

General Purpose Standing Committee No 1.
Budget Estimates Hearing – 25 October 2011
Questions Taken on Notice
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The Hon. LUKE FOLEY: Premier, I have here a report of factual findings that Mr Secord referred to earlier, so it is not the Mason report. It is a "Report of Factual Findings—NSW Solar Bonus Scheme: Compliance with Transition Period Regulations following the Announcement of Change of Tariff Rates on 27 October 2010".

ANSWER: The "Report of Factual Findings – NSW Solar Bonus Scheme: Compliance with Transition Period Regulations following the Announcement of Change of Tariff Rates on 27 October 2010" was prepared by RSM Bird Cameron and is available on the Department of Trade and Investment's website.

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The Hon. WALT SECORD: In that report there are 43 suspect applications examined by RSM Bird Cameron. Mr Eccles, will you endeavour to find out whether the Deputy Premier was one of the 43?

Mr ECCLES: Of course.

ANSWER: The RSM Bird Cameron report indicates that 337 records of solar installations were inspected. Information is not provided regarding the identity of individuals. RSM Bird Cameron reported that the testing of documentation supporting applications to the Solar Bonus Scheme did not identify evidence of breaches of the regulations, announcements and instructions during the Transition Period (27 October 2010 to 18 November 2010).

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The Hon. PETER PRIMROSE: Premier, how many BlackBerries does the Department of Premier and Cabinet assign to Government staff?

Mr BARRY O'FARRELL: I do not know. But, in my case, it is too many. I have one. I also have an iPhone. Mr Eccles, would you care to have a guess at that, or would you like to take it on notice?

Mr ECCLES: It would be a wild guess, so I will take it on notice.

ANSWER: Please refer to the answer to question 10, a, i, in the Notice Paper.

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Dr JOHN KAYE: *Premier, we were talking about public sector employees. We agreed that over the next four years there were going to be 5,000 so-called redundancies—you refer to them as voluntary redundancies—with no more planned. My next question relates to attrition, those who leave and are not replaced. Do you have any planning figures for attrition over the next four years?*

Mr BARRY O'FARRELL: *I am sure they exist; I am sure they exist by agency. I do not have them with me.*

Dr JOHN KAYE: *Mr Eccles, do you have any view on what the attrition rate will be? Between now and the end of the four-year period how many public servants will not be there because of attrition?*

Mr ECCLES: *There is historical data, as I recall. I do not have that data with me. My recollection also is that that historical data is slightly unreliable because of the unreliable nature of our workforce statistics, which is something that the new Public Service Commissioner will address.*

Mr BARRY O'FARRELL: *I would be happy to take on notice historical data over whatever period you like—say, the past 10 years—of either selected agencies or across the public service.*

Dr JOHN KAYE: *That would be lovely but it is not what I asked. Have you done any planning on what will be the size of the public sector at the end of four years? Five thousand will be lost through so-called voluntary redundancies. How many do you anticipate losing or planning to lose through attrition?*

Mr BARRY O'FARRELL: *There is attrition and, as I said before, it is difficult to assess. And as Mr Eccles says, the historical data does not always apply prospectively. But you also fail to acknowledge in your question the fact that we will be employing extra police, new teachers, new student support counsellors and extra nurses.*

Dr JOHN KAYE: *You have pre-empted where I was heading. But I wanted to get to the issue of workforce planning in regard to the impact of attrition rates on the total size of the public service.*

Mr BARRY O'FARRELL: *I am happy to take that on notice.*

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ANSWER: The Public Sector Exit Rate for non-casual employees in the years 2005-06 to 2009-10 was:

2005-06	8.33 per cent
2006-07	8.09 per cent
2007-08	8.20 per cent
2008-09	7.14 per cent
2009-10	6.60 per cent

Exit rate data are not available prior to 2005-06. Data for 2010-11 are not yet available. Past trends do not indicate a significant change to the exit rate is likely for 2010-11 or for the next four years.

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Dr JOHN KAYE: Premier, how much is the new investment in wires, poles and substations going to cost over the next four years?

Mr BARRY O'FARRELL: I am happy to get that information.

Dr JOHN KAYE: You do not have the answer?

Mr BARRY O'FARRELL: I do not have it at my fingertips, no.

Dr JOHN KAYE: If I told you it was \$17.9 billion—

Mr BARRY O'FARRELL: I would check it. If it came from you, I would check it.

ANSWER: In March 2010, the Australian Energy Regulator (AER) released its updated NSW distribution determination, which included an approved capital expenditure allowance of around \$15.9 billion for the regulatory control period from 1 July 2009 to 30 June 2014.

The AER's approved capital expenditure allowances for NSW distribution businesses beyond 30 June 2014 will not be known until it makes its next regulatory determination for the period 1 July 2014 to 30 June 2019.

