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GENERAL PURPOSE STANDING COMMITTEE No. 1

Monday 13 September 2010

Examination of proposed expenditure for the portfolio areas

PORTS AND WATERWAYS, ILLAWARRA

The Committee met at 2.00 p.m.

MEMBERS

Reverend the Hon. F. J. Nile (Chair)

The Hon. S. Cotsis
The Hon. K. F. Griffin
The Hon. Trevor Khan
The Hon. M. R. Mason-Cox

The Hon. G. Pearce
The Hon. D. Shoebridge
The Hon. M. Veitch

PRESENT

The Hon. Eric Roozendaal, *Treasurer, Minister for State and Regional Development, Minister for Ports and Waterways, Special Minister of State, and Minister for the Illawarra*

NSW Maritime

Mr S. Dunn, *Chief Executive*

Mr T. Middleton, *Deputy Chief Executive*

Industry and Investment

Dr R. Sheldrake, *Director General*

Department of Premier and Cabinet

Mr M. Roberts, *Illawarra Regional Coordinator*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare open to the public this hearing, which will inquire into budget estimates for 2010-2011. I welcome Treasurer Roozendaal and accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolios of Ports and Waterways and the Illawarra. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only Committee members and witnesses may be filmed and recorded. People in the public gallery should not be the primary focus of any filming or photographs.

In reporting the proceedings of this Committee, you must take responsibility for what you publish and the interpretation you place on anything that is said before the Committee. The *Guidelines for the Broadcast of Proceedings* are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff, or the Committee clerks. Treasurer, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers while at the table. I remind everyone to please turn off their mobile phones.

The Committee has resolved that answers to questions on notice must be provided within 21 days from the time that you receive them, or as otherwise determined by the Committee. The Committee has not varied the 21-day time frame. Transcripts of the hearing will be available on the web from tomorrow morning. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. I remind the Treasurer that he does not need to be sworn as he has already sworn an oath to his office as a member of Parliament. All other witnesses will be asked to state their full name, job title and agency.

STEVE DUNN, Chief Executive, NSW Maritime, and

TONY MIDDLETON, Deputy Chief Executive, NSW Maritime, sworn and examined:

CHAIR: As there is no provision for a Minister to make an opening statement before the Committee commences questioning, I am to provide an opportunity if you wish to make any brief statement.

The Hon. ERIC ROOZENDAAL: No thank you, Chair.

The Hon. GREG PEARCE: Mr Dunn, when Mr Tripodi instructed the creation of the general manager policy position, which was subsequently filled by Patrick Lowe, did you have a role in that appointment?

Mr DUNN: No.

The Hon. GREG PEARCE: You had no role at all?

Mr DUNN: None.

The Hon. GREG PEARCE: Was there a selection committee?

Mr DUNN: Yes, there was.

The Hon. GREG PEARCE: Who were the members of the selection committee? The other applicant was Cassandra Wilkinson, I understand.

Mr DUNN: The selection committee comprised Chris Oxenbould, the chief executive; Steven Montgomery, who was the then general manager of the Maritime property division; and I cannot remember the name of the independent but she was head of the independent transport sector regulatory.

The Hon. GREG PEARCE: Would you take on notice to provide the Committee with that name?

Mr DUNN: Yes.

The Hon. GREG PEARCE: What was the salary package for the general manager, policy position?

Mr DUNN: I am sorry; I do not have that to hand.

The Hon. GREG PEARCE: Will you take that on notice as well?

Mr DUNN: Yes.

The Hon. GREG PEARCE: Has there been an internal investigation into the probity of the recruitment process for Mr Lowe?

Mr DUNN: I have reviewed the file.

The Hon. GREG PEARCE: You have reviewed it?

Mr DUNN: Yes.

The Hon. GREG PEARCE: Did you prepare a report?

Mr DUNN: No, I reviewed the file and made a note that all the appropriate authority guidelines and processes were followed for the recruitment.

The Hon. GREG PEARCE: How did Mr Lowe transition to the position of general manager, property planning and infrastructure?

Mr DUNN: NSW Maritime has been through a number of restructures. That is the third job title Mr Lowe has held, all at the same grade.

The Hon. GREG PEARCE: All at the same grade?

Mr DUNN: Yes.

The Hon. MATTHEW MASON-COX: Mr Dunn, was the position advertised publicly?

Mr DUNN: Which position?

The Hon. MATTHEW MASON-COX: The position that will be filled by Patrick Lowe.

The Hon. GREG PEARCE: General manager, policy.

Mr DUNN: Yes, the position was advertised.

The Hon. MATTHEW MASON-COX: How many people applied for that position?

Mr DUNN: I do not know.

The Hon. MATTHEW MASON-COX: Would you please confirm that and the names of those people if it is possible to the Committee?

Mr DUNN: Yes.

The Hon. TREVOR KHAN: Do you recollect that last year on 14 September a variety of questions were asked of you by me at budget estimates?

Mr DUNN: I do.

The Hon. TREVOR KHAN: In that context a number of questions were left as questions on notice. Do you remember that?

Mr DUNN: I remember taking some questions on notice.

The Hon. TREVOR KHAN: Do you remember providing answers to those questions on notice?

Mr DUNN: I remember providing answers to the questions.

The Hon. TREVOR KHAN: Is it the case that those answers to questions on notice were provided to the Committee on or about 22 October 2009?

Mr DUNN: I am not sure.

The Hon. TREVOR KHAN: Would you have ensured that the questions were answered within the time frame that was allowed?

Mr DUNN: Time frames are a matter for the Minister's office. We would have gone away and prepared the answers as quickly as possible.

The Hon. TREVOR KHAN: Would you have ensured, having provided those answers, that they were true and correct? Is that the case?

Mr DUNN: To the best of our ability, yes.

The Hon. TREVOR KHAN: You clearly know what we are talking about. If we go to the issue of Tonette Kelly, and the actions that occurred following the beginning of your evidence on 14 September 2009, is

it the case that you left Parliament House with one issue particularly in mind and that related to the issue of professional indemnity insurance?

Mr DUNN: That would be correct.

The Hon. TREVOR KHAN: Essentially the issue was that you had been made alive to the issue that professional indemnity insurance in the traditional sense may not be required by public sector employees because they are covered by, I think it is called, the Treasury Managed Fund?

Mr DUNN: Please continue. Can you tell me where this is going and I will provide you with an answer?

The Hon. TREVOR KHAN: You are alive to the fact that public sector employees do not require professional indemnity insurance?

Mr DUNN: I still do not understand the question.

The Hon. TREVOR KHAN: I am asking you the question.

Mr DUNN: What does "alive" mean? I am sorry, I do not understand that.

The Hon. TREVOR KHAN: You understand that lawyers employed in the public sector do not require professional indemnity insurance?

Mr DUNN: I am not 100 per cent certain that is always the case.

The Hon. TREVOR KHAN: That is what you went away to check on, is it not?

Mr DUNN: Yes, it is. Well, I went away to check on a number of things. I went away to check what exactly the arrangements were concerning Kelly and her professional indemnity insurance.

The Hon. TREVOR KHAN: By the time you provided the answers to questions on notice—and you might like to go to questions five and six of your questions on notice—do I take it that you had spoken to Ms Kelly and she had sought to give an explanation as to why she had professional indemnity insurance?

Mr DUNN: At the time of last year's estimates hearings I had not been aware of any new allegations regarding Ms Kelly, other than those previously placed before barrister John Clarke for investigation. Those allegations had been investigated and accepted both by my predecessor in the role of chief executive and by the ICAC itself.

The Hon. TREVOR KHAN: I am not asking about why, I am asking about your knowledge of professional indemnity insurance.

Mr DUNN: That is why I said they were the same allegations that had been made before. I think it is fair to say that with hindsight I would not have responded in the manner I did. A more appropriate response to the Committee would have been simply that the matter was before the ICAC. The first time the issue of NSW Maritime paying for Kelly's personal indemnity insurance for her private conveyancing work was raised with me was by Mr Khan at the estimates hearings. Immediately after the question was raised I arranged for inquiries to be made surrounding this matter and, after forming the view that there was potentially corrupt conduct, I immediately made a section 11 referral to the ICAC.

