

GENERAL PURPOSE STANDING COMMITTEE No. 5

Thursday 22 September 2005

Examination of proposed expenditure for the portfolio area

PORTS AND WATERWAYS

The Committee met at 8.00 p.m.

MEMBERS

Mr I. Cohen (Chair)

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

The Hon. M. J. Pavey
The Hon. G. S. Pearce
The Hon. P. T. Primrose

PRESENT

The Hon. E. M. Roozendaal, *Minister for Ports and Waterways*

NSW Maritime Authority

Mr C. Oxenbould, *Chief Executive*

Mr A. Middleton, *General Manager, Shipping, Security and Environment*

CHAIR: I declare the hearing open to the public. I welcome everyone to this public hearing of General Purpose Standing Committee No. 5. First I thank the Hon. Eric Roozendaal and departmental staff for attending. At this meeting the Committee will examine the proposed expenditure for the portfolio area of Ports and Waterways.

Before questions commence, some procedural matters need to be dealt with. I point out that in accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, which is available from the Chamber support officers and the 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 own staff while at the table. Members and their staff are advised that any messages should be delivered through the Chamber support officer on duty or the Committee clerks. The Committee will examine the portfolios together, if that is all right with you, Minister.

The Hon. ERIC ROOZENDAAL: That is fine by me.

CHAIR: Minister, do you wish to make a brief statement?

The Hon. ERIC ROOZENDAAL: Thank you, Chair. I am sure that all Committee members are aware that I have only been in the portfolio for a short period of time—but I must say that it is a very pleasant view from this side of the table. In terms of my priorities since becoming a Minister, there are a number of them. The first, of course, is maritime security, which is quite relevant in the light of the new international threat of terrorism. The Committee will be aware that that is obviously a major concern, and that involves maritime security and security of our ports. We have to ensure that all our ports are of a world class infrastructure level. We compete in the international market and it is very important that our ports maintain that level. Of course, we ensure the financial future of our ports. Our State ports—that is, Sydney, Newcastle, and Port Kembla in particular—carry more than \$60 billion in trade each year, and that is sustaining over 30,000 direct and indirect jobs.

The State's ports are vital to the future of New South Wales and they are very important for our economy, obviously. My personal view is that I am responsible for sensible and responsible job development and for securing the economic future of this State. I want to see more boater-friendly waterways for the State's 1.5 million recreational boaters and for our \$2.1 billion boating industry. We have approximately 2,140 kilometres of coastline and about 12,500 square kilometres of navigable waters that are my responsibility. I believe we should ensure that our boating industry and our boaters get every opportunity to enjoy them in a sensible way.

The Hon. GREG PEARCE: Minister, I realise you are new to the job. Can you let me know who you have along with you tonight as advisers, please?

The Hon. ERIC ROOZENDAAL: I have Rear Admiral Chris Oxenbould, the Chief Executive of NSW Maritime, and Mr Tony Middleton, the General Manager of Shipping, Security and Environment, New South Wales Maritime.

The Hon. GREG PEARCE: Is anyone here from the ports corporations?

The Hon. ERIC ROOZENDAAL: No, there is no-one here from the ports corporations.

The Hon. GREG PEARCE: Fair enough. Minister, are you a senior Minister, or another Minister?

The Hon. ERIC ROOZENDAAL: I am not sure. I am a Minister in the Government. I am not sure what many ranked is.

The Hon. GREG PEARCE: Well, there are two categories of Ministers. There are senior Ministers who are appointed by the Premier and then the remaining Ministers are other Ministers.

The Hon. ERIC ROOZENDAAL: I probably assume I am a junior Minister, from where I am in the pecking order.

The Hon. GREG PEARCE: How much is your salary of office?

The Hon. ERIC ROOZENDAAL: I do not have that information.

The Hon. PETER PRIMROSE: It is on the public record.

The Hon. GREG PEARCE: I am just trying to establish where the Minister fits in.

The Hon. PETER PRIMROSE: It is like shadow Ministers: You categorise them into former and current.

The Hon. GREG PEARCE: Do not take up my time at the moment. I am just asking questions, thank you.

The Hon. PETER PRIMROSE: It is on the public record.

The Hon. GREG PEARCE: If you are an outer Minister you have a salary of \$63,071, and if you are a senior Minister you have a salary of office of \$74,136.

The Hon. PETER PRIMROSE: I told you it was on the public record.

The Hon. GREG PEARCE: I am trying to work out which position you have been appointed to. I would have thought you would know.

The Hon. ERIC ROOZENDAAL: To be really honest, I have not really looked at the salary, to be honest. It is not a real issue to me.

The Hon. GREG PEARCE: I assume you have some ministerial staff?

The Hon. ERIC ROOZENDAAL: Yes.

The Hon. GREG PEARCE: How many ministerial staff?

The Hon. ERIC ROOZENDAAL: I think the issue of ministerial staff is a whole-of-government question and I will have to take that on notice.

The Hon. GREG PEARCE: You do not know how many ministerial staff you have?

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

The Hon. GREG PEARCE: Why would you have to take it on notice? Do you know how many ministerial staff you have?

CHAIR: Mr Pearce, he has the choice to take it on notice if he does not know.

The Hon. GREG PEARCE: I know that, but I am asking him why he wants to take it on notice.

The Hon. GREG DONNELLY: I think this is badgering the Minister.

The Hon. GREG PEARCE: Just give me a fair go.

CHAIR: If you ask a question and the Minister chooses to take it on notice, that is his right.

The Hon. GREG PEARCE: Yes, but I can ask him.

The Hon. MELINDA PAVEY: Is it more than 10 fingers?

The Hon. ERIC ROOZENDAAL: I could sort of say it is only two fingers, Melinda, but I will not. Look, I will take it on notice, and that is my answer.

The Hon. GREG PEARCE: Okay. Take it on notice and, if you could, give us the total salaries being paid to your ministerial staff too. I assume you will take that on notice as well. I am trying to get to the cost of your office, and that includes the total salaries, the accommodation costs, and the other expenses of your ministerial office such as Minister 's staff.

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

The Hon. GREG PEARCE: Thank you. Is your ministerial office hosted through the Premier's Department, or how is it accounted for in the budget and in the administrative arrangements?

The Hon. ERIC ROOZENDAAL: I am advised that ministerial staff are employed by the Premier's Department. I am happy to get back to you on the question.

The Hon. GREG PEARCE: It is probably one of those hosted in the Premier's Department?

The Hon. ERIC ROOZENDAAL: I will get back to you.

The Hon. GREG PEARCE: So you have taken that on notice. There would be no point asking you about your car and who pays for that—the car and driver? You would not know, I assume?

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

The Hon. GREG PEARCE: Fine. What proportion of the budget that you administer is consolidated revenue funding?

The Hon. ERIC ROOZENDAAL: I might ask the rear admiral to respond to that.

Mr OXENBOULD: The New South Wales Maritime Authority does not receive any funding from the Consolidated Fund. We gain revenue through the boating fees that we charge and also through the properties that we manage. We take our expenses out of that and we return a distribution to the Government each year.

The Hon. GREG PEARCE: Do you pay the Minister's expenses, his staff and accommodation and car and salary?

Mr OXENBOULD: I think the Minister has indicated that he is taking that question on notice.

The Hon. GREG PEARCE: No. I am asking you whether you pay it.

Mr OXENBOULD: It does not come out of our budget.

The Hon. GREG PEARCE: You do not have anything to do with the ports authorities, but are they funded in the same way, or do they receive funding from consolidated revenue?

Mr OXENBOULD: The three port corporations are State-owned corporations and they generate their own revenue from their operating activities, and they also provide a return to the Government. They are not dependent upon distributions from the Consolidated Fund.

The Hon. GREG PEARCE: Do any of the ports authorities pay the Minister's expenses and his staff and accommodation and car?

Mr OXENBOULD: Not that I am aware of.

The Hon. MELINDA PAVEY: Mr Roozendaal, would you agree that politicians are perceived in the community—as you are a Minister, I ask this—as distrustful, alienated, sceptical and disillusioned, and that the community is cynical about politicians?

The Hon. ERIC ROOZENDAAL: I do not think that question is relevant to my portfolio.

The Hon. MELINDA PAVEY: I think it is relevant to the fact that you are a Minister of the Crown and you are a politician. Do you agree that that is a perception that they may have?

The Hon. ERIC ROOZENDAAL: I do not think it is relevant to the budget estimates, frankly.

CHAIR: Can I suggest that you couch the question in terms of his ministerial responsibilities in some way?

The Hon. MELINDA PAVEY: In terms of your ministerial responsibilities and the cost of all your entitlements of ministerial office, the public casts an eye pretty cynically on a Minister with all those trappings of office. Do you believe that the community has that perception of politicians?

The Hon. GREG DONNELLY: Point of order: I am looking through the estimates guide. Specifically, 4.4 of the guide states that, due to the broad nature of the budget estimates inquiries, wide latitude is allowed in asking questions on any of the proposed expenditure contained in the budget papers or prior expenditure. It seems to me that the question has nothing to do whatsoever at all with the proposed expenditure in the budget papers or prior expenditure.

The Hon. GREG PEARCE: To the point of order: Chair, the Hon. Greg Donnelly is only a very new member of the House. I am sure that you, Chair, will indicate to him that a very broad interpretation has been taken in estimates as to the matters that can be the subject of questioning, and that that has been reaffirmed in all of the estimates committees on numerous occasions.

The Hon. PETER PRIMROSE: Further to the point of order: I am not so new. It would strike me that normally we do not have philosophical banter about whether members of The Nationals or others are seen in a particularly poor light in New South Wales by citizens. I mean, we really are here for a purpose, and that is to examine public expenditure. We are not here to discuss psephology is appropriately discussed.

CHAIR: The Hon. Greg Donnelly quoted from the guide. There will be ample opportunity to ask specifically about present expenditure and the proposed expenditure of this portfolio, to prove a point. I ask that the Hon. Melinda Pavey apply her questions to the portfolio and see what she can glean in terms of response.

The Hon. GREG PEARCE: One element about that—

CHAIR: We do not need to have a discussion about that. Just apply the questions to the portfolio.

The Hon. GREG PEARCE: One element of his responsibility is clearly public perception and value for money. That is the direction in which the Hon. Melinda Pavey was going.

CHAIR: If there is to be a question on value for money, perhaps she should be looking at the areas of expenditure in the budget; that is wages and salaries and so on. Could we turn to the costs incurred in the portfolio from now on.

The Hon. MELINDA PAVEY: To the point in respect of value for money for politicians, the words I used about distrust and value for money are words that you have actually given to Labor Party senior office bearers. There is a problem in the community about cynicism. Do you think the public would be cynical that your ministerial office trappings cost about half a million dollars? You have not been able to give a figure tonight, because you do not know. That is a good reason for cynicism in itself. Are you concerned about that, having raised those concerns previously in another forum?

The Hon. ERIC ROOZENDAAL: First of all, I do not accept the basis of your question. I think you are quoting from fiction. What you said was not in any way accurate.

The Hon. MELINDA PAVEY: Have you taken legal action against Mr Latham?

The Hon. TONY CATANZARITI: Point of order: That is getting beyond a joke. I ask you to direct the member to return to the portfolio. That is the why we are here.

The Hon. GREG DONNELLY: Government members have something to say.

CHAIR: Yes, you will have an opportunity.

The Hon. GREG PEARCE: You are taking up our time. If you are going to go on like that it is going to be a long night.

CHAIR: Excuse me. I suggest you allow the Minister to answer the question.

The Hon. ERIC ROOZENDAAL: We are not in the Local Court, and I have answered the question. You are quoting from a clear piece of fiction.

The Hon. MELINDA PAVEY: Are you taking legal action against Mr Latham—

The Hon. TONY CATANZARITI: Point of order: Mr Chair, I believe that this is not the reason for the budget estimates hearing. I ask you to ask the member to return to the budget estimates.

