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GENERAL PURPOSE STANDING COMMITTEE No. 5

Thursday 16 September 2010

Examination of proposed expenditure for the portfolio area

**INDUSTRIAL RELATIONS, COMMERCE, ENERGY, PUBLIC
SECTOR REFORM, ABORIGINAL AFFAIRS**

The Committee met at 9.15 a.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. R. L. Brown
The Hon. A. Catanzariti
The Hon. D. J. Clarke
The Hon. D. J. Gay

Dr J. Kaye
The Hon. L. J. Voltz
The Hon. H. M. Westwood

PRESENT

The Hon. P. G. Lynch, *Minister for Industrial Relations, Minister for Commerce, Minister for Energy, Minister for Public Sector Reform, and Minister for Aboriginal Affairs*

NSW Industrial Relations

Mr D. Jones, *Former Executive Director*

Department of Services, Technology and Administration

Mr P. Duncan, *Director General*

Mr S. George, *Manager, Corporate Finance*

Ms A. Skewes, *Deputy Director General, Government Services*

Mr B. Baker, *Deputy Director General, NSW Public Works*

Department of Premier and Cabinet

Mr C. Raper, *Deputy Director General, Public Sector Management Reform*

Department of Industry and Investment

Mr M. Duffy, *Deputy Director General, Minerals and Energy*

Ms K. Smith, *Executive Director, Energy*

Department of Human Services

Mr J. Christian, *Chief Executive, Aboriginal Affairs New South Wales*

Mr S. Wright, *Registrar, NSW Aboriginal Land Rights Act*

CHAIR: I declare this hearing for the inquiry into budget estimates 2010-2011 open to the public. I welcome the Minister and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Industrial Relations, Commerce, Energy, Public Sector Reform and Aboriginal Affairs. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos.

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. The *Guidelines for the Broadcast of Proceedings* are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff, or the Committee Clerks. I remind the Minister and officers accompanying him that they are free to pass notes and refer directly to advisers while at the table. I remind everyone to turn off their mobile phones.

The Committee has agreed to the following format for the hearing. The Industrial Relations, Commerce and Public Sector Reform portfolios will be examined from 9.15 a.m. to 10.30 a.m.; the Energy portfolio will be examined from 10.30 a.m. to 11.45 a.m.; and the Aboriginal Affairs portfolio will be examined from 11.45 a.m. to 1.00 p.m. The House has resolved that answers to questions on notice must be provided within 21 days, or as otherwise determined by the Committee. The Committee has not varied the 21-day time frame. Transcripts of this hearing will be available on the web from tomorrow morning. All witnesses from departments, statutory bodies and corporations will be sworn prior to giving evidence.

SAJEEV GEORGE, Manager, Corporate Finance, Department of Services, Technology and Administration,

BRIAN BAKER, Deputy Director General, New South Wales Public Works, Department of Services, Technology and Administration,

PETER DUNCAN, Director General, Department of Services, Technology and Administration, and

MARK DUFFY, Deputy Director General, Minerals and Energy, Department of Infrastructure and Investment, sworn and examined:

ANNE SKEWES, Deputy Director General, Government Services, Department of Services, Technology and Administration,

DON JONES, Former Executive Director, New South Wales Industrial Relations,

CHRIS RAPER, Deputy Director General, Public Sector Management Reform, Department of Premier and Cabinet, and

KAREN SMITH, Executive Director, Energy, Department of Infrastructure and Investment, affirmed and examined:

CHAIR: I declare the proposed expenditure for the portfolios of Industrial Relations, Commerce, Energy, Public Sector Reform and Aboriginal Affairs open for examination. As there is no provision for the Minister to make an opening statement before the Committee commences questioning, we will start with questions from the Opposition.

The Hon. GREG PEARCE: Is it proposed that members of the Industrial Relations Advisory Council be paid in remuneration?

Mr PAUL LYNCH: That is a very good question. Mr Jones?

Mr JONES: No.

The Hon. GREG PEARCE: Turning to the Office of Industrial Relations, what is the current complement in that office?

Mr JONES: There are 151 staff in the office.

The Hon. GREG PEARCE: What are their roles? I do not mean individually.

Mr JONES: In approximate terms, about 90 full-time inspectors are undertaking a range of compliance and enforcement activities associated with the national industrial relations system. About 30 people are engaged in purely educational functions. Some of that is directed towards small business. There is a group, Workplace Advice New South Wales. We have an Aboriginal and Torres Strait Islander unit of two people who work with Aboriginal community groups. A community relations team is working with people with physical disabilities and people from non-English speaking background communities in a purely educational function. The remaining staff of about 25 people are engaged in the policy function. There are five people in the executive.