The Hon. TREVOR KHAN: How quickly was that, Mr Dunn?

Mr DUNN: Later on I asked for an audit of the use of the web facility, web title search facility Espreon, used by New South Wales Maritime, for its property dealings. That audit revealed extensive use of the Espreon account to undertake title searches for property not related to New South Wales Maritime's work, so I immediately made another section 11 referral to the ICAC. During the course of the investigation, the document was brought to my attention. It appeared to be a signed approval to use the Espreon account. Because I had doubts about the authenticity of this document—and after consultation with the ICAC—I arranged for it to be forensically examined.

The Hon. TREVOR KHAN: Mr Dunn, you would understand that I have asked you nothing with regard to the Espreon account at this stage.

Mr DUNN: Examination revealed the document to be a forgery and I immediately made a further section 11 referral to the ICAC. Both before and after these referrals to the ICAC in October 2009 New South Wales Maritime cooperated fully with the ICAC providing thousands of records, full access to files and full access to computers for forensic analysis. On 14 April 2010 New South Wales Maritime was formally notified by the ICAC that they were holding a public inquiry into the conduct of Ms Tonette Kelly, Manager Legal Services Branch, and other officers of New South Wales Maritime. That public inquiry was held from 19 to 22 April in Sydney.

The ICAC released its report into Ms Kelly's conduct on 1 September 2010. The report found Ms Tonette Kelly, Ms Bonita Dacombe and Mr Nicholai Dacombe had engaged in corrupt conduct. The report made seven recommendations and New South Wales Maritime has accepted them in full. New South Wales Maritime has already implemented some changes and will now implement the remainder. We will regularly report progress to the ICAC on the implementation of these recommendations. We have been proactive over the past year in reviewing and improving corruption prevention procedures. The agency has tightened numerous policies and procedures and undertaken audits and reviews to prevent corruption. For example, it now has very stringent processes in place for employees who wish to engage in secondary employment. It also has tighter policies and processes for use of resources, including materials and equipment, and facilities by staff, particularly from home.

The Hon. TREVOR KHAN: With regard to what seems to be three section 11 reports that you have made to the ICAC, can you indicate the dates of those three section 11 reports?

Mr DUNN: The ICAC report is on the website. I have a copy here that I can table, if that would be of assistance to you.

The Hon. TREVOR KHAN: No, I am asking about your section 11 reports to the ICAC. What was the date of your first report to the ICAC with regard to professional indemnity insurance?

Mr DUNN: I have a copy of the ICAC report here that I can give you, or I can table that. You can look on the ICAC website and transcripts of the investigation—

The Hon. TREVOR KHAN: With the greatest of respect, I am asking the question and you can answer it. What was the date of your first report to the ICAC pursuant to section 11 of the Act?

Mr DUNN: You can check on the website and you can look at the ICAC report—

The Hon. TREVOR KHAN: Answer the question, Mr Dunn.

The Hon. ERIC ROOZENDAAL: He is referring you.

Mr DUNN: I am saying to look at the ICAC report. I am not going to do your research for you, Mr Khan.

The Hon. TREVOR KHAN: So you are refusing to answer the question.

Mr DUNN: No, I am telling you that the ICAC report is on the website, the transcripts of the public hearings are on the website. You can look there for your information.

The Hon. TREVOR KHAN: Mr Dunn, you were uncooperative with me last year and you were shown to be wrong. Let me invite you this time to cooperate and answer the question. When did you make your reports to the ICAC pursuant to section 11 of the Act, starting with the first one?

The Hon. ERIC ROOZENDAAL: He has referred you to the ICAC report, which deals with all of those issues, and it is publicly available.

The Hon. TREVOR KHAN: Minister, if you read it, you will find that the date is not there.

Mr DUNN: I refer you to my answer, which I just gave you, which is that those referrals were made in October 2009.

The Hon. TREVOR KHAN: What was the date of those referrals?

Mr DUNN: They were made in October 2009.

The Hon. TREVOR KHAN: Can you take it away and get me the precise dates of the referrals, Mr Dunn?

Mr DUNN: I will take the question on notice.

The Hon. TREVOR KHAN: Thank you. At the time of your last attendance, is it the case that you had referred for investigation the actions of some of the employees who had apparently leaked to the *Sydney Morning Herald*?

Mr DUNN: I will take that on notice.

The Hon. TREVOR KHAN: You know you instructed IAB Services, did you not, to undertake an investigation?

Mr DUNN: I will take that on notice.

The Hon. TREVOR KHAN: Do you not remember or do you just not want to answer here?

Mr DUNN: I will take it on notice.

The Hon. TREVOR KHAN: Do you have a recollection at all of instructing any investigator to look at the actions of employees in or about August or September 2009?

Mr DUNN: It is a long time ago and, rather than have a stab at giving you an answer, I would rather give you the correct information. I will take it on notice.

The Hon. TREVOR KHAN: Why not just have a bit of a stab, Mr Dunn?

Mr DUNN: No, I am not going to speculate, I will take it on notice.

The Hon. TREVOR KHAN: Do you have a briefing note on that?

Mr DUNN: I will take it on notice—I have told you that.

The Hon. TREVOR KHAN: No, this is not something so far in the distant past. Do you have a briefing note in that folder that deals with—

The Hon. ERIC ROOZENDAAL: Chair, the answer has been given and he has agreed to take it on notice and supply an answer to the Committee within the normal notice time. That is a very clear response. Whether Mr Khan is happy or unhappy with that particular response is irrelevant. I might suggest he moves on to a more relevant question and stops the Perry Mason imitation.

The Hon. MATTHEW MASON-COX: To the point of order: I think it is relevant that a witness be instructed to answer a question to the best of his ability rather than avoid answering a fairly obvious question "Yes" or "No".

The Hon. ERIC ROOZENDAAL: It is not up to you to make a subjective judgement as to how he answers.

The Hon. MATTHEW MASON-COX: I am just putting it for the Chair.

The Hon. ERIC ROOZENDAAL: It is a requirement to answer the question and if he chooses to take it on notice that is more than appropriate.

CHAIR: The usual practice is that a witness can take a question on notice, and he is exercising that right.

The Hon. GREG PEARCE: And we have supplementary hearings to examine it after he gives answers on notice.

The Hon. TREVOR KHAN: Mr Dunn, you were present during at least part of the hearings that occurred in April this year involving Ms Kelly?

Mr DUNN: Yes.

The Hon. TREVOR KHAN: You were there not only for the giving of your own evidence but also for other evidence?

Mr DUNN: Only while I was waiting to give my evidence.

The Hon. TREVOR KHAN: Do I take it you had solicitors instructed on behalf of New South Wales Maritime present at the hearings?

Mr DUNN: All staff were represented and I believe New South Wales Maritime was represented, yes.

The Hon. TREVOR KHAN: Do I take it also that you had access to the daily transcripts of the evidence as it was given?

Mr DUNN: I was able to access the transcripts when they appeared on the website.

The Hon. TREVOR KHAN: Within days of the evidence being given. Is that right?

Mr DUNN: Yes.

The Hon. TREVOR KHAN: You would have read, I take it, Ms Tonette Kelly's evidence within a few days of her having given that evidence?

Mr DUNN: They are a matter of public record.

The Hon. TREVOR KHAN: That is a "Yes", I take it?

Mr DUNN: It is a matter of public record.

The Hon. TREVOR KHAN: It is public record that you read them shortly after she gave evidence?

Mr DUNN: The transcripts are on the public record.

The Hon. TREVOR KHAN: I know that, Mr Dunn. You read them, did you not, shortly after the evidence was given?

Mr DUNN: I have read them, yes.

The Hon. TREVOR KHAN: Shortly after the evidence was given, Mr Dunn?

Mr DUNN: I might have done, I might not have done—I am sorry, I do not recall. It was a long time ago.