CHAIR: As I said before, please ask questions specifically pertaining to expenditure, past, present and future, for this portfolio.

The Hon. ERIC ROOZENDAAL: To finish my answer: Of course it is a piece of fiction and I will not respond. But regarding the usual perception of politicians, I can understand that question coming from the Coalition, particularly in light of what has happened recently to them. One only has to listen to what the Hon. Patricia Forsythe said on *Stateline*.

The Hon. GREG PEARCE: So, you are objecting to the question, but you are very happy to run off at the mouth.

CHAIR: As I have said—

The Hon. GREG PEARCE: If you are going to be consistent—

CHAIR: Excuse me, Mr Pearce. It is very easy to spoil this whole process, on both sides. I have some questions I would like to ask. I suggest to the Minister and the Opposition that they just allow the question to be answered without resorting to schoolyard tactics.

The Hon. GREG PEARCE: If I could continue on—

CHAIR: Excuse me, the Minister was answering a question. I would like to get the answer, minus the commentary.

The Hon. ERIC ROOZENDAAL: That question is a waste of taxpayers' time. I will not answer it.

The Hon. GREG PEARCE: To continue rounding out the issue. The concern is that until you were appointed as Minister for Ports and Waterways, the portfolio was subsumed in a number of other portfolios. Most recently it was part of Roads, Economic Reform, Ports and the Hunter. There is a very legitimate issue here as to why your portfolio was made a separate portfolio and you were given the salary and other resources and expenses of a Minister to run a portfolio which previously either did not exist, or was part of numerous other portfolios? That is why my colleague is asking questions about value for money. I am asking you to justify to me why you should have a separate

portfolio of Ports, given that you do not have any revenue coming from consolidated revenue and the bodies that you administer are profitable self-funding bodies themselves? You seem to be completely superfluous and just a complete waste of money and an expensive—

The Hon. GREG DONNELLY: Point of order: That is out of order.

The Hon. TONY CATANZARITI: It is stupid.

The Hon. MELINDA PAVEY: It is not. It is a legitimate question.

The Hon. GREG PEARCE: Minister, I ask you to justify your separate portfolio.

The Hon. TONY CATANZARITI: Point of order:

CHAIR: Before you take a point of order. Minister there is a question to be answered in terms of the change of portfolio. Perhaps you could explain—

The Hon. GREG PEARCE: I am asking for justification.

The Hon. PETER PRIMROSE: Point of order: I have a point of order as well, and that is that this is outside the competence of the Minister. That decision was not made by the Minister. The Opposition had plenty of time and opportunity to raise this matter with the Premier. I attended the Premier's budget estimate hearing recently and the Opposition chose not to raise this matter with the Premier.

The Hon. MELINDA PAVEY: We had two hours to grill the Premier and we were not going to waste any of that time discussing Eric Roozendaal.

The Hon. PETER PRIMROSE: The Premier had the opportunity to answer questions on that. As a consequence, the Opposition is seeking to ask—

The Hon. GREG PEARCE: Is the Minister prepared to speak for himself?

The Hon. TONY CATANZARITI: A point of order has been taken. The Chair should rule on that.

The Hon. GREG PEARCE: He still has to justify the fact that he is running around as the Minister in this portfolio.

CHAIR: Minister, would you like to answer that question?

The Hon. ERIC ROOZENDAAL: I think the Premier made a determination to give me that portfolio. Our State ports currently carry over \$60 billion of trade through them each year, sustaining over 30,000 jobs. That is pretty damn important to the economy of New South Wales. Although you may not agree, I think I have an important role in ensuring that maritime security is at competent levels through all of our ports. Ensuring the financial future of the ports is a pretty important part of my role as Minister. I do not see any need to justify to you why I am the Minister. I can clearly hear tones of jealousy in the comments. Be that as it may, it is a very important role and I am very proud to represent the people of New South Wales in that role. If you want to waste the rest of your time with those sorts of silly questions, go right ahead.

The Hon. GREG PEARCE: Do you think the maritime authorities and the ports authorities already competently undertake those roles, given that they were able to do it when they were part of other portfolios? They returned revenue to the State Government without your intervention.

The Hon. ERIC ROOZENDAAL: The ports corporations operate quite effectively. Sydney Waterways operates quite competently. Obviously I will ensure that they continue and that the \$60 million in trade that goes through our ports each year that sustains 30,000 jobs is an important priority. I will work closely with Rear Admiral Chris Oxenbould and others in his organisation, as well as with the ports corporations, to ensure we get maximum value.

The Hon. MELINDA PAVEY: What is the average cost of a boat licence for the 1.5 million boaters in New South Wales?

The Hon. ERIC ROOZENDAAL: Is that for the one-year licence or the three-year licence?

The Hon. MELINDA PAVEY: Average?

The Hon. ERIC ROOZENDAAL: For the one-year or the three-year licence? There are two licences.

The Hon. MELINDA PAVEY: Well, what is it?

CHAIR: You can answer that by letting the member know the cost of both licences.

The Hon. ERIC ROOZENDAAL: The three-year licence is \$89; the one-year licence is \$36. Of course, after 1 October that may rise with the CPI.

The Hon. MELINDA PAVEY: Can the Minister advise why there was a blow-out in recurrent spending in the ports and waterways of \$16.6 million for the 2004-05 financial year?

Mr OXENBOULD: Which line item are you referring to, and which budget paper? Is it Budget Paper No 4?

The Hon. GREG PEARCE: Does the Minister know the answer?

CHAIR: Order! The Minister can refer to his advisers.

The Hon. GREG PEARCE: I am fully aware of that but I am asking a separate question.

CHAIR: I think it is reasonable for Ministers to do that.

The Hon. MELINDA PAVEY: There are not many pages in that budget paper.

Mr OXENBOULD: Is it page 17-27? Which line item is it?

The Hon. GREG PEARCE: It is page Budget Paper No. 3, Volume 2, at page 17-27.

Mr OXENBOULD: And which line?

The Hon. GREG PEARCE: It is total retained revenue.

Mr OXENBOULD: Could you repeat the question?

The Hon. MELINDA PAVEY: Why was there a blow-out in recurrent spending in ports and waterways of \$16.6 million for 2004-05?

Mr OXENBOULD: A lot of expenses are involved there. You can see that the major one you are talking about is total expenses, going from \$76.9 million to \$93.6 million. There have been increases over areas of borrowing costs of about \$1 million. I can go into each of those lines if you wish, or I can provide them on notice.

The Hon. GREG PEARCE: Could you give us borrowing costs in particular and then maintenance costs?

Mr OXENBOULD: The largest items in the maintenance expenditure are for building and wharf maintenance and the remediation of Homebush Bay. It also included a maintenance agreement for computers and the hire of plant. During the last financial year, 2004-05, the increase in maintenance expenses was due mainly to building maintenance of \$1.174 million, Homebush Bay remediation expenses of \$7 million, and a write-off against external service components of Walsh Bay

wharves 2 and 3 construction that relate to the repair and remediation of the site. The biggest single difference was the \$7 million for Homebush Bay remediation. We were not expecting to pay that until this current financial year. That had to be brought forward before 30 June because that work started earlier than we were expecting.

The Hon. MELINDA PAVEY: What did the remediation work involve?

CHAIR: The member's time is up but she will be given another opportunity.

Ms SYLVIA HALE: A recent report commissioned by the Sea Freight Council of New South Wales forecast that, in the wake of the expansion of Port Botany, truck traffic would increase by between 3,400 and 4,600 trucks per day, which is twice the current level. What plans are in place, if any, to deal with this considerable increase in truck movements to and from Port Botany if the proposed port expansion goes ahead?

The Hon. ERIC ROOZENDAAL: I am advised that at the moment the Sydney Ports Corporation has a proposal to expand Port Botany. That is subject to a planning process. A commission of inquiry into Port Botany concluded its public hearings earlier this year. Planning approval, including consideration of the commission's report, is a matter for the Minister for Planning, Frank Sartor.

Ms SYLVIA HALE: Surely as Minister for Ports and Waterways you would be concerned if there were an extraordinary number of truck movements in the vicinity of the port that clogged up port operations. Critical to the port's operation is getting freight into and out of the port. I would have thought this would have been a matter of considerable interest to you.

The Hon. ERIC ROOZENDAAL: The Port Botany expansion and the associated issues are matters of planning that fall within the responsibility of the Minister for Planning.

Ms SYLVIA HALE: I am finding this difficult to understand. You are Minister for Ports and Waterways, and that is your sole responsibility. I understand you would feel it incumbent upon yourself to discuss these issues with the Minister for Roads, the Minister for Transport, and the Minister for Planning to try to devise some sort of solution to obvious difficulties that are going to arise in relation to the expansion of the port.

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

Ms SYLVIA HALE: Has Kristina Keneally, the honourable member for Heffron, raised these concerns with you?

The Hon. ERIC ROOZENDAAL: I have not had a conversation with Kristina Keneally on this matter.

Ms SYLVIA HALE: That strikes me as somewhat odd, Minister. I remember well attending—

The Hon. TONY CATANZARITI: Point of order: I think the Minister answered the question.

CHAIR: The member's follow-up question challenges the Minister's answer. I think that is quite reasonable. Perhaps the member can explain why she has a further question on that matter?

Ms SYLVIA HALE: I shall. Minister, prior to Ms Keneally's election as the member for Heffron, she spoke at a large public meeting in Botany about the proposed expansion of the port and gave undertakings to everyone there that she would raise the matter of the potential impact of the port's expansion. Are you telling me that she has not raised these concerns with you?

The Hon. ERIC ROOZENDAAL: Traffic generation or any other traffic matters out of Port Botany would be an issue for the Minister for Planning to deal with.

Ms SYLVIA HALE: Minister, could you explain to me what is your role as Minister for Ports and Waterways? Obviously you do not seem to be concerned about what goes into the port, what comes out of it, or how it gets in or out. What do you do as Minister for Ports and Waterways?

The Hon. ERIC ROOZENDAAL: I have already answered these silly sorts of questions. I will not get into crazy banter with you. My responsibilities, if I need to explain them to you, are very clear: to ensure that our ports operate correctly, that we maintain maritime security, and that the port operates effectively and economically. My responsibility is also to ensure that the 30,000 jobs that are generated out of the ports and the \$60 billion worth of trade continue because they are an important part of infrastructure for New South Wales. I assume you were at the estimates for Minister Sartor, so you well know that that is where you should have been asking questions relative to planning. So do not waste taxpayers' time and my time with these silly questions.

Ms SYLVIA HALE: Minister, you just said that your role as Minister for Ports and Waterways is to ensure the effective operation of those ports. If those ports cannot operate effectively because of congestion caused by a doubling of truck movements, how do you propose to deal with that? Presumably there are 30,000 jobs and \$60 billion worth of work at stake each year.

The Hon. ERIC ROOZENDAAL: You set up a straw man and picked a figure relating to the number of trucks out of the air based on an assumption.

Ms SYLVIA HALE: They are Sea Freight Council of New South Wales figures; I did not produce the figures.

The Hon. ERIC ROOZENDAAL: I am not aware of that report. Can I answer your question before you interrupt me again?

The Hon. MELINDA PAVEY: That would be good.

The Hon. ERIC ROOZENDAAL: You just make up a figure or pull it out of some report.

CHAIR: Order! The Minister will answer the question.

The Hon. ERIC ROOZENDAAL: You are not aware of the issue. Port Botany expansion is an issue for the Minister for Planning. He has not yet brought down a determination on that issue or released the commission's findings. So you hypothetically set up a scenario and babble on, forecasting all these other outcomes. It is simply a fictitious strategy, it is hypothetical and ridiculous and I will not waste my time answering.

