



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO 5

Report on Budget Estimates 1999-2000

Volume 1

5

General Purpose Standing Committee No 5

**Report on
Budget Estimates 1999-2000**

Volume 1

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Chair's Foreword

General Purpose Standing Committee No 5 has examined the Budget Estimates for 1999-2000 for the portfolio areas of:

Local Government, Regional Development, Rural Affairs
Agriculture, Land and Water Conservation
Environment, Emergency Services, Corrective Services
Information Technology, Energy, Forestry, Western Sydney

In this report, the Committee considers a number of specific matters relating to the various portfolio areas, and comments on a few issues of a more general nature.

The Committee expresses its appreciation for the assistance given by Ministers and officers of the departments and organisations who appeared before it.

The Hon Richard Jones, MLC
Chair

Committee Membership

The Honourable Richard Jones MLC (Chair)
The Honourable Ron Dyer MLC (Deputy Chair)
The Honourable Duncan Gay MLC
The Honourable Malcolm Jones MLC
The Honourable John Johnson MLC
The Honourable John Ryan MLC
The Honourable Jan Burnswoods MLC

Other Members who attended the Hearings

The Hon John Hatzistergos MLC
The Hon John Hannaford MLC
The Hon Douglas Moppett MLC
The Hon Andrew Manson MLC

Introduction

Establishment of the General Purpose Standing Committees

The five General Purpose Standing Committees were first constituted by resolution of the Legislative Council on 7 May 1997, during the 51st Parliament.¹ On 13 May 1999, shortly after the commencement of the 52nd Parliament, the five committees were reconstituted.²

The General Purpose Standing Committees may inquire and report on:

- (a) any matters referred to them by the House;
- (b) the expenditure, performance or effectiveness of any department of government, statutory body or corporation;
- (c) any matter in any annual report of a department of government, statutory body or corporation.³

Portfolios

The five committees reflect the Government Minister's portfolios as follows:

Committee No 1

- Premiers, Arts and Citizenship
- Treasury, State Development
- Olympics
- Education and Training
- Special Minister of State
- The Legislature

Committee No 2

- Health
- Community Services, Ageing, Disability Services, Women
- Small Business, Tourism
- Mineral Resources, Fisheries

Committee No 3

- Police
- Attorney General, Industrial Relations
- Fair Trading, Sport and Recreation
- Juvenile Justice, Youth

Committee No 4

- Urban Affairs and Planning, Aboriginal Affairs, Housing
- Transport, Road
- Gaming and Racing, Hunter Development
- Public Works and Services

¹ *Minutes of Proceedings, No 65, 7 May 1997, p 677. Also see Minutes of Proceedings, No 4, 14 September 1999, p 48, for amendment to the resolution (the addition of Special Minister of State in the portfolio areas).*

² *Minutes of Proceedings, No 3, 13 May 1999, p 62 (hereafter referred to as Resolution of 13 May 1999).*

³ *Resolution of 13 May 1999, para 3.*

Committee No 5

- Information Technology, Energy, Forestry, Western Sydney
- Agriculture, Land and Water Conservation
- Environment, Emergency Services, Corrective Services
- Local Government, Regional Development, Rural Affairs

Powers of the General Purpose Standing Committees

The General Purpose Standing Committees have power:

- (a) to send for and examine persons, papers, records and things;
- (b) to adjourn from place to place;
- (c) to make visits of inspection within the State;
- (d) to request the attendance of and examine Members of the House;
- (e) to publish, before presentation to the House, submissions received and evidence taken in public; and
- (f) to report from time to time their proceedings, evidence taken in public and recommendations.⁴

⁴ *Resolution of 13 May 1999, para 8.*

Referral of the 1999-2000 Budget Estimates

On 29 June 1999, the Legislative Council resolved that the Budget Estimates and related documents presenting the amounts to be appropriated from the Consolidated Funds be referred to the General Purpose Standing Committees for inquiry and report.⁵ Each Committee is to examine the Budget Estimates for their relevant portfolios and report to the House by the first sitting day in November 1999.⁶

Unlike previous years, the Committees' consideration of the Budget Estimates did not form part of the passage of the Appropriation Bills (which were passed on 2 July 1999). This separation of consideration of the Budget Estimates from the passage of the Appropriation Bills allows a more relaxed timeframe for their consideration. The reference is modelled on that used by the Commonwealth Senate and is particularly appropriate for the Legislative Council which, while having a scrutiny function concerning Government expenditure, is not able to prevent the passage of the ordinary annual services of the Government.

Local Government, Regional Development and Rural Affairs

The Committee heard evidence from the Hon H F Woods, MP, Minister for Local Government, Minister for Regional Development and Minister for Rural Affairs, together with officers of relevant departments and agencies, at a public hearing held on 14 September 1999.

Local Government

Companion animals

The Committee examined a range of issues pertaining to companion animals. The Minister noted that, while there were no subsidies provided at this time for desexing animals, pensioners gained significant registration discounts for desexed animals. The committee also sought information on the cost of implementing the Companion Animals Act and after-hours access to the registration database.

Department of Local Government's role

The Committee considered the changing role of the Department in the light of budget reductions. The Minister noted that changes would include the Department's move to Nowra and restructuring to strengthen key central agencies, including policy, finance, performance management, major investigations and legal areas. The Department will also continue the development of a benchmarking program by which information regarding the performance of a council will be provided back to that council and the public at large. In addition, general complaints will be referred back to councils instead of being investigated by the Department, with the department investigating serious breakdowns in operations.

⁵ *Minutes of Proceedings, No 14, 29 June 1999, pp 163-164 (hereafter referred to as Resolution of 29 June 1999).*

⁶ *Resolution of 29 June 1999, para 17.*

Move to Nowra

The Committee examined the proposed movement of the department to Nowra and sought figures regarding the cost of relocating to Nowra. The Minister indicated that he did not know what the move would cost, although he claimed to “have a pretty fair idea”. Specific provision for the move had not been made in the budget and the Minister indicated that he did not anticipate there would be a need for additional funds for the move. The Minister indicated that he expected long term savings but he did not quantify what these might be.

Members of the Committee note that the Minister did not indicate the full cost of moving the Department of Local Government to Nowra. The Minister indicated there were important regional development reasons for supporting the move. Nevertheless, Members of the Committee believe that the Minister should have been in a better position to outline the cost of the move to the Committee.

Blue Mountains stormwater run-off

The Minister was questioned about funding for the Blue Mountains Stormwater Run-Off Program. The Minister advised that the program had been due to conclude in 1998-99. However, it was now being extended for an additional four years with funding of \$1 million per annum.

Other

The Committee also examined: the on-site sewage management programs; work to rule bans; Ministerial offices; Rebates on Rates for Pensioners (Program 55.2); and compulsory competitive tendering.

Regional Development, and Rural Affairs

Community action plans (Eden)

The Minister explained that, in response to the Booz, Allen and Hamilton study commissioned by Heinz Watties following the closure of its Eden cannery, the Government would contribute \$250,000, as would Heinz Watties, to the Eden Development Fund under the regional economic transition scheme. The Minister also noted that it had been decided to set up a community advisory group to assess projects which may be assisted by the fund.

The Eden region will also be assisted by a \$3.6 million allocation from the Federal Government and a proposed \$50 million wharf facility at Twofold Bay which the State Government has declared to be a project of State significance.

The Minister also outlined other initiatives to foster regional development, particularly highlighting the Department's role in linking people and businesses to emerging opportunities.

Although down from the previous year, the Minister reported that the Department had exceeded its target of 2,500 jobs created in the southern region during 1998-99 associated with the Department's involvement, with 3,773 jobs being created and \$953.4 million invested.

Regional investment tours

In response to a question about the costs and benefits of regional investment tours, it was indicated that the most recent tour cost the department around \$30,000. Tours have had up to 26 people from financial institutions and venture capital companies. The Minister considered that the tours provided a good return on that investment. Examples were given in general terms of investment deals being made as a result of the tours and the benefits of building relationships between venture capital and regional businesses were cited. The tours also increased the Department's knowledge and have led to the development of an education program to assist businesses to become "investment ready".

TAFE funding cuts

The committee sought information about whether the Department of State and Regional Development had done any studies on the economic impact of federal funding cuts to TAFE in New South Wales, particularly as they may relate to regional areas. In response, the Minister provided information about the decrease in TAFE funding. Despite repeated attempts to elicit a comment from the Minister about whether the Department had conducted any studies to assist the State Government to develop a strategy to overcome resulting economic problems that may have been created by the cuts, the Minister did not provide any comment.

Members of the Committee are concerned about the Minister's unwillingness to address this issue, and are of the view that the Department of State and Regional Development has an important role in addressing issues that impact on the economic well-being of regional communities in New South Wales.

Other

The Committee also examined: a residential development proposal for the Griffith showgrounds by Sunset Homes Pty Ltd; the proposed Berry juice factory at Leeton; groundwater extraction in the Upper Lachlan; relocation of Government jobs to towns with less than 15,000 people; the post-Olympic impact on regional New South Wales; Parkes Airport; and funding for regional and rural roads.

Environment

The Committee heard evidence from the Hon R J Debus, MP, Minister for the Environment, with officers of relevant departments and agencies, at a public hearing held on 15 September 1999.

Waste Management***Landfill reduction targets***

The Minister explained that figures comparing the amount of landfill waste in 1990 with that for this year and targets for next year were not available, despite a Government commitment to reduce such waste by 60 per cent from the 1990 level. He advised that the measurement of landfill waste from 1990 needs to be revised. Reasons for the need to revise the figure include: the introduction of more sophisticated weighbridges for trucks carrying landfill waste has revealed that earlier estimates of waste per truck were inaccurate; the inclusion in current figures

for waste of materials not considered to be waste in 1990, such as cleanfill; the need to normalise the 1990 figure because of the economic downturn at that time leading to decreased waste production; and the improved policing of illegal waste dumping diverting previously unmeasured waste into the waste system. This review of figures is being conducted following advice from the Environment Protection Authority and the State Waste Advisory Council.

Local Government recycling co-op

The Minister took on notice questions relating to legal action by Waste Services against the Local Government Recycling Co-op. The Minister indicated that the Co-op had no operating surplus for 1998-99 and had a debt of around \$2.2 million. Waste Service New South Wales reports remaining committed to recycling, doubling the amount of green waste recycled last year. The Minister has also commenced an inquiry into Alternative Waste Management Technologies and Practices.

Waste Planning and Management Fund

It was explained that funding of the Waste Planning and Management Fund is to be 55 per cent of the Section 72 Levy from 2000-2001. The amount of money from the Government in the period preceding negotiation and agreement on hypothecation roughly equated to 50 per cent of the levy.

