

GENERAL PURPOSE STANDING COMMITTEE No. 5

Friday 16 September 2005

Examination of proposed expenditure for the portfolio areas

REGIONAL DEVELOPMENT, ILLAWARRA, SMALL BUSINESS

The Committee met at 9.00 a.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. A. Catanzariti
The Hon. G. J. Donnelly
Ms S. P. Hale

The Hon. R. M. Parker
The Hon. M. J. Pavey
The Hon. H. S. Tsang

PRESENT

The Hon. D. A. Campbell, *Minister for Regional Development, Minister for the Illawarra, and
Minister for Small Business*

Department of State and Regional Development

Mr L. Harris, *Director-General*

Mr M. Cullen, *Executive Director, Regional Development Division*

Ms J. Scott, *Acting Executive Director, Small Business Development Division*

CHAIR: Welcome to this public hearing of General Purpose Standing Committee No. 5. First, I wish to thank the Minister and departmental officers for attending today. At this meeting the Committee will examine the proposed expenditure from the Consolidated Fund for the portfolio areas of Regional Development, the Illawarra, and Small Business. Before questions commence some procedural matters need to be dealt with. First, I point out that in accordance with the Legislative Council's guidelines the broadcast of the proceedings is available from the attendants and clerks. Only members of the Committee and witnesses may be filmed or 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 or what interpretation you place on anything that is said before the Committee.

There is no provision for members to refer directly to their staff while at the table. Members and their staff are advised that any messages should be delivered through the attendant on duty or the Committee clerks. The Committee has deliberated and agreed to deal with the portfolios together and for members to questions about the portfolios randomly.

Mr DAVID CAMPBELL: I am happy to co-operate with the Committee.

CHAIR: I declare the proposed expenditure open for examination. Minister, do you wish to make a brief opening statement?

Mr DAVID CAMPBELL: I am fine to go straight to questions.

The Hon. MELINDA PAVEY: As Minister for Small Business, what do you see as the major issues confronting small business in New South Wales as you travel around?

Mr DAVID CAMPBELL: Having conducted in excess of 40 forums with small business in the last several months in all parts of the State in 40 different locations—metropolitan, rural and regional—there is absolutely no doubt that small business is concerned that the Trade Practices Act is not protecting them from creeping acquisitions. They really do believe that the Commonwealth Government should amend the Trade Practices Act to protect them from creeping acquisitions. That is certainly in the retail sector and also in the information technology sectors.

Small business continues to be particularly concerned about compliance issues with the GST arrangements. The business activity statement continues to take up a great deal of their time, which they believe would be better spent in their business rather than doing the paperwork associated with that. Small business continues to be particularly concerned also about bank fees and charges. About 30 per cent of fees collected by the four major banks are now paid by the small business sector. That is one aspect of concern with banking.

Another aspect of concern with banking is the difficulty in receiving equity finance borrowings from banks to expand small business. Another concern with banking is the difficulty the small business sector has in comparing products across the banks. If you are with a particular bank and you are concerned about their fee structure or service level, it is difficult to try to get a handle on what another bank has. The most recent thing that small business is concerned about is its ongoing profitability as a consequence of rising petrol prices.

The small business sector tells me that the Commonwealth should have the Australian Competition and Consumer Commission undertake an investigation into why, as world crude oil prices have fallen in the last little while, petrol prices continue to rise. Small business is concerned from two aspects. First, as families spend more money on petrol they have less money available to buy goods and services from small business. Second, as petrol or fuel prices increase, the cost of transport of goods to small business increases, so the cost of their small-business inputs goes up while, at the same time, there is a squeeze on revenues as families spend money on petrol rather than on goods and services, or they have a concern about the availability of funds so they stop spending. In my ongoing and regular discussions with the small business sector, they are some of the key issues of concern they raise with me.

The Hon. MELINDA PAVEY: I find it extraordinary that no small business people have raised State issues with you?

Mr DAVID CAMPBELL: You asked about the major issues.

The Hon. MELINDA PAVEY: You said that the four major issues are all Federal responsibilities. That is not true in relation to any correspondence or any participation I have had with small business in New South Wales. One of the biggest concerns they have had in the last few months is the increase in stamp duty on insurance from 5 per cent to 9 per cent. You are saying that you have not had any discussions about occupational health and safety, workers compensation premiums in this State, or payroll tax in this State all being way and above those of our nearest State rivals?

Mr DAVID CAMPBELL: I was asked about the key issues raised with me, and I answered that. The key issues were those that I have described, and they have been raised with me at a whole series of events. I can say that in those forums not one business raised with me stamp duty on insurances. Certainly, from time to time payroll tax is raised and I can always explain it in these terms.

CHAIR: Do you have an opinion on those two issues?

Mr DAVID CAMPBELL: Certainly. In terms of payroll tax, when the Coalition was last in government, payroll tax in New South Wales was 8 per cent. This Government has reduced it to 6 per cent. This Government has also increased the payroll tax threshold so that it cuts in at a higher level of income than had been the case under the previous Coalition Government. The other thing that is relevant about payroll tax is that less than 10 per cent of all businesses in New South Wales are liable for payroll tax. Without any doubt whatsoever it is the big business sector that pays payroll tax overwhelmingly because, as I say, less than 10 per cent of businesses in New South Wales are liable for payroll tax in any case.

The other point to make about payroll tax is, as the Premier made the point in Parliament the other day, the smaller States have a lower level of payroll tax but, of course, they are subsidised by the taxpayers of New South Wales to the tune of \$3 billion through the GST arrangements. As I make it clear to the small-business sector when I talk to them, the taxpayers of New South Wales and small business, as the collectors of the GST, pay \$13 billion a year. Under the arrangements \$10 billion a year is returned to New South Wales. The majority of that other \$3 billion subsidises the smaller States.

What are some of the reasons for that? As the Premier said the other day, the Grants Commission, which reports to the Federal Treasurer, Peter Costello, believes there is something like 15,000 too many bus stops. I would have thought that most of us would want to encourage the use of public transport and encourage people to catch the bus. But the Grants Commission believes that that is wrong. Apparently, the Grants Commission believes that New South Wales spends too much money per capita on health. I do not quite understand that.

We know from previous Commonwealth Government budget papers that the Commonwealth Government believes that there is an opportunity for New South Wales to collect more money in property tax. I do not think that many taxpayers believe that; nor does the New South Wales Opposition, so they are in conflict, as always, with the Commonwealth on that matter. There is no doubt that there could be additional relief in payroll tax if some of that \$3 billion came back.

Of course, in the lower House the other day the Government moved a motion that called for the Opposition to have a bipartisan approach to the Commonwealth to change those Grants Commission requirements, but, of course, the Opposition voted against the motion and refused to come with the Government to the Commonwealth to say that the arrangements are inadequate. It is clear that the Opposition does not want to receive more income from the GST arrangements that would enable the Government to do a range of things. One of those, as has been stated by the Premier, would be to make an adjustment to payroll tax rates.

The Hon. ROBYN PARKER: Occupational health and safety is a major issue. What was the cost of workers compensation to your department specifically over 2004-05 and what is your projection for 2005-06?

Mr DAVID CAMPBELL: Direct expenditure?

The Hon. ROBYN PARKER: Specifically, what are your department's workers compensation costs?

Mr DAVID CAMPBELL: I think it would be better for us to come back to the Committee with the specific detail of the exact costs.

The Hon. ROBYN PARKER: How many employees are in your department?

Mr DAVID CAMPBELL: In terms of direct costs, I will come back to the Committee. In terms of the specific number of employees, the director general can probably answer that.

Mr HARRIS: There are 242.

The Hon. ROBYN PARKER: Of those 242, how many in the year 2004-05 have lodged occupational health and safety claims?

Mr HARRIS: I cannot answer that question with any specificity. It would be a relatively low number out of 242. It is not a number that has caused particular angst.

The Hon. ROBYN PARKER: So you will come back to the Committee with those details?

Mr HARRIS: Absolutely. I am perfectly happy to provide that.

The Hon. ROBYN PARKER: Can you also specify what the claims have been for?

Mr HARRIS: Certainly.

The Hon. MELINDA PAVEY: Mr Harris, are you able to identify the costs associated with complying with occupational health and safety regulations for your department?

Mr DAVID CAMPBELL: I think we have indicated that we will come back with the costs of occupational health and safety as it relates to the department.

The Hon. MELINDA PAVEY: The cost, as well as the amount of time that the department has to spend in complying with occupational health and safety principles?

Mr DAVID CAMPBELL: We will come back with a response on occupational health and safety issues as they relate to the department.

The Hon. MELINDA PAVEY: Are you hoping that the review of the Occupational Health and Safety Act will free small business from the cumbersome burdens that are placed upon them in meeting occupational health and safety requirements?

Mr DAVID CAMPBELL: I am confident that the review of the Occupational Health and Safety Act, which is being undertaken through the Department of Industrial Relations, will be a sensible one in co-operation with the private sector and, of course, with the trade unions. I am confident that it will come back with a report that meets the community objectives of ensuring a safe workplace and meets the community objective of ensuring that injury is avoided, where possible, and that there is a system in place that gets people back to work as quickly as possible. In my discussions with businesses, they tell me that they understand the importance, from a productivity point of view, of having a safe workplace.

The Hon. MELINDA PAVEY: In relation to a safe workplace, were you the Minister responsible for the review of the Occupational Health and Safety Act through complaints and criticisms from small business across New South Wales about compliance with the current Act? Were you the champion of small business in Cabinet to ensure that this review took place? Obviously, you only have a review when it is clear that legislation is not working efficiently or effectively? Were you the champion of that?

Mr DAVID CAMPBELL: I do not think your premise is right. Under several pieces of legislation there is a requirement to have a statutory review after the legislation has been in place for a set number of years. In Cabinet I consistently talk about a range of issues across the government from a small business perspective.

The Hon. MELINDA PAVEY: So you did not see it as an issue within the small business community that there needed to be a review; you are saying that it was just part of the general review of the Act.

Mr DAVID CAMPBELL: Clearly a statutory review is under way. The Government has ensured that the small business sector has an opportunity to be part of that review and to have their input into it through business associations, whether it be the State chamber or Australian Business Ltd. The Government has ensured that, as part of the review, there is close consultation with employers and employees. Both employers and employees have many responsibilities and rights in terms of occupational health and safety issues.