Ms SYLVIA HALE: Minister, have you had any discussions with any of your ministerial colleagues about increasing rail freight capacity to and from Port Botany?

The Hon. ERIC ROOZENDAAL: I have had a number of discussions with my colleagues over a number of issues related to the port.

Ms SYLVIA HALE: And in relation to rail freight?

The Hon. ERIC ROOZENDAAL: In relation to freight, yes.

Ms SYLVIA HALE: How do you intend to augment the number of container units that are moved by rail?

The Hon. ERIC ROOZENDAAL: There has not yet been a determination on what will happen at Port Botany. I am aware that the Sydney Ports Corporation has a proposal for the construction of an intermodal facility at Enfield. I understand that at the moment the proposal is subject to a planning process. I am advised that the Government's port freight plan sets out a process for managing metropolitan intermodal freight tasks over the next 20 years. I am further advised that the development of the plan has had the benefit of a detailed review process by the Freight Infrastructure Advisory Board [FIAB]. The FIAB report and the Government's response are matter for Minister Sartor.

Ms SYLVIA HALE: Minister, I am not sure whether you have had an opportunity or are prepared to do so, but have you seen the judgment that was handed down in the Land and Environment Court that gave the go ahead to the Patrick proposal for an intermodal freight terminal at Ingleburn? At the time the Minister for Planning argued that if that development were to go ahead it would seriously impede the port's proposed growth policies. As Minister for Ports and Waterways, what response do you have to the court's finding and the development of the intermodal terminal at Ingleburn?

The Hon. ERIC ROOZENDAAL: I am sorry, I do not understand the question.

Ms SYLVIA HALE: I am saying it was very strongly argued within the court that approval of an intermodal terminal at Ingleburn would impede the development of a ports growth policy.

The Hon. ERIC ROOZENDAAL: I am not going to take on face value what you tell me here.

Ms SYLVIA HALE: I can give you a copy of the judgment if you would like, Minister.

The Hon. ERIC ROOZENDAAL: That is fine if you want to give me a copy of the judgment. It is clearly a planning matter that was determined by the Land and Environment Court and would fall outside my portfolio.

Ms SYLVIA HALE: Minister, I find it extraordinary that you are Minister for Ports, you have no other area of concern in your portfolio and yet on every substantive question that you are asked you say "It is not my responsibility". Again I ask you, what do you do as Minister for Ports, other than draw a salary?

The Hon. TONY CATANZARITI: Point of order: I believe the Minister has answered this question not once, not twice, but a third time.

The Hon. GREG PEARCE: He can be asked as many times as we like.

The Hon. TONY CATANZARITI: I am asking the Chair, I am not asking you.

CHAIR: Do you mind? All these conversations can be carried out in the schoolyard, if you like.

The Hon. GREG PEARCE: She can ask the question as many times as she likes.

The Hon. TONY CATANZARITI: Are you chairing this?

CHAIR: Do you mind? Do you both mind?

The Hon. GREG PEARCE: I don't mind. You asked me if I minded and said I don't.

CHAIR: You know why I was saying it. I was asking you to shut up.

Ms SYLVIA HALE: Minister, can I ask you—

The Hon. TONY CATANZARITI: There is a point of order.

CHAIR: There has been a point of order and I think it is a fair call for the Minister to be asked what his responsibilities are in what is an important portfolio. If that question is directly asked, it is a fair question. If the Minister does not answer it satisfactorily, that is his business.

The Hon. TONY CATANZARITI: That is exactly my point of order. I believe he has answered it not once, not twice, but a third time.

The Hon. GREG PEARCE: It is not a point of order.

The Hon. TONY CATANZARITI: It is. You are not chairing this.

The Hon. GREG PEARCE: I am not chairing it to you. I am entitled to respond through the Chair on the point of order and my view is that that is not a point of order.

The Hon. ERIC ROOZENDAAL: I am a bit lost.

CHAIR: I am a bit lost, too. I am about as experienced a Chair as you are a Minister, I suppose. I suggest we continue. We take the member's point that the Minister has been asked the question a number of times. If he has not satisfactorily answered that question, I suggest you ask another.

Ms SYLVIA HALE: It is obvious the Minister is incapable of answering a question adequately.

CHAIR: We do not need that comment. Ask the question.

Ms SYLVIA HALE: What discussions, if any, have you or your department had with the Commonwealth Government or agencies with regard to using AusLink funding to upgrade rail freight infrastructure to and from Port Botany?

The Hon. ERIC ROOZENDAAL: It is clear that the Hon Sylvia Hale is obsessed with—

Ms SYLVIA HALE: Ms will do.

The Hon. ERIC ROOZENDAAL: You are a really quite a rude person.

CHAIR: Minister—

The Hon. ERIC ROOZENDAAL: I am trying to answer but I am getting continually interrupted. Clearly, Ms Sylvia Hale, MLC is obsessed with pending planning processes. If you really want to talk about some of the other issues involved in the portfolio, we can talk about the ports growth plan, port security, work in the harbour, Port Kembla, boat licensing, crewing on commercial vessels, alcohol and lots of things. These are questions you should have addressed to the Minister for Planning.

CHAIR: Minister, you have a right to answer the questions as you see fit. You might have a list of areas that you want to cover that might be dealt with by government members asking questions. Ms Hale has an equal right. I suggest the question regarding AusLink funding and upgrading rail infrastructure to and from Port Botany is a reasonable question.

The Hon. ERIC ROOZENDAAL: It is not within my portfolio.

CHAIR: Then that is your answer. Give that answer.

Ms SYLVIA HALE: It is.

The Hon. ERIC ROOZENDAAL: I am sorry, it is not within my portfolio.

Ms SYLVIA HALE: Your grasp of your portfolio is quite stunning. The Government has flaunted the metropolitan strategy as a holistic all-of-government approach to planning.

CHAIR: Excuse me, Mr Catanzariti, this committee is constituted under the same rules and regulations as the parliamentary process and there has been a significant amount of unparliamentary behaviour from various sides. I suggest we abide by the rules, go through the Chair and allow the process to be undertaken. I am talking here also of members of the Opposition. If we can go through this process it might be productive, even if in some people's perspective there is a lack of answers. So be it. That is part of the process.

The Hon. GREG PEARCE: Thank you, Chair. I appreciate your calling Mr Catanzariti to order and I would appreciate it if you would continue to do so.

CHAIR: And you also, Mr Pearce. Ms Hale, your time is almost up. Perhaps I can try my luck with a few questions!

Ms SYLVIA HALE: I do not think you will get very satisfactory answers.

CHAIR: Minister, in terms of maritime security, given the current political climate, can you tell the Committee what sort of maritime infrastructure or activity is occurring in Botany Bay contiguous to the airport. Are Maritime Services Board boats permanently in that area? What is the patrol regime?

The Hon. ERIC ROOZENDAAL: Obviously the security of our ports and waterways is a major priority of the Government. You will be aware of the value of the trade—\$60 billion, as I mentioned. In August the Premier announced a \$23 million, four-year expansion of maritime security measures in New South Wales ports.

CHAIR: How does that translate into numbers of boats with a permanent presence?

The Hon. ERIC ROOZENDAAL: To date \$4 million has been invested by Sydney Ports Corporation to enhance in-hand security. That includes installation of 23 closed-circuit TV cameras, including six thermal imaging cameras that can identify heat sources and detect what is not visible to the naked eye, particularly at night; improved checkpoint maintenance; new perimeter fencing, bollards, barriers, signing, lighting across all ports. There is increased security auditing, monitoring and mobile patrolling. A further \$3 million will be spent on additional security measures this year, including \$460,000 for the Port Botany marine command to provide—

The Hon. GREG PEARCE: —two additional police officers to extend the command's operations to 24 hours.

CHAIR: Mr Pearce, excuse me.

The Hon. GREG PEARCE: I am just re-reading the answer that was given—

CHAIR: It is of no consequence where the Minister gets the information. He is delivering the information and he is answering the question. Allow him to answer the question.

The Hon. MELINDA PAVEY: Mr Pearce is making the point that it is already on the public record and we have limited time.

CHAIR: It is in my time. I think that is none of your business.

The Hon. ERIC ROOZENDAAL: Two additional police officers to extend operations to 24 hours, seven days a week; a rigid hull inflatable boat enabling police for the first time to board vessels at sea off Port Botany; and night vision for use with the new vessel. Under the Commonwealth's Maritime Transport Security Act 2003, port operations were required to undertake security assessments and develop port security plans.

Mr OXENBOULD: No permanent patrols are carried out by NSW Maritime Authority boats. I point out that the port security arrangements that were put in place on 1 July last year were set up over three basic levels of security. We are still at the lowest level of security. Basically we have got improved physical security around our ports with the monitoring equipment of closed-circuit television and infrared cameras and the like. We have improved the physical security with the gates and entrances to the port areas and we have made arrangements with the police, as the Minister has explained, in Port Botany to increase the number of police there so that there is a 24 hours a day, 7 days a week response capability from the NSW Police Maritime Area Command should any incidents be detected.

Should the security threat increase, those precautions would be ramped up. Arrangements are in place and security plans are in place at each of our major ports, and the two regional ports in Eden and Yamba to allow the gradual increase of these security arrangements should the threat increase. That is in accordance with the requirements of the Maritime Transport Security Act 2003 of the Federal Government.

CHAIR: Mention was made of remediation of Homebush Bay at a cost of some \$7 million. Is that out of the Ports budget specifically or was a special allowance made for that remediation? Has there been any cost sharing with adjacent landowners or past industry in those areas?

The Hon. ERIC ROOZENDAAL: Parts of the Homebush Bay and the two adjacent land sites on the Rhodes peninsula known as the Lednez site, or the former Union Carbide site and the Allied Feed site, were polluted by dioxin between 1949 and 1976 when the sites were used to produce herbicides and other chemicals. The Government identified the site as requiring remediation and in 1997 committed \$21 million for that purpose. A decontamination strategy has been developed utilising the latest technology to permanently destroy the contaminants, enabling the areas to be put to productive use as defined in the Rhodes Peninsula Regional Environment Plan.

To facilitate remediation of the Rhodes peninsula and Homebush Bay, the Government purchased the former Lednez site in 1999, and Meriton Apartments acquired the former Allied Feed site in 2000. Theiss Environmental Services was appointed as the contractor in December 2001 to clean up the government-owned areas. Development consent was granted by the Minister for Infrastructure and Planning for the Allied Feed site in October 2003 and for the Lednez site in May 2004 following State Government commissions of inquiry reviewing and approving both proposals. Remediation contracts with Thiess were signed in May 2005 and work to establish a break wall or seawall commenced in 2005.

CHAIR: Earlier you mentioned boat-friendly waterways. You are in charge of licences. Will you continue the fairly controversial action undertaken the former Premier, Bob Carr, to ban jet skis in Sydney Harbour?

The Hon. ERIC ROOZENDAAL: At this stage I see no need to review that decision.

CHAIR: Is there an opportunity to extend that ban to any other areas under your purview?

The Hon. ERIC ROOZENDAAL: I am advised that in December 2004 there were trial jet ski exclusion zones put in place in the Eurobodalla shire following community concern regarding jet skis in that area. The four trial exclusion zones were established at Durras Lakes, Broulee bay, Tuross Lakes and Batemans Bay. We erected signage at boat ramps showing the areas affected by the trial. We wrote a letter to all jet ski owners within the South Coast, Southern Highlands and Australian Capital Territory outlining changes and providing maps of the affected areas. The NSW Maritime Authority also conducted an education campaign within the shire over the Christmas-New Year period, providing brochures and maps to marinas and local marine dealers. At the moment submissions are being sought from the public and interested parties in relation to the outcomes of the trial. The closing date for submissions is 24 October. The exclusion zones will remain in place while the trial is under review. I am advised that the review is estimated to be completed in December.