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Dr JOHN KAYE: *One of the proposals being explored by Hunter Water in preparation of the Lower Hunter Water Plan is Native Dog Creek. It was my lack of attention to the issue that allowed it to get to this stage because we had the papers. Native Dog Creek is the north-western arm of the old Tillegra Dam proposal. Congratulations for saying there will be no dam at Tillegra. I presume that also rules out a subset of Tillegra at Native Dog Creek?*

Mr BARRY O'FARRELL: *I am not aware of the Native Dog Creek proposal but my commitment was clear: there will be no dam at Tillegra. I am happy to take the second half of your question on notice.*

Mr BARRY O'FARRELL: *I will come back to you on Native Dog Creek, but our commitment was very clear.*

Dr JOHN KAYE: *That includes any subset of the original Tillegra Dam?*

Mr BARRY O'FARRELL: *I assume it does if it was affected by the original proposal, yes.*

Dr JOHN KAYE: *So no area affected by the original proposal will be impounded under an O'Farrell Government?*

Mr BARRY O'FARRELL: *I will come back specifically for you.*

ANSWER: The Government is progressing the development of the Lower Hunter Water Plan, to meet the needs of a growing population and manage drought in the region. In line with the Council of Australian Government's National Urban Water Planning principles, it will involve investigation of a broad range of options. However, the Government has made it clear it will not build the Tillegra Dam.

The Metropolitan Water Directorate within the Department of Finance and Services will lead and coordinate development of the Plan, and will work with government agencies and Hunter Water.

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Dr JOHN KAYE: *According to media reports—you may correct me—the Catholic Church paid \$5.5 million for the 12 per cent of the site that it purchased.*

Mr BARRY O'FARRELL: *I do not know.*

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Dr JOHN KAYE: Are paying, have paid, will pay?

Mr BARRY O'FARRELL: I do not know. If it is not commercially sensitive, I am happy to provide the information on notice.

Dr JOHN KAYE: It is sufficiently not commercially sensitive that it is in an article in the Parramatta Advertiser.

Mr BARRY O'FARRELL: Sourced to whom?

Dr JOHN KAYE: It appears to be sourced to Bishop Anthony Fisher. Whatever money it is—it might be \$5.5 million—do you make a commitment that all that money will be reinvested in a public portion of the site?

Mr BARRY O'FARRELL: I will take that on notice.

Dr JOHN KAYE: There is no commitment to keep that money—

Mr BARRY O'FARRELL: I do not know whether there is or there is not. It is one of those unknown knowns.

Dr JOHN KAYE: You will make it a known known by getting back to us?

Mr BARRY O'FARRELL: I will answer it on notice, yes. [Time expired.]

ANSWER: The Catholic Church has agreed to purchase a portion of the Old King's School site and the NSW Government is in current negotiations with them regarding it.

Any proceeds from the sale will be held by the Crown Lands Reserve Trust.

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The Hon. PETER PRIMROSE: When do you expect the first enrolments will be taken at a new high school in Kellyville Ridge, Stanhope Gardens?

Mr BARRY O'FARRELL: I will take that on notice.

ANSWER: The Department of Education and Communities recognises the scale of growth and development in Kellyville Ridge and its surrounds. The Department is currently assessing the need for a new high school and undertaking long term planning to ensure the educational needs of the area are met.

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The Hon. PETER PRIMROSE: *When will a decision be made on the removal of traffic lights at Riverstone railway crossing and their replacement with an overpass?*

Mr BARRY O'FARRELL: *This was a terrific issue. I will come back to you in relation to the Office of Roads and Maritime proposals. What we will not do is what the former Labor Government did and the former member for Riverstone, which was time after time promise that before the 1999, 2003 and 2007 election campaigns and never ensure that funds were set aside for that project.*

The Hon. PETER PRIMROSE: *When will construction on the overpass be completed?*

Mr BARRY O'FARRELL: *I will take that on notice.*

ANSWER: The Government has been working closely with stakeholders to identify and develop an integrated transport solution for the current rail/road crossing at Riverstone.

It is regrettable that although a solution to the level crossing at Riverstone was promised by the previous Government in 1995, and at the 1999, 2003 and 2007 elections, as at 26 March 2011 there was no progress made in the development of a shovel-ready project.

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The Hon. PETER PRIMROSE: *Will you reserve a corridor to allow the possible connection at some future date of the North West Rail Link with the Richmond line?*

Mr BARRY O'FARRELL: *I will take that on notice. If you want to ask the Minister for Transport, her estimates are later this week. I am sure she would be delighted to take the question.*

ANSWER: In July 2011 the NSW Government released the North West Rail Link Project Overview.

I am advised that the North West Rail Link Project Overview Report commits Transport for NSW to investigating the possible extension of the North West Rail Link beyond the provisional Cudgegong Station in consultation with the Department of Planning and Infrastructure, local councils and other stakeholders.