Mega-tips

The Minister was asked a number of questions about proposed mega-tips to be located in rural and regional New South Wales, and whether alternatives to these mega-tips were being investigated. The Committee was particularly concerned about the threat of contamination of produce grown near the proposed tips and associated stigmatisation of that produce. The Minister advised the Committee that he had recently advertised for submissions to an Inquiry into Alternative Waste Technologies and Practices that will consider practices to reduce waste. He further stated:

... it is a practical question whether we can entirely avoid the establishment of another major landfill. It is a practical question; it is not an ideological question. We would do all we could to avoid establishing such a thing. But whether it is possible or not is another question. We have no great desire to pursue landfill and indeed, the Waste Minimisation Act is predicated on the assumption that we should reduce landfill activity as much as possible.

The Minister indicated that the Government has ruled out any landfill site in the Hunter while ever there is perceived to be a risk to the local wine industry from the escape of the phylloxera virus. The Committee was also advised that any new proposed large-scale landfill facility would be subject to stringent regulatory requirements. Further, that there is a requirement for the Environment Protection Authority to certify to the consent authority, who is the Minister, that the need for the landfill is justified.

Sydney Harbour oil spill

The Environment Protection Authority spent about \$60,000 assisting cleaning up the Sydney Harbour oil spill and assisted the Ports Authority with legal advice.

Clean fuels

Negotiations are continuing at a number of levels with the fuel industry. One outcome of such negotiations was a Memorandum of Understanding with the oil industry to reduce the volatility of fuels in summer. Negotiations are also occurring on the changes that will need to occur to diesel and petrol in order to meet international standards being introduced from 2002 to 2006. A vehicle inspection and maintenance program to control emissions from older vehicles will also be introduced between 2000 and 2004.

National Parks and Wildlife Service***NPWS restructure and budget allocation***

The Minister was asked for information about the level of increase in the size of the National Parks and Wildlife Service's asset base, compared to the level of staff for the organisation. In response, the Minister advised that over the last four and a half years, the area of land under the control of the National Parks and Wildlife Service had increased by 25 per cent and the number of staff had increased by 40 per cent, from 1200 to 1700 people.

On the day following the Environment Budget Estimates hearing, a Member of the Committee issued a media release claiming that past Budget Papers showed there had only been a 7 per cent increase in NPWS staff since 1995. The Minister wrote to the Committee in relation to this matter on 23 September 1999, indicating that he had erroneously advised the Committee that 1700 staff were on NPWS payroll, and that in fact there were just over 1600 staff on the payroll as of 30 June 1999. However, he explained his error resulted from the fact that as at 31 March 1999, there had been 1700 staff on the payroll. Further, that the reduction in staff over the three month period was related to a combination of factors including the public service staff freeze and a major restructure to increase administration efficiency "while properly supporting the frontline staff engaged in on-the-ground conservation, feral pest and weed control and community-related duties". The Minister also indicated that the NPWS would be recruiting additional front-line staff over the next 12 months, and provided additional information. A copy of the Minister's letter is provided at Appendix Two.

Maintenance of access roads

In 1998-99, \$2,754 million was spent by the NPWS on public access roads and \$860,000 on walking tracks, totalling \$3.614 million. \$1.09 million was spent on maintenance on tracks for fire maintenance, excluding salary costs of the NPWS itself, \$3.3 million was spent on fire planning and prevention, and an additional \$1.6 million on fire fighting equipment.

Acquisition of land

The Minister was questioned about expenditure by the NPWS on the acquisition of land for the purposes of preservation, particularly sites at Manly Dam, Terrey Hills, Byron Bay and the Bulloo Overflow. The Minister advised the Committee that funds were limited to a total of \$4.7 million for the acquisition of land, but that he hoped this amount would be increased in the future. The Minister advised that current purchase priorities included land in the Riverina area, the central west of the State, and the Far West (including the Bulloo Overflow and the Paroo Overflow areas).

Flying foxes

In light of a recent report published by the National Heritage Trust entitled *The Action Plan for Australian Bats* in which the grey headed flying fox is described as 'vulnerable', the Minister was asked questions relating to the issuing of licences to shoot grey headed flying foxes. The Director General of the NPWS indicated that it is policy of the NPWS to encourage landholders to shoot to frighten bats, rather than kill them. However, in response to a suggestion that licences only be issued to shoot to frighten the bats, rather than kill them, the Director General stated:

We believe that is probably not realistic or practical, but at the same time we can encourage people to minimise the number of occasions on which they shoot to kill.

Kangaroo Management Program

The Minister was asked by how much the Kangaroo Management Program is subsidised, and what was being done to resist pressure to change its policy banning the shooting of kangaroos for only their skin. The Minister indicated that the Management Advisory Committee for Kangaroos continues to discuss skin only shooting, but failed to provide information about the subsidy level.

Use of green power

The Minister was questioned about the use of green power by agencies under his purview. The Minister was not able to indicate whether any of his agencies used green power, although the Minister indicated that the Environment Protection Authority had an extensive energy conservation policy in place. The Minister undertook to provide the Committee with additional information in relation to this matter.

Other

The Committee also examined: the recommendations of the Auditor-General following the Pan-Air incident; the Hanbury report into access to National Parks; fencing; the establishment of wilderness areas; duck shooting; the expenditure on the Storm Water Trust; and the merits of container deposits.

Agriculture, Land and Water Conservation

The committee heard evidence from the Hon R S Amery, MP, Minister for Agriculture, and Minister for Land and Water Conservation, together with officers of relevant departments, at a public hearing on 16 September 1999.

Agriculture

Departmental revenue

The Minister outlined options for increasing the Department's revenue, including increasing commercial revenue from cropping and livestock enterprises, charging government agencies for services, charging individuals and companies for services where those persons receive most of the benefits, and imposing royalties on research and development outputs.

Ovine Johne's Disease

The Minister outlined the government's response to ovine Johne's disease, noting that the government's commitment to spend \$750,000 is dependent on matching funding from the sheep industry and this has not yet been forthcoming.

Newcastle disease

The Minister outlined the response to Newcastle disease. Outbreaks of Newcastle disease have cost Australian Governments \$30 million, with the cost to the New South Wales Government being \$6 million. This has been funded by supplementation from Treasury.

Other operating expenses

The Minister was asked to explain why 1998-99 expenditure for the Department of Agriculture's non employee-related operating expenses was \$11.969 million more than originally budgeted. The Committee was advised that the increase was due to the additional costs of the Newcastle disease outbreak; subsidies for drought; and cost sharing arrangements for disease eradication programs under ARMCANZ.

St John's Wort

The Minister was asked what was being done to encourage New South Wales farmers to harvest St John's Wort, rather than kill it by spraying with herbicides. The Minister advised that NSW Agriculture is working with the Department of State and Regional Development to implement protocols so that St John's Wort can be harvested without creating a risk of further spread.

Battery hens

In response to questioning about moves to phase out chicken batteries for egg production, the Minister advised that this issue was currently before the Agriculture and Resources Ministerial Council of Australia and New Zealand (ARMCANZ). The Minister indicated that ARMCANZ has sought information about initiatives being undertaken by the European Union, and he understands there is to be a national working party to progress the issue.

Animal research

The Minister was questioned about the use of research animals by NSW Agriculture. In response, the Minister indicated that the *Animal Research Act* and its administration are being reviewed. In addition, the Minister stated that a number of organisations have approached him about alternatives to the use of animals in research experiments, including the University of Newcastle, where the number of animals used in research has been reduced by up to 80 per cent. The Minister also advised that figures for animal use in research in 1997/98 show that there has been a significant reduction in the number of animals used in diagnostic work from 10,412 to 7,731, and in the use of animals in toxicology from 7,750 to 4,408.

Miscellaneous

The Committee also examined: the implementation of the Gudaoar vaccine; the effect of the government's recruitment freeze on the Murrumbidgee Agricultural College at Yanco; the performance of Agsell; the review of legislation under national competition policy; the funding of animal welfare organisations to conduct investigations under the Prevention of Cruelty to Animals Act; the parthenium weed inspection station at Mungindi; Agview at Camden; quality

assurance expenditure; the decrease in fees for service; and funding for the water use efficiency scheme.

Land and Water Conservation

Failure to comply with accounting standards

The Committee asked about a failure to comply with Australian accounting standards noted in a special report and a qualified report from the Auditor General. This was explained in part by changing accounting standards.

Drilling compliance

The Committee asked a series of questions regarding the position of Manager, Drilling Compliance and the Drillers Licence Management Board. The Minister took some questions on notice and advised that the drilling unit was under review.

Irrigation—Small Dams Policy

The Committee questioned the Minister about the government's small dams policy allowing harvesting of 10 per cent of run off, with particular focus on methods of enforcement and the basis upon which the 10 per cent was determined. The Minister made the following statement in relation to the determination of the figure of 10 per cent:

There was no guesstimate made. There was no political decision made on the 10 per cent. If I said 15 per cent, large-scale irrigators would say that is too high and it would affect downstream users. If it was 5 per cent the farmers would probably rightly argue that that is no better than what they have at the moment. Overall, I am very happy with the formula applied by the department, that is, to use the 100 year rainfall figures, based on the department's own knowledge of run-off rates in different parts of the State...

However, despite a request for detail of the scientific model used to determine the figure of 10 per cent, the Minister did not provide this detail.

The Committee also examined expenditure on reducing losses from water distribution systems in the Murray-Darling Basin and improving irrigation techniques; indirect subsidisation of the irrigation industry; and management of the farm dams policy.

Native Vegetation Management Fund

In response to questions, the Minister assured the Committee that money allocated from the Native Vegetation Management Fund to regional forest agreements was going to private landholders and that such allocations were made in consultation with the Native Vegetation Advisory Committee.

The Minister explained that the Government was spending \$5 million a year on incentives for farmers to preserve native vegetation and gave examples of how that money is being spent. The Minister undertook to provide the committee with a breakdown of expenditure under the Fund.

Breaches of the Native Vegetation Conservation Act

The Minister informed the Committee that no prosecutions had been launched under the *Native Vegetation Conservation Act 1997* but that 17 had been launched, together with two which were withdrawn, under State Environment Planning Policy 46 (which was superseded by the Act), resulting in 15 convictions. The Minister noted that the Department does not prosecute for trivial matters but tries to negotiate with landholders in such circumstances.

Catchment Management Committees

The Minister expressed concern at the proliferation of different committees, such as river management committees, ground water committees, native vegetation advisory committees and catchment management committees, and the resulting confusion of their roles. He noted that the restructuring of the catchment management committees is a high priority of the government and currently subject to a community consultation process.

World Heritage Listing

The Committee asked a series of questions about the socioeconomic package to support world heritage listing of the Willandra Lakes area. The Minister explained the purpose of and areas of expenditure under the package.

The Committee also asked the Minister about the benefits of world heritage listing and whether those benefits warranted the expense of the process or whether they could be achieved more efficiently some other way.

Energy, Information Technology, Forestry, Western Sydney

The Committee heard evidence from the Hon K M Yeadon, MP, Minister for Information Technology, Minister for Energy, Minister for Forestry, and Minister for Western Sydney, together with officers of relevant departments and agencies at a public hearing held on 20 September 1999.