CHAIR: In relation to the current ban and restrictions on jet skis in Sydney Harbour, how many maritime services officers are actually on call along the coastline outside the metropolitan area? Is that staff adequate to cover issues such as drink-driving, jet ski riding and inappropriate behaviour which occurs in combination with other illegal activities, for example, abalone poaching? How many vessels and officers are on deck, so to speak, in these critical times.

Mr OXENBOULD: We have 56 boating service officers in NSW Maritime who cover the whole of the State's waterways.

CHAIR: Does that include inland waterways?

Mr OXENBOULD: Yes, that is covering inland waterways as well. About 12 of those are around Sydney—in Sydney Harbour, Botany Bay or Pittwater—and the rest are spread throughout the

State. We believe that coverage is adequate at the moment to enforce safety compliance, to check for safety compliance and to assist in maintaining safe waterways throughout the State. They do not have responsibility at the moment for some of the fishery sustainability questions you raised. That is the responsibility of fisheries officers within the Department of Primary Industries and fisheries.

The Hon. GREG DONNELLY: Will the Minister inform the Committee of measures taken to improve public access to the foreshores of Sydney Harbour?

The Hon. ERIC ROOZENDAAL: Sydney Harbour is the heart of our city and the State Government is working to improve public access to the foreshores for Sydney residents and visitors. That is why it has allocated \$1.2 million in grants for 25 projects in 13 council areas that will result in 7.6 kilometres of new or improved paths. Funding will be matched dollar for dollar by grant recipients, in most cases the local council under the Sharing Sydney Harbour Access Program. That brings the total cost of improvements for this year alone to approximately \$2.5 million. The Sydney Harbour Foreshore Authority and NSW Maritime have contributed \$1 million to the program, and the Department of Planning has funded the remainder.

The additional tracks funded this year will bring the total new or improved walking or cycling paths along the foreshores to 15.9 kilometres in three years. This is an impressive achievement for a program that was launched by the former Premier in 2003. This year's round of grants include \$150,000 for the Taronga Zoo foreshore walk upgrade. The money will be used to upgrade the public foreshore walking track on Taronga Zoo's southern perimeter boundary and interpreting and educational opportunities will be installed to inform walkers of the natural and historical significance of the area.

The National Parks and Wildlife Service will receive \$60,000 for improvements and upgrade to 600 metres of the harbour foreshore walkway from Taylors Bay to Chowder Head, including upgrading the path and installation of a timber boardwalk. In Drummoyne \$80,000 has been earmarked for the installation of a shared pedestrian/cycle pathway along the foreshore between Breakfast Point and the River Cat wharf off Cabarita Park. Recently I inspected that area with Ms Angela D'Amore, who is the excellent local member. Works will include paving, lighting, drainage, bollards, bush regeneration signage and landscaping.

The amount of \$40,000 has been made available to Parramatta City Council for the Parramatta Valley cycleway. The money will be put towards a detailed design for the construction of a 130-metre shared pedestrian/cycle pathway between historic Marsden Street weir and the Lennox Bridge on Church Street on the northern side of the Parramatta River, adjacent to the Parramatta Riverside piers. I have other examples but I do not want to take up too much of the Committee's time. The program is about sharing the best of Sydney Harbour for residents and tourists alike.

The Hon. TONY CATANZARITI: Will you provide the Committee with details of changes to boat licences?

The Hon. ERIC ROOZENDAAL: I thank the Hon. Tony Catanzariti for his question. From 1 October those sitting for their New South Wales boat licence will need to undergo a more thorough testing of their boating knowledge. We are going to make questions tougher and we will have more of them. These changes are designed to make our waterways safer. Since 2000 there have been 87 fatalities and 205 serious injuries resulting from accidents on New South Wales waterways, including collisions and capsizes. Any fatality that occurs on our waterways is a tragedy, and many of them would have been avoidable with better education.

From July next year people will need to take a mandatory boat safety seminar before they can sit for their licence. An online education package is being developed at the moment for people who are unable to attend these seminars. As I said earlier, a general boat licence costs \$36 for one year and a three-year boat licence costs \$89. Last year the New South Wales Government commissioned an independent survey of recreational boat users and more than 98 per cent of those surveyed supported better boating safety education and tougher licence testing.

The changes to the licensing regime have the support of the Boating Industry Association, power and fishing boat users, sailors, canoeists and rowers. Rescue organisations such as the

Australian Volunteer Coast Guard Association have also voiced their approval. Indeed, the Chair of the New South Wales State Council of the Australian Volunteer Coast Guard, Frank Robards, was reported in the *Sunday Telegraph* on 11 September as saying that the way to fewer accidents on our waterways is better education. Some 1.5 million people go boating each year in New South Wales in a variety of recreational vessels. The Government is committed to ensuring that boating enthusiasts learn the rules and act in a safe and responsible manner on our waterways, particularly during the upcoming boating season. Recently I had a chance to meet with some volunteers from the Australian Volunteer Coast Guard, who told me stories about people sailing on the wrong side of a waterway, not caring about the wash they created and causing general havoc simply because they do not understand some of the basic rules of boating.

The Hon. GREG DONNELLY: Minister, can you provide the Committee with information on how the Government is making our waterways safer?

The Hon. MELINDA PAVEY: He just did.

Ms SYLVIA HALE: We heard it all in the House just this week.

The Hon. ERIC ROOZENDAAL: I am pleased that honourable members listen to my answers in the House because I cover some important issues. I want to talk about a serious matter—I am glad that the Hon. Greg Donnelly raised it—and that is the issue of alcohol and our waterways. I know that some honourable members find the issue of drink-boating a joke, but there have been 67 fatalities since 1992 as a result of accidents on our waterways where alcohol was a major factor. That is why we have a 0.05 legal blood alcohol limit on the waterways. People need to realise that the combination of the wind, the sun and alcohol can be doubly deadly on the water. A condition known as boaters fatigue, which is unique to boating people, can multiply the effects of alcohol. Statistics show—this is well known—that if you are over 0.05 and affected by alcohol your risk of drowning rises dramatically. So we have a new campaign: Go Easy on the Drink. We have sent information to 450,000 licensed boat owners in New South Wales. Material is to be distributed from marinas and other boating shops around the State.

The Hon. MELINDA PAVEY: This is the one you discussed in the House, is it not?

The Hon. ERIC ROOZENDAAL: Yes, but obviously people want to know more about it. It is very important—I know you think it is a flippant issue.

CHAIR: Members will let the Minister answer. This is a very serious issue.

The Hon. MELINDA PAVEY: I just wanted to make sure that he was talking about the same program as he discussed in the Chamber the other day.

The Hon. ERIC ROOZENDAAL: It is an important issue for the New South Wales Government. We must ensure that people understand the dangers of alcohol and boating. More than 1.5 million people enjoy boating in New South Wales each year and I think they need to be aware of the dangers of alcohol consumption while on the waterways.

The Hon. MELINDA PAVEY: Mr Oxenbould, in answer to a question from Mr Ian Cohen did you say that there are 56 staff across New South Wales or 56 boats and staff?

Mr OXENBOULD: I said that there are 56 boating service officers. They are our staff out on the waterways.

The Hon. MELINDA PAVEY: How many boats do you have?

Mr OXENBOULD: All told, we have between 70 and 80 boats—around 80 boats.

The Hon. MELINDA PAVEY: What communication or co-operation do you have with the water police and NSW Fisheries to ensure safe boating practices?

Mr OXENBOULD: We have very close co-operation with the police in all areas, particularly in regional areas. We work very closely. We sometimes have joint patrols between the police and our own boating service officers, particularly on some of the new initiatives that the Government has introduced, such as random breath testing on our waterways. We co-operate with the police and carry out those types of activities. We also work closely with the Department of Primary Industries fisheries officers. We also have joint patrols and help them out with some of the clandestine operations that they conduct to ensure the sustainability of the fishing catch along the coast. At the moment we are working quite closely with the Department of Primary Industries fisheries officers to try to get some cross-authorisation when one of our boating service officers stops a boat while carrying out our boat safety checks. He checks that they have all the safety equipment on board and are properly licensed. If that boat is fishing he would check that they had a fishing licence and, as far as possible within his limited capacity, see that the catch was legal.

The Hon. MELINDA PAVEY: That is being developed. You are hoping that your officers will be able to do that in what sort of time frame?

Mr OXENBOULD: We have exchanged letters with the Department of Primary Industries and we are negotiating that at the moment. We are also working with the Marine Parks Authority. We are in the final stages of developing a memorandum of understanding with the authority so that our boating service officers can also work as marine park rangers in the marine parks and have responsibility for carrying out some of their compliance regimes as well.

The Hon. MELINDA PAVEY: Conversely, would that memorandum of understanding enable fisheries inspectors to check Waterways compliance and licences?

Mr OXENBOULD: It would, but we are not expecting the return to be so great on that side.

The Hon. MELINDA PAVEY: Because they do not have as many officers.

Mr OXENBOULD: No, they have a similar number of officers, if not more. But their work is more about working on the sustainability of fishing stocks along the coast. In fact, the introduction of fishing licences has made an additional task for them and it has taken away from some of their responsibilities with regard to the sustainability of stocks.

The Hon. MELINDA PAVEY: Because they are doing administrative work rather than being out on the water.

Mr OXENBOULD: No, it is not administrative work; it is field work. They are out there watching the operations of the trawling fleet. It is very detailed and it is field work.

The Hon. MELINDA PAVEY: What would be the total number of boats within the Waterways Authority, the Water Police, NSW Fisheries and Maritime Services?

The Hon. ERIC ROOZENDAAL: You cannot answer that.

The Hon. MELINDA PAVEY: It appears that the Minister does not want the officer to answer questions. I find it really offensive that the Minister turns to his chief executive and says, "You don't have to answer that; I don't want you to answer that."

CHAIR: I suggest that you answer the question; it is on the record.

Mr OXENBOULD: I do not have that information. I can answer for us, and it is in the order of 80 boats. That includes the personal water craft [PWC] that some of our officers use. In the regions we have boats permanently affixed to an area and the boating service officer travels around. That is why we have more boats than boating service officers—so that they do not have to trail a boat everywhere they have to go. It gives them more flexibility to get out on the water and do their job.

The Hon. MELINDA PAVEY: I am interested in these issues because I was approached recently by a constituent who, after launching his boat, was checked by the Waterways Authority. He

got out on the water and the Water Police checked his licence. Then he got checked by NSW Fisheries. So he had three boat and fishing inspections on one day.

Mr OXENBOULD: I would say that he was having a bad day.

The Hon. GREG PEARCE: A bit like the Minister.

Mr OXENBOULD: That is most extraordinary. I have heard stories around as well, but we do not have the resources to cover the water to that degree and to that level of intensity.

The Hon. MELINDA PAVEY: It happened.

The Hon. ERIC ROOZENDAAL: So you say.

The Hon. MELINDA PAVEY: Does that concern you? Is that part of your review of operations? Your friend Michael Costa is doing a review and an audit of all agencies. Would that be one of the things that you would put up as part of the review as a cost-saving measure?

The Hon. ERIC ROOZENDAAL: Sorry, what is the question? I do not understand what the question is. It is a long speech, and I do not know what the question is. What are you asking me exactly?

The Hon. MELINDA PAVEY: The chief executive and I, two people in this room, have heard of extreme cases, including one occasion when the boat and licence of one boater was checked two, three or four times in one day by New South Wales authorities. Would you say that is excessive, and is that one of the things that is under review?

The Hon. ERIC ROOZENDAAL: Hold on, you are the only one who has recounted a story and now you are saying there were two, three or four checks.

The Hon. MELINDA PAVEY: No, I am not the only one in the room who has recounted a story. You probably were not listening.

The Hon. ERIC ROOZENDAAL: I was. You said two, three or four checks.

Mr OXENBOULD: I said I had heard of such stories. I have not heard them first hand.