The Hon. TREVOR KHAN: Within the month of April you read the transcripts of Ms Kelly's evidence, did you not?

Mr DUNN: I cannot confirm or deny that, to be honest. I would have read parts of the transcript if brought to my attention, but please feel free to ask me a direct question that is relevant to anything that I can assist you with.

The Hon. TREVOR KHAN: The logical position was that Ms Kelly held a senior position within your department, did she not?

Mr DUNN: She was the authority's most senior legal officer.

The Hon. TREVOR KHAN: And it was quite plain that she was being investigated for a range of conduct which had been reported in the *Herald* for ages, was it not?

Mr DUNN: I am sorry, could you repeat the question?

The Hon. TREVOR KHAN: The position was that on 14 September 2009 you came into this Committee and gave a heartfelt defence of Ms Kelly, did you not? Do you want me to refer you to the specific words that you used about vexatious complaints?

Mr DUNN: At the time of last year's estimates I had not been made aware of any new allegations regarding Ms Kelly other than those previously placed before barrister John Clarke for investigation.

The Hon. TREVOR KHAN: You have read that already.

Mr DUNN: Those allegations had been investigated and accepted both by my predecessor in the role of chief executive and the ICAC itself.

The Hon. TREVOR KHAN: By April you knew she was before the ICAC being investigated for those very matters, did you not?

Mr DUNN: Yes, I did.

The Hon. TREVOR KHAN: And you read that material because it was of interest to you, surely?

Mr DUNN: I have read all the material relating to the transcripts on the ICAC website.

The Hon. TREVOR KHAN: And you would have seen, in or about April I suggest, that she was making concessions with regard to her conduct—concessions inconsistent with her letter written in August 2009 to you?

Mr DUNN: Can I make an observation?

The Hon. TREVOR KHAN: No, answer the question, Mr Dunne.

Mr DUNN: I am trying to answer the question, but your observations about what I may or may not have thought are leading. If you have a direct question, ask it, but don't put words in my mouth, please.

The Hon. ERIC ROOZENDAAL: Are you back in the Local Court, Trevor?

The Hon. TREVOR KHAN: Mr Dunn, let us go back to April 2010. You knew that Ms Kelly was before the ICAC and you knew that she was being investigated for matters part of which you had referred to the ICAC. Is that not right?

Mr DUNN: Yes.

The Hon. TREVOR KHAN: So you read the transcript at about that time, did you not?

Mr DUNN: I read the transcripts of the Tonette Kelly ICAC public inquiry.

The Hon. TREVOR KHAN: At the time—April.

Mr DUNN: Are you telling me I did that—you have some inside information?

The Hon. TREVOR KHAN: I am asking you, Mr Dunn.

Mr DUNN: I have read the transcripts.

The Hon. TREVOR KHAN: In or about April.

Mr DUNN: I have read the transcripts.

The Hon. TREVOR KHAN: What have you done about Ms Kelly's employment since that time, since she gave her evidence?

Mr DUNN: Ah, is that the question, is it?

The Hon. TREVOR KHAN: You might find it funny, Mr Dunn—

Mr DUNN: I do not find it funny, other than this has taken a long time to get to the question.

The Hon. TREVOR KHAN: Last time you did the same thing and you were shown to be completely wrong, so let us try again.

Mr DUNN: Last time you asked the same questions. Can I just say that Ms Kelly is currently undergoing our internal investigation in accordance with our proper procedures and guidelines—

The Hon. TREVOR KHAN: When did that start?

Mr DUNN: —and I would be more than happy to table a copy of our grievance handling and dispute procedures for the Committee so you can see exactly what process is being followed.

The Hon. TREVOR KHAN: When did it commence?

CHAIR: That document will be tabled so that we get that out of the way.

Mr DUNN: I cannot tell you the exact date it commenced, but it has commenced, and now that the ICAC pleadings have been completed that investigation is being brought to a conclusion.

The Hon. TREVOR KHAN: What actions are being taken to recover the moneys that she inappropriately obtained from NSW Maritime?

Mr DUNN: I will take that on notice. It is probably not appropriate I comment on the investigation at this stage.

The Hon. TREVOR KHAN: Has a demand been put on her for the recovery, for instance, of the professional indemnity insurance moneys?

Mr DUNN: It is probably not appropriate that I comment on the investigation at this stage.

The Hon. TREVOR KHAN: It is not a matter of investigation. Why have you not taken steps to recover moneys that were inappropriately paid to her?

Mr DUNN: I am not going to comment on an investigation that is underway, Mr Khan.

The Hon. TREVOR KHAN: You were asked questions on notice last time with regard to who had approved the payment of her professional indemnity insurance moneys. Can you remember that?

Mr DUNN: I remember being asked the question, yes.

The Hon. TREVOR KHAN: What was your answer?

Mr DUNN: I do not recall.

The Hon. ERIC ROOZENDAAL: I am sure *Hansard* records it.

The Hon. TREVOR KHAN: No, it does not, actually. It was again taken on notice.

The Hon. ERIC ROOZENDAAL: There you go. That would have been recorded.

The Hon. TREVOR KHAN: Do you remember that you were asked questions with regard to who authorised the payment?

Mr DUNN: Yes, vaguely.

The Hon. ERIC ROOZENDAAL: The Hon. Trevor Khan has taken off his glasses!

The Hon. TREVOR KHAN: Yes, it is unusual that he remembered something. You were asked who would have signed off on the payment of the professional indemnity insurance. You said, "I will take that on notice." You were asked: "Would it have been you?" Your answer was, "No, it definitely was not." Your answer was that approval for the holding of professional indemnity insurance by relevant staff as a requirement of her official duties was granted by NSW Maritime's then General Manager Corporate Services, in 1999. That answer to question 6 is plainly false, is it not?

Mr DUNN: Whatever answer I gave would have been the best information that I had at the time and would have been, as far as I am aware, true.

Mr DAVID SHOEBRIDGE: Mr Dunn, as both a dollar figure and a proportion of NSW Maritime's annual operating budget, what was the total expenditure by NSW Maritime on legal expenses in the last financial year?

Mr DUNN: I would have to take that on notice.

Mr DAVID SHOEBRIDGE: Treasurer, I am not sure whether I should refer to you as Minister in this capacity.

The Hon. ERIC ROOZENDAAL: Whatever you want. I am easygoing, David.

Mr DAVID SHOEBRIDGE: Minister, what, if any, meetings did either you or your office have with the local community prior to the announcement that the Meridien Marinas project was the successful tenderer for the Berrys Bay project in North Sydney?

The Hon. ERIC ROOZENDAAL: I am advised that was before my time as Minister.

Mr DAVID SHOEBRIDGE: Could you take the question on notice in relation to your predecessor and make some inquiries?

The Hon. ERIC ROOZENDAAL: Sure, I am happy to take that on notice.

Mr DAVID SHOEBRIDGE: Mr Dunn, has there been any formal agreement between either NSW Maritime or the New South Wales Government and Meridien Marinas in relation to the Berrys Bay development?

Mr DUNN: The process so far is that we went through a public tender process inviting proposals and a successful developer, Meridien Marinas, was announced and since that time negotiations have been continuing over the development agreement. The development agreement has not yet been signed to the best of my knowledge.

Mr DAVID SHOEBRIDGE: Is it true that of the four tenderers the Meridien project was the least compliant with the local planning controls and the memorandum of understanding between the New South Wales Government and North Sydney Council?

Mr DUNN: My recollection is there were seven, not four, proponents. I cannot recall the exact criteria but I will be more than happy to take that on notice.

Mr DAVID SHOEBRIDGE: When you do that could you please provide an answer for what the weighting criteria were in the tender assessment process?

Mr DUNN: Yes.

Mr DAVID SHOEBRIDGE: Including the percentage for the weighting for compliance with those local controls.

Mr DUNN: Yes.

Mr DAVID SHOEBRIDGE: Were the proponents advised of the relative weightings prior to the tender process or as part of the tender process?