Energy**Green power**

The Minister informed the committee that Government policy requires that public agencies purchase at least 6 per cent of their power from Sustainable Energy Development Authority accredited green power and that all those agencies within his portfolio with control over their electricity supply meet this target. The Minister further advised that the Sustainable Energy Development Authority uses 100 per cent green power.

Electricity industry

The committee asked the Minister a range of questions regarding the electricity industry.

The Minister explained that the closure of Integral Energy's customer service centre was not the result of reduced profitability but in response to the changing needs of customers.

The Minister affirmed the Government's commitment to introducing full retail competition for the electricity industry from 1 January 2001 and outlined the Independent Pricing and Regulatory

Tribunal's role in determining and monitoring prices for customers who do not have a choice of electricity retailer.

The Minister stated that the Market Implementation Group will be charged with achieving improvements in the operation of the national electricity market, including enhancements to the national electricity code and pricing, regulatory and environmental issues. It will drive a national approach to introducing retail competition for all customers, including small businesses and households.

The Minister explained why expenditure in 1998-99 on "Grants and subsidies, Energy research and development" and "Gas and electricity reform" was less than budgeted. The Minister also outlined why "Other operating expenses", "Grants for organisations and public trading organisations", came in over budget and why "Total Expenses" was 128 per cent over budget.

Ministerial responsibilities for electricity industry

The Committee was frustrated by the Minister's narrow view of his responsibility in relation to the electricity industry, namely, "looking after the regulation of utilities, not the commercial side of them". While the Committee appreciated the differing roles of the Minister and the Treasurer, it considered that it would have been appropriate if the Minister considered himself capable of comment on areas of overlap between regulation and operational issues rather than referring such issues to the Treasurer.

Far West Electrification Scheme

In response to a question on why the Far West Electrification Scheme was \$4.8 million over budget, the Minister outlined the operation of the scheme.

Sustainable Energy Development Authority

The Minister noted that the Sustainable Energy Development Authority (SEDA) was doing an excellent job and, although 1999-2000 SEDA is being funded \$14.5 million, it is anticipated that its budget will reduce in future years as it moves towards being self funded.

Macquarie Generation's Biomass Generation Initiative

The Committee questioned whether Macquarie Generation's proposed use of forest products to replace 5 per cent of coal consumption could have a retrograde effect on the development of cleaner methods of power generation or a reduction in native forests and wildlife habitat. The Minister assured the Committee that the initiative would not have any detrimental effects on forests but that all the material is being generated from existing waste, which was mainly sawmill waste. The Minister noted other clean energy initiatives being developed by Macquarie Generation and that it is not viable to increase biomass coal substitution above 5 per cent so there is no danger of there being a major shift towards cutting down trees to replace coal.

Forestry***Timber transport subsidies***

The Minister stated that the Government provided \$500,000 last year and will provide \$1 million per annum for the next four years to assist with the cost of using logs from outside traditional supply zones for long-established mills needing to adjust their supply patterns due to readjustment of traditional timber resources.

State Forest job losses

The Minister stated that staff numbers in State Forests following the re-positioning and restructuring of State Forests, including the amalgamation of regions on the north coast, have not been finalised. He noted, however, that State Forests will not be reducing its firefighting infrastructure.

Workers compensation

The Minister outlined a number of initiatives that he stated have resulted in a reduction in the cost of workers compensation by 74 per cent over three years. These included State Forest's safety management structure, improved workplace injury management and workers rehabilitation initiatives such as a workplace inquiry management program, training, development of a draft code of practice for sawmills, and wood security for sawmills enabling them to access loans to upgrade old plant and equipment.

Forest industry structural adjustment package

The Committee asked the Minister to provide a break down of expenditure of the budgeted \$20 million on restructuring the forest industry. The Minister informed the Committee that he had sought advice from the Forestry Structural Adjustment Committee on the allocation of the money to particular areas and is awaiting advice. The Minister also outlined the global funding allocation for the Forest Industry Structural Adjustment Package (FISAP) until 2006.

In response to a question about variations to projections of funds necessary for forestry restructuring and seeking assurance that displaced workers will have the funds necessary to seek a productive working life, the Minister outlined the general benefits of FISAP and gave anecdotes of individual successes. The Minister also informed the Committee that 500 workers had been trained through the FISAP training strategies and outlined the availability of special redundancy payments.

Councils' loss of rateable land

The Committee examined State Forests' response to councils' loss of rates as a result of State Forests purchasing formerly private, and therefore rateable, land. The Minister noted that Crown land, including that owned by State Forests, is not rateable. He explained that in lieu of paying rates, State Forests provides direct and indirect assistance to local councils through the provision of road base gravel and timber materials for bridge construction, and grading and road maintenance of council-owned roads which are used for timber haulage. The Minister expressed the view that State Forests' activities contribute significantly to the local economy.

Comparison with Queensland's Forestry Agreement

In response to a question contrasting New South Wales' forestry agreements with that made in Queensland, the Minister outlined a range of benefits from the forestry agreements made or under negotiation in New South Wales. The Minister also said that there had been no old growth logging or wilderness logging in New South Wales since the current Government came to office.

Illegal logging

The Committee cited an incident of illegal logging arising from a mistaken measurement and asked how many such mistakes had occurred, their consequences, what was done in response and what prosecutions have resulted. The Minister confirmed the occurrence of the illegal logging and outlined changes in State Forest practices to ensure such mistakes did not occur in future. The Minister informed the committee that a larger alternative area of potential sugar glider habitat had been reserved to replace that destroyed as a result of the error and that the National Parks and Wildlife Service was likely to pursue prosecution. The Minister advised he was not aware of any other incidents.

Western Sydney

The Minister was asked to provide detail about plans outlined in the Western Sydney Budget Statement to fast-track development in Western Sydney and create 15,000 jobs over the next 10 to 15 years. In response, the Minister provided information about various initiatives being undertaken by the government including: the Western Sydney Industry Awards; the creation of "economic and employment development zones"; the development of the Parramatta regional environmental plan; and transport initiatives.

Corrective Services, Emergency Services

The Committee convened an additional hearing on 23 September 1999 to hear evidence from the Hon Bob Debus MP and relevant officers in relation to the portfolios of Corrective Services and Emergency Services.

A brief summary of the issues discussed at the hearing is set out below.

Corrective Services

Female prison population

The Committee asked a number of questions about the female prison population and the Government's decision to build a new women's prison at South Windsor. The Minister acknowledged that there had been an 18 per cent increase in the number of female prisoners in the past 12 months and that the number of female prisoners had not dropped below 400 since March 1999. The Minister indicated that the major reasons for this increase in female prisoners were changes in policing strategies and increased and earlier imprisonment of those breaching non-custodial sentencing options. The Committee was told that the new prison at Windsor would accommodate 200 women, while further facilities on the mid North Coast and at Emu Plains would each accommodate 50 women. The Minister said that these facilities would enable

the closure of the Conlon wing at Mulawa. The Minister also outlined a range of initiatives taken by the Government to improve the conditions of female prisoners since 1995.

Aboriginal prison population

A number of detailed questions about the Aboriginal prison population and the implementation of recommendations from the Royal Commission into Aboriginal Deaths in Custody were taken on notice. The Committee was provided with information about the cross cultural training of corrective services staff and initiatives to enable the department to better meet its duty of care to Aboriginal prisoners.

Lock downs

A number of detailed questions about the incidence of lock downs were taken on notice. The Committee was provided with information on the Department's lock down procedures. The Committee was told that the Department was undertaking a major recruitment program, aimed at alleviating the periodic staff shortages, which lead to lock downs.

Escapes

The Minister indicated that there had been 13 escapes or absconds since 1 July 1999, compared to 23 in the same period in 1998.

Daily average prison population

The Minister indicated that the daily average prison population in the last two weeks was 7,311. As of 19 September 1999 there were 634 inmates on appeal, and 1,324 on remand.

State Investigative and Security Group (SISG)

The Minister stated that the budget of the State Investigative and Security Group had been \$6 million in 1998-99 and had increased by \$100,000 in 1999-2000. The Minister also described the cooperation between the SISG and the ICAC.

Industrial disputes

The Minister indicated that 918 working days were lost to industrial disputes during 1998-99. The Committee was provided with details of the disputes that had resulted in the loss of these working days.

Miscellaneous

The following issues were also discussed: the number of telephone calls made by prisoners; arrangements for the detention of people who have overstayed their visas; and expenditure on Y2K preparedness.

Emergency Services

Call-taking facilities

The Committee asked a number of questions about concerns relating to the capacity of the State Emergency Services (SES) to take large numbers of telephone calls in the event of an emergency, as demonstrated in the Sydney hailstorm of March 1999. The Minister indicated that the Government was spending \$250,000 this year on the development of a central call-taking facility, complemented by the provision of new computers for 150 SES units across the State. These initiatives would ultimately involve the expenditure of a total of \$750,000 over several years.

Insurance company levies

The Committee asked about the scope for the development of insurance company levies in order to provide funding for the SES. The Minister indicated that, in view of the direct benefit to insurance companies from the work of the SES in preventing damage, he was actively pursuing this matter at present.

Rural Fire Service access to wilderness areas

The Committee was provided with information about the role of bushfire management committees in negotiating access arrangements with the National Parks and Wildlife Service at the district level.

Emerging directions for the Rural Fire Service

The Committee was provided with information about the effect of recent legislative initiatives on the Rural Fire Services and about the purchase of new firefighting vehicles and tankers.

Federal-State emergency relations

The Committee was informed of progress on the preparation of a report on the question of Commonwealth support for the State in emergency situations, arising out of the Sydney hailstorm and the tragic loss of four young men near Thredbo.

Fire Brigade response times

The Committee asked questions about response times for the Fire Brigade, particularly outside the metropolitan area. The Committee was informed that the recently introduced computer-dispatch system meant that response times were now being recorded more accurately, and that the building of a number of new fire stations would bring down the current response times. It was also pointed out that current response times were within the service's guarantee of service.

Relationship between staff and volunteers in the Rural Fire Service

The Committee was informed of the role of additional staff recently appointed to the Rural Fire Service. The Committee was also informed about the arrangements for the participation of volunteers, confirmed as numbering just fewer than 70,000, in all levels of the service.

Disputation at rescues

The Committee asked questions about media reports relating to a number of disputations between emergency services at rescue sites. The Committee was informed about the role of the State Rescue Board in reducing the number of such disputes. The Committee was also provided with specific information on the report that had been prepared, and the action taken following that report, in relation to a particular incident in March 1999.

Government Radio Network

The Committee asked a number of questions about the ability of emergency services to utilise the Government Radio Network (GRN). The Committee was told that, "so far as the Rural Fire Service is concerned the GRN is now restricted to strategic or command communications". The Committee was also informed of the role and benefits of the private Mobile Radio (PMR) system developed for use by the Rural Fire Service for "tactical and fire ground communications".

The Minister was asked whether 10,000 radio handsets, to be purchased for the Olympic radio network, would be transferred to appropriate emergency services after the Olympics, and whether these handsets were compatible with the GRN. The Minister undertook to provide the Committee with a written response to this question.

