

**Questions taken on Notice
State Development Budget Estimates Hearing**

QUESTION ONE

The Hon. TREVOR KHAN: Is it the case that a feasibility study was undertaken into the V8 Supercars race being held at Homebush?

The Hon. IAN MACDONALD: Yes, considerable studies and effort have been put into looking at this area and an informed Cabinet process formed the decision made by the Government.

The Hon. TREVOR KHAN: Will you release that feasibility study?

The Hon. IAN MACDONALD: The studies are part of Cabinet in confidence. I would have to seek approval at other levels if I was to release it, and I will have those discussions.

ANSWER

After various discussions, I have determined to release a document pertaining to the question of the Honourable member.

The methodology used by the Department of State and Regional Development is similar to the valuation approach used by other Australian State and Territory Governments, and by consulting firms both in Australia and internationally.

In this case, I am advised DSRD considers its estimates to be conservative.

It anticipates two main sources of economic impact of the event. First, the proponent's event budget. Second, expenditure in NSW by visitors from other States who come specifically for the V8 Supercar races.

The evaluation excludes expenditure by NSW residents, visitors who were already in the State or visitors who did not come specifically for the V8 Supercar races.

The evaluation does not take into account the economic value of other benefits including domestic and international media exposure.

Clearly there will also be the intangible benefits brought about through the promotion of the event, in addition to the long term benefit of the NSW Government remaining as the primary sponsor.

QUESTION TWO

The Hon. TREVOR KHAN: I take it from your answer you have not held discussions with representatives from the Sydney Olympic Park Authority?

The Hon. IAN MACDONALD: That is true. I have met the Chief Executive Officer, Mr Marsh, on one occasion I think, as far as I can recall, but the department had many meetings with the Sydney Olympic Park Authority.

The Hon. TREVOR KHAN: Accepting that you would need to take this question on notice, are you in a position to provide the Committee with details as to when those meetings were held regarding this topic?

The Hon. IAN MACDONALD: I will have a look at that and come back to you by way of an answer on notice in relation to it. I do not have a diary of when those meetings were held, but they were extensive and conducted in a pretty good spirit.

The Hon. TREVOR KHAN: The answer is, yes, you will provide the Committee with the details?

The Hon. IAN MACDONALD: I will try as far as practical to give you some indication of the meetings that would have been held and when they were held, yes.

ANSWER

At least ten meetings have taken place since June involving both the Department of State and Regional Development and the Sydney Olympic Park Authority.

V8 Supercars Australia also met with the Board of the Sydney Olympic Park Authority in late June 2008. V8 Supercars Australia has also met with the Sydney Olympic Park Business Association.

Discussions with the Authority will be ongoing as preparations commence for the event in 2009.

QUESTION THREE

The Hon. TREVOR KHAN: For what precise purposes will the \$30 million allocated by the Government be used?

The Hon. IAN MACDONALD: These are all part of discussions that are held commercial in confidence with the proponents and I do not propose to release those at this point. I will consider the issues and take that on notice.

ANSWER

These details are yet to be finalised by contract.

Winning events of this magnitude involves delicate negotiations — which if not handled professionally — can jeopardise their success.

QUESTION FOUR

The Hon. TREVOR KHAN: Did you meet with Mr Greg Jones and Mr David Coe at Buon Ricordo restaurant in Paddington in the first week of September?

The Hon. IAN MACDONALD: I have met with Mr Jones on many occasions. I have met Mr Coe on a couple of occasions. I am not sure whether it was at the beginning of September but I have met Mr Jones. I am not sure about Mr Coe, but I will provide an answer on notice.

The Hon. TREVOR KHAN: I am suggesting that that would be reasonably fresh in your mind because it was a fairly momentous week—there was a change in leadership of the party and a pretty exciting time, I would have thought, in the Australian Labor Party.

The Hon. IAN MACDONALD: I met a lot of people at a grouping at Buon Ricordo. The total participants I cannot recall particularly but I will get back to you. Mr Coe might have been there.

ANSWER

I did not meet with Mr Jones or Mr Coe in the first week of September.

QUESTION FIVE

The Hon. TREVOR KHAN: Mr Jones is also the head of a firm known as Elect Interactive?

The Hon. IAN MACDONALD: Yes, I understand he has interests in that area.

The Hon. TREVOR KHAN: And that is a company that undertakes polling for the ALP, does it not?

The Hon. IAN MACDONALD: I am not sure precisely who its clients are, but I will take that on notice.

ANSWER

The Elect Interactive Pty Ltd website states its clients include political parties and other organisations. I am not privy to specific commercial arrangements.

QUESTION SIX

The Hon. TREVOR KHAN: Did you receive legal advice?