Mr DUNN: I believe they were, but I will check.

Mr DAVID SHOEBRIDGE: And the date at which the tenders were advised of that?

Mr DUNN: Yes.

Mr DAVID SHOEBRIDGE: Minister, is the Government committed to a project of the size and scale presented by Meridien Marinas in its application for tenders?

The Hon. ERIC ROOZENDAAL: Is this the Berrys Bay maritime precinct you are talking about?

Mr DAVID SHOEBRIDGE: Correct.

The Hon. ERIC ROOZENDAAL: My advice is the Berrys Bay maritime precinct development involves vessel storage, a maritime workshop and a business precinct with public foreshore access at the former BP site and the current Woodley site at the west of Berrys Bay. I am advised that following a two-stage tender process undertaken by NSW Maritime, Meridien Marinas was selected as the preferred proponent to undertake the \$40 million development. The developer was expected to lodge its development application with the relevant consent authority, the Minister for Planning, later this year. I am advised that subject to consent authority approval the development should be operational by 2014.

Mr DAVID SHOEBRIDGE: Is it true that the Meridien proposal has four- to five-storey height predictions when the local planning memorandum of understanding provides a two-storey limit on the site?

The Hon. ERIC ROOZENDAAL: That is outside my knowledge.

Mr DAVID SHOEBRIDGE: Does the Government have a timetable for when or if a part 3A development application will be lodged in relation to that project?

The Hon. ERIC ROOZENDAAL: That is a matter for the Minister for Planning.

Mr DAVID SHOEBRIDGE: Minister, the last available project update for the Botany Port expansion stated that dredging will continue throughout 2010 in Botany Bay yet on the Sydney Ports website it says dredging is going to continue only until early 2010. What is the current status of dredging activities in Botany Bay in relation to the port expansion and when will it end?

The Hon. ERIC ROOZENDAAL: My advice is that the Port Botany expansion is a \$1 billion investment delivering a container terminal to meet Sydney's future trade growth. Trade at Port Botany is forecast to double over the next 15 years, so this project is critical for meeting this ongoing growth. The expansion will bring new competition to the waterfront with global port operator Hutchison Port Holdings choosing to invest in Sydney. I am advised the project will deliver 9,000 new jobs and boost the State's economy by \$16 billion over the next 20 years. Delivery of this vital port infrastructure project reinforces Sydney's status as a competitive global city, with the first berths expected to be available for trade in 2012.

Mr DAVID SHOEBRIDGE: According to the most recently available public report, the Port Botany rail task force met nine times in the 2008-09 financial year. Are the minutes of those meetings available to the public?

The Hon. ERIC ROOZENDAAL: I will have to take that on notice.

Mr DAVID SHOEBRIDGE: Is the Port Botany rail task force still in operation?

The Hon. ERIC ROOZENDAAL: My advice is that it is.

Mr DAVID SHOEBRIDGE: Can you advise of the meetings held by the task force in the last 12 months?

The Hon. ERIC ROOZENDAAL: I would have to take that on notice.

Mr DAVID SHOEBRIDGE: Again, are those minutes publicly available and, if so, how can they be obtained?

The Hon. ERIC ROOZENDAAL: I will take that on notice.

Mr DAVID SHOEBRIDGE: The 2008-09 Port Botany task force annual report states that the Sydney Ports Corporation believes the 24-hour-a-day, seven-day-a-week operation of the Port Botany supply chain not only is possible but also is in the best interests of all port users and stakeholders. Is the Government committed to the 24-hour-a-day, seven-day-a-week operation of the expanded port facility?

The Hon. ERIC ROOZENDAAL: You will have to restate your question as I have forgotten it.

Mr DAVID SHOEBRIDGE: Is the Government committed to the 24-hour-a-day, seven-day-a-week operation of the expanded Port Botany facility?

The Hon. ERIC ROOZENDAAL: My advice is that some of the stevedores operate 24 hours a day, seven days a week, but all of the supply chain does not necessarily operate 24 hours a day, seven days a week.

Mr DAVID SHOEBRIDGE: But is the Government committed to the 24-hour-a-day, seven-day-a-week operation of the expanded port facility?

The Hon. ERIC ROOZENDAAL: I do not believe we have a policy position on that.

Mr DAVID SHOEBRIDGE: Will you be consulting with local residents and with local government authorities in relation to the 24-hour operation of the port facility?

The Hon. ERIC ROOZENDAAL: I am sure that all appropriate consultation will occur to meet the appropriate planning requirements.

Mr DAVID SHOEBRIDGE: Will you commit to consultation with the surrounding local government areas and with the local community in relation to the 24-hour-a-day, seven-day-a-week operation of the expanded Port Botany facility?

The Hon. ERIC ROOZENDAAL: If there is any variation, it is important for all the appropriate consultation processes, as outlined, to be followed.

Mr DAVID SHOEBRIDGE: I take it from your answer that you are not willing to commit to consultation with those local government areas?

The Hon. ERIC ROOZENDAAL: I have answered your question.

Mr DAVID SHOEBRIDGE: When was the last statewide port planning done by this Government? Was it in 2003?

Mr MIDDLETON: Yes.

Mr DAVID SHOEBRIDGE: Has there been no statewide review of regional ports for at least seven years?

Mr MIDDLETON: Could you clarify what you mean by regional ports?

Mr DAVID SHOEBRIDGE: Any ports outside Sydney?

Mr MIDDLETON: Each port does its own planning but the last State ports plan was done in 2003.

Mr DAVID SHOEBRIDGE: Is there any plan to review that?

Mr MIDDLETON: The ports plan is being reviewed in line with the New South Wales State Plan, which is being developed by Transport NSW.

Mr DAVID SHOEBRIDGE: What is the date for that review?

Mr MIDDLETON: The review is ongoing but no final date has been determined as to when it will be completed.

Mr DAVID SHOEBRIDGE: I refer to another matter that relates to national parks and to potential national parks expansion in the Illawarra region. Will you commit this Government to buying undeveloped land between Helensburgh and Otford, including some sensitive areas adjoining the Royal National Park over the next 12 months?

The Hon. ERIC ROOZENDAAL: Would you be specific about those areas?

The Hon. TREVOR KHAN: Helensburgh is just down from Vaucluse.

The Hon. ERIC ROOZENDAAL: Did you see that on the Internet, Trevor?

Mr DAVID SHOEBRIDGE: Between Helensburgh and Otford railway stations.

The Hon. ERIC ROOZENDAAL: I am advised that Wollongong City Council is continuing with its review of the former 7D zoned areas at Helensburgh as a non-statutory strategic planning exercise. I am further advised that council stated the intention of the review was to ensure the planning controls for the area conserved significant bushland as well as resolved historic dwelling issues. The task of the Department of Planning is to establish whether there is considerable community interest in the council's planning exercise, but it has no role in the process until council formally decides to prepare a planning proposal. If a planning proposal is brought forward, council would need to demonstrate how it is consistent with the Illawarra regional strategy and how it responds to the issues identified in the 1994 commission of inquiry. Clearly, any additional development in the area must be carefully considered to ensure there is no impact on the Royal National Park, which has the distinction of being the world's first declared national park.

Mr DAVID SHOEBRIDGE: Will the Government commit to any expenditure of moneys to buy those additional lands to add to the Royal National Park?

The Hon. ERIC ROOZENDAAL: That process would have to go before a budget committee.

CHAIR: Is this report a public document and is it able to be published?

Mr DUNN: Yes, it is a public document.

CHAIR: I wish to ask a follow-up question to that asked by the Hon. Trevor Khan about Ms Kelly. In one of your answers you said that you had drawn up clearer policies regarding secondary employment. However, in the case of Ms Kelly it is not strictly secondary employment; it is unauthorised employment whilst working in the department's facilities. There are two different types of employment. You can have unauthorised secondary employment after hours, or working unauthorised during business hours. Have you devised a policy to prevent any further unauthorised private work occurring in business hours within departmental premises?