The Hon. ERIC ROOZENDAAL: I guess the other option is whether you prefer no compliance checks? If an authority is out there doing compliance checks, that is appropriate.

The Hon. MELINDA PAVEY: I am not saying that at all. Do not be petulant.

The Hon. PETER PRIMROSE: Maybe the Opposition has something in mind about cutting out so many checks.

The Hon. ERIC ROOZENDAAL: I suppose with your plan to get rid of 27,000 public servants you would slash some of those officers.

The Hon. MELINDA PAVEY: That is misleading the Committee. That is not part of the Opposition's policy and we are not here to discuss Opposition policy.

The Hon. ERIC ROOZENDAAL: Will it be police, teachers or nurses?

The Hon. MELINDA PAVEY: That is not why we are here. You are misleading the Committee.

The Hon. GREG PEARCE: In justification of your ministry you said two or three times that you are responsible for \$60 billion of trade.

The Hon. ERIC ROOZENDAAL: Yes.

The Hon. GREG PEARCE: And was it 30,000 employees?

The Hon. ERIC ROOZENDAAL: No, 30,000 direct and indirect jobs.

The Hon. GREG PEARCE: Can you give me a breakdown of the \$60 billion—how much goes through each of the major ports?

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

The Hon. GREG PEARCE: You will take it on notice?

The Hon. ERIC ROOZENDAAL: Yes.

The Hon. GREG PEARCE: You do not know?

The Hon. ERIC ROOZENDAAL: I would not want to give you an inexact figure, so I will take it on notice.

The Hon. GREG PEARCE: Do you have a rough idea?

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

The Hon. MELINDA PAVEY: A percentage?

The Hon. GREG PEARCE: Can Admiral Oxenbould give me a rough idea—

Mr OXENBOULD: The Minister has indicated that we will take the question on notice.

The Hon. GREG PEARCE: He was pretty adamant that that is the basis on which we should accept his ministry, but he cannot give me—

The Hon. TONY CATANZARITI: Point of order.

CHAIR: I pre-empt the point of order. Mr Pearce, you have asked the question. You have let the Minister answer as he sees fit. If he does not answer it adequately—

The Hon. GREG PEARCE: I am entitled to ask the question as many times as I like, and you know that, Chair. I object to that.

The Hon. TONY CATANZARITI: No you are not.

The Hon. GREG PEARCE: I will ask it in 15 different ways if I want to.

CHAIR: You are not to keep verballing the Minister or anyone else. Otherwise I will pack up this Committee and end it.

The Hon. GREG PEARCE: You can pack it up, but I am entitled to ask him a question.

CHAIR: Otherwise we are wasting everybody's time.

The Hon. GREG PEARCE: Then I am entitled to ask the Chief Executive Officer, who is here.

CHAIR: You are wasting everybody's time.

The Hon. GREG PEARCE: You are wasting time by putting up with this. Just let me ask questions.

The Hon. TONY CATANZARITI: Point of order.

The Hon. GREG PEARCE: He can answer.

CHAIR: The Minister has a right to take the question on notice, which he has done and, I might say, reasonably politely, too. I suggest that you ask other questions. Basically you have 11 minutes to go and that is it.

The Hon. GREG PEARCE: We will go to the next question. Can you give me a breakdown of the direct and indirect jobs between the major ports? First of all, do you know what the major ports are? Can you give me the major ports?

The Hon. ERIC ROOZENDAAL: Is this a quiz?

The Hon. GREG PEARCE: Yes. What are the major ports?

The Hon. ERIC ROOZENDAAL: The three major ports are, of course, Port Botany, Port Kembla and Port Newcastle.

The Hon. MELINDA PAVEY: What about the other ones?

The Hon. ERIC ROOZENDAAL: Well, of course, Eden and Yamba.

The Hon. GREG PEARCE: Can you give me the breakdown of the 30,000 direct and indirect jobs?

The Hon. ERIC ROOZENDAAL: I would like to give the Committee the most accurate information possible, so I will take that on notice.

The Hon. GREG PEARCE: That is fine. Port Botany would be the largest probably by half, looking at the expenditure figures. You do not know?

The Hon. ERIC ROOZENDAAL: I have already advised that I will take it on notice.

The Hon. GREG PEARCE: Could I ask the chief executive officer whether Port Botany would be the largest?

Mr OXENBOULD: The Minister has indicated that the question will be taken on notice.

The Hon. GREG PEARCE: Has there been any significant increase in the number of jobs, direct and indirect, in Port Botany since the beginning of 2004?

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

The Hon. GREG PEARCE: When you get to the 30,000 and you work out the number in Port Botany, would it be the figure quoted by the former planning Minister in December 2003 of 4,000 direct and 6,000 indirect?

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

The Hon. GREG PEARCE: It will be very interesting to see the answers to those.

The Hon. ERIC ROOZENDAAL: I can tell you, very interesting.

The Hon. GREG PEARCE: You might try to do your homework, learn the figures, and then you will be able to answer the questions.

CHAIR: We can do without that. Any further questions?

The Hon. GREG PEARCE: I take you to Budget Paper No. 4 under Capital Expenditure for Port Kembla Port Corporation. The sum of \$15 million is to be spent in 2005-06 on multipurpose berth No. 3. Why did the budget papers not list the estimated total cost of the project?

The Hon. ERIC ROOZENDAAL: If it is a question related to the actual budget, I think that should be directed to the Treasurer.

The Hon. GREG PEARCE: No. It is a question about your portfolio area and the budget papers insofar as they reflect and impact on your portfolio area and expenditures for which you are responsible.

Mr OXENBOULD: The estimates provided by State-owned corporations with regard to how much they will expend on notice indicate that total expenditure will be in the order of \$15 million. In 2005 the multipurpose berth was extended by 130 metres down Port Kembla way, giving a total length of 430 metres of usable wharf. This offers a two-berth operation for improved ship access. The continuation of the berth development will include dredging of the shipping basin and the construction of the multipurpose berth No. 3, which will cater for ships up to 260 metres in length and will be dredged to provide an overall basin depth of 11.75 metres and a berthing box depth of 12.3 metres with a length of 290 metres. The wharf structure is planned to be a bulkhead with a stern quarter ramp to cater for a wide variety of vessels. The construction of the third berth is part of a co-ordinated infrastructure requirement to realise the Government's ports growth strategy. In 2006 Darling Harbour will close to commercial shipping, and the roll out of infrastructure improvements in Port Kembla will provide alternatives for the shipping industry and cater for the increased trade at that port. At the moment Port Kembla is estimating expenditure on that berth at \$15 million.

The Hon. GREG PEARCE: The total estimated cost for the multipurpose berth No. 3 is \$15 million?

Mr OXENBOULD: As best I know. These proposals, which are included from the State-owned corporations, are estimates by State-owned corporations and they are subject to an approval process, which they have to bring to Government. That is when the figures will be finalised. Generally there is some variation within those figures.

The Hon. MELINDA PAVEY: Given that there is no development approval of an identifiable site for the Sydney Ports Corporation's proposed intermodal terminal, can you advise what the \$46.452 million has been spent on to date?

The Hon. ERIC ROOZENDAAL: I am aware that Sydney Ports has a proposal for the construction of an intermodal facility at Enfield. At the moment the proposal is subject to a planning process.

The Hon. MELINDA PAVEY: I understand that, but what has the money been spent on to date?

Mr OXENBOULD: I might be able to help there.

The Hon. GREG PEARCE: Someone should help.

Mr OXENBOULD: Which page is this? Is it page 130?

The Hon. GREG PEARCE: I do not think we have it. I did not have a note of it. I am sure you have the right page.

The Hon. MELINDA PAVEY: Sydney Ports Corporation, page 131, intermodal location unknown. Expenditure to date \$46.452 million. Expenditure in this financial year is a proposed \$5.7 million. What has the money been spent on?

Mr OXENBOULD: The majority of that money has been spent on the purchase of the Enfield site.

The Hon. GREG PEARCE: How much was that?

Mr OXENBOULD: I am not sure of the exact figure and the cost of the Enfield site, but—

The Hon. MELINDA PAVEY: It is land acquisition at this stage?

Mr OXENBOULD: The land acquisition of the Enfield site?

The Hon. GREG PEARCE: Would you take that question on notice?

Mr OXENBOULD: Sorry?

The Hon. GREG PEARCE: Would you take the question on notice?

Mr OXENBOULD: Yes.

The Hon. MELINDA PAVEY: The exact breakdown of the expenditure.

Mr OXENBOULD: Yes.

The Hon. MELINDA PAVEY: On 23 August the Premier and you, Minister, announced that the increase in port charges was designed to pay for \$23.4 million in port security measures. What are the estimates of increased revenue from these charge increases?

Mr OXENBOULD: There will be no increase in revenue from those. Those port charges are designed to recoup the \$23.4 million over that four-year period.

The Hon. MELINDA PAVEY: Is there is any extra?

Mr OXENBOULD: They will be reviewed every three years to see if there is any additional revenue gained which exceeds the cost of implementing the security measures. If there is, adjustments will be made to the charges or proposed charges.

The Hon. MELINDA PAVEY: What do you believe, Minister, will be the loss in revenue to the Sydney Ports Corporation from the loss of stevedoring facilities from east Darling Harbour, if they ceased in February 2006 as apparently planned?

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

The Hon. MELINDA PAVEY: Minister, is there a growing issue with the lack of port pilots that are available to handle the growing shipping traffic in Port Botany, Sydney Harbour, Port Kembla and the port of Newcastle—the four ports?

The Hon. GREG PEARCE: As distinct from the three ports that you named before.

The Hon. TONY CATANZARITI: That is really brave—really brave. You are a big man.

The Hon. GREG PEARCE: You are the big man, Tony.

The Hon. TONY CATANZARITI: I am a lot bigger boy than you are.

The Hon. GREG PEARCE: I grant that.

CHAIR: Why do you not both leave the Committee, go outside and settle this?

The Hon. GREG PEARCE: Why do you not call him to order?

CHAIR: Because it is both of you.

The Hon. GREG PEARCE: I only responded.

CHAIR: If I get a response indicating that members will listen to my rulings on points of order and my calling this Committee to order, perhaps I will do it a little more often. But it seems to me that some members have some sense of free-for-all in this particular Committee, which means that questions that some members want to ask are not asked. If that is the way members want me to conduct proceedings, there is not much that I can do, except close the Committee down.

The Hon. PETER PRIMROSE: That is what happens when you become a shadow Minister. There is a rush of testosterone to the head.

The Hon. MELINDA PAVEY: What happens when you become a junior Minister?

The Hon. GREG PEARCE: And when you do not know if you are a junior Minister or not?

CHAIR: Can we continue the questions?

Mr OXENBOULD: I can respond to the question, Chair.

CHAIR: Thank you.

Mr OXENBOULD: The port corporations in Newcastle and Port Kembla are not experiencing any difficulty with the supply of pilots, nor are we at the regional ports of Yamba and Eden. We recently recruited our first female pilot in New South Wales down at Eden as our harbourmaster and pilot. The Sydney Ports Corporation is currently undergoing some difficulty with providing the number of pilots that it needs, but the current issue has no impact on safety or the operations of the port. The port has been operating very successfully, as attested to by its growth, which has been quite phenomenal over the past three years. There has been some 35 per cent growth in the number of containers or 20-foot equivalent units that have come through Port Botany.

The Sydney Ports Corporation normally requires about 16 pilots to run its operations. At the start of 2003, the ports corporation commenced a pilot succession program to replace the eight pilots who were due to retire before 2007. This program has incorporated the hiring of six new pilots, the first of whom has completed the two-year initial training period and is now fully unlimited, which means the pilot can take any size of ship in and out of both Port Botany and Sydney Harbour. The last quarter of this year, 2005, is the most critical period in this transition plan when there was planned to be 11 pilots who would be unlimited to work those ports and there would be five limited pilots who would be qualified to carry different sized ships—smaller sized ships than the unlimited pilots. The limited pilots are not able to pilot all sizes of ships.