Miscellaneous

Other issues discussed include: opportunities for cost recovery from those rescued as a result of their own "irresponsible actions"; the role of huts in public safety in National parks; the role of the Fire Brigade in watering a flower display in Martin Place; the role of Fire Brigade salvage vehicles; the status of a debrief from the Sydney hailstorm; and the quantity of storm literature issued by the SES.

Sydney Water

The Committee heard evidence from the Managing Director of Sydney Water, Mr Alex Walker, and officers of Sydney Water, at a public hearing held on 14 October 1999.

Northside Storage Tunnel

The Committee asked a range of questions in relation to the Northside Storage Tunnel.

Cost and variations

Mr Walker informed the Committee that the current estimated cost for the project is \$451 million, with \$207 million of that to be expended during 1999-2000. The Committee asked for details as to how this costing compared with earlier published estimates for the project, including a May 1998 estimate of \$398 million, and an estimate of \$290 million at the pre-design stage of the project, at which point the project included a number of additional environmental design features (at an extra cost of \$85 million) that have been subsequently deleted from the actual construction project. The Committee also asked a number of questions about variations between the tunnel as it is being constructed and the concept originally approved by the Sydney Water Board, with particular reference to an advertisement from Sydney Water in 1997 which stated that the project would include a sludge pipe.

The Committee is concerned about the evident escalation in the cost of the project from the original estimates, which included significant environmental benefits not present in the tunnel as it is being constructed.

Completion date

The Committee asked whether the tunnel would be completed by the scheduled date of completion, 31 August 2000, and about any financial risks if that date was not met. Mr Walker indicated that negotiations were “proceeding amongst alliance members regarding the contracted completion date”. He added, “the expectation at the moment, based on the current rate of progress, is that the project can be completed by that date.” He also confirmed that the negotiated completion date “is one that affects the risk and reward”.

Scotts Creek vent

The Committee asked a number of questions about the Scotts Creek vent element of the Northside Storage tunnel project. The Committee was told that the vent is a fundamental part of the project “and cannot be dispensed with”. A number of questions were taken on notice in relation to the technical aspects of the vent and its role in the project.

Community consultation

Questions were asked about community concerns about the process of consultation established under the terms of the consent for the Northside Storage Tunnel project. In response, Mr Walker stated:

I am aware of a great diversity of views on the community consultation that has taken place at a number of locations relating to this project. I am aware that from time to time different communities have felt very agitated by the proposals, but in most cases over time they have come to support the project. I am aware that Sydney Water has to improve its performance, nevertheless, in community consultation and communication. We have certainly learnt some lessons from our tunnel experience and a great deal of emphasis is being put on improved communication in Sydney Water in general terms.

Sludge strategy

There was a discussion about the development of a sludge strategy by Sydney Water, with particular reference to the Northside Storage Tunnel project.

Audit Office

Questions were asked about the status of any reviews of the Northside Storage Tunnel project being undertaken by the Audit Office, and the ongoing presence of Audit Office staff within Sydney Water.

Statement of Corporate Intent

The Committee raised a number of issues arising from Sydney Water’s Statement of Corporate Intent 1999-2000, including the funding of Sydney Water’s capital program, the extent of borrowings, dividends and tax equivalent payments, pricing and redundancies. Mr Walker stated that Sydney Water intends to borrow \$250 million during 1999-2000 and a total of \$880 million over the next four years.

In relation to pricing, Mr Walker stated that:

A number of issues are in the air, but to provide some speculative figures which hang together – shall we say which “balance” – the provision for the year 2000-2001 is an increase of 5.9 per cent. There are then movements in accordance with the consumer price index in the succeeding three years.

In relation to redundancies, Mr Walker indicated that the budgeted figure in the statement of corporate intent was \$78 million, based on 700 people seeking to take redundancies. However, he added that, to date, the take up rate had been less than that figure.

1998 Sydney water crisis

The Committee sought information about the financial cost of the 1998 Sydney water crisis and, specifically, the costs of implementation of the recommendations made in the McClellan Report. The Committee was informed by Mr Walker that:

The actual cost to date of the water quality crisis is \$41 million, which comprises \$20 million for the rebate made to customers and \$21 million for the actual costs of managing the incident. On top of that, there is an as yet not finalised figure, estimated to be in the order of \$14 million, for commercial claims which are to be paid under the class action. There will be a reduction in that figure because of insurance payments, but as yet we do not know the extent of the insurance offsets. That takes the figure to \$55 million. In addition, there were forgone revenues of \$19 million owing to delays in price increases. If my reckoning is correct, that takes the total figure for costs and revenue forgone to \$74 million.

Backflow sewerage

The Committee asked about concerns of the Master Plumbers Association in relation to the issue of backflow sewerage. Mr Walker stated that “there had never been any relaxation of backflow or crossflow devices”, although there were ongoing discussions between Sydney Water and the Master Plumbers Association in respect of some technical details. He gave an assurance that there had been “no compromise so far as ensuring that the best

Miscellaneous

A number of other issues were discussed including: the relationship between Sydney Water and Australian Water Technology; access arrangements for the Shadow Minister to inspect the Northside Storage Tunnel; and the payout to the former Chief Executive Officer upon his departure.

General Issues

Additional hearings

As set out above, the hearing on 15 September with the Hon Bob Debus MP did not cover each of the Minister’s portfolios. The Committee therefore resolved to hold an additional hearing to take evidence in relation to the outstanding portfolios. Likewise, the Committee resolved to undertake an additional hearing in relation to the portfolio responsibilities of the Hon Kim Yeadon MP, to take evidence in relation to Sydney Water. The capacity of the General purpose Standing Committees to hold additional hearings of this nature was addressed in written advice

issued by the Deputy Clerk of the Legislative Council on 16 September 1999, which dealt with this and a number of other procedural issues. This advice is reproduced as Appendix One to this report.

Other procedural issues

A number of other procedural issues were raised during deliberative meetings of the Committee. These include: the capacity for the Committee to meet prior to the starting time set out in the Government's proposed timetable for the Budget Estimates hearings in order to deliberate; and whether or not the Chair of the Committee could ask questions of witnesses. As a result, these questions were also addressed in the written advice issued by the Deputy Clerk on 16 September 1999, a copy of which is reproduced as Appendix One to this report.

Questions on notice

The Committee received responses to a number of questions placed on notice prior to the Budget Estimates hearings. Copies of these responses are to be tabled in the Legislative Council in a separate volume.

The Committee has set 5 November 1999 as the date by which Ministers should respond to questions placed on notice at, or after, the hearing. Responses to these questions will be tabled in the Legislative Council once they are received.

Supplementary hearings

The Committee has not set a date for supplementary hearings at this stage.

Statement of Dissent by Government Members of the Committee

The Hon Jan Burnswoods, MLC

The Hon Ron Dyer, MLC

The Hon John Johnson, MLC

Local Government, Regional Development and Rural Affairs

Department of Local Government – Move to Nowra

Government members note that the move of the Department of Local Government to Nowra is planned to happen next year. Accordingly, any costs of this move will be covered in the 2000/2001 Budget.

TAFE Funding Cuts

Government members uphold and affirm the Minister's response that this question should be put to the Minister for Education and Training, the Hon John Aquilina M.P. The question should also go to the Federal Government, which has made TAFE funding cuts of more than \$75 million.

Agriculture, Land and Water Conservation

Irrigation – Small Dams Policy

The Government members' view is that the italicised third paragraph beginning with "However,....." should be replaced with:-

"The Minister outlined that the 10% figure was based on the need to achieve a balance between the water demands of tableland farmers and existing downstream users, records of 100 years of rainfall, runoff rates, experience in farm dam construction, the size of dams for different parts of the State and modelling of farm dam capacity for various levels of drought proofing in various geographical areas. The aim was to allow basic farming needs to be met but was not designed to meet major commercial irrigation, in this way landholders could experiment before making a commercial decision to get a licence. The 10% figure best met these criteria.

It was stated that rainfall figures for the 100 years, data on different runoff rates in different parts of the State, soil type data and modelling of farm dam capacity for various levels of drought proofing were available."

Energy, Information Technology, Forestry, Western Sydney

Ministerial Responsibilities for Electricity Industry

The Government members wish to disassociate themselves from the Committee's expression of frustration at the "Minister's narrow view of his responsibility in relation to the electricity industry, namely "looking after the regulation of utilities, not the commercial side of them".

The Committee states that it appreciates the differing roles of the Minister and the Treasurer but in the view of the Government members it is highly inappropriate to express frustration or to characterise the Minister's view of his responsibility as "narrow". The plain fact is that the Minister does have the defined and specific legal and administrative responsibility for the regulation of utilities, while the Treasurer has responsibility for their commercial aspects.

It is not valid for the Committee to consider it appropriate for the Minister to comment on matters which he states are the responsibility for the Treasurer. The use of the expression "narrow view of his responsibility" is inappropriate and unjust in all circumstances.

Sydney Water

Northside Storage Tunnel – Costs and variations

In regard to the Committee's expression of concern regarding increases in the costs of the Northside Storage Tunnel, the Government members note that the Managing Director of Sydney Water, Mr Alex Walker advised that:-

"The current figure for the Northside Storage Tunnel is \$451 million, which includes a recent addition of \$21 million due to two accounting changes. They are not additional costs, they are simply a reallocation of existing costs. They take the form of \$19 million for capitalisation of sales tax and approximately \$2 million for the cost of borrowings directly associated with the project."

With reference to the passage in the Committee's report, as follows:

"The Committee asked for details as to how this costing compared with earlier published estimates for the project including a May 1998 estimate of \$398 million and an estimate of \$290 million at the predesign stage of the project, at which point the project included a number of additional environmental design features (at an extra cost of \$85 million) that have been subsequently deleted from the actual construction project."

The underlined statement is misleading on the following basis:-

- The \$85 million relates to connections from Scotts Creek, South Willoughby and Tarban Creek and the biosolids system.
- The Scotts Creek branch is an important part of the tunnel and reduces the need for the other connections at South Willoughby and Tarban Creek.

- The committee acknowledges this later in the report where it reports “The committee was told that vent is a fundamental part of the project ‘and cannot be
- It is not correct to say that environmental benefits have been deleted since the tunnel will still deliver its primary objective of cleaning up Sydney Harbour by reducing sewer overflows from four points by 80 to 90 percent.

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 1

Thursday 1 July 1999

at Parliament House, Sydney at 6.30pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Ms Burnswoods	Mr Johnson
Mr Dyer	Mr M Jones
Mr Jobling (Gay)	Mr Ryan

Apologies

Nil.

Opening of Meeting

The Clerk declared the meeting open according to the Resolution establishing General Purpose Standing Committees adopted by the Legislative Council on Thursday, 13 May 1999.

The Clerk tabled the resolution.

In accordance with paragraph 7(1) of that Resolution, the Clerk announced receipt of a letter dated 1 July 1999 from the Opposition Whip, the Hon J Jobling MLC, nominating himself to act as a substitute Member of the Committee for this meeting, replacing the Hon D Gay MLC.

