplementary hearing at 10am – 12.30pm on Friday 29 September 2006 (dated 8 September 2006)
- Emails from Principal Council Officer attaching letters requesting answers to questions taken on notice during Budget Estimates hearings and written questions on notice submitted by members, to:
 - Hon David Campbell MP, Minister for Water Utilities, Regional Development, Small Business and Illawarra, requesting answers by 21 September (dated 31 August 2006)
 - Hon Joseph Tripodi MP, Minister for Energy, Ports and Waterways, requesting answers by 27 September (dated 6 September 2006)
 - Hon Bob Debus MP, Minister for Environment and Arts, requesting answers by 28 September (dated 7 September 2006)
 - Hon Ian Macdonald MLC, Minister for Primary Industries, Natural Resources and Mineral Resources, requesting answers by 29 September (dated 8 September 2006)

Received

- Letter from Mr Graeme Head, Chief Executive, Sydney Catchment Authority to Chair, providing an answer to a question taken on notice during the hearing (received 12 September 2006)
- Email from Hon David Campbell MP, Minister for Water Utilities, Regional Development, Small Business and Illawarra, providing answers to questions taken on notice during the hearing of Monday 28 August (received 25 September 2006)
- Letter from Hon Bob Debus MP, Minister for Environment and Arts, advising that answers to questions on notice would be provided within 35 days (received 28 September 2006).

4. Conduct of hearing

Resolved, on the motion of Mr Colless: That the Committee examine all at once the portfolios of Water Utilities, Regional Development, Small Business and Illawarra, and that the sequence of questions to be asked alternate between Cross Bench/Opposition/Government, with 30 minutes allocated to each.

5. Public hearing: Inquiry into Budget Estimates 2006-2007

The witnesses, public and the media were admitted.

The Chair made a statement regarding procedural matters. The Chair then declared the proposed expenditure for the portfolio areas of Water Utilities, Regional Development, Small Business and Illawarra open for examination.

The following were reminded that they were giving evidence on their former oath or affirmation:

Department of State and Regional Development

Mr Loftus Harris, Director General

Ms Julie Scott, Executive Director, Small Business Development Division

Mr Michael Cullen, Executive Director, Regional Development Division

Sydney Water

Dr Kerry Schott, Managing Director

Department of Energy, Utilities and Sustainability

Mr Mark Duffy, A/Director General.

The witnesses answered questions from members of the Committee

Dr Schott tabled a document entitled, Photograph of a Sydney Water pilot plant taken 13 September 2006.

Evidence concluded and the witnesses, public and the media withdrew.

6. Deliberative meeting

Tabled document

Resolved, on the motion of Mr Donnelly: That under section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 224, the Committee authorises the Clerk of the Committee to publish the document tabled during the hearing.

Return of answers to questions on notice

Resolved, on the motion of Mr Donnelly: That the answers to questions on notice taken during the hearing, and written questions on notice lodged with the Clerk to the Committee, be provided within 21 days of the day on which the questions are forwarded to the Minister.

Supplementary hearings

Resolved, on the motion of Mr Harwin: That the Committee resolve whether to hold a further supplementary hearing pending receipt of the questions on notice.

7. Adjournment

The Committee adjourned at 12.30pm *sine die*.

Madeleine Foley
Clerk to the Committee

Minutes No. 64

Wednesday 18 October 2006
At Parliament House at 1pm

1. Members present

Mr Ian Cohen (Chair)
Mr Richard Colless (Deputy Chair)
Mr Tony Catanzariti
Mr Greg Donnelly
Ms Sylvia Hale
Mr Don Harwin
Mr Henry Tsang

2. Minutes

Resolved, on the motion of Mr Donnelly: That minutes no. 63 be confirmed.