The shortage that was experienced over the past few days has arisen because two of the unlimited pilots are on extended absence because of injuries, two are on restricted duties, and one was sick over the weekend. That was a very significant reduction to the numbers at a time when it was at a critical low anyhow. The Sydney Ports Corporation has some proposals to limit the concerns that pilots have expressed over fatigue limits, and these are due to be discussed with the pilots. They have also sought the assistance of the shipping lines to be more precise about their bookings so that there are not pilots waiting around on standby for ships when they are not ready to leave or have not arrived. The situation should improve throughout 2006 and return to the situation of 16 unlimited pilots in 2007.

The Hon. MELINDA PAVEY: Thank you, Mr Oxenbould.

The Hon. ERIC ROOZENDAAL: Just adding to that, clearly the job of pilots is a critical one. Getting ships in and out of our ports safely is the ports' core business. This year the Sydney Ports Corporation has handled a record 1.375 million containers, so I think they are doing pretty well.

The Hon. GREG PEARCE: Could you break that down between the various ports?

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

The Hon. GREG PEARCE: Thank you.

Ms SYLVIA HALE: Minister, when the Metropolitan Strategy was announced, it was promoted as a whole-of-government approach in which Ministers and departments would collaborate with each other to develop a strategy that was applicable to the whole of the metropolitan area. What discussions have you had, if any, with the Minister for Planning with regard to how the proposed Port Botany upgrade relates to the Metropolitan Strategy in particular, and to planning in general?

The Hon. ERIC ROOZENDAAL: Ms Hale, questions relating to planning are clearly the responsibility of the Minister for Planning. I have had discussions with the Minister for Planning in relation to Port Botany. In fact, I went on an inspection of Port Botany with the Minister. We had a close look at Port Botany and had some discussions with the stevedores there. In addition, I have had discussions with the unions and several other industry groups about the Port Botany expansion. But questions about planning, and some of the questions that you are asking, really should have been asked of the Minister for Planning.

Ms SYLVIA HALE: But have you given any input to the Minister for Planning in regard to the impact of the expanded port upon the Metropolitan Strategy?

The Hon. ERIC ROOZENDAAL: I have answered this question. I am not prepared to do so again.

Ms SYLVIA HALE: What is the current capacity of Port Botany in terms of the number of containers it is able to handle?

The Hon. ERIC ROOZENDAAL: I am advised that it really depends who you ask as to what the capacity is at Port Botany.

Ms SYLVIA HALE: But I am asking you.

The Hon. ERIC ROOZENDAAL: And I am advising you that it depends on who you ask, so I will take that question on notice and I will try to get the most accurate answer that is possible.

Ms SYLVIA HALE: Thank you. The annual report of the ports corporation states it is anticipated that that will grow. Have you any notion of the projected forecast and the numbers of containers that will be making use of Port Botany when the expansion takes place?

The Hon. ERIC ROOZENDAAL: The issue of the Port Botany expansion is still a planning process. I think it is up to the Minister for Planning to determine. I understand that the Sydney Ports Corporation has some projections in its reports.

Ms SYLVIA HALE: What are they?

The Hon. ERIC ROOZENDAAL: I will take that on notice and get you the most accurate numbers possible.

Ms SYLVIA HALE: When the port reaches that maximum figure, which port will be next developed to take the overflow?

The Hon. ERIC ROOZENDAAL: Could you please restate the question, Ms Hale?

Ms SYLVIA HALE: When Port Botany reaches its maximum capacity after it has been expanded, what is Government policy as to which port the overflow will be directed?

The Hon. ERIC ROOZENDAAL: We have secured port land in Newcastle for the State's future infrastructure needs, and that is the former BHP site, which is now zoned for port use.

Ms SYLVIA HALE: There have been various projections as to the potential number of containers that might be handled at Port Botany; one is in the annual report of the Ports Authority, which states that container trade is expected to grow to around 3.5 million twenty equivalent units [TEU] by 2025, with existing facilities anticipated to reach capacity by around 2010. Mr Chris

Corrigan, of Patricks Corporation, suggested a vastly greater figure than 3.5 million TEU. Would you like to comment on that?

The Hon. GREG PEARCE: He would like to, but he has no idea.

Ms SYLVIA HALE: Chris Corrigan suggested that Port Botany could handle up to eight million containers per year. Is Mr Corrigan off with the fairies, or fanciful, or is there some substance to his projection?

The Hon. ERIC ROOZENDAAL: It would be best for me to take that question on notice and get the most accurate response in respect of what Mr Corrigan has said.

Ms SYLVIA HALE: As you discussed earlier, there are three separate ports authorities, one for Port Kembla, one for Newcastle and one for Sydney. Do you believe that, as a matter of planning and a co-ordinated approach to the provision of port facilities, and the efficient operation of our ports, it would be better to integrate those three authorities into one? Or do you think the State is better served by having three distinct authorities, competing with each other?

The Hon. ERIC ROOZENDAAL: My personal view is that the setup at the moment is quite appropriate. They operate as three individual commercial identities and they compete against each other for commercial opportunities. I find that quite acceptable.

Ms SYLVIA HALE: Given the infrastructure investment, if one authority attracts trade—which may be of immediate benefit and contribute to its own profitability—at the expense of another port, which may lose trade, do you think that that sort of competition leads to the best outcome as opposed to some form of forward planning to integrate the operation?

The Hon. ERIC ROOZENDAAL: I have no interest in abolishing either the port of Newcastle authority or the Port Kembla authority. That is all I will say on that, if that is where you are leading.

CHAIR: I understand that plans have been resurrected for a marina at Jervis Bay on the South Coast and that concept plans have been drawn up for sites at Shark Net Beach and Huskisson Beach. According to the Mayor of Shoalhaven, Greg Watson, the marina will initially accommodate 150 berths and it will eventually grow to 500. Can you justify a marina of that scale in that area? As a result it would increase traffic volume in an environmentally sensitive area. How would plans for a marina of that size be consistent with much of the bay being a marine park?

The Hon. ERIC ROOZENDAAL: I am advised that no formal application has been received. At the moment it is a proposal. I am further advised that the area is under the responsibility of the Department of Lands. I cannot add anything to your question.

CHAIR: Your department would have no say in terms of waterway usage or any impact on the marine environment?

The Hon. ERIC ROOZENDAAL: No.

CHAIR: I am a bit surprised at that because in itself it is a boating activity.

Mr OXENBOULD: We would have responsibility. We do not own the waterways or the harbour beds in Jervis Bay. The harbour beds are owned by NSW Maritime on behalf of the Minister and looked after for the Minister—that is the harbour beds of the four major ports: Sydney, Port Botany, Newcastle and Port Kembla. The Department of Lands has responsibility for the harbour beds in all the other waterways, including Pittwater, Port Hacking and Jervis Bay. Any proposal would have to be considered by the Department of Lands, put forward and proceed through the normal planning process and the appropriate consent authorities. We would have interest in how it might impact on navigation, whether there would be any impediment to navigation and, therefore, provide a concern for us. We would be concerned about its impact on the environment, because the Minister has a responsibility under the Ports Corporatisation and Waterways Management Act to monitor the impact of all vessels on the State's waterways.

CHAIR: Would it draw further resources from your department to have to police the increased volume of boating traffic in that area, given the size of the project?

Mr OXENBOULD: It may, we are constantly monitoring it. As demographic changes have taken place throughout the State, especially taking into account the sea change—with a lot of retirees moving to the North Coast and the South Coast—we are seeing quite increased activities of boating in those areas. We are always monitoring to see whether the spread of our boating service officers is appropriate, or whether we have to move one from one of the areas where there may be a reduction in boating. We are trying to confine it within the numbers that we have, and that is 56 boating service officers.

CHAIR: Careel Bay in Pittwater, is that under your purview?

Mr OXENBOULD: No, that is not one of the harbour beds that we own. It is the responsibility of the Department of Lands and the local consent authority. We would, again, comment on the navigation aspects of it and also we look at the impact on the environment of the vessels that use the facility.

CHAIR: Minister, is the new coal loader in Newcastle port likely to be designated as a part 3A activity? Or has it been already?

The Hon. ERIC ROOZENDAAL: I am advised that it falls under the responsibility of the Minister for Planning. I cannot advise you on that.

CHAIR: Does your department take no role in the assessment and approval procedure that is undertaken for the proposal for the new coal loader? Do you have any role in that?

Mr OXENBOULD: We would have some responsibility there, because some of the lands that we own and manage on behalf of the State are involved—the beds of Newcastle Harbour and the south arm. But I am not sure at this stage, and it is a very early stage, whether it has been declared a program of State significance or who the consent authority would be.

CHAIR: Such a project, I presume, would involve dredging and that would involve your department?

Mr OXENBOULD: Yes it does involve dredging. Recently there was an announcement to approve dredging. An extensive process has taken place over the last couple of years through an environmental impact statement. Approval has been granted for the dredging of the south arm of the Hunter River up to the Tourle Street Bridge.

CHAIR: Which Minister is responsible for that decision?

Mr OXENBOULD: The approval for the dredging—

CHAIR: Not the dredging. I appreciate you have a role in dredging. In terms of the assessment and approval procedure for a major piece of infrastructure such as a new coal loader, which Minister would have that responsibility?

Mr OXENBOULD: My understanding is that it will be the Minister for Planning, because it is such a significant project. It will be a project of State significance. We would have to give our consent as land owners as part of that process.

CHAIR: You would be part of that?

Mr OXENBOULD: Yes we would be part of that process and it would also be subject to a major environmental impact statement and public consultation and public display.

CHAIR: Referring to community engagement, are there any other aspects of community consultation?

Mr OXENBOULD: I understand from the announcement that this is the responsibility of the successful bidders. They have to go through all the approval processes. The Government said it would facilitate those processes and assist them in that way, but it was their ultimate responsibility to get all the necessary clearances and planning processes, or planning approvals.

CHAIR: You mentioned dredging activities on the estuarine and marine ecology. Would that extend to the Manning shelf and the Hawkesbury shelf bioregions and the local fishing fleet? Would that be a part of your consideration?

Mr OXENBOULD: I do not think dredging the south arm in the Hunter would have an impact on those areas. It is too far away from the Manning River and those other areas. The reason I have some knowledge of this is that my previous position was chief executive of the Newcastle Port Corporation. We initiated this planning process and the development approval process for the dredging. It has been ongoing, it has been extensive, it is subject to about 130 conditions, and it will be done in two stages.

The first stage has been conducted by BHP Billiton. It will test the process that it has for remediation of contaminated material on the riverbed. That will be done. I think it is about 1,000 cubic metres to start off with. It is relatively small. The final dredging will be done in stages because you would dredge only what was necessary for the new coal loader. Ultimately you will be able to open up the south arm of the Hunter River right up to the road bridge, which goes across to Kooragang Island at Tourle Street. That is about 13.6 million cubic metres of dredging.

CHAIR: The Australian Bureau of Agricultural and Resource Economics recently questioned whether current coal prices could be sustained over the medium term, while Extrata publicly commented that there would be a glut in the coal exporting infrastructure. Could you respond to those comments with reference to the proposed new coal loader at Newcastle port?

The Hon. ERIC ROOZENDAAL: That is a risk that the private sector takes in building infrastructure.

CHAIR: It is not an expense to your department or to other government departments?

The Hon. ERIC ROOZENDAAL: No, it is privately funded.

CHAIR: So the whole lot is privately funded in that respect?

The Hon ERIC ROOZENDAAL: They have 42 months to get through the approval process and the development application process and they then have to demonstrate that they have the finance to back the project.