Election of Chair and Deputy Chair

The Clerk called for nominations for the Chair.

Mr Johnson moved that Mr Dyer be elected Chair of the Committee.

Mr Jobling moved that Mr Ryan be elected Chair of the Committee.

Mr Ryan moved that Mr R Jones be elected Chair of the Committee.

There being no further nominations, the Clerk invited the three candidates to address the Committee.

Mr Dyer addressed the Committee.

Mr Ryan addressed the Committee.

Mr R Jones addressed the Committee.

The Clerk informed the Committee that there being three nominations, in accordance with the practice of the House, a ballot must be held.

Ballot papers were distributed by the Clerk to Committee Members and Members lodged their votes.

The Clerk invited the Members who nominated each candidate to act as scrutineers.

The Clerk announced the result of the ballot as follows:

Mr Dyer – 3 votes

Mr Ryan – 1 vote

Mr R Jones – 3 votes

As no candidate received a majority of votes, the candidate with the smallest number of votes, Mr Ryan, was withdrawn.

Fresh ballot papers were distributed by the Clerk to Committee Members and Members lodged their votes.

The Clerk announced the result of the ballot as follows:

Mr Dyer – 3 votes

Mr R Jones – 4 votes

Mr R Jones, having a majority of the Members present and voting, was therefore declared elected Chair of General Purpose Standing Committee No 5.

Mr R Jones took the Chair.

The Chair called for nominations for Deputy Chair.

Mr Ryan moved that Mr Dyer be elected Deputy Chair of the Committee.

There being no further nominations, Mr Dyer was declared elected Deputy Chair.

Budget Estimates reference

The Chairman tabled the following reference from the House:

1. That the Budget Estimates and related documents 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. A daily Hansard record of the hearings of a Committee on the Budget Estimates is to be published as soon as practicable after each day's proceedings.
10. The Committees have leave to sit during the sittings or any adjournment of the House.
11. After a Committee has considered proposed expenditure referred to it by the House and agreed to its report to the House, the Committee must fix:
 - (a) a day for the submission to the Committee of any written answers or additional information relating to the proposed expenditure, and
 - (b) a day for the commencement of supplementary meetings of the Committee to consider matters relating to the proposed expenditure, which day must be not less than 10 days after the day fixed under subparagraph (a).

12. (1) A Member may lodge with a Committee, not less than 3 working days before the day fixed under subparagraph (11) (b), notice of matters relating to the written answers or additional information, or otherwise relating to the proposed expenditure referred to the committee, which the Member wishes to raise at the supplementary meetings of the Committee.
- (2) Any notice lodged with a Committee must be forwarded by the Committee to the Minister in the House responsible for the matters to which the notice relates.
13. A Committee may determine at any time the number and duration of any supplementary meetings.
14. At a supplementary meeting, questions may be put to Ministers or officers of departments, statutory bodies or corporations, relating to matters of which notice has been given, and the proceedings of the Committee must be confined to those matters.
15. A Committee may report to the House any recommendation for further action by the House arising from the Committee's supplementary meetings.
16. Written questions relating to the Budget Estimates may be supplied to the Clerk of the Committee, who must distribute them to the relevant Minister and departments, and to Members of the Committee. Answers must be supplied to, and circulated by, the Clerk.
17. The Committees are to finally report to the House by the first sitting day in November 1999.¹

The Committee deliberated.

Resolved, on motion of Mr Ryan, that the Clerk schedule 3-hour budget estimate hearings relating to the Environment and Agriculture and Land and Water Conservation portfolio areas during the week from 6 September to 10 September 1999, and relating to the Local Government, Regional Development and Rural Affairs portfolio areas during the week from 13 September to 17 September 1999.

Resolved, on motion of Mr Ryan, that, unless Committee Members advise to the contrary, Ministers will not be required to answer questions relating to the Zoological Parks Board of New South Wales, the Royal Botanic Gardens and Domain Trust and the Centennial Park and Moore Park Trust.

Resolved, on motion of Mr Johnson, that Ministers are to be invited to make an opening statement at the commencement of budget estimates hearings.

Resolved, on motion of Mr Ryan, that the Director advise Ministers responsible for the portfolio areas of Information Technology, Energy, Forestry, Western Sydney, Emergency Services and

¹ *Minutes of the Proceedings, No 14, 29 June 1999, pp 163-164.*

Corrective Services that the Committee may hold budget estimates hearings into these areas at a later date.

Procedural motions

Resolved in globo, on motion of Mr Jobling:

That in accordance with the resolution of the Legislative Council of 11 October 1994, the Committee authorises the sound and television broadcasting as appropriate, of its public proceedings, unless otherwise ordered.

That arrangements for the calling of witnesses and for visits of inspection be left in the hands of the Chair and Director after consultation with the Committee.

That press statements on behalf of the Committee be made only by the Chair, if possible after consultation with the Committee.

That persons with specialist knowledge may be invited to assist the Committee.

That the Director be empowered to advertise and/or write to persons, bodies and organisations inviting written submissions relative to the terms of reference.

That the Chair and Director make arrangements for travel and visits of inspection for the Committee as a whole.

That, unless otherwise ordered, transcripts of evidence taken by the Committee be not made available to any person, body or organisation (other than a Member of the Committee); provided that each witness will be given a proof copy of their evidence for correction and return to the Director.

That, unless otherwise ordered, parties appearing before the Committee will not be represented by members of the legal profession.

Adjournment

The meeting adjourned at 7.00pm until an evening in the first week of September 1999, to be advised by the Committee Director.

Anna McNicol
Director

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 2

Wednesday 8 September 1999

at Parliament House, Sydney at 10.30am

MEMBERS PRESENT

Mr R Jones (In the Chair)

Mr Dyer
Mr Gay
Mr Johnson

Mr M Jones
Mr Ryan

Apologies

Ms Burnswoods

Budget Estimates reference

The Committee deliberated.

Resolved, on motion of Mr Ryan, that the Clerk schedule budget estimates hearings for the portfolio areas of Energy and Forestry (2 hours combined), Information Technology and Western Sydney (1 hour combined) and Emergency Services and Corrective Services (2 hours combined), and:

- that the hearing for the Energy and Forestry portfolios take place on the evening of Monday, 20 September 1999, from 5pm to 7pm;
- that, preferably, the hearing for the Information Technology and Western Sydney portfolios be scheduled either directly before or after the hearing for the Energy and Forestry portfolios (if this is not possible, the Committee Director is to arrange the hearing for the Information Technology and Western Sydney portfolios for another time); and
- that the Committee Director liaise with the Minister for Emergency Services and Corrective Services (and the Committee Chair and Members) to determine a date as soon as possible for the Committee to examine the portfolio areas of Emergency Services and Corrective Services.

The Committee deliberated.

Resolved, on motion of Mr Gay, that the Minister for Energy be advised that the Managing Director of Sydney Water Corporation is required to attend the Energy and Forestry hearing.

Resolved, on motion of Mr Ryan, that the Minister for Forestry be advised that the Chief Executive Officer of State Forests of NSW is required to attend the Energy and Forestry hearing.

Resolved, on motion of Mr Gay, that the Minister for Energy be advised that the Chief Executive of Integral Energy is required to attend the Energy and Forestry hearing.

The Committee deliberated.

Mr Dyer moved, that the Committee set a deadline of 15 September 1999 for Committee Members to advise the Committee Director of any further requirements relating to the attendance of officers from off-budget agencies.

Moved, by Mr Ryan that the resolution be amended by the addition of the words "if practical" at the end of the resolution.

Amendment put and passed.

Motion as amended carried.

The Committee deliberated.

Resolved, on motion of Mr Gay, that the Director advise the Minister for Corrective Services that he is required to provide answers to questions on notice forwarded to him on 10 August 1999, by the date of the Emergency Services and Corrective Services hearing.

Adjournment

The meeting adjourned at 11.00am until 7.30pm on 14 September 1999.

Anna McNicol
Director

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 3

Tuesday 14 September 1999

at Parliament House, Sydney at 7.30pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Mr Dyer

Mr Gay

Mr Hatzistergos (Burnswoods)

Mr Johnson

Mr M Jones

Mr Ryan

Apologies

Nil

Budget Estimates reference

The Chair advised that Mr Hatzistergos would be representing Ms Burnswoods.

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

The Hon H Woods MP, Minister for Local Government, Minister for Regional Development and Minister for Rural Affairs, was admitted and accompanied by the following advisors:

Department of Local Government

Garry Payne, Director General, Department of Local Government

Tim Rogers, Deputy Director General, Department of Local Government

Linda Callaghan, Manager Corporate Services, Department of Local Government

Department of State and Regional Development

Loftus Harris, Director General, Department of State and Regional Development

Michael Cullen, Executive Director, Department of State and Regional Development

Ministerial advisors

Scott Davies, Chief of Staff

John Scott, Directory of Policy and Reform

Mike Fleming, Policy Advisor

Shoshana Lenthén, Policy and Research Officer

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The Chair declared the proposed expenditure for the portfolio areas of Local Government, Regional Development and Rural Affairs open for examination.

The Minister and relevant advisors answered questions by Members of the Committee.

The examination of the proposed expenditure for the portfolio areas of Local Government, Regional Development and Rural Affairs concluded and the witnesses withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Ryan, that any additional questions relating to the portfolio areas of Local Government, Regional Development and Rural Affairs be lodged with the Director of the General Purpose Standing Committees by close of business, Friday, 17 September 1999.

Adjournment

The meeting adjourned at 9.45pm until 7.30pm on Wednesday, 15 September 1999.

Russell Keith

Clerk to the Committee

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 4

Wednesday 15 September 1999

at Parliament House, Sydney at 7.30pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Ms Burnswoods	Mr Johnson
Mr Dyer	Mr M Jones
Mr Gay	Mr Ryan

Apologies

Nil

Budget Estimates reference

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

The Hon B Debus MP, Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services and Minister Assisting the Premier on the Arts, was admitted and accompanied by the following advisors:

NSW Environment Protection Authority

Neil Shepherd, Director General, NSW Environment Protection Authority

Alan Ramsey, Acting Executive Director, Finance and Administration, NSW Environment Protection Authority

Donna Rygate, Manager, Policy Review, NSW Environment Protection Authority

Waste Service NSW

Robin Grimwade, Managing Director, Waste Service NSW

National Parks and Wildlife Service

Brian Gilligan, Director General, National Parks and Wildlife Service

Eugene Remedios, Director, Corporate Services, National Parks and Wildlife Service

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The Chair declared the proposed expenditure for the portfolio area of the Environment open for examination.

The Minister and relevant advisors answered questions by Members of the Committee.

The examination of the proposed expenditure for the portfolio area of the Environment concluded and the witnesses withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Gay, that any additional questions relating to the portfolio area of the Environment be lodged with the Director of the General Purpose Standing Committees by close of business, Monday, 20 September 1999.