The Hon. GREG PEARCE: Can you perhaps on notice give us a list of those five, because I have not seen the annual report yet?

Mr JONES: There is the Executive Director and there are four directors. So I am not sure that I need to take the question on notice. Two of those directors look after the compliance enforcement function, one looks after the policy function and one looks after the education area, and media and marketing.

The Hon. GREG PEARCE: I want to go through some of the service measures for the department. Under Industrial Relations, the first one is "inquiries and complaints satisfactorily resolved within targeted time frames". What are those targeted time frames and what are the sorts of complaints?

Mr JONES: There are a number of different time frames, so this is an aggregated figure. For instance, with telephone calls there are two guarantees of service level. First, the calls will be answered within three minutes. Also, we aim to answer 85 per cent of those calls, and we aim to answer at least 80 per cent of the calls that come in, because calls come in at peak periods. We have met both of those time frames. The service target for correspondence is that the letter is answered within two or three weeks, depending on the importance of the letter. Throughout the investigation process as well, even though we are not acting on behalf of an employee in those investigations we make sure that we get the workload done. We will set down targets around individual complaint-based investigations and compliance investigations, depending on the complexity of those investigations. We aim to have 90 per cent of those completed within 180 days.

The Hon. GREG PEARCE: Given that New South Wales has now referred most of its industrial relations powers to the Federal sphere, will you explain to me the target that employers investigated subject to New South Wales industrial relations laws was 85 per cent, now 90 per cent? How does that work?

Mr JONES: We are all part of the national system. It is true that we have referred the powers to make the laws but we have used the target to recognise that during this transitional period there are a number of investigations which are still occurring under the old New South Wales laws, and then there are ones that are now occurring also under the new national laws. The problem with these result indicators is, because they are a bit of a mixture of the various investigations, we will continue to take—

The Hon. GREG PEARCE: The Minister chooses what indicators you have.

Mr JONES: It is an inevitable result of moving from one system to another. But we will continue to take complaints about breaches under the old New South Wales legislation for many months to come. We ordinarily have a rule that unless there are special circumstances we will not take a complaint more than six months older than the breach has occurred because it is now too long. We will advise people how to take their own private remedies but we will not investigate old matters. Conceivably we could still be doing breaches of New South Wales legislation about referred employees for up to six years in some cases.

The Hon. GREG PEARCE: The Office of Procurement has 297 employees, up from 276 four years ago. What are the roles of those people?

Mr DUNCAN: That role is quite broad. It is responsible for reporting to the State Contracts Control Board and up to \$12 billion worth of purchases per year go through that process, \$4 billion of that direct. From the point of view of every individual officer in there and the actual increase, I would ask Anne Skewes, who manages that area, to tell you what that change is.

The Hon. GREG PEARCE: I want an understanding if, for example, there are 150 project managers and 30 information technology staff, who are the 297 good employees?

Ms SKEWES: I am able to report that the numbers in New South Wales procurement are certainly now much less than those numbers that you report there. We have just gone through a fairly significant review in New South Wales procurement to get the business better aligned to the directions of the State Contracts Control Board. We are currently implementing a new management structure, or a new organisation structure is probably the better way to describe it, and that involves about 190 staff. We, in fact, have been operating at under 190 staff because we have had positions that we have not filled, pending the new organisation arrangements. As you would expect, the bulk of those staff sit in the tendering and contracting type of functions. They also sit in the area of client services and managing of the relationships with client agencies and responding to their needs around goods and services procurement.

We have also seen the need to develop, as part of the new structure for New South Wales procurement, a more strategic approach to our procurement management—to understand more clearly what government agencies' requirements around goods and services spend and to do some more strategic planning around how we put some of these contracts together to better meet the needs of the sector. We are operating well under those numbers and that has been the result, I guess, of this realignment and restructure of the business.

The Hon. GREG PEARCE: Will you take this question on notice and provide the Committee with an indication of how many people are involved in tendering and in those categories that you just mentioned?

Ms SKEWES: We can certainly provide information about the new structure.

The Hon. GREG PEARCE: Is there an organisational chart?

Ms SKEWES: Yes, we are in the throes of now finalising that and, indeed, communicating with our staff around that. Certainly, the numbers in the new management plan are sitting at the 190, and we can provide further details around that structure.

The Hon. GREG PEARCE: What happened to the other 100 people?

Ms SKEWES: I do not have the history of the other 100 people but in the past 12 months, and certainly in the past eight months that I have been with Procurement, we have been operating well under that number. So I suspect that over time positions have not been filled pending the new alignment and the new organisation arrangements.