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This assessment is underway and will be completed as part of broader strategic planning for transport services.

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The Hon. PETER PRIMROSE: *When is the widening of Showground Road at Castle Hill between Old Northern Road and the corner of Carrington Road expected to be completed?*

Mr BARRY O'FARRELL: *I will take that on notice. I do not know whether the Hon. Duncan Gay has had his estimates. They are on Friday. I am sure you could ask him and get an earlier answer. You can either wait 21 days for the answer on notice to come in or ask the Hon. Duncan Gay on Friday.*

ANSWER: I am advised that the delivery of the road widening works is a requirement of the development consent granted to the developers of Castle Towers expansion. Staging plans and a delivery timetable will be undertaken by the developer and are unknown at this stage.

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The Hon. PETER PRIMROSE: *Which western Sydney commuter car parks and interchanges were deferred or cut as a result of the budget?*

Mr BARRY O'FARRELL: *I am not aware of those details. I will ask the Minister for Transport.*

The Hon. PETER PRIMROSE: *When will the Blaxland commuter car park be delivered?*

Mr BARRY O'FARRELL: *Same answer.*

The Hon. PETER PRIMROSE: *When will the Cabramatta commuter car park be delivered?*

Mr BARRY O'FARRELL: *Same answer.*

The Hon. PETER PRIMROSE: *When will the Granville commuter car park be delivered?*

Mr BARRY O'FARRELL: *Same answer.*

The Hon. PETER PRIMROSE: *Will you give us a response on those?*

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Mr BARRY O'FARRELL: That is what I have said.

ANSWER: The NSW Government has allocated \$76 million to spend in the 2011/12 financial year on the construction of Commuter Car Parks and Interchanges.

The Public Transport Interchange Program is subject to a business case development process, which includes a thorough economic and financial assessment.

The business case will inform an evidence based, customer focussed and prioritised rolling program of Commuter Car Park and Transport Interchange upgrades. The business case analysis includes locations that were in the development phase.

I am advised that pending the outcome of the review, a decision will be made on the priority of locations as part of the Public Transport Interchange Program.

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The Hon. PETER PRIMROSE: Why did you decide to scrap a \$245 million upgrade at Blacktown Hospital?

Mr BARRY O'FARRELL: I will take that on notice. As I understand it, we are delivering on the election commitment that we made before the election. Because of the attention the electorate was receiving from the Labor Party, in other words because Mr Robertson was coming down from the upper House to the lower House, we know that days after we made our commitment for \$125 million stage one Labor made a commitment for \$245 million. We never, as I understand it, ever committed to \$245 million. Our commitment in Blacktown in Western Sydney was for \$125 million and that is what we intend to do.

The Hon. PETER PRIMROSE: Thank you, I look forward to the answer.

ANSWER: There was no upgrade for Blacktown-Mt Druitt Hospital in the budget papers of the former NSW Labor Government.

On 20 February 2011 the NSW Liberals and Nationals committed \$125 million over four years toward the redevelopment of Blacktown-Mt Druitt Hospital. This was reconfirmed in the O'Farrell Government's first budget in September, which included \$500,000 of planning funds toward the redevelopment.

NSW Labor only announced their election commitment to Blacktown-Mt Druitt Hospital after the commitment of the NSW Liberals and Nationals – it was not in the budget papers, and NSW Labor comprehensively lost the election.

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Dr JOHN KAYE: *Premier, I forgot to ask this before: If you are going to rule out Mad Dog Creek or any other dam—*

CHAIR: *Native Dog.*

Dr JOHN KAYE: *I was caught up by the last series of questions and distracted. With Native Dog Creek, if you are going to rule it out will you make sure that the Minister communicates that to Hunter Water, given that we have just wasted \$25 million of taxpayers' money in this case on Tillegra? Can we avoid doing that again?*

Mr BARRY O'FARRELL: *As I say, I will get that advice for you because I did not get to read the Newcastle Herald, as I often do in the early morning.*

ANSWER: The Government has made it clear that it will not build the Tillegra Dam.

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Dr JOHN KAYE: *Can I take you now to another key issue in western Sydney, which is the issue of air quality? Are you satisfied with the number of air quality monitoring stations in south-western Sydney?*

Mr BARRY O'FARRELL: *I will get you the advice about south-western Sydney, but generally across Sydney the answer has been no. We know that a number of air quality monitoring facilities were closed down over the past decade, and one of the commitments that I know Robyn Parker is keen on effecting over this course of Parliament is to try to ensure that we have the best possible monitoring across areas like the Sydney Basin.*

Dr JOHN KAYE: *And you will get back to us with specific advice on—*

Mr BARRY O'FARRELL: *South-western Sydney, yes.*

Dr JOHN KAYE: *—south-western Sydney, particularly the Macarthur valley area. We understand that we are now down to three, I think, air quality stations, from the previous six or seven.*

Mr BARRY O'FARRELL: *It is a concern that I share, particularly with people who live in those sorts of areas and particularly with the people who live in those areas in the Hunter as well.*

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Dr JOHN KAYE: We can get to the Hunter later on. Does the Government have air quality targets for reducing pollution and improving air quality in western Sydney?