From the small business sector's perspective, this year WorkCover has put a Business Assist Unit in place. So a specific group of people in WorkCover run workshops about employer responsibilities under the present Act, and go to individual businesses and do site visits to talk about specific issues. That is all about ensuring that people have accurate information about their responsibilities in terms of ensuring that a workplace is safe. The Government's approach is to ensure a safe workplace. Where possible, injuries or accidents should be avoided. I believe that a safe workplace is more productive, which leads to more profitability for a business.

The Hon. MELINDA PAVEY: Are you able to explain to the Committee how the department's small business division actually works, and how many staff there are within small business area?

Mr DAVID CAMPBELL: The small business development division has a total of 49 staff, whose role is to encourage small business by working with business organisations. Other aspects of the department offer support in that role as well.

The Hon. MELINDA PAVEY: Where are those 49 people located?

Mr DAVID CAMPBELL: They are in various locations, from the city to the suburbs and the regions.

The Hon. MELINDA PAVEY: Can you provide a breakdown of those positions and where they are located?

Mr DAVID CAMPBELL: Sure.

The Hon. MELINDA PAVEY: Is it a policy generation activity or is it a response to working with some of the problems with small business?

Mr DAVID CAMPBELL: It is a very proactive role. Certainly there is some policy development but it is a proactive role of, for example, encouraging small business to take part in the very successful Stepping Up program, which is a mentoring service; encouraging women in business to be involved in the Women in Business program; or encouraging Aboriginal businesspeople to be involved in the Aboriginal Business program.

The department is proactive in encouraging activity and growth in the small business sector, and the development of skills and the provision of information in the small business sector; looking for opportunities to work with home-based businesses as they seek to establish and grow their business, providing networking opportunities, and mentoring. The Government's approach to the small business sector is proactive and positive in supporting the sector and growth of it.

The small business sector employs one million people in the State's economy. There are 440,000 small businesses in the State. More than one-third of all small businesses in Australia are located in New South Wales. So the sector is very strong; it is alive and well in New South Wales.

The Government is proud of the work it does in ensuring there is a strong State economy to provide the opportunity for those people to work hard and earn a quid in their business, and it is proud of the staff who work very hard to encourage the sector.

The Hon. ROBYN PARKER: You talked about the proactive role of encouraging businesses. How many staff handle complaints from small businesses about dealing with regulations applied by the State Government? How many staff handle complaints from small businesses about negotiating difficult State Government regulations?

Mr DAVID CAMPBELL: We have a strong policy of encouraging small businesses to contact the Government with their issues of import. As I said, I have worked very hard to move around the State to listen to what they say. I encourage them to talk to me and to contact the department.

The Hon. ROBYN PARKER: Can you provide us with the types of complaints that department receives?

Mr DAVID CAMPBELL: I can undertake to offer a sample of complaints. I will not have staff taken from their proactive activities to trawl through file after file, but we will give a sample—

The Hon. ROBYN PARKER: You must have records of how many complaints come in. Perhaps you can provide them.

Mr DAVID CAMPBELL: I said I would give a sample of some of the issues raised with us by small businesses and some of the issues we take up with other agencies on their behalf.

The Hon. ROBYN PARKER: Your department must have statistics on the number and types of complaints it receives from small businesses. Can you provide those? If you are unable to provide them, can the department provide them?

Mr DAVID CAMPBELL: I have indicated that we will give a sample of the issues that are raised with us.

The Hon. ROBYN PARKER: So you will not provide us with a list of complaints.

The Hon. TONY CATANZARITI: As the Minister has answered the question, it is only fair—

CHAIR: The Minister has a right to take these questions on notice if necessary.

Mr DAVID CAMPBELL: I want to make it clear: I will not have staff taken from their proactive role to trawl through file after file. I have indicated that we will give a sample, but we will not go through and give every detail of every issue. That is an inappropriate use of resources. It is crazy for someone from a party that is proposing to sack 29,000 public servants to expect—

The Hon. MELINDA PAVEY: You are misleading the Committee.

CHAIR: With respect, I do not think that statement is relevant. However, if a Committee member makes a request, while there is no obligation, I think there is an etiquette to fulfil that request. Often in the Parliament such requests may be seen to be frivolous, but the member may have a good reason to request that information from you.

Mr DAVID CAMPBELL: And I have indicated that we will give some information that will assist the Committee.

The Hon. HENRY TSANG: If I could be helpful, perhaps the Hon. Robyn Parker might find it more useful to ask the question of the Minister for Fair Trading. That is the department that receives complaints.

The Hon. MELINDA PAVEY: We have Small Business here.

The Hon. HENRY TSANG: Therefore, Small Business is not a complaint handling body.

CHAIR: I understand that the member has a right to ask the question. Similarly, the Minister—

The Hon. HENRY TSANG: I am trying to be helpful.

CHAIR: I appreciate that, but equally the Minister has a right to answer as he sees fit. Perhaps supplementary questions at a later stage or questions on notice may be the way to proceed with that matter if the answers are unsatisfactory.

Ms SYLVIA HALE: Can you explain your responsibilities as Minister for the Illawarra?

Mr DAVID CAMPBELL: They are to look at the region as a whole, work with the community and to identify significant issues. I see myself as an advocate for the region, working with other members of Government and as a conduit to other Ministers for issues of importance in the region.

Ms SYLVIA HALE: Do you ever have a conflict between your responsibilities as Minister for Regional Development, Minister for Small Business and Minister for the Illawarra?

Mr DAVID CAMPBELL: No.

Ms SYLVIA HALE: I am thinking of an instance. For example, I am interested to know how you responded when Stockland proposed to build a mall at Vincentia and released 600 home lots for development. The small business operators said that there was a population of only 16,000, which means they would be sent to the wall, that their livelihoods were threatened. The community said that if there were a large Stockland mall and large home side developments the nature and ambiance of the place would be threatened. Members of the community said that there were 35 threatened species on the proposed development site. Parents said that the only access to the community is a narrow, winding road. After taking on board the concerns of the local community, how do you as Minister for the Illawarra or Minister for Small Business respond to those issues?

Mr DAVID CAMPBELL: I ensure that all of the issues relating to a proposal like that are placed before the planning authorities that make a decision on it. At the end of the day it is a planning decision. I also ensure that I act as a conduit for all the information that comes to me about either concerns or, perhaps on occasions, support for something like that.

Ms SYLVIA HALE: So you are not merely a conduit; you would be an advocate for one or other proposals.

Mr DAVID CAMPBELL: On occasion I might be; on other occasions I might take a more passive role.

Ms SYLVIA HALE: Do you consider it your responsibility to listen to the community's concerns?

Mr DAVID CAMPBELL: I do not believe that it is my responsibility to visit every proposed development site in the five local government areas of the Illawarra region. The local councils have responsibility for many local planning issues. With long experience at the local government level, I think I can distinguish between what is a significant regional issue and what are local planning issues. I do not believe that it is my role as a local member in the region or as a Minister for the region to be taking every planning decision of every local government authority across the region.

Ms SYLVIA HALE: But obviously there is a conflict between those people. A number of smaller coastal villages and communities in the Illawarra area feel that their unique character—the things that distinguish the Illawarra as the Illawarra—is likely to be lost. Do you feel that you should talk to those communities to try to develop a joint decision?

Mr DAVID CAMPBELL: On significant regional issues I do.

Ms SYLVIA HALE: This time last year we were discussing the reduction in the number of business enterprise centres [BECs] across the State from 48 to 18. What has been the extent of the decline, if any, in the demand for BEC services?

Mr DAVID CAMPBELL: Again I make the point that I made last year: BECs are not government organisations; they are private or community organisations. The business advisory service [BAS] that we contract encourages successful business start-ups, enhances the competitiveness and profitability of existing businesses, and increases the capacity of businesses to expand and generate new jobs. Business advisory services provide information, advice and training to small business clients across their region. In the first nine months of the new four-year contracts, which commenced in October 2004, the 18 business advisory service contracts provided a total of 127,569 services to their clients. This is already 7,000 more than the 120,000 services they were expected to deliver in a full 12-month period.

During the 12 months to June 2005 the business advisory services helped to create approximately 4,000 jobs in both new and existing businesses. This is an impressive outcome, given that we have an economy operating at full capacity. In this situation—that of nearly full employment—BAS activity naturally focuses on the market's demand for growing existing firms, rather than perhaps establishing new jobs that an employment market at capacity cannot fill.

Ms SYLVIA HALE: Have you received complaints of people's inability to access the services because they have been centralised in a small number of areas or locations?

Mr DAVID CAMPBELL: As well as primary locations in significant population centres, many of the advisory services operate from additional offices and can provide outreach services, giving greater access to small business people. New technology provides additional ways for people to contact the advisory service. For example, the number of people using the Internet has grown very quickly and substantially. Small business people can also contact their local business advisory service for the cost of a local call—except for mobile phones, I might add—and they do that through a 1300 number. This number is being heavily promoted during Small Business September as well as through the departmental promotional material.

Small Business September is a month-long celebration by the Iemma Government of the small business sector in our State. We are the only State in Australia that ensures that a month is set aside to celebrate the contribution in an economic sense, in a jobs-growth sense and a in community development sense of the small business sector across the State. About 360 events are to be held—networking events, events such as the one I attended last evening—to encourage more growth in exports. Business advisory services have been strong contributors to the network of events for Small Business September. We are about halfway through that month.

Ms SYLVIA HALE: Returning to your previous statement about the creation of jobs, did I hear you correctly when you said there had not been a significant number of new businesses established but you have seen a growth in employment in existing businesses?

Mr DAVID CAMPBELL: The advice I have is that during the 12 months to June 2005 business advisory services on contract to the New South Wales Government helped to establish a total of 4,000 jobs in both new and existing businesses.

Ms SYLVIA HALE: Are there significant trends as to where those jobs are being created, and what calibre of jobs are they? Are they unskilled, semi-skilled or are they introducing innovative approaches?

Mr DAVID CAMPBELL: Small business operates across the whole economy. For example, it may be a home-based business providing some personal services, or someone establishing a business for themselves as a local accountant or solicitor working from home, or someone in the new information technology industry. A lot of people are seeking contracts in terms of clean production for manufacturing. The small business sector operates across the economy. It is across the

economy that business advisory services provide advice and it is across the whole of the State that business advisory services operate as well.

Ms SYLVIA HALE: We obviously live in an era of contracting out, and jobs that were formerly available in public enterprise are now being contracted out to private contractors. When you say jobs had been created, for example, in the cleaning service, when you look at those figures, do you take into account the loss of jobs, the areas from which they may have come and that they had merely been repackaged as it were?