The Hon. GREG PEARCE: Does the Minister know? I am curious as the June budget anticipated an increase from 271 to 297 people in procurement and you are now saying it is wrong because you are only operating at 190 in September. Why do the papers show an extra 100 people?

Mr PAUL LYNCH: You said a moment ago that you might want us to take it on notice and I think that is what we will do.

The Hon. GREG PEARCE: I noticed that the target for contracts through the State Contracts Control Board is still well under what it is meant to be. Why is that the case?

Mr PAUL LYNCH: I will let Mr Duncan answer that but I think part of the explanation might have been that the economic activity that we expected has not occurred, and that is partly due to the global financial crisis and a few other things.

The Hon. GREG PEARCE: I do not think that would be it because the budget's procurement figures are still increasing: there is no reduction in the amount of money being spent.

Mr PAUL LYNCH: As I was about to say before you interrupted me, I will allow Mr Duncan to expand on that.

The Hon. GREG PEARCE: I would be interested to hear it expanded upon.

Mr DUNCAN: My understanding is that the procurement trend is up.

The Hon. GREG PEARCE: It is up?

Mr DUNCAN: More people are going on to the State Contracts Control Board.

The Hon. GREG PEARCE: So you are contradicting what the Minister just said.

Mr DUNCAN: No, I am not contradicting it at all. I understand spend is down, but the spending is going up from the point of view of the percentage going through the contracts control board.

The Hon. GREG PEARCE: Can you give us some figures to substantiate what you have just said?

Ms SKEWES: Yes, we can certainly supply figures around the trend and the use of State Contracts Control Board contracts.

The Hon. GREG PEARCE: The trend for the last two years and in the budget was \$3.9 billion, so there is no change according to the budget figures, but I am happy for you to take that on notice.

Mr PAUL LYNCH: I thought what they were talking about was the percentage of what was going through the board going up, but the total amount going down, which is what we both said.

The Hon. GREG PEARCE: Yes, and I understand that is what they said, and I would like to see the figures that substantiate that because the budget does not seem to indicate that, given that the total overall spend under the budget is going up significantly.

Mr DUNCAN: I am happy to confirm those figures.

The Hon. GREG PEARCE: In relation to the public works and services group, again I would like a breakdown of what the various staff do and, given what has happened in the Office of Procurement, I notice the allocation has gone up from 1,363 to 1,398. Could someone explain what the increase in staffing is and give us an idea of what the staff do?

Mr PAUL LYNCH: Mr Baker perhaps?

The Hon. GREG PEARCE: I understand these people actually do deliver on contracts.

Mr BAKER: And generally more so around construction type contracts than goods and services type contracts. In the operation of New South Wales Public Works, being a commercial operation within the broader department, the workload varies in terms of demand for those services.

The Hon. GREG PEARCE: Why do you keep increasing the staff numbers?

Mr BAKER: Reflecting workload balance.

The Hon. GREG PEARCE: It is hardly varying. If you have to keep increasing the numbers, you would have to think that it was increasing, not varying. You do not need more people if there is less work.

Mr BAKER: That is right, so the workload does vary; it does rise and fall depending upon the workload that is flowing to New South Wales Public Works. In the period forecast there is an increased workload as reflected in our operating plans.

The Hon. GREG PEARCE: What is the breakdown of those people? Are they project managers, IT people, administration—who are they?

Mr BAKER: Just very broadly, in terms of New South Wales Public Works there are four main functional areas. One is the Government Architect office, which is made up of architects and engineering professions related to the build infrastructure. We have New South Wales Water Solutions, again made up of primarily engineers involved in design of water infrastructure. We have the project management group, which provides project management services. We also have the facilities management group, which is looking at the whole of life, management of assets, cleaning and maintenance, et cetera. We can provide you with a breakdown of those various professional classifications across the group.

The Hon. GREG PEARCE: Do you or does someone else set the service measures that appear in the budget for these various offices?

Mr PAUL LYNCH: Well, granted I have been in the portfolio for three months, I certainly have not set them. Perhaps Mr Duncan might like to answer that?

Mr DUNCAN: Sajeev George, our manager of corporate finance, has a much better and longer understanding of how these performance measures were established and I will ask him to answer that question directly.

Mr GEORGE: The performance measures for each of the business areas is set in accordance with Treasury requirements—

The Hon. GREG PEARCE: Industrial requirements?

Mr GEORGE: No, New South Wales Treasury requirements for the budget papers, and we have looked at what are the key areas and we have established some key performance indicators along with Treasury, and all of them are set by the department's planning group.