Mr BARRY O'FARRELL: I believe we do and I will get you that information.

Dr JOHN KAYE: According to the former Department of Environment there are still significant challenges in meeting health-based air quality standards, particularly in the case of photochemical smog in south-western Sydney. Can you outline for us what you are doing as the Minister with direct responsibility for that area to address those health-related issues?

Mr BARRY O'FARRELL: I am happy to provide that on notice.

ANSWER: There are five routine air quality monitoring stations in the South West Region of Sydney at the following locations:

- Macarthur (University of Western Sydney Campus) – from October 2004;
- Bringelly (Ramsay Road) – from October 1992;
- Liverpool (council Depot, Rose Street) – from 1990;
- Bargo (Silica Road) – from January 1996; and
- Oakdale (Ridge Road) – from April 1996.

An additional purpose-built, multi-parameter station was built at Macarthur in 2004 to take instruments previously located at industry-operated sites in Camden and Campbelltown. At this same time, the number of pollutants monitored was expanded.

Under the Government's Election Commitment on Air Quality, one of the two new stations to be established includes a new multi-parameter station in Camden, to be built and operational by September 2012.

In Australia, health based air quality standards are set nationally in the National Environment Protection Measure for Ambient Air Quality.

NSW 2021 sets a target of providing information to local communities on air quality because that information empowers local communities to engage in an informed discussion on the issues.

This Government has programs in place to improve air quality in South-Western Sydney and across the Sydney Basin.

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The Protection of the Environment Operations (Clean Air) Regulation 2010 includes measures for a number of air quality issues including implementing vapour recovery at petrol stations, mandatory summer petrol volatility limits and the smoky vehicles enforcement program that targets emissions from motor vehicles. I am advised that as a result of industry measures under the Regulation, it is expected that NSW will avoid up to \$1.26 billion in health impacts over the next 20 years.

I am also advised that the Office of Environment and Heritage has undertaken strategic projects and pollution reduction programs targeting specific industries such as the printing industry, the chemicals industry and petroleum refining. The Office of Environment and Heritage is also in the process of auditing 42 industrial facilities, some of them in South-Western Sydney.

In addition, NSW is the Chair of the Air Thematic Oversight Group which is leading the development of the National Clean Air Plan under the new COAG Ministerial Standing Committee on Environment and Water. The Plan will examine a range of options to deliver improved targets for reducing exposure of communities to air pollution as well as concrete actions to reduce exposure.

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Dr JOHN KAYE: *You will also be aware that you have inherited from your predecessors planning approvals for two 2,000 megawatt baseload power stations, either gas or coal, and you would be aware of the consequences of either of those being constructed. Have you had any analysis done on the proposition that a coal seam gas or conventional gas export terminal in New South Wales—most likely coal seam gas—would drive up the price of gas? In fact, one anywhere on the east coast of Australia with an interconnection would drive up gas prices significantly.*

Mr BARRY O'FARRELL: *I will get you advice on that, but to the best of my knowledge there have been no plans presented to this Government and we have inherited no plans from the former Government that would see such a facility on the coast in New South Wales. I am aware that there are proposals in Queensland for similar facilities. I think Gladstone has been identified. But I will seek whether we have advice on the impact of that upon gas in New South Wales.*

Dr JOHN KAYE: *Particularly if it is coupled with a gas pipeline with an enhanced connection between Queensland and New South Wales.*

Mr BARRY O'FARRELL: *I understand where you are coming from.*

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Dr JOHN KAYE: With respect to the Mount Piper and the Bayswater power station sites, would you therefore see the possible development of an export gas terminal at Gladstone driving those to being coal-fired power stations?

Mr BARRY O'FARRELL: I will get you advice on that.

Dr JOHN KAYE: What would be the consequence of that? I think we still own those sites but I am not sure. Would that mean that you would try to stop the construction of such an entity?

Mr BARRY O'FARRELL: I will get you advice on that hypothetical situation

ANSWER: The Gas Statement of Opportunities published by the Australian Energy Market Operator provides for a forward-looking analysis of gas supply and demand scenarios in relation to the east coast of Australia.

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for regulating gas prices for residential and small business customers in NSW. IPART considers a range of factors when making its price determinations.

The fuel source chosen by the developers of the power station development sites is a commercial matter for the site proponents.