Mr DAVID CAMPBELL: The comments I give are about jobs growth—new jobs, new businesses, supported and assisted through the business advisory services.

The Hon. MELINDA PAVEY: Minister Campbell, I refer back to your recording of data information from small business across New South Wales. Do you have or does your department keep a record in consultation with the Department of Commerce and the Department of Industrial Relations of how many businesses have gone into liquidation because of WorkCover premium issues?

Mr DAVID CAMPBELL: Detailed questions about how the WorkCover system operates are better put by those people who will be examining the WorkCover organisation.

The Hon. MELINDA PAVEY: Yes, I agree on the details; they would be better placed to Minister Della Bosca. However, I am talking about the outcome of those policies on small business. As Minister for Small Business are you keeping a record of the number of businesses that have gone into liquidation primarily because they have gone broke because of WorkCover premiums and fines?

Mr DAVID CAMPBELL: Again, information about WorkCover should be sought from the Minister for Industrial Relations.

The Hon. MELINDA PAVEY: So as Minister for Small Business you are not keeping track of the impact WorkCover premiums are having on businesses in New South Wales?

Mr DAVID CAMPBELL: I am keeping track, paying a close interest, of the small business sector. The specifics of the operation of WorkCover rest with the Minister for Industrial Relations.

The Hon. MELINDA PAVEY: I understand that, Minister, and that is very clear. You have confirmed that you are not keeping a data record of the number of businesses that have gone broke because of WorkCover premiums and fines?

Mr DAVID CAMPBELL: The question has been asked three or four different ways and I have given the same answer.

The Hon. MELINDA PAVEY: So you do not have a record? So you cannot take that question on notice?

CHAIR: The Minister has answered. It is now my turn to ask questions. The Opposition will have its turn again in a moment. Minister, looking through the budget papers I find in Budget Paper No. 3, volume 2, page 16-1 that there is one page on the Illawarra region without a statement of financial position or other cash flow statements that occur in other portfolios. Then in Budget Paper No. 5 I found a one-liner under Treasurer, Minister for State Development and Minister for Aboriginal Affairs portfolio for the Department of State and Regional Development. Also on the next page is another one-liner. Why is this so, Minister? Do you have a discrete or distinct ministry or is it under the Treasury or the Minister for State Development? Could you explain why?

Mr DAVID CAMPBELL: The Department of State and Regional Development, if you like, has three components. There is a component for State development, which the Minister for State Development has responsibility for. There is the regional development component and the small business component that I have responsibility for.

CHAIR: Why is it that there is no statement of financial position or cash flow statements from your department?

Mr DAVID CAMPBELL: Because there is one agency. There is the Department of State and Regional Development. I do not have a copy of the page you are referring to. To be certain that the Committee is getting accurate advice, we will give you a written answer on that.

CHAIR: Sure. It is just that as far as my staff and I were concerned, you had that one page there but, unlike other portfolios, you do not have the cash flow and the clear statements that we can work from.

Mr DAVID CAMPBELL: Again, as I say, we will make sure you have a detailed answer on it.

CHAIR: Do you have those cash flow statements?

Mr DAVID CAMPBELL: Mr Harris can talk on that.

CHAIR: Thank you. Mr Harris, perhaps you can say whether I am missing something. Why are they not in the budget papers? After all, we are having an inquiry into the matter.

Mr HARRIS: It is a reasonable question, Mr Chairman. The reason is, as the Minister pointed out, the budget falls—or up until the papers we are assessing here—under the Minister for State Development, who was until recently also the Treasurer. The budget is included in one set of statements from page 22-56 through to 22-62. They are the complete budget statements for the department. It is not an entirely unusual technique. It probably reflects a number of Federal Government departments now where a number of Ministers are provided with support by an individual department; that is, a number of Ministers with different ministerial responsibilities. It is a similar technique to that used in Victoria under the Bracks Government and before that the Kennett Government, where there is a degree of synergy in providing all the support services for these activities in one place. So, for example, there is a natural crossover between some of the work done, say, in the investment division and some of the work that is done in the regional development division.

CHAIR: That argument would apply to portfolios such as planning and environment, and many other areas?

Mr HARRIS: Absolutely.

CHAIR: They have discrete public reports. What you have pointed out is under Treasurer, Minister for State Development and Minister for Aboriginal Affairs.

Mr HARRIS: Correct.

CHAIR: I was just surprised, as I asked my staff why you do not have a discrete report. I take the answers you have given but nevertheless I find it rather inadequate, would you not agree?

Mr HARRIS: I suppose I have just grown used to it. We have had this method of reporting for over 10 years now in New South Wales and, as I say, in other State jurisdictions it is not dissimilar.

CHAIR: But you have a budget, if I read my figure is right, of over \$92 million?

Mr HARRIS: Absolutely correct.

CHAIR: That is a significant budget.

Mr HARRIS: It is indeed.

CHAIR: And it is reduced to one line in the Treasurer's report. Would you not see that as somewhat inadequate in transparency?

Mr HARRIS: It is not reduced to one line, really.

CHAIR: I take your point further on, but I am looking at Budget Paper No. 5. It is almost concealed—I am not saying deliberately—but it is not something that would jump out at people if they were looking to investigate the budget report of the department.

Mr HARRIS: It may well be a useful recommendation, if I might suggest, from the Committee that even a reference at that point referring to the six or eight pages that provide the budget, from pages 22-57 through to 22-62 inclusive.

CHAIR: Minister, you were quoted recently in a local paper in Orange as saying that many jobs were lost in the region because of unfair free trade deals. Do you have any assessment of the impact of the loss of jobs in the region as a result of free trade agreements? Do you see that as an ongoing trend? Is there any way to quantify that and could you inform the Committee what areas are most significantly hit by that process?

Mr DAVID CAMPBELL: Certainly small manufacturers particularly are expressing concern. They believe that the Commonwealth regime of bilateral free trade agreements [FTAs] may be placing pressure on them. As we know, the Australian Government has pursued a major shift in preference for bilateral trade agreements, and as part of this policy Australia is open to concluding regional bilateral agreements. In addition to existing agreements with New Zealand and Singapore, the Commonwealth recently finalised free trade agreements with the United States and Thailand, and these came into effect on 1 January 2005. In addition, the Commonwealth is currently negotiating FTAs with China, Malaysia, the Association of South East Asian Nations and the United Arab Emirates. Although not an FTA due to sensitivities over agriculture, an economic framework agreement is also being pursued with Japan.

The New South Wales Government has a number of programs that help New South Wales exporters take advantage of the many opportunities to gain improved access to markets in Singapore and the United States, particularly for our farmers, manufacturers and service industries. As would be expected, these highly prospective markets for Australian exports are a major focus for the New South Wales Government's trade missions and market visits program. Free trade agreements negotiated during 2004-05 are as follows: in New Zealand a trade mission in April 2005 in which nine companies participated, achieving direct sales of \$17,000 and projected sales of \$880,000; in a market visit to Singapore associated with hospital and medical goods and services in September 2004 four companies participated, achieving projected sales of \$40,000; a trade mission in April 2005 in which 15 companies participated and achieved sales of \$40,000 and projected sales of \$935,000; a market visit for ICT-based industries in June 2005 to Singapore saw six companies participate, achieving projected sales of \$400,000.

In regard to the United States, participation in a fancy food exhibition in San Francisco in January 2005 saw 14 companies participate, and they had direct sales of \$98,000 and projected sales of \$5.253 million. A market visit for computer games developers in Los Angeles in May 2005 saw nine companies participating, achieving sales of \$500,000 and projected sales of \$4,450,000. To Thailand a trade mission in July 2004 saw 12 companies participate, achieving projected sales of \$5,024,000.

CHAIR: Minister, is your department primarily involved in going to trade missions and promoting specific businesses and industries in those areas? You said that manufacturing was hit by the free trade agreements. Obviously you would be interested in rural sector and farming enterprises. What work does your department do on transport and rail infrastructure so that rural products can get to port at a competitive rate? Do you have any interest in that matter? Surely that would be a very important aspect in the promotion of rural enterprises?

Mr DAVID CAMPBELL: The responsibility for that infrastructure rests in other portfolios.

CHAIR: I appreciate that, but yours is an overarching portfolio to promote rural interests.

Mr DAVID CAMPBELL: That is right. That is why I have personally worked so strongly to encourage an expansion of port operations at Port Kembla and have worked with others to

encourage the planning of expansion potential at Newcastle. The Government has put in place a port growth plan as a means of encouraging all of those issues.

CHAIR: What is your position on the expansion of Port Botany, given your role of representing both the Illawarra and regional development?

Mr DAVID CAMPBELL: My position is very much to encourage the growth of Port Kembla as a means—

CHAIR: What does that mean for Port Botany, from your perspective?

Mr DAVID CAMPBELL: The Government's response on Port Botany will be forthcoming when the Government has fully considered the report of the commission's inquiry.

CHAIR: Do you have a position given the fact you have a portfolio that specifically covers the Illawarra and Regional Development? Did you see the Government as being too citycentric on this particular issue?

Mr DAVID CAMPBELL: No, not at all. The Government has a policy to support the growth of the major port of Port Kembla, to look at longer term planning in Newcastle, and to consider what to do at Port Botany. As the Minister for Ports and Waterways noted in question time in the upper House yesterday, the Government is extending the facilities at Eden. Clearly, those facilities will be to encourage agricultural products. It is absolutely clear that the Government is looking to support the growth of those ports outside Sydney.

CHAIR: In terms of the potential extension of port facilities, has your department looked at rail facilities between the Illawarra and Sydney and the possible opening of the Maldon-Dombarton rail line to facilitate that?

Mr DAVID CAMPBELL: All of that was the subject of an inquiry by the Legislative Council Standing Committee on State Development recently.

The Hon. MELINDA PAVEY: Mr Ian Cohen was on it.

Mr DAVID CAMPBELL: That report has been tabled in Parliament, as I understand it, to the Legislative Council. The Government will use the information in that report.

CHAIR: Thanks for the plug, Minister. Do you have an opinion on that? Given you represent both Regional Development and the Illawarra, I would have thought an opinion would be very helpful.

Mr DAVID CAMPBELL: I have a view that there have not been market demands for the Maldon-Dombarton line to be completed. There is a cargo cult around that says it would be good for someone to throw a lot of money at it. I do not believe there is a market case for that expenditure that has been presented to date.