Mr DUNN: Ms Kelly had a secondary employment approval that allowed her to do work on her secondary employment whilst working with NSW Maritime and to use NSW Maritime resources—phone and fax—modestly. That policy has now been amended to remove completely any use of maritime resources—so no use of phone or fax—and not to allow any secondary employment activities in the workplace or during working hours.

CHAIR: You said that a document that appeared to give her approval was forged. What name was used on the forged document? Was it your name?

Mr DUNN: No. The document had the forged signature of Matthew Taylor, a previous chief executive of NSW Maritime.

CHAIR: I have an additional question about Port Botany Bay. There have been many complaints—and this issue was raised also at previous hearings—about heavy vehicle congestion because vehicles were waiting for hours to have their containers removed. Has that congestion issue been resolved? Is any congestion occurring now?

Mr MIDDLETON: The Sydney Ports Corporation is in the process of implementing what is called the Port Botany Landside Improvement Strategy. The purpose of that strategy is to reduce congestion at the port on the roadside to ensure consistency in relation to the performance of the stevedores and to place some obligations on the truck drivers who arrive at the port. The intention also is to improve the efficiency of cargo loading at the port.

CHAIR: Many of the vehicles that carry containers have self-loading facilities to load and unload their containers. Has that become a widespread phenomenon, or does it apply only to a small percentage of vehicles? Obviously it would speed up the whole process if they could unload the containers themselves.

Mr MIDDLETON: If they do not do that at the container terminals, the stevedores load and unload the vehicles themselves. Some trucks have that equipment because sometimes they load or unload containers at empty container parks or at other sites, and sometimes they use facilities that do not have stevedore container loading and unloading equipment.

CHAIR: Would it not speed up the process if trucks had approval to unload containers and to put them in an approved location?

Mr MIDDLETON: I am not an expert in how stevedores run their sites. I think that the stevedores make those decisions themselves and control exactly who does what within their terminal operations.

CHAIR: Could it delay the whole process if trucks were sitting at the port with containers on them when they could be unloaded?

Mr MIDDLETON: I do not know. I would have to take that question on notice and obtain information from someone who is more familiar with the issue.

CHAIR: Could you establish whether those trucks could be unloaded by the driver in an approved location?

Mr MIDDLETON: I would have to take that question on notice.

CHAIR: The United States of America has what I call X-ray equipment that is used to search the contents of containers. That cannot be done on all containers as there are thousands of containers. However, certain containers are selected from specific locations. Do we have those facilities at Port Botany or at any of our other ports?

Mr MIDDLETON: Yes. There is that facility at Port Botany, but that is a matter for the Commonwealth Government, the Australian Customs and Border Protection Service.

CHAIR: It is being used there?

Mr MIDDLETON: I do not know the exact details. It is a matter for the Commonwealth Government as to exactly what and how many containers its screens.

CHAIR: Is the equipment actually on site?

Mr MIDDLETON: Customs has a facility at Botany.

The Hon. KAYEE GRIFFIN: The Government will be willing to waive its question time provided that the estimates hearing concludes at 3.20 p.m., which equates to the time allocated for the hearing minus the Government's allocated time.

CHAIR: As no-one objects, we accept that.

The Hon. GREG PEARCE: In your capacity as Minister for the Illawarra, some of the local media is keen to know what role you believe the portfolio carries, whether it is relevant or it is just a token portfolio.

The Hon. ERIC ROOZENDAAL: I thank the member for his question. It is an important portfolio. I have already been down to the Illawarra once to meet and be briefed by the various members of Parliament from the Illawarra. I have had some discussions with them in relation to some of the challenges. On many occasions I have visited the Illawarra in various capacities. I am committed to improving infrastructure and the delivery of services in the Illawarra. It is worth remembering that the Illawarra is one of the key drivers of the \$400 billion New South Wales economy and that the New South Wales Government has invested in the Illawarra to create jobs and prosperity for local families. One of the decisions I was involved with was in my previous time as a ports Minister when we took the decision to invest in the Illawarra and make Port Kembla the largest car import facility in Australia.

That particular decision made by the New South Wales Government with the support of the people of the Illawarra region created around 1,000 jobs. That is an extra 1,000 jobs in the Illawarra directly as a result of some of the vision and decision-making of the New South Wales Government, and those 1,000 families know that the New South Wales Government will make decisions in their best interests. It was the responsible economic management of the Government that we steered the Illawarra and the whole State through the global financial crisis. Incidentally, the issue of transferring cars to the Illawarra from Glebe Island and White Bay was, of course, opposed by the Coalition.

The Hon. GREG PEARCE: But not by me.

The Hon. ERIC ROOZENDAAL: Well, Greg, you may be the good amongst evil, but it was certainly opposed by Barry O'Farrell and the Coalition. That merely underpins and demonstrates the contempt and disregard the Coalition, excluding Greg, has for the Illawarra. Indeed, we have seen some achievements in Port Kembla with the record trade figures last year: more than \$13 billion worth of trade passed through Port Kembla's gates. However, it is important not to rest on our record and to continue the Illawarra's economic prosperity. That is why we are committed to undertaking a massive \$630 million expansion of Port Kembla to bring new trade opportunities and jobs to the Illawarra. As part of building a creative and diverse economy for the future, we are also investing in other areas, including education.

Indeed, in the budget I announced about \$644 million in investment in the Illawarra's public schools and TAFEs. Of course, we have enhanced the research capabilities of the University of Wollongong by investing \$15 million towards a new health and medical research hub at the new innovation campus. We have provided our children with skills for the future in the Illawarra through building trades training centres at Wollongong and Shellharbour. This will provide yet another opportunity for high school students to learn an apprenticeship while still undertaking high school education. Of course, we have delivered around \$512 million into the health system within the Illawarra. Incidentally, that is a direct increase of around \$35 million on last year's budget. We have done a lot in the Illawarra and I will continue to maintain a strong interest. I see my role as the Minister for the Illawarra bringing fresh ideas and fresh eyes to work through some of the challenges in the Illawarra.

The Hon. GREG PEARCE: Are you aware of concerns about your Government's housing development at Bunberra Street, Bomaderry?

The Hon. ERIC ROOZENDAAL: I will have to take that question on notice.

The Hon. GREG PEARCE: Is there any specific plan to increase the availability of land for tourism purposes in the Illawarra?

The Hon. ERIC ROOZENDAAL: I will have to take that question on notice.

The Hon. GREG PEARCE: Given the announcement that the Gerringong to Bomaderry Princes Highway upgrade will be a part 3A major project, can you outline start and end dates for the project?

The Hon. ERIC ROOZENDAAL: We are investing substantially in Illawarra region roads to improve safety and accessibility. We have already delivered a number of important road projects, including \$130 million for the Princes Highway upgrade from Oak Flats to Dunmore, a \$110 million extension of the Northern Distributor and, of course, the Sea Cliff Bridge, which is spectacular. We are building on this record with more projects in the works. In the 2010-2011 budget we delivered a further \$94 million investment on roads in the Illawarra. These projects include \$16 million for the Gerringong upgrade of the Princes Highway, \$10 million for the Foxground and Berry bypasses on the Princes Highway, \$3.3 million to complete construction of the Princes Highway and Lawrence Hargrave Drive intersection, and \$2 million to continue the Princes Highway upgrade between Berry and Bomaderry.

The Hon. GREG PEARCE: Given the hearing time is so short and we can continue this dialogue in question time, I will hand over to Mr Khan.

The Hon. ERIC ROOZENDAAL: We can. It is always so pleasant, Greg.

The Hon. TREVOR KHAN: Mr Dunn, on 18 August last year approval was given by the Attorney General's Department for ex gratia legal assistance to Ms Kelly in respect of certain criminal charges. Who made an application for ex gratia assistance?

Mr DUNN: NSW Maritime.

The Hon. TREVOR KHAN: As that is a corporate body, somebody had to physically sign a document or the like. Was that you?

Mr DUNN: Yes, it was.

The Hon. TREVOR KHAN: Are you able to tell me when you sought that ex gratia legal assistance?