The Hon. GREG PEARCE: Who is here from the planning group?

Mr GEORGE: We do not have the planning person here at the moment. Once we agree with Treasury on the business plan, we agree on the targets.

The Hon. GREG PEARCE: Who agrees on the business plan? Who is responsible at the end of the day?

Mr DUNCAN: The business plan is established through the executive on an annual basis and it flows on from the corporate plan and, as Sajeev said, it is a result of discussions with Treasury and negotiations around the results and services plan.

The Hon. GREG PEARCE: Who, for example, would be responsible for the fact that last year in Public Works and Services one of the service measures was project management on time and another one was project management within budget, but both of those have been dropped this year. Are the results so bad that you just have to drop the measures altogether?

Mr BAKER: We still do measure against those indicators and the results have actually improved.

The Hon. GREG PEARCE: Why do you not publish them?

Mr BAKER: There is a range of indicators we could publish. It was elected not to publish those ones.

The Hon. GREG PEARCE: Why was it elected not to publish those ones?

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

The Hon. GREG PEARCE: The Government Chief Information Office and the Licensing Project—can someone explain to me why last year the target of 2.4 million licences transferred over was not met and it was only 2.1 million?

Mr PAUL LYNCH: We are currently up to 3.4 million licences.

The Hon. GREG PEARCE: After 17 years, is it, or 15 years?

Mr PAUL LYNCH: Mr Duncan?

Mr DUNCAN: I understand the project has been a number of years, but I am not sure that it has been 17 years in implementation—it is a lot less than that. But if there were any delay in last year's figures, it is because—

The Hon. GREG PEARCE: The budget says 2.1 revised down from 2.4.

Mr DUNCAN: Yes. The major reason would have been Maritime coming on-line, which was in July, as I understand, so it would have come into this financial year. That is why we are currently now at a much higher level.

The Hon. GREG PEARCE: So Maritime was late?

Mr DUNCAN: That is right.

The Hon. GREG PEARCE: How many are there in Maritime?

Mr DUNCAN: I would have to confirm how many are coming on in total, but currently we are up to 3 million, so obviously there is at least a million or more.

The Hon. GREG PEARCE: Could you give us, on notice, the actual numbers?

Mr DUNCAN: We can provide those.

The Hon. GREG PEARCE: In Corporate Services, the number of employees has reduced, but I would be interested in a breakdown of the groups and what people do. Would you take that on board, Ms Skewes?

Mr DUNCAN: Sajeev George can answer that.

The Hon. GREG PEARCE: Are you going to answer it now?

Mr GEORGE: Yes, I will answer it now. In Corporate Services we had 981 employees to start with in the 2009-10 period. That included the staff for Businesslink. Businesslink was transferred to the Department of Human Services as part of the super agency restructure, so that reduced our estimate of staff numbers to 433 and, for 2010-11, we are projecting it to be around 438. That 438 includes 278 staff providing shared services to external agencies and some internal shared services as well. We have approximately 21 staff from the Teacher Housing Authority that were transferred to the department.

The Hon. GREG PEARCE: You mean transferred into the department?

Mr GEORGE: Yes, as part of the administrative restructure. In the Internal Audit Bureau there are nine employees and in State Records we have 130 employees. So they are all part of the department's employee structure.

The Hon. GREG PEARCE: The annual report for last year includes some numbers and under "Procurement" there is a figure of \$153 million for depreciation and amortisation. Could someone explain what assets are owned in Procurement or how that figure is derived?

Mr GEORGE: Mainly the depreciation in procurement would be the depreciation on the motor vehicles, State Fleet motor vehicles. We have approximately 25,000 cars in the fleet, so that \$150 million would be mainly the depreciation on the motor vehicles.

The Hon. GREG PEARCE: Can you give me the information if there is anything else?

Mr GEORGE: That would be the bulk of it. We can provide details.

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

Mr GEORGE: Yes.

The Hon. GREG PEARCE: I have a couple of questions on public sector reform. Was the target of a 20 per cent reduction in chief executive positions in the Senior Executive Service by January 2009 achieved?

Mr RAPER: Yes.

The Hon. GREG PEARCE: What has happened in those categories since then? Have the numbers increased or decreased?

Mr RAPER: The level is pretty much maintained. There have been some slight increases due to Federal stimulus money and the need to have senior executives managing aspects of that. They have been approved on a temporary basis. With some of the agency amalgamations there has been a temporary need to increase three or four positions. Again, they have been approved on a temporary basis so that when the final agency amalgamation structure is in place the CEO of that organisation has to find offsets to absorb it and maintain the same notional number.