CHAIR: You do not see any projection in the future where that could become a valuable asset for the expansion of the Illawarra?

Mr DAVID CAMPBELL: I did not say that. I said to date there has not been a market demand for that.

CHAIR: You do not project a decade hence in terms of the potential for the Illawarra?

Mr DAVID CAMPBELL: I am sure that all governments continue to look ahead, and our government does, and to forecast what is required. As I said a minute ago, the Government will consider the information out of the State Development committee's inquiry as it develops its ongoing infrastructure plans. To repeat, to date, as someone who has watched economic growth in the Illawarra over a long time—my whole life, but in an elected sense for 18 years—there has not been a market demand for the type of investment that is required on the Maldon-Dombarton line.

The Hon. ROBYN PARKER: I would like to ask questions of the Director-General, Mr Harris. How many displaced public servants are there in your department?

Mr HARRIS: I think there are none at the moment. I can certainly check it out. If you had asked me some months ago I would have said one that I was conscious of. I think the answer is none. My colleagues think that is probably the answer. I can confirm that for you but the answer is none.

The Hon. ROBYN PARKER: In terms of displaced public servants, could you tell us how many self-nominated displaced public servants there are?

Mr HARRIS: It would be the same number.

The Hon. ROBYN PARKER: Are there any that have self-nominated?

Mr HARRIS: No, not that I am aware of. Again, I will check that and advise you. But my answer so far is none.

The Hon. MELINDA PAVEY: We are just trying to cover all expressions here. We understand there have been different ways to classify people.

Mr HARRIS: I understand. I am perfectly happy to give the broadest, most helpful answer I possibly can. With 240-odd people in 18 offices around the State, in a way it makes it relatively easy to be aware of the individual circumstances of people because I tend to visit the offices. I am quite sure the answer is none in the terms that you are seeking.

The Hon. ROBYN PARKER: Did the Director General of the Premier's Department, Col Gellatly, or Michael Gadiel contact you between 27 July and 31 August to make an effort to find positions for anyone on the displaced list?

Mr HARRIS: Not that I am aware of. I speak often with Dr Gellatly. Certainly Michael Gadiel, I am sure, has not spoken to me about this. My best recollection is absolutely not. I am sure my answer is no.

The Hon. ROBYN PARKER: Minister, did you have contact from Col Gellatly or Michael Gadiel asking you to make an absolute effort to find positions for anyone on the displaced list?

Mr DAVID CAMPBELL: No.

The Hon. MELINDA PAVEY: Mr Cullen and Ms Scott, were you contacted?

Mr CULLEN: No.

Ms SCOTT: No.

The Hon. MELINDA PAVEY: Going back to the database and keeping a track of what is happening with small businesses in New South Wales, within the Small Business Division has anyone established a list of businesses that have moved to Queensland as a result of cost competitiveness issues in that they are able to do business in Queensland a hell of a lot cheaper than in New South Wales?

Mr DAVID CAMPBELL: That is an absolute urban myth.

The Hon. MELINDA PAVEY: Lindsay Bros Transport in Coffs Harbour will be very happy to hear it is an urban myth that it can make more money in New South Wales than it can in Queensland. I will be delighted to give Lindsay Bros that answer.

Mr DAVID CAMPBELL: It is an absolute urban myth that there is a flight of business from New South Wales to Queensland. New South Wales is indeed Australia's largest and most dynamic economy. It offers interstate and international companies a stable and strong environment to grow

businesses and continues to attract more major business investment than any other State. In 2004-05 business investment in New South Wales rose by 17 per cent—in real terms, compared with 2003-04 to almost \$33 billion. That is the highest annual level on record for New South Wales business investment. The New South Wales Government supports business investment into New South Wales because business generates jobs.

Total employment in New South Wales is currently at a record high. In August 2005 there were 3.26 million people employed in the State and the unemployment rate currently stands at 5 per cent—the State's second lowest level since June 1981. New South Wales is home to over 65 per cent of all Asia-Pacific regional headquarters located in Australia. That is over 600 companies. Victoria has 20 per cent and Queensland has just 6 per cent. Those figures come from an Invest Australia survey in 2002. New South Wales also has the largest manufacturing industry in Australia, contributing \$29.8 billion in 2003-04 to the State's economy compared to Victoria's \$26.8 billion and Queensland's \$12.2 billion, according to the Australian Bureau of Statistics figures.

Significantly, more companies overall are registered in this State. Almost 500,000 companies are registered in New South Wales—about 56,000 more than in Victoria and a staggering 270,000 more than in Queensland. They are Australian Securities and Investments Commission [ASIC] figures. In 2004-05 just over 40,000 new companies registered in New South Wales compared with 38,000 in Victoria and fewer than 25,000 in Queensland. Examples of businesses that have been attracted to New South Wales from interstate include from Victoria the Costa group, headquartered in Geelong, Victoria, which chose Guyra in New South Wales for the location of its new state-of-the-art greenhouse facility. The project to be completed in three stages will be fully operational after five years. The first stage represents an investment of \$14.4 million and almost 50 jobs and has the potential to make Guyra a leader in horticultural development throughout the region.

Melbourne-based company Salesforce Australia Pty Ltd expanded into New South Wales with the opening of a 200-seat call centre in Ultimo, Sydney. Salesforce Australia has subsequently been acquired by Sydney-based company Salmat. This represents an investment of \$1.9 million. Byford Equipment relocated its stainless steel manufacturing business from Strathmerton in Victoria to Moama in New South Wales. Over 70 jobs have been generated for our State by that move. Nash Tanks and Pipes Pty Ltd, a manufacturer in steel fuel tanks and containers, relocated from Bendigo in Victoria to Parkes in New South Wales to expand its business operations. This represents an investment of \$2.4 million and the generation of 20 jobs in the Central West.

From Queensland Black Watch Boats, a manufacturer of game fishing cruises and houseboats, relocated its entire operations from the Gold Coast to Chinderah in New South Wales. This represents an investment of \$2.7 million and the generation of 50 new jobs. Hyne and Sons has established the largest softwood mill in the Southern Hemisphere at Tumbumba, investing more than \$100 million and creating 140 jobs. Hyne and Sons is a Queensland-based company. Allied Timbers is constructing a new softwood sawmill and pine timber treatment plant at Bathurst, which represents a \$12 million investment and 34 jobs by 2006-07. Kellogg's has announced an expansion of its Charmhaven facility on the Central Coast, closing down its Queensland operation. This expansion represents an investment of \$13 million and the generation of 120 new jobs on the Central Coast. That is added to the existing work force of 69 employees.

Most recently Australian Bay Lobster Producers, a Queensland company, secured a suitable site at Chinderah for the establishment of a facility to breed and export Moreton Bay bugs. The project represents an investment of \$35 million for stage one with 70 jobs at start-up, rising to 200 jobs by year five. The project has developed leading-edge technology in environmental standards and will invest in research and development facilities. The New South Wales Government will continue to work to attract jobs and investment to New South Wales. Since 1999 the Government has facilitated over \$7.1 billion in new private sector investment in New South Wales and has helped to create and retain more than 41,900 jobs. This includes over 24,500 jobs and over \$4.3 billion worth of investment in regional New South Wales.

The Hon. MELINDA PAVEY: You do not have a list of businesses that have left New South Wales because of the uncompetitive nature of our workers compensation and occupational health and safety laws?

Mr DAVID CAMPBELL: There is no flight of business from New South Wales to interstate.

The Hon. MELINDA PAVEY: You do not have a record of the businesses that have left New South Wales?

Mr DAVID CAMPBELL: There is no flight of business from New South Wales to interstate. Some businesses relocate for a whole range of reasons, many of them lifestyle. As I have just indicated, there are many businesses from other States relocating or investing in New South Wales.

The Hon. MELINDA PAVEY: As the Minister for Small Business, you are not keeping a record?

The Hon. TONY CATANZARITI: I do not think that is what the Minister said.

The Hon. MELINDA PAVEY: Well, he will not tell me whether they are keeping a record of businesses that have left New South Wales because of uncompetitiveness.

CHAIR: I think it is a fair question, Minister. If you have a list of businesses that have left New South Wales perhaps you would be able to provide that?

Mr DAVID CAMPBELL: We do not have legislation that requires businesses to stay in New South Wales. It is a nonsense to suggest that.

The Hon. MELINDA PAVEY: I am not saying that there needs to be legislation. You have told us today that 49 staff are concerned about small business in New South Wales, trying to understand their concerns and support them. I would think that, as part of their job description, keeping a track of the number of businesses that are concerned about the cost-competitive nature of business in New South Wales and have left New South Wales to go to Queensland, or even Victoria, would be a priority of your department. But, as Minister for Small Business, you have clearly indicated that it is not a priority. So, thank you, Minister. I will move on to the next question.

Mr DAVID CAMPBELL: I make the point that the Australian Securities and Investments Commission [ASIC] is the body that collects data on the location of individual businesses. I will just make this point: It would be a nonsense to suggest that the New South Wales Government has a record of every home-based business that, for family reasons or any other reason, might move its business from one suburb to another or from one part of the State to another. ASIC is the body that collects that data.

Ms SYLVIA HALE: You have figures on new businesses that are starting up. Why do you not have figures on those that are closing down?

Mr DAVID CAMPBELL: I have indicated on a number of occasions that we work very proactively with businesses to encourage business start-ups and business growth.

The Hon. MELINDA PAVEY: Have you or any of your officers contacted anyone from Lindsay Brothers Transport to find out why that company left New South Wales, why the head office operations are now in Queensland?

Mr DAVID CAMPBELL: I have not spoken to them directly, but I have demonstrated here that many companies from other States are coming to invest in New South Wales. There is a whole range of reasons why a business might locate somewhere. It might be that there is a skills shortage in a particular area and so they are looking to move somewhere else. It may be that the major customers or major suppliers have changed and are coming from somewhere else, so it is better to be closer to them. It may be for a lifestyle reason, that the business's principals have children attending university somewhere and want to live closer to them. There are all sorts of reasons why a business might relocate.

The Hon. MELINDA PAVEY: And the payroll tax threshold, and WorkCover premiums.