Mr DUNN: No, I am not.

The Hon. TREVOR KHAN: Can you take that question on notice?

Mr DUNN: I will be happy to take it on notice.

The Hon. TREVOR KHAN: I take it that that ex gratia legal assistance related only to the criminal matters. Subsequently, did you make an application for ex gratia legal assistance with respect to the Independent Commission Against Corruption proceedings?

Mr DUNN: No, I did not.

The Hon. TREVOR KHAN: Did you in any way assist in the making of such an application?

Mr DUNN: No, I did not.

The Hon. TREVOR KHAN: Was an application for ex gratia legal assistance made that you are aware of?

Mr DUNN: I am not aware of anything in respect of financial support for legal assistance for the Independent Commission Against Corruption matter, but the legal representation office provides that support directly to any public servant who is required to appear before the Independent Commission Against Corruption.

The Hon. TREVOR KHAN: Returning to the criminal charges, I take it that that ex gratia assistance was subject to various terms?

Mr DUNN: Mr Chair, I have a copy of the guidelines for provision of ex gratia assistance. I might table that to save answering all these questions.

CHAIR: You can table the document, thank you.

Document tabled.

CHAIR: Do you wish to table the Independent Commission Against Corruption report?

Mr DUNN: I saw Mr Khan already had a copy.

Document tabled.

The Hon. TREVOR KHAN: Have you taken any steps since the granting of the ex gratia legal assistance to seek to withdraw that legal assistance?

Mr DUNN: No.

The Hon. TREVOR KHAN: Why not?

Mr DUNN: The granting of ex gratia legal assistance is currently under review.

The Hon. TREVOR KHAN: How long is that review process to take?

Mr DUNN: Whilst the review process is underway Ms Kelly has been directed not to incur any further costs at NSW Maritime's expense.

The Hon. TREVOR KHAN: When was that advice given to Ms Kelly?

Mr DUNN: Last week.

The Hon. TREVOR KHAN: How long will the review take?

Mr DUNN: I received Ms Kelly's submission today. I will now look at it and refer it to the Attorney General's office—the Director General of the Attorney General's Department, sorry.

The Hon. TREVOR KHAN: Does that require a recommendation from you?

Mr DUNN: Yes, it does.

The Hon. TREVOR KHAN: Could I ask you what the recommendation will be?

Mr DUNN: I have not formed a view yet.

The Hon. TREVOR KHAN: You have her submission, and you have read it?

Mr DUNN: No, I have not. It came immediately before this hearing. I have not yet had a chance to review it.

The Hon. TREVOR KHAN: Fortuitous in time.

Mr DUNN: Indeed.

The Hon. TREVOR KHAN: Can you tell me how much has been incurred in respect of Ms Kelly's legal fees to date?

Mr DUNN: No, I cannot.

The Hon. TREVOR KHAN: Are you able to take that on notice and advise us?

Mr DUNN: Yes, I can.

The Hon. TREVOR KHAN: Thank you. Ms Kelly is continuing to be paid at the present time?

Mr DUNN: Ms Kelly is still employed by NSW Maritime, yes.

The Hon. TREVOR KHAN: On full pay?

Mr DUNN: She is on recreation leave at the moment.

The Hon. TREVOR KHAN: And she has been on recreation leave for how long?

Mr DUNN: The exact dates, I am not sure of; but she was on sick leave for a period. At the end of the sick leave period that her doctor's certificate supported, she decided to take recreation leave when the alternative was leave without pay.

The Hon. TREVOR KHAN: So this is accumulated leave that she is taking, is it?

Mr DUNN: Yes.

The Hon. TREVOR KHAN: When that runs out, is that finally when she will be on leave without pay?

Mr DUNN: If her recreation leave expires, then she will be on leave without pay.

The Hon. TREVOR KHAN: A number of NSW Maritime solicitors were the subject of proceedings arising out of what I think you would agree was the alleged dysfunctionality of the legal branch of NSW Maritime. Is that right?

Mr DUNN: What was the question?

The Hon. TREVOR KHAN: A number of them were disciplined or stood aside as a result of apparent dysfunctioning in the legal section of NSW Maritime.

Mr DUNN: I think I disagree with the premise of the question, but I am happy for you to keep exploring it.

The Hon. TREVOR KHAN: Was it not the case that, for instance, Mr Paul Bertram was stood aside, or some form of action was taken as a result of complaints by Ms Kelly, among others?

Mr DUNN: No, that is not true.

The Hon. TREVOR KHAN: What? It was not by Ms Kelly that the complaint was made?

Mr DUNN: Everything you said was largely incorrect. I am not going to correct you. If, as I think, you are taking this as to the allegations that were made in the *Sydney Morning Herald* last week, then I can tell you that I have referred those allegations to the Independent Commission Against Corruption and I do not intend to make any further comment on them today.

The Hon. TREVOR KHAN: On 14 September last year, regarding Mr Paul Bertram, we had an argument about definitions as to whether he was stood aside. Do you remember that?

Mr DUNN: Vaguely, I am sorry.

The Hon. ERIC ROOZENDAAL: Perhaps it was not very memorable, Mr Khan.

Mr DUNN: Mr Khan, can I explain?

The Hon. TREVOR KHAN: Yes.

Mr DUNN: This has been played out in a number of forums. I do not have a detailed recollection of our conversation last year. I have had several conversations with many people on this very subject.

The Hon. TREVOR KHAN: Mr Bertram was told not to come to work—to stay away from his place of work—shortly before the hearing on 14 September.

Mr DUNN: Mr Bertram was directed not to attend work, for a short period, at a time when we were trying to identify alternate duties for him because the level of anxiety in the workplace as a consequence of a situation in the legal branch was very strained.

The Hon. TREVOR KHAN: A number of solicitors and others in that legal branch had been complaining for some time that Ms Kelly was undertaking secondary employment, which was a conveyancing practice out of the place. Were they not?

Mr DUNN: Ms Kelly had approval to undertake secondary employment at the place.

The Hon. TREVOR KHAN: Sure.

Mr DUNN: Rightly or wrongly, for a number of years since 2003 she had had approval.

The Hon. TREVOR KHAN: That is right. We all know now that rather than doing half a dozen conveyances and thereabouts a year, she was doing between 80 and 100. There were 4,533 faxes; they could be identified out of the files. Some of us have read this report. We all know that rather than it being a piffling little thing on the side, she was actually running quite a little conveyancing practice. That was the nature of the complaint, was it not, that some of the employees of the legal branch were making, and that were dismissed as being wrong?

Mr DUNN: I do not know.

The Hon. TREVOR KHAN: You do not know?

Mr DUNN: Those complaints were never made to me. If those were the nature of the complaints made to the Independent Commission Against Corruption, they were never made to me or to any other senior person in NSW Maritime.

The Hon. TREVOR KHAN: Mr Dunn, in some circumstances that could be taken to be unfair, but in light, for instance, of your comments last year about vexatious complaints and the like, might it be that some employees of the legal branch of NSW Maritime came to the view that you were entirely unresponsive about any criticism being made of Ms Kelly? You backed her in every time.

Mr DUNN: Can I say that the Independent Commission Against Corruption has investigated this matter comprehensively? It made no findings against me. It made no findings against NSW Maritime. The current reign of allegations in the *Sydney Morning Herald* have been referred to the Independent Commission Against Corruption, and I do not intend to make any further comment today.

The Hon. TREVOR KHAN: If what occurred in the legal branch of NSW Maritime is a case study of your control of NSW Maritime, it indicates that you have failed in your responsibilities as, essentially, chief executive officer of that organisation, does it not?

Mr DUNN: I have absolutely no idea where this question is going. I have already said I did not intend to make any further comment on this matter today.

The Hon. TREVOR KHAN: Indeed, if we look now at what we can see on the face of it, putting aside any issue of corruption, what has occurred in the legal branch of NSW Maritime is a fundamental indictment on your capacity to run NSW Maritime, is it not?