The Hon. IAN MACDONALD: I cannot say whether we have received legal advice, but lawyers are heavily involved, as you can imagine, in this proposal.

The Hon. TREVOR KHAN: Assuming there is legal advice, would you please release it?

The Hon. IAN MACDONALD: As I said, discussion on this issue was part of Cabinet in confidence and I would have to take that issue on notice.

ANSWER

The Government is dealing with project proponents in a highly competitive environment. To release legal advice while legal and commercial negotiations are on foot would not be in the public interest and would forfeit legal professional privilege.

QUESTION SEVEN

CHAIR: Whatever way we look at the equation there has been a great deal of debate about the peak oil issue. Has your department done any work recently such as forming a peak oil task force, similar to the work undertaken by the Queensland Government?

The Hon. IAN MACDONALD: No, we have not formed a task force as such. I am happy to have a look at this area for you and see whether there is a way of giving you comfort.

ANSWER

Please refer to comments made by the Hon. Henry Tsang MLC on this issue in the Legislative Council on 15 May 2008.

QUESTION EIGHT

CHAIR: I understand that you held a future freight seminar some time ago. Has your department developed any concrete plans to look at dealing with freight?

The Hon. IAN MACDONALD: Neither of my departmental officials—

CHAIR: Okay, maybe that is a mistake.

The Hon. IAN MACDONALD: It might be someone else, but I will take it on notice and come back to you if we can.

ANSWER

A seminar was organised by the Department of State and Regional Development (DSRD) and Sydney Ports Corporation in July, following release of the “Path to Innovation” report.

DSRD supports ongoing improvement and growth in the freight transport and logistics through such seminars and workshops and also:

- contributes to national transport strategy development by the Commonwealth, and its implementation;
- collaborates with national industry bodies such as the Australian Logistics Council, Australian Federation of International Forwarders;
- provides input to leading R&D institutions such as NICTA, to work on technology applications in the sector;
- works with the Department of Education and Training on attracting talent and improving skills;
- provides input to regulation review, to reduce business costs and improve productivity.

State funding has helped to attract matching Commonwealth monies towards the work of the NSW Sea and Air Freight Councils. Some of the projects completed by the Councils with the Government's support are:

- airfreight security on and of airports (in collaboration with Federal Agencies);
- Sydney's Intermodal System, (a management model for open access privately owned intermodal terminals);
- regional intermodal terminals (a viability guide).

DSRD will continue to work closely with the recently amalgamated Sea and Air Freight Councils into FALCONSW – on ways to grow and benefit the industry.

QUESTION NINE

CHAIR: Does your department support small-scale development in other areas of the State?

The Hon. IAN MACDONALD: Yes. There is a big program under regional development.

CHAIR: Does your department also participate in that activity?

The Hon. IAN MACDONALD: Absolutely.

CHAIR: Do you have a list of grants that have been given and projects that have been supported in the past year? Perhaps you could take that question on notice?

The Hon. IAN MACDONALD: I will take that question on notice and consult with my colleague the Minister for Regional Development, Mr Costa, who will be appearing this afternoon. Perhaps you could address those questions to him.

ANSWER

Details of non-business regional development grants are provided in the Department's Annual Report each year.

A range of business assistance is provided through the Department of State and Regional Development's regional development programs. These include business investment programs (Regional Business Development Scheme, Hunter Advantage Fund and Illawarra Advantage Fund), community economic development programs and industry adjustment assistance (including the Business Drought Assistance Program and Regional Economic Transition Scheme).

QUESTION TEN

The Hon. MARIE FICARRA: Minister, are you aware that a substantial number of major international car brands were absent from the 2008 Motor Show recently in Sydney?

The Hon. IAN MACDONALD: Like you, I have read some of the media speculation on this issue. I have sought a meeting with the proponents of the event. It is important that we keep it in New South Wales and I think we should work assiduously to make sure that happens. We do not want to lose other events to other States, do we?

The Hon. MARIE FICARRA: No, we do not. Why do you think there is a concern? Why are they not present and why are they threatening to leave New South Wales entirely?

The Hon. IAN MACDONALD: I will not comment on press speculation about this, I will give you an answer after I have had the appropriate meeting, but Events NSW is also working on this issue.

ANSWER

With the global challenges facing the automotive industry, environmentally and economically, the Show is a vital tool to exhibit innovation in the industry. The Show is held in both Sydney and Melbourne annually but may move to one Show annually.

I recently met with a representative of the Federal Chamber of Automotive Industries to convey the Government's desire to see a continued Sydney presence of the Motor Show.

Events NSW is currently in discussions with the Chamber about the future direction of the Show.