Mr DAVID CAMPBELL: I talked to you earlier about payroll tax, but I am happy to repeat what I said. Under the previous Coalition Government payroll tax was at 8 per cent; we have reduced it to 6 per cent. If the Coalition in New South Wales were to support the New South Wales government approach to the Commonwealth to change the revenue sharing arrangements so that we could get some of the \$3 billion back that subsidises the smaller States, the Premier has indicated there may well be some changes to payroll tax. I repeat that less than 10 per cent of businesses in New South Wales are liable for payroll tax, in any case. Most of them are large businesses. There are very few small businesses that are liable for payroll tax.

The Hon. MELINDA PAVEY: Minister, in relation to workers compensation premiums have you had any representations about people being forced to pay fines and extra workers compensation premiums, even though directors of their companies are not working in the business itself?

Mr DAVID CAMPBELL: I am just trying to think of every conversation I had had with every person, and every piece of correspondence that has come across my desk. I think in general terms it is an issue that has probably been raised with me. It is not an issue that has been raised frequently because I would obviously have a much greater recollection of it, but it is an issue that has been raised. It is an issue I am sure that will be considered as part of the occupational health and safety review.

The Hon. MELINDA PAVEY: I have some correspondence here from a small business in northern New South Wales that is just about to be wound up. The company has received a bill for \$19,000, which includes a fine and a workers compensation bill. One of the directors of the company who does not work within the factory has been told she has to pay these fees, and the company is about to be wound up. Does that concern you?

Mr DAVID CAMPBELL: If the company wanted to make representations to me, or if you as an individual wanted to make representations to me, I would be happy to look at it with the Minister for Industrial Relations to determine what the issues were. I do not think we are going to solve the specifics of that company's problems in a forum such as this.

The Hon. MELINDA PAVEY: I agree, but is there anything we can do, apart from make representations?

Mr DAVID CAMPBELL: You have some documents that I do not have the opportunity to review here. I am happy to receive some representations and do some work on it with WorkCover and the Department of Industrial Relations.

The Hon. MELINDA PAVEY: Are you aware that Booyong meat works, an abattoir near Bangalow, has closed its operations because it could not compete with similar businesses operating in Queensland?

Mr DAVID CAMPBELL: Mr Cullen.

Mr CULLEN: The company has closed its boning operations; it has not closed down the whole abattoir. We understand that approximately 20 jobs have been lost out of the operation. In fact, the Northern Co-operative is a client that we have worked very closely with over a period of time to help expand its operations at both Casino and Booyong. So, yes, we are aware of that firm.

The Hon. MELINDA PAVEY: Are you aware of other businesses, Mr Cullen, that have moved to Queensland because of the cost strangulation on them?

Mr CULLEN: In terms of the answer that the Minister gave previously, business decisions are made all the time about going to different locations, in New South Wales and in Queensland. From time to time, of course you become aware of such firms.

The Hon. MELINDA PAVEY: Are you keeping a list of those businesses that have been in contact with the department?

Mr CULLEN: Effectively our focus is on helping businesses grow, and helping them to establish here.

The Hon. MELINDA PAVEY: I appreciate that, but is there a record of those contacts that you have had where you have tried to help them and they have said, "Look, is just too hard. We are going to Queensland."?

Mr CULLEN: There will be individual approaches from firms and there will be case-by-case things, but no big list of firms is kept. We are working with the firms that want to grow and establish here.

The Hon. ROBYN PARKER: Minister, I wonder whether you could tell me why the 2005 budget for the Department of State and Regional Development was slashed by 13 per cent?

Mr DAVID CAMPBELL: To what page of the budget papers are you referring?

The Hon. ROBYN PARKER: Was it slashed by 13 per cent overall?

Mr DAVID CAMPBELL: I am just asking what budget paper you are referring to.

The Hon. MELINDA PAVEY: Just go to Budget Paper No. 3, Volume 2, page 22-56.

Mr DAVID CAMPBELL: As a consequence of some major projects that had come to a conclusion, the commitment we had had been met. Economic development programs, of course, are continually reviewed to ensure that a smarter use is made of available resources, and that they meet the evolving needs of business in the community. The Industry Assistance Fund remains an important means of assisting business, and the department will further increase its emphasis on providing expert advice and professional support to companies. Financial incentives will also continue to be offered on a case-by-case basis. The Regional Business Development scheme and the Regional Economic Transition scheme will continue.

I might say that our budget provides funding for our Stepping Up program, Learning Market program, and Business Expansion program. But, essentially, there are forward commitments, commitments that have been made. If companies meet the milestones for which they received support, for example, then the funding needs to be reduced. There was a commitment for an allocation of funding in the budget for the Government's redevelopment of Echo Point. Some of that expenditure was not required and has been pushed back. There was a decrease, for example, in a commitment to Mount Panorama. Some of that money has been drawn down and is not required as an ongoing expenditure. They are some of the reasons for the reduction.

The Hon. ROBYN PARKER: How many jobs were lost as a result of that decision to slash the budget?

Mr DAVID CAMPBELL: I do not believe any jobs were lost as a result of those changes in major project funding.

The Hon. ROBYN PARKER: Will you tell us specifically what projects have been wound back?

Mr DAVID CAMPBELL: No. These are funding commitments to support particular businesses. We had given a commitment, which has been met and is not ongoing. As I indicated, Mount Panorama and, in the Blue Mountains, Echo Point were two significant projects that the Government had committed to, which were funded through this portfolio. That commitment has been met, so the funding for them is not ongoing.

The Hon. ROBYN PARKER: In other States, specifically Victoria and the Northern Territory, Regional Development is ranked very highly and the Ministers who hold that position are

valued, to the same level as Treasurer and Leader of the Government. They are respected positions in the Cabinet. Can you explain why you are ranked number 16?

Mr DAVID CAMPBELL: I believe that all ministers in the New South Wales Government hold respected positions in the Government and in the Parliament, and that they hold respected positions in the eyes of the community. The question is answered in that form.

Ms SYLVIA HALE: Minister, Mr Cullen remarked that the focus of the department was on helping businesses to grow, and you were able to produce details of a number of businesses that were relocating to the State and the jobs that would be generated. If you have a focus on why they grow, you can only address that if you know why other businesses do not grow. Surely a significant role of your department would be trying to analyse businesses that are failing to thrive, that are relocating or closing. Do you undertake this type of research?

Mr DAVID CAMPBELL: Businesses that are struggling to grow might be clients of the Business Advisory Service and they might receive some advice. We conduct mentoring programs to encourage businesses. We run a number of workshops around the State that provide business skills to encourage people to grow. I believe the facts are that some businesses are happy with the size of the business and do not want to grow. They are happy to just go on with the business. The facts are also that there are some people in business who are unable to run the business, who perhaps should not be in business. That is a matter of fact. Some people think it is a good idea, but they do not have the necessary skills. That is the reason why a business might fail. Someone might have a good idea and go into a business in a particular location where there is no market for it.

Ms SYLVIA HALE: Minister, I can appreciate that there is a multitude of reasons why businesses might not grow, might fail, or might prosper. I am asking what detailed research does your department undertake or commission so that, rather than merely relying on impressions and off-the-cuff reasons for failure, you will know if there are significant trends—whether it be failure to get sufficient venture capital, failure to have a sufficiently skilled workforce, or problems created by, say, trying to establish a business in a region, as opposed to a major urban centre? Do you undertake research of that kind?

Mr DAVID CAMPBELL: The department has a capacity and we interpret a whole range of publicly released surveys and reports. I think it is perhaps true to say we do not actually commission it, but we interpret what happens in a whole range of other places. Mr Harris might want to supplement that response.

Mr HARRIS: Yes, thank you. The Minister is absolutely right. Companies fail for a number of reasons. One of the more important things we do is collaborate with organisations that have similar aspirations—State chambers of commerce, Australian Business Ltd [ABL], the Australian Industry Group—all of whom are interested in the growth issues that surround small business. With over 400,000 small businesses in New South Wales the most valuable efforts we can be involved in are really those, as Michael Cullen said, on the proactive side. We try to work with companies to help them grow their businesses—those that are interested in growing their businesses.

There are a number of businesses that are lifestyle businesses—they simply do not wish to grow; they are perfectly happy in their circumstances—but the anecdotal evidence that is collected by us, with our business development managers in touch every day of the week with businesses throughout New South Wales, and with all of the work that is done through those other groups, such as chambers of commerce, ABL and others, is that there is a very solid base of understanding what the trends are at any particular time. What we try to do, again to retain the proactive stance, is deliver a number of support services. Seminars and advice sessions are delivered in person around the State.

In some of the high-growth activities we conduct we find companies demonstrating a real interest in growing. You can get them together in a group of 30, 40, even 100 companies and talk about trends that might affect them. I shall not labour the point, but we have a program that I believe has worked really well. It is called Visiting Experts. We know that from time to time there are issues confronting businesses in regional New South Wales. A lot of those companies our really good, small-to-medium enterprises, but they do not necessarily have access to some of the more sophisticated tools that their city cousins can readily access. They are perfectly capable of using them; it is simply a

matter of access. So we will sometimes find a person who is an expert in a particular area, and work with the department and our allies to take that person or persons around the State and talk to different groups of companies that we will bring together.

We have done things that range from improving the use of information technology in your business to improving your marketing techniques. We looked at succession planning in engineering companies in country towns. It is all about issues that we find from time to time affect the wellbeing, growth, and opportunity of small businesses. When you consider the numbers and the magnitude involved, it is really the most positive thing you can do from a base of knowledge of the general issues of the time and the best things one can do to address them, and that is exactly what we try to do.

Ms SYLVIA HALE: I am interested in the research you do and whether that is made publicly available. For example, there is a general assertion that the unfair dismissal laws are particularly onerous for small business. There is also the contrary assertion that it is not a concern for them and that it plays a very small role in whether a business succeeds or fails. Do you do research on those specific topics in order to provide a basis on which one can either support or refute a particular argument?

Mr HARRIS: No, the department does not do detailed research on those individual issues. As I said, we tend to consult with our colleagues in similar areas of interest. We draw on the anecdotal evidence and whatever surveys are done through the State Chamber of Commerce, Australian Business Ltd, and the Australian Industry Group. We, like everyone else in this business, follow with great interest any surveys that are done by groups such as Sensis. We follow any of those activities because they can guide us in the act of delivery of our services, but we are not a research organisation.

Ms SYLVIA HALE: Minister, may I return to your role as Minister for the Illawarra. I imagine you would consider the escarpment behind Wollongong to be a somewhat iconic feature of the region.