The Hon. ERIC ROOZENDAAL: Chair, the witness is being very cooperative with this sort of bullying style of questioning. He has indicated that he has referred particular allegations to Independent Commission Against Corruption. He has already referred to an Independent Commission Against Corruption report that deals with this issue. I am finding that the tone, style and belligerent nature of the questioning are becoming offensive. The witness has clearly answered and responded. Clearly the honourable member has no other questions to ask but this. The appropriate place for these types of allegations to be dealt with is in a proper investigative process, not one of these pseudo Perry Mason performances. That is why I understand that the chief executive officer has referred the issues to Independent Commission Against Corruption. In view of the fact that they are before Independent Commission Against Corruption, the witness has responded, and the bullying of the witness should stop.

CHAIR: Can we move on? I do not think you will get the witness to condemn himself, if that is what you are trying to do.

The Hon. ERIC ROOZENDAAL: Trevor, do you have anything else up your sleeve?

The Hon. MICHAEL VEITCH: Matthew has not asked a question yet. I am waiting for Matthew's first question.

The Hon. GREG PEARCE: He has asked a question.

The Hon. MATTHEW MASON-COX: I have asked a couple of questions. We will move on to some software issues in NSW Maritime, Mr Dunn.

The Hon. ERIC ROOZENDAAL: Ask me.

The Hon. MATTHEW MASON-COX: Eric, you have not been there long enough to really know what is going on.

The Hon. ERIC ROOZENDAAL: Give me a go.

The Hon. MATTHEW MASON-COX: It is a long time between gigs, so to speak. I refer you to reports in the *Sydney Morning Herald* on 3 September 2010 that NSW Maritime workers shut down their workplaces following months of frustration over flawed licensing software. Can you confirm whether this is true or not?

The Hon. ERIC ROOZENDAAL: I will answer this one.

The Hon. MATTHEW MASON-COX: No, please—Mr Dunn?

The Hon. ERIC ROOZENDAAL: Allow me. I can inform you that I am advised that the Government Licensing Service [GLS] aims to integrate business, professional and recreational licensing regimes across the range of State Government functions. NSW Maritime started using the Government Licensing Service [GLS] on 19 July 2010 for boat licences, boat registrations, moorings, vessel surveys, crewing and aquatic events. I am advised that there were some concerns with the new service and the Australian Services Union [ASU] took industrial action on Friday 3 September.

I am further advised that New South Wales Maritime lodged a dispute with the New South Wales Industrial Relations Commission and a hearing was held before His Honour Deputy President Grayson on the same day. I am advised that both parties are due to report back to the commission on 21 September. New South Wales Maritime and the Department of Services, Technology and Administration have given their commitment to work through the outstanding issues as quickly as possible and with the full involvement of the staff.

The Hon. MATTHEW MASON-COX: Mr Dunn, was there a failure of the new software?

Mr DUNN: The new system came online on 19 July. It had been under development for several years, and in the period up to go live we did extensive testing and training. We all sought the assurances of the developers, the Department of Services, Technology and Administration, that the system was ready. With hindsight we should have done more testing and more training. I have acknowledged that to staff and sought their support to continue with the system. To place it into context—and I accept completely that during the

initial phases when the system was turned on there were some problems but these were not fatal problems—we have completed about 125,000 transactions now in the Government Licensing Service [GLS] system. I would also point out that I believe eight other government agencies are already online with the GLS. So we certainly were not the first, but we did have some initial problems when we turned on.

Many of those problems have now been resolved. When we started we were doing about 400 transactions a day; now we are doing well over 1,000 a day, and in some cases up to 2,000 transactions a day. One of the benefits of the new system is that we have an improved online environment, and we have completed over 96,000 electronic data transfers in the online environment, with a more than 95 per cent satisfaction rate from customers who have commented on that service. In the early stages we had three completely unplanned outages—the system shut down for no particular reason at all—and that was completely unsatisfactory. But to place that into context, the system has been fully operational for 98 per cent of the time since it has come online.

We have offered additional support to staff both in terms of the training that they have received and will receive moving forward, and some counselling for people who were feeling anxious about the system, and we are putting some additional resources into the front-line GLS service. We have advertised for temporary staff to support our regions at front counters and additional staff behind the scenes to help with the help desk. We also have two staff members being recruited for our information line. Managers are supporting staff with coping with customer requirements. Employee assistance services are being offered to all staff through Converge, our external support provider. Counsellors have been visiting offices to speak with staff to assist them with stress management and coping with this change.

The Department of Services, Technology and Administration staff have visited the Dubbo, Albury, Mildura, Moama and Wollongong offices to provide refresher training and support. The GLS team has organised refresher training on 16 and 17 September, including training in the new improved processes that replace some of the ones that have been a problem. The GLS team is organising induction training for new recruits and the union and the GLS team are identifying staff who would benefit from additional or refresher training.

Mr DAVID SHOEBRIDGE: Mr Dunn, in granting its consent as landowner to the Rose Bay sea plane redevelopment, what if any consideration did New South Wales Maritime give to the view and amenity impacts of the proposal both in terms of the public domain, especially Lyne Park, as well as surrounding residents?

Mr DUNN: I did not hear the early part of the question, I am sorry.

Mr DAVID SHOEBRIDGE: In granting its consent as a landowner to the proposed redevelopment of the Rose Bay sea plane facility—a very large proposed sea plane facility on the harbour there—what if any consideration did New South Wales Maritime give to the visual impacts and view impacts for both the local public park as well as surrounding residents?

Mr DUNN: New South Wales Maritime's landowner's consent policy is available on the internet and I encourage you to review that. When you do so you will find that the considerations that we give to granting landowner's consent do not attempt to second-guess the planning process. We look at New South Wales Maritime related issues, mainly whether or not the proposal would create a navigation risk and whether or not New South Wales Maritime would be prepared, if the development was approved, to issue an occupancy instrument for that development.

Mr DAVID SHOEBRIDGE: So the short answer is no consideration at all because you do not view it as part of your view as landowner.

Mr DUNN: It is not part of our view. The policy is on the website.

Mr DAVID SHOEBRIDGE: Will New South Wales Maritime or the State Government adopt a Sydney Harbour-wide strategic plan for marina facilities?

Mr DUNN: The Sydney Harbour Regional Environment Plan provides the planning framework for marinas in Sydney Harbour. There is already a planning framework in place for marinas in Sydney Harbour.

Mr DAVID SHOEBRIDGE: But that provides no foresight or proposed allocation for marina facilities, just the bare set of considerations. Will any forward planning be done by New South Wales Maritime about where best to site marina facilities in Sydney Harbour?

Mr DUNN: Recently New South Wales Maritime conducted a boat storage study, which is again available on the internet. That provides a lot of baseline information to support planners in developing plans for the best locations for boat storage facilities in the future.

Mr DAVID SHOEBRIDGE: So New South Wales Maritime will allow these ad hoc planning decisions to be made by either local councils or joint regional planning panels to provide marine facilities, rather than adopt a broad-ranging strategic plan, is that right?

Mr DUNN: New South Wales Maritime is not a planning agency. We have some statutory planning responsibilities but we are not a planning agency.

Mr DAVID SHOEBRIDGE: In relation to the Port Botany facility, four years ago Sydney Ports Corporation had the view that within the next decade there should be a freight train running from Port Botany to Enfield every six minutes, 24 hours a day, seven days a week. Is that still the view of the Sydney Ports Corporation?

The Hon. ERIC ROOZENDAAL: Sydney Ports Corporation is an SOC and operates with its own board of directors and under its own steam. That might be something that Sydney Ports Corporation has as one of its objectives. Clearly, we would like to see 40 per cent of boxes dealt with by freight by 2016. That has been a Government target. It is an ambitious target but it is rightly so. It is important, in terms of taking trucks off the road and environmental outcomes to move as much freight as possible by rail. Indeed, as part of that process we need to develop various intermodal sites at Enfield, Moorebank and Minto to support that target of putting 40 per cent of boxes on rail.