The Committee deliberated.

Resolved, on motion of Mr Gay, that the Committee reconvene at 7:20pm, Thursday, 16 September 1999, subject to advice to the contrary from the Clerk of the Parliaments.

Adjournment

The meeting adjourned at 10:00pm until 7:20pm on Thursday, 16 September 1999.

David Blunt

Clerk to the Committee

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 5

Thursday 16 September 1999

at Parliament House, Sydney at 5.55pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Ms Burnswoods
Mr Dyer
Mr Gay

Mr Hannaford (Ryan)
Mr Johnson
Mr M Jones

Apologies

Nil

Budget Estimates reference

The Chair advised that Mr Hannaford would be representing Mr Ryan.

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

The Hon R Amery MP, Minister for Agriculture and Minister for Land and Water Conservation, was admitted and accompanied by the following advisors:

NSW Agriculture

Kevin Sheridan, Director General, NSW Agriculture

NSW Department of Land and Water Conservation

Bob Smith, Director General, NSW Department of Land and Water Conservation

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The Chair declared the proposed expenditure for the portfolio areas of Agriculture and Land and Water Conservation open for examination.

The Minister and relevant advisors answered questions by Members of the Committee.

The examination of the proposed expenditure for the portfolio areas of Agriculture and Land and Water Conservation concluded and the witnesses withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Gay, that any additional questions relating to the portfolio areas of Agriculture and Land and Water Conservation be lodged with the Director of the General Purpose Standing Committees by close of business, Tuesday, 21 September 1999.

The Chair tabled a letter from Ms Virginia Knox, Office of the Treasurer, dated 14 September 1999, outlining the availability of Mr Yeadon, Minister for Information Technology, Minister for Energy, Minister for Forestry and Minister for Western Sydney to appear before General Purpose Standing Committee No.5.

The Committee deliberated.

Resolved, on motion of Mr Ryan, that the estimates hearing of 20 September 1999 consider the portfolio areas of Energy, Forestry, Western Sydney and Information Technology. Resolved, that a separate estimates hearing be conducted to consider the portfolio area of Sydney Water for a duration of 1½hours and that the Director, General Purpose Standing Committees be directed to arrange a suitable date and time in consultation with Mr Yeadon, the Chair and Members.

Adjournment

The meeting adjourned at 8:10pm until 5:00pm on Monday, 20 September 1999.

Russell Keith
Clerk to the Committee

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 6

Monday 20 September 1999

at Parliament House, Sydney at 5.00pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Ms Burnswoods

Mr Dyer

Mr Gay

Mr Johnson

Mr M Jones

Mr Moppett (Ryan)

Apologies

Nil

Budget Estimates reference

The Chair advised that Mr Moppett would be representing Mr Ryan.

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

The Hon K. Yeadon MP, Minister for Information Technology, Minister for Energy, Minister for Forestry and Minister for Western Sydney, was admitted and accompanied by the following advisors:

Ministry for Energy

Robert Neil, Acting Director, Ministry for Energy

Sustainable Energy Development Authority (SEDA)

Bruce Precious, Acting Executive Director, Sustainable Energy Development Authority

Integral Energy

Jeff Allen, Chief Executive Director, Integral Energy

Pacific Power

Steve Graham, General Manager, Commercial, Pacific Power

Office of Information Technology

Tony Gates, Acting Executive Director, Office of Information Technology

State Forests of NSW

Bob Smith, Chief Executive Officer, State Forests of NSW

Mark Matchett, Manager, Director General's Office

Office of Western Sydney

Margaret Ryan, Acting Executive Director, Office of Western Sydney

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The Chair declared the proposed expenditure for the portfolio areas of Information Technology, Energy, Forestry and Western Sydney, open for examination.

The Minister and relevant advisors answered questions by Members of the Committee.

The examination of the proposed expenditure for the portfolio areas of Information Technology, Energy, Forestry and Western Sydney concluded and the witnesses withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Gay, that any additional questions relating to the portfolio areas of Information Technology, Energy, Forestry and Western Sydney be lodged with the Director of the General Purpose Standing Committees by close of business, Friday, 24 September 1999.

The Committee deliberated.

Resolved, on motion of Mr Gay, that the Director, General Purpose Standing Committees advise the Minister for Energy, Minister for Forestry and Minister for Western Sydney that the Managing Director, Sydney Water Corporation is required to attend the Committee hearing on the Sydney Water Corporation portfolio.

The Committee deliberated.

Resolved, on motion of Mr Gay, that the Committee set a deadline of three days before the Sydney Water Corporation hearing for Committee Members to advise the Director, General Purpose Standing Committees of any further requirements relating to the attendance of officers from Sydney Water Corporation, if practical.

Adjournment

The meeting adjourned at 7:30pm until 7:30pm on Thursday, 23 September 1999.

Russell Keith
Clerk to the Committee

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 7

Monday 23 September 1999

at Parliament House, Sydney at 7.30pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Mr Dyer

Mr Gay

Mr Johnson

Mr M Jones

Mr Manson (Burnswoods)

Mr Ryan

Apologies

Nil

Budget Estimates reference

The Chair advised that Mr Manson would be representing Ms Burnswoods.

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

The Hon B. Debus MP, Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services and Minister Assisting the Premier on the Arts, was admitted and accompanied by the following advisors:

Department of Corrective Services

Dr Leo Keliher, Commissioner, Department of Corrective Services.

Mr Gerry Schipp, Executive Director, Finance and Asset Management, Department of Corrective Services.

Ms Catriona McComish, Acting Senior Assistant Commissioner, Inmate and Custodial Services, Department of Corrective Services.

NSW Fire Brigades

Mr Ian Mac Dougall AC, Commissioner, NSW Fire Brigades.
Mr David Bailey, Acting Director, Resources, NSW Fire Brigades.

NSW Rural Fire Service

Mr Phil Koperberg AM AFSM BEM, NSW Rural Fire Services.
Mr Peter Hennessy, Manager, Financial Services, NSW Rural Fire Services.

State Emergency Services

Major General Hori Howard AO MC, Director General, State Emergency Services.
Mr Terry Aspinall, Manager, Finance and Administration, State Emergency Services.

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The Chair declared the proposed expenditure for the portfolio areas of Corrective Services and Emergency Services, open for examination.

The Minister and relevant advisors answered questions by Members of the Committee.

The examination of the proposed expenditure for the portfolio areas of Corrective Services and Emergency Services concluded and the witnesses withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Gay, that any additional questions relating to the portfolio areas of Corrective Services and Emergency Services be lodged with the Director of the General Purpose Standing Committees by close of business, Wednesday, 29 September 1999.

The Committee deliberated.

Resolved, on motion of Mr Ryan, that the Director, General Purpose Standing Committees write to the Minister for Energy, Minister for Forestry and Minister for Western Sydney requesting that the Minister provide information, by 1 October 1999, concerning the availability of the Minister and the Managing Director of Sydney Water Corporation to attend and an estimates hearing prior to 19 October 1999 for a period of one and a half hours. Further, that where the Minister does not respond to the abovementioned request by 1 October 1999, the Chair authorise the Director, General Purpose Standing Committees, to write directly to the Managing Director, Sydney Water Corporation, inviting the Managing Director, officer responsible for Human Resources and officer responsible for Transwater, Sydney Water Corporation, to attend an estimates hearing for the Sydney Water Corporation portfolio.

The Committee deliberated.

The Chair tabled a letter from the Hon B Debus, MP, Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services and Minister Assisting the Premier on the Arts, to Chair, dated 23 September 1999, relating to National Parks and Wildlife staffing numbers.

The Chair tabled a letter from the Hon B Debus, MP, Minister for the Environment, Minister for Emergency Services, Minister for Corrective Services and Minister Assisting the Premier on the Arts, to the Director, General Purpose Standing Committees, dated 23 September 1999, providing answers to questions placed on notice relating to the Corrective Services portfolio.

The Committee deliberated.

Resolved, on motion of Mr Gay, that pursuant to the provisions of section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and under the authority of Standing Order 252, the Committee authorises the Clerk of the Committee to publish the answers to the questions placed on notice relating to the Corrective Services portfolio, provided by the Minister for Corrective Services in his letter of 23 September 1999.

Adjournment

The meeting adjourned at 9:45pm *sine die*.

Russell Keith
Clerk to the Committee

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 8

Thursday 14 October 1999

at Parliament House, Sydney at 5.00pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Ms Burnswoods
Mr Dyer

Mr Harwin (Gay)
Mr Ryan

Apologies

Mr Johnson
Mr M Jones

Budget Estimates reference

The Chair advised that Mr Harwin would be representing Mr Gay.

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

Mr A Walker, Managing Director, Mr K C Rushbrook, Acting General Manager, Finance, and Mr A Henderson, Manager, Capital Programs, all of Sydney Water were admitted.

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The Sydney Water officers answered questions by Members of the Committee.

The examination concluded and the witnesses withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Dyer, that any additional questions relating to Sydney Water be lodged with the Director of the General Purpose Standing Committees by close of business, Wednesday, 20 October 1999.

The Committee deliberated.

Adjournment

The meeting adjourned at 6.35pm *sine die*.

Russell Keith
Clerk to the Committee

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 9

Tuesday 26 October 1999

at Parliament House, Sydney at 1.00pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Ms Burnswoods
Mr Dyer
Mr Gay
Mr M Jones

Mr Ryan
Mr Tsang (Johnson)
Mr Samios (participating)

Apologies

Nil

Confirmation of Minutes

Resolved, on motion of Mr Dyer, that the minutes of meetings number 1 to 8 be confirmed.

Business Arising

Nil

Budget Estimates Reference

The Chair submitted his draft report entitled "Report on Budget Estimates 1999-2000" which, having been circulated to each Member of the Committee, was accepted as being read.

The Committee proceeded to consider the draft report.

Resolved, on motion of Mr Dyer, that the second paragraph under the heading “Move to Nowra”, reading “The Committee was concerned at the Minister’s failure to indicate the cost of moving the Department of Local Government to Nowra. Regardless of its merits, the Committee considered that a decision of that nature should be properly costed and budgeted” (page 3 Chair’s draft report), be deleted.

Mr Ryan moved: that a second paragraph be inserted under the heading “Move to Nowra”, reading “Members of the Committee note that the Minister did not indicate the full cost of moving the Department of Local Government to Nowra. The Minister indicated there were important regional development reasons for supporting the move. Nevertheless, Members of the Committee believe that the Minister should have been in a better position to outline the cost of the move to the Committee” (page 3 Chair’s draft report).

Debate ensued.

Question put.

The Committee divided.

Ayes: Mr R Jones
Mr Gay
Mr M Jones
Mr Ryan

Nos: Ms Burnswoods
Mr Dyer
Mr Tsang

Question resolved in the affirmative.

Resolved, on motion of Mr Dyer, that the second paragraph under the heading “Acquisition of land”, reading “The Committee notes there is considerable community pressure for the acquisition of land by the National Parks and Wildlife Service and is concerned there are insufficient funds to acquire land that the community wants preserved ” (page 7 Chair’s draft report), be deleted.