Mr DAVID CAMPBELL: Given that I grew up crawling all over it, climbing to Broker's Nose, and enjoyed spending nights up there as a kid, yes. There is a whole range of other reasons why I would say that that is the case. The simple answer is yes.

Ms SYLVIA HALE: So you would have welcomed Wollongong City Council producing an escarpment management plan?

Mr DAVID CAMPBELL: I was frustrated that it took them so long to develop that. I was frustrated that the former member for Cunningham said it was fine for them to take as long as they liked. I was frustrated that it took them so long, and I am frustrated that it is quite a convoluted document that most people are having trouble following.

Ms SYLVIA HALE: But you are aware that when it was developed it was subject to a considerable amount of community consultation?

Mr DAVID CAMPBELL: Yes.

Ms SYLVIA HALE: Have you heard concerns to the effect that the document the council forwarded to the Minister for Planning was very different to the document that went on display for public consultation?

Mr DAVID CAMPBELL: I think that is one of the reasons for my frustration. I think the council's process, the council's document, is somewhat unreliable.

Ms SYLVIA HALE: You would be aware of plans by the Village Building Company to erect six-storey apartment blocks on the escarpment at Bulli?

Mr DAVID CAMPBELL: I am conscious that the Village Building Company has lodged an application with Wollongong City Council to rezone that site. In the public domain there is a rezoning application; I think it has a draft master plan. It is not a development application for the site but, rather, a rezoning plan.

Ms SYLVIA HALE: Would you feel that six-storey buildings on the escarpment there would be inappropriate, given your obviously intense—?

Mr DAVID CAMPBELL: I would be surprised if we end up with six storeys on the site.

Ms SYLVIA HALE: I believe there is a dedicated sewage treatment plant at Bellambi Point that is soon to close.

Mr DAVID CAMPBELL: There is a sewage treatment plant there that currently treats sewage to a primary level. The Government, through Sydney Water, has been undertaking a major investment of more than \$200 million to take that primary sewage to the Wollongong sewage treatment plant, treat it to a tertiary level, and make sure that it is then available to industry and other users for reuse, so that the water does not end up in the ocean but is used by industry. Industry then will not use fresh potable water, which it currently uses.

The treatment plant at Bellambi Point will be downsized but will remain. It will not be closed totally; it will continue to have a back-up and overflow role in periods of heavy and high rainfall, which I trust will not be too far away. I think everyone else would also want to see some high rainfall. The sewage treatment plant at Bellambi Point is not to be closed entirely but is to have a lesser role in the treatment of effluent for our community, and that will follow the Government's significant infrastructure investment in water reuse through Sydney Water.

Ms SYLVIA HALE: Since the sewage treatment at Bellambi Point will be retained, will all the land on which it stands remain in public hands?

Mr DAVID CAMPBELL: I am aware that there has been a commitment that some of the land will be opened up more for public use. Quite a big chunk of land has been fenced off, and I understand that with a reduced site some of the land can be retained for public use. I am not aware of any proposals for the sale of any of that land.

Ms SYLVIA HALE: Presumably, you would be opposed to any transfer of that land out of public hands?

Mr DAVID CAMPBELL: I do not see a private use for that land, and, as I said, I am not aware of any proposals to sell the land.

CHAIR: Last year during an estimates committee hearing I asked a question about the Sound Audio Engineering [SAE] academy in Byron Bay. In the previous budget I think you allocated to that private academy funding in the vicinity of \$100,000. In the current budget, have you provided similar support to any other enterprises in, for example, the Ballina electorate?

Mr DAVID CAMPBELL: In the 2005-06 budget the Regional Business Development Scheme allocation would be available to assist a business that came forward. I am not aware that since 1 July 2005 we have specifically supported a business in the Ballina electorate. I do not know whether Mr Cullen can tell me whether there is a specific new proposal that we funded in that period. We may well be assessing one, but I am not aware of that either. You will appreciate—

CHAIR: Given that you provided specific funding to the SAE sound academy in the previous budget, have you provided similar funding to that business or any other business in the Ballina electorate?

The Hon. MELINDA PAVEY: He has given some to the Coffs Harbour electorate.

CHAIR: I am asking about the Ballina electorate.

Mr DAVID CAMPBELL: I will come back to that. There are many electorates around the State. It is not on an electorate-specific basis, it is on the basis of where a business is growing. Whether we have something specifically in the Ballina electorate or more particularly in the Northern Rivers—

CHAIR: I am wondering what criteria you used to choose that particular business and whether you have provided similar funding to other businesses. As we know, Ballina is a rapidly growing electorate with a lot of pressure on it, and there are many businesses there. I simply wondered whether there are similar donations or contributions from the department to other businesses.

Mr CULLEN: The details of assistance provided to any particular companies are commercial in confidence. I think the answer to the question about the SAE—

CHAIR: The SAE was not commercial in confidence, as I understand it.

Mr CULLEN: Sure. In terms of examples from the Northern Rivers, we think about things in terms of regions rather than electorates.

CHAIR: That is fine. I was simply trying to delineate your support.

Mr CULLEN: For example, as the Minister said earlier, one of the companies we have assisted is the Bay Lobster operation near Kingscliff, in northern New South Wales. There has also been some assistance to a company called Yamba Welding, which operates at the other end of that region. There is a whole string of companies that we help. To reinforce the Minister's point, it is very much about where does the business have the opportunity to expand and how do we help it overcome some of the issues that might stop it from being able to expand or grow.

CHAIR: What sort of financial support has the department provided to Bay Lobsters and Yamba Welding, for example?

Mr DAVID CAMPBELL: May I make it clear that it might not always be financial support. It might be support to bring people together to negotiate around some blockages. In considering a development application, someone may well not want to see a business expand on a given site, or there may be some objections. So we look at how we can help to facilitate that sort of thing. We might also look at how we can refer someone to a group of consultants who might help them prepare their proposal. There may well be a lot of information sharing as part of it—

CHAIR: I appreciate that; it is constructive. It simply seems to me that the SAE receiving from your department more than \$100,000 in funding support is not the regular way to go. Perhaps you could explain that. I appreciate that small businesses such as Bay Lobsters and Yamba Welding need support to get on their feet.

Mr DAVID CAMPBELL: Another example is Colin Heaney, a glass blower in Byron Bay.

CHAIR: What criteria did you apply?

Mr DAVID CAMPBELL: It is about how many jobs are going to come out of this. The bottom line is this: If we assist a business, how many new local jobs will it create? What new local economic activity will happen out of this? What is the level of the capital spend by the investor? They are the sorts of things to be considered.

CHAIR: With regard to your interest in regional development, is your department undertaking any activities to encourage value adding to industry in the forestry sector, which is obviously a generator of significant regional employment and it has obviously suffered in recent times?

Mr DAVID CAMPBELL: An example I might give is support we have given to Hyne and Sons in Tumburumba. As I mentioned, in the Tweed area there has been investment by Boral in value-adding its product. In the Northern Rivers, a company associated with the Harford family is value-adding.

The Hon. MELINDA PAVEY: Australian Solid Timbers at Kempsey?

Mr DAVID CAMPBELL: So across the State there are examples of our support for value adding, and across sectors, I might say. In the food sector as well there is a lot of encouragement.

CHAIR: Does your department have any input in terms of supporting regional areas to provide adequate medical services regarding bridging training of overseas doctors? Do you have any input in that area? I appreciate, of course, it is a health department issue primarily, but do you have a role to play in encouraging overseas-trained doctors with adequate training or location to regional areas?

Mr DAVID CAMPBELL: Not directly. We might help a local community gather some information to base their case on, but the regional development side of the department would not have a specific input into that.

CHAIR: In terms of seasonal workers—I am thinking particularly of shearers—given that the physicality and workers compensation premiums have driven many contractors away from the industry, does your department have any role to play in initiating programs to encourage people back into the industry, such as shearers schools?

Mr DAVID CAMPBELL: No, not specifically. I might say, in terms of skills across regional New South Wales, the department has a concern—I have had a concern—and that is why I have given a reference to the Standing Committee on State Development of the upper House, which I think you know the Hon. Tony Catanzariti chairs. There is an inquiry into a skills shortage in regional locations.

The Hon. MELINDA PAVEY: That would be a very good inquiry too.

Mr DAVID CAMPBELL: I look forward to seeing the report.

CHAIR: I refer again to the Illawarra. You are probably well aware of issues surrounding the raising of the Tallawa Dam wall and the impacts that will have on some environments and communities in that area. Could you comment on the responsibility, or who would take responsibility, and legal liability for increased damage and losses incurred as a result of the construction and operation of the new Tallawa Dam?

Mr DAVID CAMPBELL: I do not think I am in a position to comment. I do not have that information.

CHAIR: Do you have an interest in that in relation to its impact on coastal villages at Greenwell Point and Shoalhaven Heads in the Illawarra area?

Mr DAVID CAMPBELL: There is a process under way of consultation with the community, which has been a process I think supported by the Mayor of Shoalhaven. So there is a process under way to try to gather the facts and determine exactly what the impacts might be and how they might be mitigated. That process is in train.

The Hon. ROBYN PARKER: How many overseas and interstate trips have been undertaken by you, the director-general and departmental staff?

Mr DAVID CAMPBELL: In the current financial year?

The Hon. ROBYN PARKER: We are talking about the previous financial year. Those are the budget estimates we are talking about.

Mr DAVID CAMPBELL: In the previous financial year I travelled overseas on two occasions and interstate perhaps one or two times to ministerial council meetings. I would have to check specifically.

The Hon. ROBYN PARKER: Could you come back to us with details of where those trips were to, the location, the duration, the cost?

Mr DAVID CAMPBELL: In relation to international travel, one was for three weeks. I took advantage of the opportunity given to all Ministers to undertake a study tour. I visited centres in the United Kingdom such as Newcastle and Sheffield. The second occasion of international travel was when I led a trade mission to China—Beijing, Shanghai and Guangzhou. As part of the visit—

The Hon. ROBYN PARKER: Could we just have some specific details of your visits and of the department as well? Could you take that on notice and come back to us?

Mr DAVID CAMPBELL: I have described the nature of the international travel. I will double-check the exact number of interstate visits and that information will be provided.

The Hon. ROBYN PARKER: I would like information as to locations, costs, who took the trips, those sorts of things. Will you take that on notice?

Mr DAVID CAMPBELL: We will take that on notice. The information is published in the department's annual report. It is a public document that the Committee can have access to.