Mr DAVID SHOEBRIDGE: What steps has the Government taken to deliver that target of 40 per cent in terms of those freight line links to the Enfield and Moorebank intermodals?

The Hon. ERIC ROOZENDAAL: As I have said, the Government is committed to increasing the use of rail to move containers to and from Port Botany. We have set a target of 40 per cent of freight to and from Port Botany by rail. Last year 317,000 containers were moved by rail. That was up from 305,000 in 2008-09. To get more containers on rail, the New South Wales Government is supporting investment in rail infrastructure. The New South Wales Government has started developing an intermodal facility at Enfield, and the Commonwealth Government has committed funds for an intermodal hub at Moorebank and is constructing the southern Sydney freight line. With the investment we are seeing in rail, I believe we will be making significant strides in coming years in achieving this target. We have indicated that we are introducing a network of intermodal terminals, and it is critical for achieving our objective of 40 per cent rail mode share.

The planned intermodal centre at Enfield will form a key part of this strategy. I am advised that City Ports is investing \$200 million into the construction of this facility while the private sector tenants of the Enfield intermodal facility are expected to invest a further \$100 million. Rail operations at the Enfield facility will be ready to commence in mid 2012 and will more than double Sydney's intermodal capacity to handle container imports and exports by rail. I am advised that the facility will be able to curb the growth in truck movements around Port Botany, the airport and Marrickville by 300 truck movements per day. This will also help to relieve road congestion and reduce carbon emissions by an estimated 1,000 tonnes a year.

Mr DAVID SHOEBRIDGE: What has the Government spent in terms of upgrading that freight line link between the port and both the Enfield and Moorebank intermodals?

The Hon. ERIC ROOZENDAAL: I am advised that is under the responsibility of the ARTC to upgrade that line.

Mr DAVID SHOEBRIDGE: So nothing from the State Government?

The Hon. ERIC ROOZENDAAL: I am advised it is under the responsibility of the ARTC, which is a federal organisation so therefore it will be the one funding that Sydney freight line.

Mr DAVID SHOEBRIDGE: Given that the Commonwealth's report on the Maldon to Dombarton pre-feasibility study in July 2007 stated that the line presented a significant opportunity to complete a strategic transport link between the Illawarra region and south-western Sydney for both freight and passenger services, when will this Government commit to actually finishing that line? It was started in 1983.

The Hon. ERIC ROOZENDAAL: I am advised that the Commonwealth Government is currently undertaking work on a feasibility study for the Maldon to Dombarton project. The study is expected to be completed in 2011. There are many in the Illawarra who have called for the Maldon to Dombarton rail link to be examined. The Government understands the importance of expanding freight rail and that is why it is building the Enfield intermodal terminal, which will have a target of 40 per cent of freight on rail. I look forward to the outcome of the feasibility study.

Mr DAVID SHOEBRIDGE: Is this Government's response to the Commonwealth's pre-feasibility study to ask for yet another study before it starts any work on the line?

The Hon. ERIC ROOZENDAAL: As I indicated in my previous answer, I look forward to the outcome of the feasibility study.

Mr DAVID SHOEBRIDGE: In terms of forward planning for transport from the Illawarra, what steps will you take as Minister responsible for the Illawarra to get the Maldon to Dombarton rail project onto the Government's agenda?

The Hon. ERIC ROOZENDAAL: The first thing I will do is look forward to the outcome of the feasibility study.

Mr DAVID SHOEBRIDGE: Apart from waiting for the Commonwealth to do something for you?

The Hon. ERIC ROOZENDAAL: In my experience in government, it is often astute to wait until the feasibility study is completed before deciding on one's next action. That way you actually have a document that will guide you with your further action.

Mr DAVID SHOEBRIDGE: Have you read the pre-feasibility study?

The Hon. ERIC ROOZENDAAL: I am still answering the last question. I think it is very important when developing infrastructure that one is prudent and careful. I will await the outcome of the feasibility study.

Mr DAVID SHOEBRIDGE: Will you agree that a 37-year timeframe for delivering the rail line is a fairly prudent timeframe? Is that the sort of timeframe that you are committed to?

The Hon. ERIC ROOZENDAAL: I am not sure that that particular statement is valid, and I would have to examine it carefully.

Mr DAVID SHOEBRIDGE: It started in 1983 and it is now 2010.

The Hon. ERIC ROOZENDAAL: All I can tell you is that I am certainly waiting for the outcome of the Commonwealth Government feasibility study.

Mr DAVID SHOEBRIDGE: So 38 years should be a sufficient time to make a decision about the completion of that line?

The Hon. ERIC ROOZENDAAL: I am further advised that work on the line was actually stopped by the Greiner Government.

Mr DAVID SHOEBRIDGE: That would be 1988, would it not?

The Hon. ERIC ROOZENDAAL: You seem very good with the dates, yes.

Mr DAVID SHOEBRIDGE: You are the Minister. What steps is the Government taking to preserve prime agricultural land in the Illawarra, particularly land surrounding the Huntley colliery site?

The Hon. ERIC ROOZENDAAL: I will take that question on notice. I will come back with a precise answer.

Mr DAVID SHOEBRIDGE: Will the Minister agree to commit to meeting with Aboriginal representatives about their concerns about the Sandon Point redevelopment, and particularly the fate of some of those significant Indigenous sites on the redevelopment?

The Hon. ERIC ROOZENDAAL: I am always pleased to meet with interested groups. Sure, I am happy to do that.

CHAIR: We have been discussing the heavy coal trucks from Wollongong and the Illawarra. I know you are working on this rail alternative. Are there any other plans on how to cope with the heavy use of those trucks? I notice the trucks are often tail to nose virtually along the road.

The Hon. ERIC ROOZENDAAL: I am advised that on 7 June 2010 the Government announced a further \$25 million in road upgrades over three years in relation particularly to Picton Road, on top of \$12 million announced a year earlier, and from memory—I need to check—\$3 million from the Labor Federal Government as well two years earlier. I will make sure that is right. Road safety is a top priority for the Government and it is committed to reducing the number of lives lost on roads in New South Wales. We will continue to look at upgrading roads to meet the challenges of both travelling freight and motorists. There have been a number of new measures introduced on to roads in the Illawarra including safety barriers, improved line markings and new warnings.

The Hon. GREG PEARCE: An amount of \$3.7 million.

The Hon. ERIC ROOZENDAAL: Thank you, Greg, one supporter of the Illawarra in the whole Coalition.

CHAIR: A number of major developments were planned for the Wollongong central business district but the corruption tended to throw that off the rails. Have there been any plans for those developments meeting all legal requirements to continue?

The Hon. ERIC ROOZENDAAL: My advice is that Wollongong council was placed in administration as was seen necessary following an inquiry by the ICAC and that was done to restore public trust and confidence in Wollongong council. The administrators need to bring about change to develop strong governance and to develop appropriate staff culture. I understand they will continue to administer the council until a time for elections in 2012.

CHAIR: Are you having discussions about trying to speed up some of the developments that were planned?

The Hon. ERIC ROOZENDAAL: At this stage I have not had any direct consultation with the administrators. I will have to be cautious in view of the history of Wollongong council to let the administrators do their task to the best of their abilities.

CHAIR: I refer to the beach foreshore area of Wollongong to improve it from a tourism point of view and access. Have you had any consideration of that area?

The Hon. ERIC ROOZENDAAL: Are you referring to the harbour?

CHAIR: Yes, the harbour and the foreshore.

The Hon. ERIC ROOZENDAAL: I am advised that on 5 May 2010 the Minister for Planning announced that Wollongong harbour had been granted the highest level of heritage protection. Any major works will now be subject to advice from the Heritage Council of New South Wales, as well as Wollongong City Council.

CHAIR: Has the Gerringong to Bomaderry bypass route been finalised?

The Hon. ERIC ROOZENDAAL: I think that is a matter for the Minister for Roads.

CHAIR: That is my final question. The Government has relinquished its time for questions.

(The witnesses withdrew.)

The Committee proceeded to deliberate.