Mr Dyer moved: that the entire section under the heading “Ministerial Responsibilities for Electricity Industry” be deleted (page 11 Chair’s draft report).

Debate ensued.

Question put.

The Committee divided.

Ayes: Ms Burnswoods
Mr Dyer
Mr Tsang

Nos: Mr R Jones
Mr Gay
Mr M Jones
Mr Ryan

Question resolved in the negative.

Mr Dyer moved: that the second paragraph under the heading "Northside Storage Tunnel, Costs and Variations" be deleted (page 17 Chair's draft report).

Debate ensued.

Question put.

The Committee divided.

Ayes: Ms Burnswoods
Mr Dyer
Mr Tsang

Nos: Mr R Jones
Mr Gay
Mr M Jones
Mr Ryan

Question resolved in the negative.

Resolved, on motion of Mr Ryan, that the Committee reconvene at 1pm on Thursday, 28 October 1999, to further consider the draft report.

Adjournment

The meeting adjourned at 2.25pm until 1.00pm on Thursday, 28 October 1999.

Anna McNicol
Director

GENERAL PURPOSE STANDING COMMITTEE No. 5

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 10

Thursday 28 October 1999

at Parliament House, Sydney at 1.00pm

MEMBERS PRESENT

Mr R Jones (In the Chair)

Ms Burnswoods	Mr Johnson
Mr Dyer	Mr M Jones
Mr Hannaford (Gay)	Mr Ryan

Apologies

Nil

Confirmation of Minutes

Resolved, on motion of Mr Dyer, that the minutes of meeting number 9 be confirmed.

Budget Estimates Reference

The Committee continued its consideration of the Chair's draft report.

The Committee deliberated.

Resolved, on the motion of Mr Ryan, that the report as amended, be adopted and that the report be signed by the Chair and presented to the House.

The Committee deliberated.

Resolved, on the motion of Mr Dyer, that 5pm on Friday 5 November 1999 be fixed as the deadline for the return of answers to questions placed on notice in relation to each of the portfolios examined by the Committee, and that this return date be conveyed to the relevant Ministers and the Leader of the Government in the Legislative Council, by the Director of the General Purpose Standing Committees.

Resolved, on the motion of Mr Ryan, that the answers to all questions placed on notice and referred to Ministers for response and any tabled documents accepted by the Committee during the budget estimates hearings be circulated to members and made public upon their receipt by the Director of the General Purpose Standing Committees, and included in a Second Report on the Budget Estimates hearings to be tabled in the House by the Chair.

The Committee deliberated.

Inquiry into the M5 East ventilation stack

Mr Ryan moved: that the Committee adopt the following terms of reference for an Inquiry into the M5 East ventilation stack:

1. That General Purpose Standing Committee No 5 inquire into and report on the changes and current plans for the M5 East ventilation stack, and in particular:
 - (a) the environmental impact of the new single stack;
 - (b) the evidence for the current design of the ventilation stack and alternative possibilities for the management of air polluting substances;
 - (c) a rigorous and open assessment process integrated as part of any ventilation proposal; and
 - (d) a health and property value guarantee for all affected residents and businesses.
2. That the Committee report by Wednesday, 8 December 1999.

Debate ensued.

Mr M Jones moved: that the question be amended by replacing the words “a health and property value guarantee” with “appropriate guarantees”.

Question: – that the amendment of Mr M Jones be agreed to – put and passed.

Question – that the original question, as amended:

1. That General Purpose Standing Committee No 5 inquire into and report on the changes and current plans for the M5 East ventilation stack, and in particular:
 - (a) the environmental impact of the new single stack;
 - (b) the evidence for the current design of the ventilation stack and alternative possibilities for the management of air polluting substances;
 - (c) a rigorous and open assessment process integrated as part of any ventilation proposal; and
 - (d) appropriate guarantees for all affected residents and businesses.

2. That the Committee report by Wednesday 8 December 1999 – be agreed to.

The Committee divided.

Ayes: Mr R Jones
Mr M Jones
Mr Hannaford
Mr Ryan

Nos: Ms Burnswoods
Mr Dyer
Mr Johnson

Question resolved in the affirmative.

The Committee deliberated.

Resolved, on motion of Mr Ryan, that the advertisements be placed in relevant local newspapers calling for submissions in relation to the terms of reference, with a closing date for submissions of Monday, 15 November 1999.

The Director was instructed to prepare a media release about the inquiry and circulate it to relevant media.

The Committee deliberated.

Resolved, on motion of Mr Ryan, that Members reserve from 9am to 5pm on Monday, 29 November 1999 for the purposes of a public hearing in relation to the inquiry, and that Members agree not to hold on any deliberative votes on that day, unless it is otherwise decided.

Resolved, on motion of Mr Ryan, that the Committee hold a deliberative meeting from 1pm to 2pm on Wednesday, 1 December 1999 for the purposes of discussing issues to be included in the Committee's report.

Adjournment

The meeting adjourned at 2.10pm until 9am on Monday, 29 November 1999.

Anna McNicol
Director

Appendix One – Clerk’s Advice

During the Budget Estimates hearings conducted by General Purpose Standing Committees, my advice has been sought on a number of procedural issues. As these issues were not addressed in the Manual for *Budget Estimates Hearings*, published under my hand earlier this month, and the circumstances which have given rise to these requests for advice may arise again during further Budget Estimates hearing, or indeed during other inquiries conducted by the General Purpose Standing Committees, I believe it is important for the advice provided to be circulated to all Members.

1. (a) Can a General Purpose Standing Committee resolve to limit the time taken by a witness to answer questions?

A Committee of the House has the power and responsibility to determine its own practices and procedures, subject to: the resolutions establishing the Committee; any reference from the House; the Standing orders of the House; and established Committee practice.

The key provisions in the resolution of the House referring the Budget Estimates relating to the taking of evidence are:

2. That the Committees consider the Budget Estimates in accordance with the allocation of portfolios to the Committees.
6. When a Committee hears evidence on the Budget Estimates, the Chair is to call on times 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.¹

The only provision in the resolution establishing the General Purpose Standing Committees relating to the taking of evidence is:

10. Unless a committee otherwise decides, a member of the House, who is not a member of the relevant Committee may take part in the public proceedings of a Committee and question witnesses ...²

The Standing Orders of the House do not prescribe specific procedures for the taking of evidence. However, the procedures by which Committees take evidence are well established. These procedures are set out in each of the relevant authorities on parliamentary practice and procedure.³ *Odger’s Senate Practice* notes that “the Standing Orders allow the Senate and its

¹ *Minutes of Proceedings, No 14, 29 June 1999, pp 163-164.*

² *Minutes of Proceedings, No 3, 13 May 1999, p 62.*

³ See for example ‘*Erskine May*’, 22nd Edition, 1997, pp 650-651; ‘*Odger’s Senate Practices*’, 8th Edition, 1997, p 421; ‘*House of Representatives Practice*’, 3rd Edition, 1997, pp 599-601.

Committees to formulate procedures for the giving of evidence before them ... This allows

4

There is nothing in the resolution establishing the General Purpose Standing Committees, the reference of the budget Estimates to these Committees, the Standing Orders of the House, or established Committee practice, that would preclude the Committees from limiting the time taken by a witness to answer a question. The Committees therefore do have the power to limit the time taken by a witness to answer a question. (However, it would be hoped that any Committee resolving to impose a limit on the time taken by a witness to answer a question would make provision for a witness to apply for an extension of time if required, and that any such time limits would be applied somewhat flexibly.)

⁴ *'Odger's Senate Practice', p 421.*

1. (b) If so, can such time limits be applied to a Minister from the Lower House?

Paragraph 7 of the resolution referring the Budget Estimates, set out above, provides for the Committee to “ask for explanations from Ministers in the House, or officers of departments, statutory bodies or corporations”. Paragraph 8 of the resolution establishing the General Purpose Standing Committees provides the Committees with powers “to send for and examine persons ...” and “to request the attendance of, and examine members of the House”.⁵

The Standing Orders of the House do not specifically address the attendance of Members (including Ministers) from the Legislative Assembly before Legislative Council Committees (or indeed the attendance of Members of the Legislative Council before Legislative Council Committees).

The relevant authorities on parliamentary practice and procedure provide consistent information in relation to the attendance of Members before Committees. The position is that a Member may give evidence before a committee but cannot be compelled to do so. Where a Member refuses a request to attend to give evidence before a Committee, the Committee is required to inform the House, in order that the House determine the matter. However, a Member cannot be summoned to attend to give evidence before a Committee. This also applies to Members on House giving evidence before a Committee of the other House in a bicameral Legislature.⁶

Where a Member (including a Member or Minister from the other House in a bicameral Legislature) appears before a Committee, they are treated like any other voluntary witness. *Erskine May* states that:

A Member who has submitted himself to examination without any order of the House is treated like any other witness. When a Member's refusal to answer questions has been reported to the House by a select committee, the House has ordered that he should submit his objection to the Committee.⁷

While a Minister from the Legislative Assembly is attending and giving evidence before a General Purpose Standing Committee (including during Budget Estimates hearings) they will be subject to any procedures established by such a Committee, including any time limits for the answers to questions agreed to by the Committee. A failure to comply with any such procedures established by such a Committee would need to be reported to the House by the Committee.

However, as a Minister from the Legislative Assembly cannot be compelled to attend and give evidence before a General Purpose Standing Committee (or any other Legislative Council Committee), a Minister from the Legislative Assembly may decide to leave such a hearing at any time, if they did not wish to comply with any procedures established by such a Committee, including any time limits for the answers to questions agreed to by the Committee.

⁵ *Minutes of Proceedings, No 3, 13 May 1999, p 62.*

⁶ *'Erskine May', pp 616, 648; 'Odger's Senate Practice', p 416; 'House of Representatives Practice', p 652.*

⁷ *'Erskine May', p 648.*

2. Can a Committee hold additional hearings in relation to the portfolios of a Ministers already examined during the initial round of Budget Estimates hearings, prior to the Committee reporting on the initial round of hearings?

The *Manual for Budget Estimates Hearings* notes that the “the Government has provided a proposed timetable for the initial round of Budget Estimates hearings”.⁸ The proposed timetable was published as an Appendix to the manual.

The resolutions referring the Budget Estimates prescribe a detailed procedure and sequence for the General Purpose Standing Committees to follow at the end of the initial round of hearings, including the procedures to be followed in relation to supplementary hearings. These procedures are set out on page 11 of the manual.

The relevant provision in the resolution referring the Budget Estimates in relation to the initial round of hearings is:

2. That the Committees consider the Budget Estimates in accordance with the allocation of portfolios to the Committees.

There is nothing in the resolution referring the Budget Estimates which requires the initial round of hearings to be limited to a single hearings for each Ministerial portfolio. There is nothing in the resolutions referring the Budget Estimates which requires the initial round of hearings to be limited to the hearings listed in the Government’s proposed timetable published in the manual.