The Hon. MELINDA PAVEY: The Opposition has received information that says in August 50 businesses were liquidated due to their WorkCover premium issues. Are you aware of that?

Mr DAVID CAMPBELL: You have just said that the Opposition has got the information. I would not have been aware of that if you had not just told me.

The Hon. MELINDA PAVEY: Are you concerned about that?

Mr DAVID CAMPBELL: That the Opposition has information?

The Hon. MELINDA PAVEY: No, that businesses are being liquidated because they cannot pay their WorkCover bills?

Mr DAVID CAMPBELL: I have come to learn that when the Opposition waves information around it is sometimes inaccurate. We have seen that time and time again in the lower House. Without having had access to the information, it would be unwise of me to speculate on the accuracy of it.

The Hon. MELINDA PAVEY: I refer to the Illawarra. You are Minister for the Illawarra. How many departmental staff do you have looking after that area and where are they located?

Mr DAVID CAMPBELL: There is no budget and there are no resources in the portfolio of the Illawarra.

The Hon. MELINDA PAVEY: How many ministerial staff concentrate on Illawarra issues?

Mr DAVID CAMPBELL: The Premier's Department has one position—a departmental liaison officer position—that supports the work of the Illawarra portfolio.

The Hon. MELINDA PAVEY: Will you be making contact with that Premier's Department person to speak to the Health department people about a threatened closure of the Bulli emergency services department?

Mr DAVID CAMPBELL: The advice I have is that there is no threatened closure of emergency services at Bulli.

The Hon. MELINDA PAVEY: You talk about the Opposition throwing pieces of paper around. I have some pieces of paper from the South Eastern Area Health Service. It was a planning workshop and in this documentation it says, amongst other things, that the Bulli emergency services department should be closed, that there is a need for after-hours services in relation to mental health in the region, that it was agreed that the provision of emergency services at Shellharbour Hospital was not feasible or viable, and that it was suggested it would need to be either upgraded or downgraded. The document says that the emergency services provided at Shellharbour Hospital shall be reviewed;

that the roles of both Shellharbour and Bulli district hospitals are to be reviewed in the context of critical mass and in relation to Wollongong Hospital. It says that it was suggested that Sydney Hospital is another hospital that would require such a review of its emergency services. This is the documentation from a brainstorming session of departmental officials. Are you concerned about the language in this brainstorming? What will you be doing about it?

Mr DAVID CAMPBELL: Let us talk about the history of health services in the Illawarra.

The Hon. MELINDA PAVEY: I am sorry, I do not have time to talk about the history. We have only another 25 minutes of questioning and we have a lot of questions to get through. We want to get through those questions today.

The Hon. GREG DONNELLY: The Minister is entitled to answer the question.

The Hon. MELINDA PAVEY: I have not asked a question about the history of health services in the Illawarra.

Mr DAVID CAMPBELL: I think it is important for me to answer the question. The answer is important.

CHAIR: If you see it as relevant. However, I ask that the answer be as simple as possible.

Mr DAVID CAMPBELL: It is important to put it in context. People in the Illawarra and I certainly remember when the last Coalition Government closed Kiama Hospital—

The Hon. MELINDA PAVEY: That is a decade ago now.

CHAIR: Let the Minister answer the question.

Mr DAVID CAMPBELL: The current Labor Government reopened Kiama Hospital. I remember when the previous Coalition Government ceased the construction of what was known as the clinical services block and left a six-metre deep hole in the ground that collected water and bred mosquitoes on the site of Wollongong Hospital. People in the Illawarra know that this Government built the clinical services block. People in the Illawarra know that the previous Coalition Government refused to repair the roof of what was then called Hickman House, which leaked into the operating theatres. They know that this Government has demolished and rebuilt Hickman House. People recall that the previous Coalition Government was in negotiations to sell the Coledale Hospital site. They now know that this Government has invested \$5 million in reconstruction—

The Hon. MELINDA PAVEY: Time is ticking away, Minister.

Mr DAVID CAMPBELL: —of the Coledale Hospital site. People in the Illawarra know that this year the Government has committed to funding approximately an additional 100 beds—about 70 of those in medical surgical and about 30 of those in the mental health area. The contrast is indeed clear. I am aware that there is a document around that indicates the views of a handful of staff. It has no official veracity and it is not official policy. I am also aware that we have a Government and a health administration that continues to work hard to make investment in health and continues to look at the best way to deliver services. That is why we have seen an allocation to the Illawarra of a dedicated number of beds—three or four beds, I think—for mental health triage at the emergency ward at Wollongong Hospital. That is why we have seen recently a \$5 million investment in the emergency ward at Shellharbour Hospital. That is why we have seen recently the establishment of a dedicated gerontology unit at Bulli Hospital. So there is continued investment in health in the region and continued and continuing assessment of the best way to use the resources available to meet the demand.

The Hon. MELINDA PAVEY: As the Minister for the Illawarra, you are saying it will not be government policy under your Government that there will be a closure of the Bulli emergency services department or a downgrading of the Shellharbour Hospital? Are you saying over your dead body there will be no changes to the current formation of services?

The Hon. HENRY TSANG: You are trying to put questions in the Minister's mouth.

Mr DAVID CAMPBELL: The Hon. Henry Tsang is right, but I have been around a bit longer than that. I can go through chapter and verse the number of times that I have been a patient at Bulli Hospital, where I was born in 1957. However, I will not go through my history and my family's history at Bulli Hospital, or at Wollongong Hospital for that matter. As a parent I have taken my kids to Bulli Hospital to have stitches and to have bones repaired. I am conscious that people in that community continue to take their kids to Bulli Hospital to get stitches if they have a cut. But if there is a major trauma people are best placed to go to Wollongong Hospital, which has much more equipment. It now has an MRI machine, which this Government has funded and has provided funding for its operation, but the Commonwealth Government refuses to give a Medicare licence for it. Thomas George picked up the phone and got one for Lismore hospital. However, the member for South Coast and the member for Southern Highlands have refused point-blank to support the allocation of a Medicare licence for the MRI machine at Wollongong Hospital.

The Hon. ROBYN PARKER: You have mentioned that you have been a patient at these hospitals. Did you experience access block like many other patients have when trying to get into these hospitals?

Mr DAVID CAMPBELL: In my experience of seeking access to the public health system, I have not seen access block. I remember on one occasion being admitted on Christmas Day for an operation at Bulli Hospital—a successful operation, I might say—by the local GP at the time.

The Hon. ROBYN PARKER: Are you aware that access block is a critical issue and well outside target figures for these hospitals?

Mr DAVID CAMPBELL: The health system across this State and across—

The Hon. ROBYN PARKER: We are talking about the Illawarra.

Mr DAVID CAMPBELL: It has been reported in the media that, from time to time, there is a backup of people getting through emergency at Wollongong Hospital. As I have just indicated, the Government has allocated funds to establish a dedicated mental health emergency unit at Wollongong Hospital. That is part of dealing with the issues that you raise. If you can actually get those patients who present with mental health into a specific unit, there is more space for those people who have other medical or accident presentations. It is clear to me and to the Illawarra community that with capital investment—investment in new staff and new services, the Government and the area health service is responding to the health needs of the region. That work is ongoing and will continue to be.

The Hon. MELINDA PAVEY: You indicated earlier that you would suggest to patients in the Illawarra not to go to Bulli Hospital; if they have a trauma they should go to Wollongong Hospital. Do you concede that the service at Bulli Hospital is not good enough?

Mr DAVID CAMPBELL: I made the point that a trauma patient will be better serviced going to Wollongong Hospital. That is where the equipment, the MRI, the X-rays and the specialist services are. There is no doubt that people in the Illawarra understand that. They understand that Wollongong Hospital is the primary care campus and is where all the bells and whistles are; that is where you go if you have a trauma case. Something that is less traumatic can go to Bulli.

The Hon. MELINDA PAVEY: The leaked documents also show that there is a desperate need for after-hours mental health services. As Minister for the Illawarra are you making any effort, with your contact within the Premier's Department, to speak to the Health Department to get that?

Mr DAVID CAMPBELL: I have just made the point that the Government has made an investment in about 30 mental health beds.

The Hon. MELINDA PAVEY: But specifically after-hours access?

Mr DAVID CAMPBELL: Included in those approximate 30 mental health beds is a dedicated unit at the emergency at Wollongong Hospital, which would treat people out of hours as well.

The Hon. MELINDA PAVEY: In relation to the business enterprise centres [BECs] and the budget cuts that the department faced last year, do you think that some of the problems you are experiencing in not getting a full understanding of the impact that WorkCover, occupational health and safety, payroll tax, stamp duty increases and the vendor duty, has been through the closure of those offices throughout the State. In your opening remarks you said that the four biggest problems relating to small business were Federal issues. Any reasonable person talking to small business would see that that is not an issue. Do you think that the closure of the BEC offices is clouding your judgment?

Mr DAVID CAMPBELL: Let me restate the point that the question was: what are the big issues confronting small business. The big issues that confront small business, as reported to me by small business face-to-face, are the issues that I indicated. I have not conceded, and I do not concede, that we have no data on payroll tax and its implications and those other matters. Therefore, the question is a bit of a try-on. However, I will make this point—and I think you might not have heard me answer the detailed questions about business advisory services—that they are going very strongly and are assisting more businesses than they were projected to do. They have had more client contacts than was projected. They are working very strongly in an outreach sense and they continue to provide a great service for small business in regional New South Wales in particular.

The Hon. MELINDA PAVEY: What is of the future of the Cooma one?

CHAIR: Your time has expired. With respect to the Byron Bay area, we agreed that funding was given to the SAE and the person who is known as the public face of that sees himself in the business media as the twelfth wealthiest man in Australia. Also, this year you have given funding to Colin Heaney Glass Blowing—

Mr DAVID CAMPBELL: Not this year. It was 18 months to two years ago.

CHAIR: I appreciate that. He has a successful business and exhibits in New York.

Mr DAVID CAMPBELL: He has a strong export business.

CHAIR: A very strong export business. These are recognised as successful businesses in the Byron area in their own right, yet the local business incubator to help young people to get a start has not received any funding from your department to my knowledge. What is the criteria for funding? How do these very successful businesses, with high-profile owners or public-front people, get funding from your department, yet a business incubator, which seeks to get struggling young people into their first businesses in Byron, has not received any funding?