Ms SYLVIA HALE: Minister, do you have any idea when the ports freight ban will be finalised?

The Hon. ERIC ROOZENDAAL: Ms Hale, you seem to have an obsession with issues of planning. I restate for your benefit—

Ms SYLVIA HALE: I just asked you whether you had any idea.

The Hon. ERIC ROOZENDAAL: I will answer the question however I like. It is a planning issue and it falls within the responsibility of the Minister for Planning.

Ms SYLVIA HALE: So you have no idea?

The Hon. ERIC ROOZENDAAL: I am not sure whether you have a problem with your memory, but I just answered that question.

Ms SYLVIA HALE: I was just asking you whether you had any idea.

The Hon. ERIC ROOZENDAAL: I just answered the question. It is a planning issue.

Ms SYLVIA HALE: I did not ask you anything about the content of the plan, or who was responsible for it; I asked you whether you in your capacity as the responsible Minister had any idea when the plan would be.

The Hon. ERIC ROOZENDAAL: I am here to answer questions relating to responsibilities that fall within my portfolio; I am not here for your obsessions.

The Hon. MELINDA PAVEY: I refer to planning consent that we are awaiting for the potential expansion of Port Botany. It was due in October last year and we are now one year on. Have you had any indication from the Minister for Planning how much longer he will be in making a determination in relation to the commission of inquiry?

The Hon. ERIC ROOZENDAAL: At the moment Sydney ports has the proposal for an expansion of Port Botany. You would be aware of the commission of inquiry. I understand that that is all before the Minister for Planning, Minister Sartor. He is working through it now and will release his findings in the near future.

The Hon. MELINDA PAVEY: Are you concerned that the delay in this entire process is putting at risk trade into New South Wales, taking into account the fact that the Sydney Ports Corporation believes capacity will be reached in about five years?

The Hon. ERIC ROOZENDAAL: I understand there is a view that we will reach capacity in 2010, but I do not think there are any problems at all. At the moment I think the Minister will make an adequate decision at the appropriate time to ensure we protect all the trade routes into New South Wales.

The Hon. MELINDA PAVEY: If the commission of inquiry agrees to the expansion of Port Botany, as proposed by the Sydney Ports Corporation, how long will the construction process take?

The Hon. ERIC ROOZENDAAL: I could hazard a reasonable guess but rather than do that I think I will take proper advice and come back to you on that.

The Hon. MELINDA PAVEY: Are you aware that there are serious concerns within the Sydney business community and within the State's business community that we are reaching capacity at Port Botany, our major port, and that you, as Minister, cannot give us a time frame for the construction of the extended facilities, if the commission of inquiry agrees with the extension?

The Hon. ERIC ROOZENDAAL: I am unaware of that. In discussions with the stevedores, unions, the infrastructure council, and various other organisations I have not had those concerns raised with me. So you must mix in different circles. I am confident the Minister for Planning has the issue under control.

The Hon. MELINDA PAVEY: I imagine there is a fallback position. If the recommendations of the commission of inquiry were not accepted, how would freight routes between Newcastle and Illawarra be able to cope with that extension? What sort of infrastructure demand would there need to be on the F3, Mount Ousley, and the train routes between those two locations?

The Hon. ERIC ROOZENDAAL: I am not going to get into hypothetical questions. Let us wait and see the determination of the Minister for Planning.

The Hon. MELINDA PAVEY: So no plan, strategy, or fallback positions have been written down?

The Hon. ERIC ROOZENDAAL: No. What I said was that I would not get into hypothetical questions. I am confident the Minister for Planning has the issue under control.

The Hon. MELINDA PAVEY: Since you became Minister have you been able to inspect each of the port facilities?

The Hon. ERIC ROOZENDAAL: I have certainly been to Port Botany, the Port of Newcastle, Port Kembla, and the Port of Eden. I have not yet been to Yamba.

The Hon. MELINDA PAVEY: What about Sydney Harbour?

The Hon. ERIC ROOZENDAAL: No.

The Hon. MELINDA PAVEY: There are four serious port terminals within Sydney.

The Hon. ERIC ROOZENDAAL: At this stage I have not inspected Sydney Harbour, no.

The Hon. MELINDA PAVEY: Have you met with the major shipping companies in New South Wales?

The Hon. ERIC ROOZENDAAL: I have met with a number of different stakeholders.

The Hon. MELINDA PAVEY: Have stakeholders in the Hunter region given you any feedback about the extension improvements to the rail network in that region?

The Hon. ERIC ROOZENDAAL: As you would be aware, the New South Wales Government has invested more than \$300 million in Hunter Valley rail works and upgrades over the past five years. Last September the New South Wales Government leased the Hunter Valley rail network to the Commonwealth Government's Australian Rail Track Corporation [ARTC] for 60 years. I am advised that the ARTC is continuing the New South Wales Government's plan for an additional \$270 million worth of rail upgrade projects.

The Hon. MELINDA PAVEY: I have had feedback from operators in the Hunter to the effect that since the Federal Government has taken over that rail network there has been an extraordinary turnaround in productivity. Have you been given any indication of the percentages?

The Hon. ERIC ROOZENDAAL: I know that Newcastle is the world's largest and most efficient coal export port. I am aware that last year it exported a record 78 million tonnes of coal. I guess that is due to a combination of the \$300 million that was invested by the New South Wales Government prior to the ARTC taking over and its continuation of an additional \$270 million worth of rail upgrades.

The Hon. MELINDA PAVEY: Have you had any discussions with the private sector about the success of the Federal Government and the efficiencies that have taken place since last September?

The Hon. ERIC ROOZENDAAL: Frankly, I have not heard of any Federal Government success.

The Hon. MELINDA PAVEY: You are a petulant child! Have you met the Maritime Union in relation to its objections to the closure of East Darling Harbour?

The Hon. ERIC ROOZENDAAL: I have had discussions with the maritime unions and they have raised a number of issues with me.

The Hon. MELINDA PAVEY: Do they support the closure of East Darling Harbour?

The Hon. ERIC ROOZENDAAL: The Government has already taken that decision.

The Hon. MELINDA PAVEY: I am asking whether they are happy.

The Hon. ERIC ROOZENDAAL: You should put the question to the MUA, if you choose to.

The Hon. MELINDA PAVEY: Okay, you do not want to discuss that.

The Hon. ERIC ROOZENDAAL: I am a firm believer that if people have private discussions they should be kept private.

The Hon. MELINDA PAVEY: How much revenue will Sydney Ports Corporation lose from the closure of stevedore facilities at East Darling Harbour?

The Hon. ERIC ROOZENDAAL: I would have to take advice on that to give you the most exact figures I can.

The Hon. MELINDA PAVEY: Ballpark?

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

The Hon. MELINDA PAVEY: What is the ports corporation's estimate of the value of the land at East Darling Harbour?

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

The Hon. MELINDA PAVEY: Do you expect the Government will receive a big windfall to help its budget position if part of that land is sold?

The Hon. ERIC ROOZENDAAL: The member will be aware that there was a design competition for that site and five designs were short-listed. Questions about the value of the site and what is going to happen should be addressed to the Minister for Planning, who has responsibility for that area.

The Hon. MELINDA PAVEY: Do you have a view about the proposal put forward by Gerry Gleeson for a statue park at the bottom of East Darling Harbour?

The Hon. ERIC ROOZENDAAL: I have not had a chance to look at any of the designs for East Darling Harbour as it does not fall into my portfolio. I saw the articles in the media and some interesting and unique design concepts that were put forward. I do not have a personal view on which one would be appropriate. The selection committee would be in a position to make a better judgment than I could.

The Hon. MELINDA PAVEY: Can you confirm that Port Kembla Ports Corporation has had talks with the Minister for Roads and the Road and Traffic Authority about fast-tracking the F6 now that it is proposed there will be an extra 180,000 truck movements a year between Port Kembla and Sydney due to the closure of East Darling Harbour's port facilities?

The Hon. ERIC ROOZENDAAL: That is something you have to take up with the Minister for Roads.

The Hon. GREG PEARCE: Can I go back to Port Kembla multipurpose berth No 3? The 2004-05 budget papers allocated funding of \$6 million for a multipurpose berth terminal site works. There is no continuation in the current year budget. Was that fully expended? Are the site works for the No. 3 berth?

Mr OXENBOULD: We will have to take that on notice. I do not have that information available.

The Hon. GREG PEARCE: Will you take these questions on notice: Was the \$6 million for berth No 3? Was the project completed and was it under budget or over budget and, if so, by how much? If it was not for that purpose, what was it? Earlier you were in the midst of explaining the increased maintenance and you got to the \$7 million for Homebush remediation. Where did the \$7 million come from? Can you also give me the other figures you started to give earlier?

Mr OXENBOULD: The \$7 million came from the \$21 million the Government put aside as its contribution to the remediation of Homebush Bay, which the Minister has detailed. We are holding that \$21 million at the moment. We have expended that amount of money.

The Hon. GREG PEARCE: That is not in the operating statement. Is it a separate fund?

Mr OXENBOULD: It is within our financial statements. That money is being held as part of our assets at the moment.

The Hon. GREG PEARCE: What about the balance of the excess maintenance? It was \$13 million over budget. A total of \$7 million was spent on remediation. What happened to the other \$6 million?

Mr OXENBOULD: There was a large differential of \$6 million associated with the contract and external services for the transfer of berths Nos 2 and 3 at Walsh Bay. We capitalised part of the transfer of the property and a segment of it had to be expensed. There was an increase in our expenditure as part of the development of wharves 2 and 3 in Walsh Bay. That amounted to an increase of \$6 million on what was expected.

The Hon. GREG PEARCE: I am sorry, I did not quite follow that. How was the money spent or expensed?

Mr OXENBOULD: It was a write-off against the external services provided as part of the development of Walsh Bay, which was a NSW Maritime development—previously a waterways development. When we came to the final stage of the development a segment had to be written off. Part of it was capitalised and brought onto our capital program and part of it was expensed. There was an increase in expenditure of \$6 million. I can provide further detail on notice.

The Hon. GREG PEARCE: Thank you. And the borrowing costs?

Mr OXENBOULD: The amounts that were paid and are listed as borrowing costs are the finance lease interest for the Maritime trade towers at Kent Street, Sydney. Maritime owns the land and has leased it to two companies who have built the towers. The two companies retain one tower and we retain the other and rent out the floor space of those towers. It was expected that that building would be sold last financial year.

When the budget was put together for 2004-05, a figure was put in equating to the amount of money we had to pay on the lease for the trade towers building. That was referred to as borrowing costs. It is quite a complex agreement; it is a 99-year lease and over the first 25 years we pay a lease back to the company that built the building. The figure increases over 25 years as the building appreciates in value. There is a difference because the original budget figure was the same figure for the previous year and did not take into account the appreciation.

The Hon. GREG PEARCE: Is the building fully rented out or do you still occupy part of it?

Mr OXENBOULD: We have a couple of vacancies but traditionally 85 per cent to 90 per cent of the building has been leased. It is a tough market at the moment for leasing floor space.

The Hon. GREG PEARCE: Can you give us details of current leasing revenue and last year's leasing revenue?

Mr OXENBOULD: I can provide that for you on notice.

The Hon. GREG PEARCE: On the same page I notice that the 2004-05 Budget provided for \$146 million plus dividends and capital repatriation, but you ended up paying \$12 million. Clearly the Government was being a bit greedy at the beginning?

Mr OXENBOULD: No. There was the expectation that the building was going to be sold by 30 June, and that would have contributed \$115 million.

Ms SYLVIA HALE: Are you aware of the concerns of P&O of the siting of the extra wharf capacity at Port Botany?

The Hon. ERIC ROOZENDAAL: I have certainly had a discussion with P&O about their views on the expansion of Port Botany.

Ms SYLVIA HALE: Are you at liberty to give your opinion about their concerns?