The General Purpose Standing Committees have the power to hold any number of hearings in relation to a portfolio area until such time as they have exhausted all questions in relation to that portfolio. At the time, the Committee must report to the House and the procedures set out on page 11 of the manual will then come into effect. Even if a Committee were to resolve to restrict questions to a particular period of time, the Committee could later resolve to change its view on this matter, and extend the time or have additional hearings.

A General Purpose Standing Committee resolving to conduct further hearings in relation to a portfolio area as part of the initial round of hearings, may invite a Minister from the Legislative Assembly to attend and give evidence at such further hearings.⁹ However, as noted above, a Minister from the Legislative Assembly cannot be compelled to attend any hearings of a General Purpose Standing Committee.

⁸ *Manual for Budget Estimates Hearings*, p 3.

⁹ *The Minister for Environment, Emergency Services and Corrective Services has agreed to attend and give evidence at a further hearing of Committee No 5 on Thursday 23 September, in relation to Emergency Services and Corrective Services.*

A General Purpose Standing Committee may invite officers of departments, statutory bodies or corporations to attend and give evidence at a Budget Estimates hearings, including at any further hearing in relation to a portfolio area.¹⁰ Under the provisions of the *Parliamentary Evidence Act 1901* the General Purpose Standing Committees may compel such officers to attend and give evidence through the issue of a summons, although the use of these coercive powers is not normally considered necessary.

3. Can the Committees meet prior to the starting time set out in the Government's proposed timetable for the Budget Estimates to deliberate?

As noted above, the Government's proposed timetable for the initial round of Budget Estimates hearings was published as an appendix to the *Manual for Budget Estimates Hearings*. This timetable has been the subject of a number of changes. Clearly, the timetable was published by way of guidance and was always subject to possible change.

There is nothing in the resolution referring the Budget Estimates to prevent the General Purpose Standing Committees from resolving to hold additional deliberative meetings during the period when the initial round of Budget Estimates hearings are being held. There is nothing in the resolution referring the Budget Estimates to prevent Committees from resolving to meet prior to the scheduled starting time for a particular hearing in order to deliberate.

4. Can Chairs of the General Purpose Standing Committees ask questions?

The provisions of the resolution establishing the General Purpose Standing Committees and the resolution referring the Budget Estimates relating to the examination of witnesses are set out above. There is nothing in the resolution establishing the General Purpose Standing Committees or the resolution referring the Budget Estimates to prevent Committee Chairs from asking questions at hearings.

The General Purpose Standing Committees are established to operate in generally the same way as the other Standing Committees of the Legislative Council, in which there has never been any doubt about the capacity of Chairs to ask questions.

¹⁰ Arrangements are being made for the Directors-General of the Departments of Community Services, Women and Ageing to attend and give evidence at such a further hearing of Committee No 2 during the next few weeks.

5. Procedures for the publication of tabled documents, including answers to questions on notice forwarded to Ministers prior to the initial round of hearings.

Standing Order 252 of the House provides that:

Evidence taken by any Select Committee of the House, and documents presented to such Committee which have not been reported to the House, may not, except with the permission of the Committee, be disclosed or published by any Member of such Committee or by any other person.

Section 4 (2) of the *Parliamentary Papers (Supplementary Provisions) Act 1975* provides that “a Committee may authorise the publication of documents received or evidence given before it”.

As set out on page 8 of the *Manual for Budget Estimates Hearings*, General Purpose Standing Committees need to move a resolution to accept and authorise the publication of any evidence or submissions or documents that are tabled during the Budget Estimates hearings. The manual suggests that “this *can* be done in globo at the end of the hearing” [emphasis added]. However, there is nothing to prevent a Committee from resolving to publish tabled documents or other papers received by the Committee as they are tabled, or in some other way.

There is nothing to prevent a Committee from resolving prospectively to publish documents to be received at or before a certain date. However, in pursuit of consistency, and in order to ensure that Committees have an opportunity to review documents which are to be published on their authority, it is recommended that each Committee authorise publication of tabled documents either at the time they are tabled or, at the conclusion of each hearing. (While this practice is recommended, it is not incumbent on Committees to follow this practice in all instances.)

6. Procedures for a General Purpose Standing Committees to “self refer” a matter for inquiry

Paragraph 3 and 4 of the resolutions establishing the General Purpose Standing Committees provide the Committees with a power to “self refer” matters for inquiry, and also set out the procedure to be followed in order for a Committee to commence such an inquiry.

3. The Committees may inquire into and report on: (a) any matters referred to them by the House; (b) the expenditure, performance or effectiveness of any department of government, statutory body or corporation; (c) any matter in any annual report of a department of government, statutory body or corporation.
4. A meeting of a Committee may be convened at the request of any three members of the Committee in writing to the Clerk of a Committee.¹¹

During the 51st Parliament two inquiries were “self referred” to General Purpose Standing Committee in this way.¹² In each case, a meeting was convened following the receipt of a letter

¹¹ *Minutes of Proceedings, No 3, 13 May 1999, p 62.*

¹² See *General Purpose Standing Committee No 2, 'Interim Report – Inquiry into Rural and Regional New South Wales Health Services', July 1998; General Purpose Standing Committee No 1, 'Interim Report on the Inquiry*

signed by three members of the relevant Committee requesting the convening of the Committee to conduct a particular inquiry.

Prior to the first of the Budget Estimates hearings on 7 September 1999, the Chair of Committee No 2 sought advice on the procedures for “self referring” a matter for inquiry by that Committee. Advice was provided that, as the Committee was scheduled to meet on 7 September, the provisions of paragraph 4 of the resolution establishing the Committees were redundant in this case and there was no need for a letter to be signed by three members of the Committee to request that the Committee convene. The Chair was advised that, once the Committee went into deliberative session, the Chair could table proposed terms of reference to “self refer” a matter for inquiry.

Where a General Purpose Standing Committee is scheduled to meet, paragraph 4 of the resolution establishing the General Purpose Standing Committees, is redundant, and a proposed "self reference" can be discussed by a Committee during a deliberative session at any scheduled meeting. However, where a General Purpose Standing Committee is not scheduled to meet, or where three or more members wish to initiate an inquiry prior to a scheduled meeting, the provisions of paragraph 4 of the resolutions establishing the Committees apply and a letter signed by three members must be provided to the Clerk of the Committee requesting the convening of the Committee.

I trust this information clarifies the situation for Members serving on General Purpose Standing Committees.

John Evans
Clerk of the Parliaments

Appendix Two – Correspondence



MINISTER FOR THE ENVIRONMENT
MINISTER FOR EMERGENCY SERVICES
MINISTER FOR CORRECTIVE SERVICES
MINISTER ASSISTING THE PREMIER ON THE ARTS

23 September 1999

The Honourable Richard Jones MLC
Chair
General Purpose Standing
Committee Number Five
Parliament House
Macquarie Street
Sydney
NSW 2001

Dear Mr Jones,

I refer to my appearance before your Committee on Wednesday 15 September which was conducting estimates hearings on the Environment portfolio.

At the conclusion of my appearance the Honourable John Ryan MLC made certain claims. Subsequently, Mr Ryan issued a media release (copy attached) which claimed that the Government has only appointed an extra 70 NPWS staff.

What I said to your Committee was that over the last five years NPWS staff had increased from around 1200 to over 1700, an increase of 40%. I am now informed by the NPWS that as of 30 June 1999 there were just over 1600 staff on the payroll – a one-third increase.

The NPWS has explained that I was provided with the figure of 1700 in error. There were in fact 1700 staff on the NPWS payroll as of 31 March 1999, but in the following three months this declined by about 100. This was due to a combination of factors.

For example, the staff freeze imposed on most departments and agencies has meant that a number of vacant positions have not been filled, a situation which will now change following the recent lifting of the freeze for the NPWS. A number of temporary employees have also left the Service because the functions they were performing had ceased.

The Service has also been undertaking a major restructure to ensure that administration is lean and efficient, while properly supporting the frontline staff engaged in on-the-ground conservation, feral pest and weed control and community-related duties.

In the next twelve months the Service will expand the number of frontline staff by completing the recruitment of 105 additional staff in the upper and lower north east of the State. These positions will mainly manage new areas put into the parks estate following the Comprehensive Regional Assessment done there last year and the subsequent forestry decision.

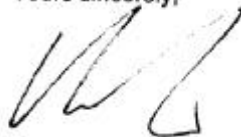
In other words, staff numbers in the NPWS are expected to remain at between 1600 and 1700 in the next twelve months. The substantial staff increases of the past five years are necessary to manage the 25% increase to the parks estate which this Government has implemented in the past four and a half years.

This is also demonstrated by increases to the Service's budget over this period. Since the last Coalition budget in 1994/95 the overall budget has increased by 120% and the recurrent budget by 140%.

In any event, it should be understood that staff figures in Budget Papers do not necessarily reflect actual staff on the NPWS payroll. They generally do not include staff employed from funding sources other than the Consolidated Fund, nor do they include some temporary employees engaged on substantial projects such as the Comprehensive Regional Assessment process.

I would be grateful if you would incorporate this letter into the records of your Committee.

Yours sincerely,



Bob Debus

PARLIAMENT OF NSW



LEGISLATIVE COUNCIL

THE HON. JOHN RYAN, M.L.C.

Legislative Council
NSW Parliament
Macquarie Street
Sydney, NSW 2000

16 September, 1999

ESTIMATES COMMITTEE UPROAR

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"The Environment Estimates Committee last night ended in uproar after it was discovered that Environment Minister, Bob Debus, had given erroneous information to the Committee concerning the numbers of staff appointed to the National Parks and Wildlife Service (NPWS)", said Liberal MLC, John Ryan

"In response to a question from John Ryan, Mr Debus had claimed that staff numbers in the National Parks & Wildlife Service had increased by 40% during the time of the Carr Government, when at the same time the size of the Parks estate had increased by only 25%.

"Later, at the conclusion of the hearing, Mr Ryan presented Mr Debus with information from earlier budget papers which indicated that the Labor Government had only appointed an extra 70 staff since they came to office, an increase of 7%, not 40%.

"Budget papers from the Carr government's first budget in 1995 indicated that during the last year of the Peahy government, NPWS staff had increased to 1363. Current budget papers indicate that the number of Parks service staff will fall this year, and will stand at 1458.

"As Mr Ryan attempted to make this point, Labor members of the Committee interrupted loudly taking points of order and bringing the proceedings to a halt. When the disruption eventually subsided, Mr Debus refused to answer the question.

"The point I was making was that the Carr Government has increased the size of the National Parks estate without increasing the numbers of staff to look after it", Mr Ryan said

"We run the risk of our parks being overrun by feral animals, weeds and bush fires if there aren't enough staff to look after them.

"Last night's Estimate Committee was a dramatic illustration of how the Carr Government has failed to take this into consideration. They keep increasing the number and size of our National Parks to score political brownie points, and simply ignore the need to provide to look after them", Mr Ryan concluded.

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