Mr DAVID CAMPBELL: We do not have a program that funds business incubators as such. We have a program that supports business start up through the business advisory services by giving business advice. We provide that support. If you are aware of specific businesses in your area of Byron or Ballina that are contemplating expansion, I would encourage you to contact my office or the department and we will work with them to see if we are able to assist them. SAE was considering establishing in Geneva in Switzerland and as a result of our negotiations and discussions with them, we now have that major international creative arts business located in the Northern Rivers. I invite any member of the Committee who is aware of any specific businesses in his or her local area that may be ready to grow, please contact us and we will have someone go and talk to them and see if we can assist. We are in the business of being positive in encouraging businesses to grow.

CHAIR: I appreciate that. I certainly do not doubt your good intent. Although I might disagree with your priority to maintain the business in the northern region rather than having it under threat to go to Geneva, does this not perhaps point towards a misdirection of priorities, which could be remedied by your department? It is very difficult for an individual to assess that a business is in need of support to help them grow their own business. Perhaps the onus should be on your department to help a business, such as the business incubator that works towards helping young people who may

have just finished TAFE, particularly in an area such as Byron Bay, which suffers greatly from lack of infrastructure. Perhaps your department could undertake a small but effective advertising campaign to encourage those people who may not have ready access to your department or to contact me. I am not in a position to go trawling for which company should receive funding. I encourage some dialogue from your department that could be effective and would avoid supporting businesses that do not need the same level of support as other businesses.

Mr DAVID CAMPBELL: I certainly was not suggesting that you would trawl through to try to establish which business was going to grow. It was on the basis that someone may speak to you in the surf at Byron or while you are shopping.

CHAIR: The surfing industry is doing pretty well, I might add.

Mr DAVID CAMPBELL: It was just in that context.

CHAIR: I appreciate that but do you take the point that there is a proactive role for your department?

Mr DAVID CAMPBELL: I do, and I will come to it. With respect to the support given to Colin Heaney, it was to encourage business growth through export. Indeed, the business development managers in the Northern Rivers are talking to people and the local councils all the time. They often have economic development people who we work in collaboration with. There are newsletters and a whole range of information, but the point you make about continuous improvement of our communications is one of the aspects of government that one is always working continuously to improve. I will take on board your point in our communications strategy and look at ways to ensure that the message is out there so that some assistance is available.

CHAIR: I appreciate that, but simply put: Why do you not specifically fund business incubators?

Mr DAVID CAMPBELL: Because traditionally they have been funded by the Federal Government. There is a Federal Government program that funds business incubators.

CHAIR: Surely, your department has a role to play?

Mr DAVID CAMPBELL: That is one reason. Another reason is that we get X dollars in our budget and we do try to work out the best way to spend it.

CHAIR: If you give Y dollars to the twelfth richest man in Australia, surely there is room to give a few dollars to business incubators in a particular region. Byron shire has massive pressure and huge problems for young people, who cannot afford to live in the area without getting some decent employment and are forced to move away. There is actually an exodus and part of that exodus is caused by certain people like SAE buying up local housing stock for their own students and staff and adding to a really acute shortage of affordable housing in the area. Giving funding to business incubators to help struggling young people in areas such as the small home-grown catering industries to various specific skills-based industries would put something valuable back into the community.

Mr DAVID CAMPBELL: I have a note from Ms Pavey about vacancies at Sunnybrand chicken.

CHAIR: I do not think that has an impact on these issues, which are of vital importance to youth employment and getting young people started in an area that does not have the infrastructure to employ a lot of people.

Mr DAVID CAMPBELL: Sure, and that is why we encouraged the \$20 million investment that now employs 33 people in those creative industries. It brings a lot of young people to study in that facility. I take on board your point about making sure that we are visible on the ground in areas such as the Northern Rivers and other parts of the State. We are an organisation that goes through a process of continuous improvement. We are always looking to stretch our allocations further and to encourage contact. That is one of the reasons that we have Small Business September, so that we can very much

be out there, saying that the small business sector is important; that the Government has policies to encourage small business and to encourage people to talk to the Department of State and Regional Development about small business issues. That is part of our process of continuous improvement. Your comments today are useful and we will certainly continue looking for opportunities to build on our communications strategies, to engage with people and to look at those specific businesses that we can assist.

Ms SYLVIA HALE: You realise that two years ago there was a commission of inquiry into Sandon Point. Will you be urging the Government to release its response to that inquiry?

Mr DAVID CAMPBELL: I will continue to seek a determination of the future of the site. As you will appreciate, the final decision is a matter for the Minister for Planning. The site is one that I know well both personally and as the local member. The commission of inquiry has reported and there is a need for a response to it. I am confident that the Minister for Planning will give that response as soon as he is in a position to do so.

Ms SYLVIA HALE: So you are pushing him to release a response.

Mr DAVID CAMPBELL: Let me say that I want to get a response. I want to get a finalisation of the future of the site at Sandon Point.

Ms SYLVIA HALE: In relation to the arson attempt on the tent embassy in 2004, do you know what stage the police investigation is at?

Mr DAVID CAMPBELL: I would not presume to seek to influence a police investigation into any matter. That is something the police need to undertake at their own discretion. For me to try to influence a police investigation is simply not on; I am not interested in doing that. That is very much at arm's length—

Ms SYLVIA HALE: But it is not a good look, is it, when you get an arson attempt in 2004 and 2005 and there is no resolution or even an indication as to what has happened to the investigation?

Mr DAVID CAMPBELL: The whole issue of an arson attempt is wrong; it should not happen and all that sort of stuff. I cannot give an answer other than to say that it would be absolutely wrong of me to try in any way, shape or form to influence a police investigation. I just will not do it.

Ms SYLVIA HALE: In 2004 your department funded the Country Week project at Homebush. I believe that funding was also provided for the programme in 2005. How is that program performing and does the department have plans to fund the program in the future?

Mr DAVID CAMPBELL: Country Week 2005 was held at Rosehill Gardens Event Centre from 5 August to 7 August to showcase country and regional New South Wales. It was in fact officially opened by Her Excellency the Governor of New South Wales. Country Week 2005 built on the success of the inaugural 2004 expo. Evaluations of the 2004 expo found that councils from regional New South Wales considered the event to be worthwhile, with some participating councils reporting almost immediate relocations of skilled people to their areas. More than 8,500 people attended this year's expo, which was up 14 per cent on last year's attendance numbers. Exhibitors indicated that they received a large number of genuine inquiries from people living in Sydney who wanted to move to country areas. This was an increase on last year's attendance numbers, when more than 7,500 people and approximately 490 businesses attended the event.

This year's campaign targeted retirees, businesses, young families, empty nesters and professionals looking to make lifestyle changes. Key participants in 2005 included the Government, the corporate sector, chambers of commerce and large employers, particularly those with skill shortages. Education providers, employment services and tourism organisations also had stands at the event. The fact that a number of local government authorities that were at the 2004 event came back in 2005 says that they see value in it. The Government supported the event in 2004 and 2005. At this stage we have not done a formal evaluation of the 2005 event to determine whether that support will continue in 2006. We do not even know whether there will be an event because it is not our event; it is organised by a private organisation, to which we provide sponsorship.

Simply because the event has just been held, you do not say, "We will sponsor it again next year". We want to look at how it works, what will happen next year and what will be the format. I think a committee inquiring into government expenditure and public administration would want us to ensure that we evaluate it and that any assistance is targeted. But as a matter of principle the whole purpose of having a Department of Regional Development is to encourage business investment and jobs growth in the regions. So underpinning our evaluation is that of our core business, but we will have a look at it. We will work with other sponsors and the proponents, and maybe we will not support it next year. I make no commitment one way or another, but we will seriously and in a detailed way evaluate what went on this year as we prepare our full programs for future years.

The Hon. GREG DONNELLY: In response to earlier questions, Mr Harris indicated that there is a plethora of information on small business that is in the public domain and readily available to anyone who is interested. Do you agree that it would be a complete waste of resources if your department researched matters that are readily available through material in the public domain and that it would take your focus away from the front-line services the department delivers?

Mr DAVID CAMPBELL: As a matter of good corporate governance and public administration you want to ensure that there was no duplication of effort when information is available and people can access it, use it and interpret it. Then you would take that information, rather than duplicate it—absolutely.

The Hon. GREG DONNELLY: As a Minister speaking to probably not hundreds but thousands of small business proprietors over a 12-month period, is it your experience that small businesses fail for a multitude of reasons? Does a small business collapse because of not one reason but a whole range of reasons?

Mr DAVID CAMPBELL: Yes, it is a statement of fact. As I said, some people would say in hindsight that they should never have been in a business in the first place. But some people who are in a business say that creeping acquisitions, predatory pricing or third line forcing by the major retailers forced them out of business. So a whole range of issues would lead to someone to decide that their business is non-viable or, indeed, that their personality is not suited to be in a particular business.

The Hon. GREG DONNELLY: But it is not your experience that a small business collapses because of only one issue such as workers compensation.

Mr DAVID CAMPBELL: Usually it is not a single issue, and it is a simplistic approach that you expect some people to raise. Business is a complex issue, and I think that is the crux of your question. It is complex and, for the sake of being simplistic and not having done the research, to simply say that it is a single issue is unfair and inappropriate.

The Hon. MELINDA PAVEY: Have you owned and operated a business?

Mr DAVID CAMPBELL: No, I have not, and I have made that very public on many occasions. I also make very public that when I was growing up my parents operated a small business. I worked alongside them, I saw the hard work they put in, I saw the satisfaction they got out of their customer service, and I saw their hearts break when their business site was burned down by an arsonist and they had difficulty relocating their business. Certainly, I have sat there and done the books, I have stood behind the counter and served customers, I have bought the product, and I understand the trials and tribulations that confront people.

CHAIR: Earlier during a deliberative meeting the general consensus was to allow 35 calendar days for answers to questions taken on notice. Given that you have answered so many questions and there are relatively few questions on notice, will you be prepared to furnish your answers in 14 days?

Mr DAVID CAMPBELL: I will ensure that the answers are here as quickly as we can get them. If we can get them here in seven days we will. If it takes us 21 days, it will take us 21 days. It is appropriate for me simply to say that, given a specific time frame, we want to get the answers as

quickly as possible so that we can get on with our core business of supporting regional development and small business. We will get them here as quickly as we can.

CHAIR: Will you and/or your departmental officers be available should further hearings being required?

Mr DAVID CAMPBELL: If there is an invitation we will consider it.

The Committee proceeded to deliberate.