3. Correspondence

The Committee noted the following items of correspondence:

Sent

- Letter to Hon Joseph Tripodi MP, Minister for Energy, Ports and Waterways, from Chair, requesting advice of the reasons for the delay in the return of the answers to questions on notice and the anticipated return date of the answers (dated 5 October 2006)
- Email to Hon David Campbell MP, Minister for Water Utilities, Regional Development, Small Business, Illawarra, from Principal Council Officer, attaching a letter requesting

answers to questions taken on notice during the supplementary Budget Estimates hearing by 26 October 2006 (dated 5 October 2006)

Received

- Letters providing answers to questions taken on notice, from:
 - Hon Joseph Tripodi MP, Minister for Energy, Ports and Waterways (received 17 October 2006)
 - Hon Bob Debus MP, Minister for the Environment and the Arts (received 12 October 2006)
 - Hon Ian Macdonald MLC, Minister for Primary Industries, Natural Resources and Mineral Resources (received 29 September 2006).

4. Estimates: Supplementary hearings

Resolved, on the motion of Mr Tsang: That there be no supplementary hearings to examine the portfolios of Primary Industries, Natural Resources and Mineral Resources; Energy, Ports and Waterways; and the Environment and the Arts.

Mr Harwin asked for it to be noted in the minutes that the Committee was hampered in making decisions on supplementary hearings as some answers to questions on notice were not provided by the date requested by the Committee.

The Committee agreed to request that the answers to questions on notice from the supplementary hearing for Water Utilities, Regional Development, Small Business and Illawarra be provided by Wednesday 25 October, and that the Committee meet at 2pm on Thursday 26 October to consider the answers and to decide whether to hold a second supplementary hearing.

5. Next meeting

2pm, Thursday 26 October.

Madeleine Foley
Clerk to the Committee

Minutes No. 65

Thursday 26 October 2006
At Parliament House at 2pm

1. Members present

Mr Ian Cohen (Chair)
Mr Tony Catanzariti
Mr Greg Donnelly
Mr Don Harwin

2. Apologies

Mr Richard Colless
Ms Sylvia Hale
Mr Henry Tsang

3. Minutes

Resolved, on the motion of Mr Harwin: That minutes no. 64 be confirmed.

4. Correspondence

The Committee noted the following item of correspondence:

Received

- Letter providing answers to questions taken on notice from the supplementary hearing of Friday 29 September, from Hon David Campbell MP, Minister for Water Utilities, Regional Development, Small Business and Illawarra (received 26 October 2006).

5. Estimates: Supplementary hearings

Resolved, on the motion of Mr Donnelly: That there be no further supplementary hearings to examine the portfolio of Water Utilities, Regional Development, Small Business and Illawarra.

6. Estimates final report

The Committee agreed to meet at 1pm on Wednesday 15 November 2006 to consider the Chair's draft report, subject to member availability.

7. Adjournment

The Committee adjourned at 2.15pm *sine die*.

Madeleine Foley

Clerk to the Committee

Draft Minutes No. 66

Wednesday 15 November 2006

At Parliament House at 1.05pm

1. Members present

Mr Ian Cohen (*Chair*)

Mr Richard Colless (*Deputy Chair*)

Mr Tony Catanzariti

Mr Greg Donnelly

Mr Henry Tsang

2. Apologies

Ms Sylvia Hale

Mr Don Harwin

3. Minutes

Resolved, on the motion of Mr Catanzariti: That minutes no. 65 be confirmed.

4. Chair's draft report

Resolved, on the motion of Mr Donnelly: That the report (as amended) be the report of the Committee and be presented to the House.

Resolved, on the motion of Mr Colless: That pursuant to section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and under the authority of Standing Order 223, the Committee authorises the publication of all non-confidential correspondence, tabled documents and minutes.

Members were reminded that it is the standard practice of the Clerk to correct typographical mistakes and stylistic and grammatical errors, without recourse to the Committee.

5. Adjournment

The Committee adjourned at 1.07pm *sine die*.

Madeleine Foley
Clerk to the Committee