The Hon. ERIC ROOZENDAAL: They raised a number of issues that I listened to.

Ms SYLVIA HALE: They are concerned that the proposed expansion will give an unfair advantage to the Patrick Corporation?

The Hon. ERIC ROOZENDAAL: I think that is something you should take up with P&O as to their views.

Ms SYLVIA HALE: Presumably you will have some say and I am anxious to ascertain what weight you give to their concerns.

The Hon. ERIC ROOZENDAAL: Obviously I am prepared to listen to anybody that is involved in the industry who wants to come to speak to me. I have heard from a lot of different organisations involved in boating, shipping, and the logistics chain. I certainly listened to what P&O had to say. I understand they have got their position, and I listened to it, but I have not formed a particular view on what they have said to me or what other people have said to me.

Ms SYLVIA HALE: From a security point of view, do you have any concerns about expanding the operations at Port Botany in view of its proximity to Sydney airport?

The Hon. ERIC ROOZENDAAL: It is already there next to the airport.

Ms SYLVIA HALE: I understand the Government may expand it?

The Hon. ERIC ROOZENDAAL: Of course, we are considering expansion. When one talks about security issues at the ports I think one of the major issues that comes to mind is Customs. When one talks about security one needs to talk about all the issues. I am advised that Customs has a goal of only inspecting 7 per cent of loaded import containers coming into the country, which means 93 per cent of containers coming through Port Botany are not inspected. I think that is a real concern. Customs only inspects empty containers and export cargo containers when they believe there is a need to identify—that is also a concern to us.

The Hon. MELINDA PAVEY: What is an acceptable percentage?

The Hon. ERIC ROOZENDAAL: It would be much higher. According to Customs notice 2004/23, only 5 per cent—well below their target of loaded import containers—were being examined by Customs nationally. And of that 5 per cent, 4.5 per cent are examined by x-ray and only .05 per cent are detained for detailed physical examination. When one considers that ports import approximately 13,385 loaded containers or TEUs weekly, Customs advice is that only 750 TEU boxes are selected for examination on a weekly basis. They are scary numbers and I am very concerned about that aspect of security. I believe that the Federal Government needs to do a lot more to protect our poorest port. In the past couple of days there has been a lot of publicity about airport security and the need for \$200 million of Commonwealth funds to upgrade airport security but, frankly, the way the Commonwealth treats ports' security is laughable.

Ms SYLVIA HALE: Minister, you obviously have not understood my question.

The Hon. ERIC ROOZENDAAL: Can I just finish my answer?

Ms SYLVIA HALE: But you are not answering the question I asked.

CHAIR: The Minister can finish his answer and then Ms Sylvia Hale can ask the question again.

The Hon. ERIC ROOZENDAAL: All the ports have been required to upgrade their security without any financial support from the Commonwealth Government, which is why the \$23.4 million has been added as a cost of business to Ports because the Government refuses to provide funding. The Federal Government is throwing money hand over fist at the airports. That demonstrates a poor attitude by the Commonwealth Government to ports security overall.

Ms SYLVIA HALE: My question concerned the co-location of two major pieces of infrastructure, that is, Sydney airport and Port Botany. Do you have any concerns from either a safety or a security point of view about that co-location?

The Hon. ERIC ROOZENDAAL: In this new environment of international terrorism, of course one has concerns about all major infrastructure across the country. I am advised that the level of security at the moment is level 1—the lowest level in terms of a terrorist action. Obviously one needs to be concerned about the security of all infrastructure, and that is all I can really respond to.

Ms SYLVIA HALE: But by expanding the port you are expanding a major facility that will be there for many years to come. Do you think, from a safety or security perspective, it is appropriate to expand a port in such close proximity to Australia's major airport?

The Hon. ERIC ROOZENDAAL: I have answered the question. I am not going to say anything further.

The Hon. MELINDA PAVEY: Former Premier Bob Carr made an announcement in November 2003 in relation to the Ports Growth Plan for Sydney Harbour. The Premier made a big whizzbang announcement at the Labor Party conference that he wanted to see Sydney Harbour closed as a working harbour. Given that the Premier made a huge ringing endorsement of you in his diaries—I think he called you a genius—

The Hon. ERIC ROOZENDAAL: That is a lot more factual than the other diaries you were referring to.

The Hon. MELINDA PAVEY: I do not know, from tonight's show. Was he right? Do you support shipping activities in Sydney Harbour?

The Hon. ERIC ROOZENDAAL: The honourable member is a bit ill-advised. The Ports Growth Plan was announced by the former Premier, Bob Carr, on 15 October. That plan provided a framework for government and industry to develop port infrastructure. We are concerned about outcomes for our ports, which handle more than \$60 billion in trade each year. Guided by the plan, the port corporations and industry have pursued a number of projects, including a \$16 million berth extension at Port Kembla, about which the Hon. Greg Pearce is so interested; development application approval for a \$4 million cargo storage facility at the Port of Eden; an independent and very public Commission of Inquiry conducted into Port Botany, for which the planning process is currently with the Minister for Planning, something about which Ms Sylvia Hale is so obsessed; securing the port land in Newcastle for the State's future infrastructure needs, the former BHP site is now zoned for port use; and the announcement of a \$530 million third coal loader for Newcastle, which will mean 2,000 direct and indirect jobs for the Hunter, as I have said in the House.

The ports have all been encouraged to pursue commercial negotiations for new trades—that is part of their job as trading enterprises. The Ports Growth Plan is a framework within which investment can be pursued on a commercial basis. Sydney Harbour is a working port and it is also the heart of the city. I want to see a balance between industrial uses and public access.

The Hon. MELINDA PAVEY: You do not think the balance is right?

The Hon. ERIC ROOZENDAAL: I want to see a balance. To support our economy the harbour retains long-term oil imports.

The Hon. MELINDA PAVEY: So we want more developers in Sydney Harbour?

The Hon. ERIC ROOZENDAAL: I just want to finish my answer uninterrupted. Sydney's big construction projects need materials such as cement, gypsum, gravel and soda ash. These are things that are imported directly into Sydney Harbour. The harbour also retains maritime construction and maintenance and repairs as well as bulk import of sugar and salt as well as other chemical and petroleum products, for instance, that which is imported by Lubrizol. Lubrizol is an interesting little company that imports special lubricants into Sydney Harbour. It then barges them up the Parramatta River six times a year. It is the only commercial barge left on Parramatta River. It is important because it is mixed in with a lot of different truck and machinery lubricants.

Sydney Harbour is important for tourism. Sydney remains the cruise-shipping hub for Australia's east coast. It is also home to the Spirit of Tasmania service, as well as port service vessels, motor vehicle imports, and commercial trading vessels such as charter, cruise, and commercial fishing craft. All of this commercial activity continues alongside the significant presence of the Royal Australian Navy at Garden Island. That means that approximately 1,000 commercial ships continue to come through Sydney Heads each year.

Each of the port corporations—Newcastle, Port Kembla and Sydney—pursues commercial opportunities within the ports growth policy. That is their role as trading enterprises with independent boards. The port corporations routinely hold commercial discussions with stevedores, freight companies and the cruise ship industry—just to name a few. Commercial negotiations are a matter for the port corporations and their boards to deal with.

The Hon. MELINDA PAVEY: So two years since the announcement of the ports growth plan by the former Premier we still have a crisis in terms of the future delivery of services for people wanting to import and export from this State.

The Hon. ERIC ROOZENDAAL: Ms Pavey, I do not know who you speak to but you do not speak to anybody in the industry because no-one in the industry talks about a crisis. That is the most silly statement—amongst the very many made here tonight—that I have heard. Anybody who reads any of the literature in relation to the ports will tell you that 2010 is the potential date for capacity. But if you read any of the other reports, such as the CommSec report, you will find that that could easily be extended with some technology. There is no crisis and no-one—not the stevedores, not the trucking companies, not the unions—suggests that there is any sort of crisis. For you to say that is just silly scaremongering.

The Hon. MELINDA PAVEY: You do not even know how long the construction will take for the extension of Port Botany—and you are the Minister.

The Hon. ERIC ROOZENDAAL: How can I give you a possible figure before there is a determination as to what the expansion of Port Botany will be? Unlike you, I do not have magical powers that allow me somehow to forecast what the Minister for Planning will do and thus give you a completion date on something that is not yet determined. It is a nonsensical question.

The Hon. MELINDA PAVEY: I do not think it is at all. Mr Middleton, in regard to security, do you have working parties with each of the port corporations about implementing security?

Mr MIDDLETON: The three port corporations have port security working parties and we certainly are one representative on those. They are convened and chaired by the port corporations. We are in the process of setting up similar working parties for Yamba and Eden.

The Hon. MELINDA PAVEY: How does that work? Does each port corporation call a security meeting and representatives of the Maritime Authority attend?

Mr MIDDLETON: Under Commonwealth legislation, the three port corporations are responsible for their own port and maritime security plans. Therefore, yes, they set up their parties and they arrange who sits on them. Usually they are the normal stakeholders within the port.

The Hon. MELINDA PAVEY: Returning to the ports growth plan, can you explain how that plan results in one to seven kilometres of wharf frontage being closed in Sydney Harbour to be replaced by only about 430 metres at Port Kembla? Is this not a blanket harbourside land grab that is not in the best interests of the State's trading economy?

The Hon. ERIC ROOZENDAAL: You read that question too fast. Could you repeat it and explain what you mean?

The Hon. MELINDA PAVEY: In relation to Sydney Harbour, the changes under the ports growth plan show that you will lose one to seven kilometres of harbour frontage—port area—and you are going to gain—

The Hon. ERIC ROOZENDAAL: Did you say one, two, seven—that is, 127?

The Hon. MELINDA PAVEY: No, between one and seven kilometres.

The Hon. ERIC ROOZENDAAL: Well, which is it?

The Hon. MELINDA PAVEY: I do not know; you are the Minister. You are the genius. You are only gaining about 430 metres of access to port area at Port Kembla. Is not the rationalisation of Sydney Harbour facilities a land grab and a money grab by the State Labor Government?

The Hon. ERIC ROOZENDAAL: On the area of the ports growth plan, I am not sure where those numbers come from. I suspect that they were scrawled by someone sitting in the gallery who picked some nominal figures. It is impossible for me to answer.

The Hon. MELINDA PAVEY: You are completely wrong, as usual.

The Hon. ERIC ROOZENDAAL: No.

CHAIR: I suggest that both of you seem to be trapped in a juvenile dynamic. Can we just get an answer to the question? If you think it is not relevant, Minister, say so.

The Hon. ERIC ROOZENDAAL: The Rear Admiral has an answer.

Mr OXENBOULD: It is not true to say that it is just 430 metres because there is other port capacity within New South Wales, including at Newcastle, where some of the trade may well go also. It will be up to the shipping companies to decide where they wish to go. The one to seven kilometres statement is quite exaggerated. If it were seven kilometres it would include all of east Darling Harbour, all around Glebe Island and all around White Bay. They are not being used at the moment. In fact, the only length of berth that is being used for the container trade is east Darling Harbour. Then there is a berth on Glebe Island for the cars. But White Bay is not being used.

The Hon. MELINDA PAVEY: There is a bit of maintenance work there, though, is there not?

Mr OXENBOULD: There is some overflow of cars as well. But there will be more efficient processes with the new berths that are being built, which will allow a faster turnaround and handling of the ships.

The Hon. MELINDA PAVEY: The Minister is very lucky to have you, Mr Oxenbould.

The Hon. ERIC ROOZENDAAL: I agree.

CHAIR: Thank you, Mr Oxenbould, and thank you, Minister. That concludes the hearing this evening. The Committee has resolved to seek answers to questions on notice at this hearing within 21 calendar days. Minister, please determine that you will be available for further hearings if required.

The Committee proceeded to deliberate.