The Hon. GREG PEARCE: Minister, is there still a staffing freeze in relation to non front-line positions?

Mr PAUL LYNCH: That is my understanding.

Mr RAPER: Correct. The administration has been delegated to chief executives.

The Hon. GREG PEARCE: What happened to the suggestion by former Premier Rees that he would save \$200 million a year from the public sector payroll through restructuring and a staff freeze? Has that been delivered?

Mr RAPER: I would have to take that on notice. I have only been in this position since 17 February and Mr Rees was not the Premier at the time.

The Hon. GREG PEARCE: Who is running property services now?

Mr DUNCAN: That is not with our agency now; that is with Planning.

The Hon. GREG PEARCE: Have you given up all of that?

Mr DUNCAN: State property and that area is all with the Land and Property Management Authority.

The Hon. GREG PEARCE: Mr George, with regard to the State fleet, has the period of time that the cars are retained been varied? Has it been lengthened, and what is the impact of that?

Mr GEORGE: I can answer that generally. Previously there was a standard passenger vehicle lease arrangement of two years or 40,000 kilometres, whichever came first. Now we are keeping the cars for longer. The average life of the cars has increased significantly, which means we are purchasing fewer cars now compared with what we were buying before. That has reduced significantly the need for capital expenditure on motor vehicles. In the budget papers you will notice in 2010-11 the projected capital expenditure for motor vehicles is only \$253 million. It is a significant reduction compared with the last two financial years.

The Hon. GREG PEARCE: Is that a permanent change?

Mr GEORGE: It will be like that because it is going from two years to three years, so in the first few years we will get that change but then there will be a steady flow from there.

Dr JOHN KAYE: My question falls between Industrial Relations and Commerce. Minister, you would be aware that there are a number of contractors to the State Government and local government who basically do not pay their subcontractors, with flow-on effects to workers who end up not being paid because the subcontractors have not been paid by the contractor that is working for the Government. Have you given consideration to withholding the final payment to contractors to the State Government on condition that they fulfil all their payments and obligations to subcontractors?

Mr PAUL LYNCH: Certainly there are some rules around procurement and the requirements of what we say contractors should be engaged in. Mr Jones might expand on that.

Mr JONES: In 2006 the New South Wales Government adopted a policy that said it required its contractors and their subcontractors to meet New South Wales community standards. In the course of the last financial year the Government made the decision to renew that policy in a new direction. In early July 2009 the Commonwealth Government announced its new procurement policy, which dealt with contractors and subcontractors as well. The New South Wales Government's decision, which was announced in late 2009, was to adopt the principles set around the Commonwealth policy so that the two governments' industrial relations procurement policies, for want of a better description, would be aligned. The New South Wales Government, through the Workplace Relations Ministerial Council, also encouraged every State and Territory to adopt a compliance framework that was similar to the Commonwealth and New South Wales models, so that wherever contractors were in Australia—this is particularly important for subcontractors because the contractor can be located in New South Wales and the subcontractor in Victoria—the policy architecture around the new procurement policy was to encourage a national approach to deal with these things.

In relation to the New South Wales policy, insofar as there is a contractor in New South Wales and a subcontractor working for that contractor in this State—a lot of it goes to the nature of the goods and services being purchased—we have had laws in New South Wales for a number of years that allowed a contractor to withhold payment to a subcontractor until the subcontractor gave the head contractor a statutory declaration or some formal notification that all remuneration had been paid to employees of the subcontractor. That is a fairly standard approach that has been adopted in a number of contracts and through government contracting generally.

Dr JOHN KAYE: That is a very good thing, but it is not what my question was about. I referred to a different situation in which the contractor does not pay the subcontractor and so the subcontractor cannot therefore discharge their responsibilities to sub-subcontractors or to workers employed by that subcontractor. The issue I was asking about was slightly different. Would the Government give consideration to withholding final payment to contractors until there was certification that they had paid all their subcontractors?

Mr JONES: That policy decision is one that the State Contracts Control Board would have responsibility for. It is not an industrial relations compliance issue.

Dr JOHN KAYE: That is why I put it to the Minister because it is really a policy question. I appreciate the information you have given me and it is interesting, but I am really asking a policy question. There have been substantial numbers of complaints from subcontractors and employees of subcontractors that they are just not getting paid even when it is a subcontract to a government contract. Will the Government give consideration to a policy where contractors do not get paid until they certify they have paid all their subcontractors?

Mr PAUL LYNCH: We have not got to making that announcement yet so I am not in a position to say we will or we will not. You are right: it does fall between Industrial Relations and Commerce. The Commerce part of what I am doing has been talking fairly extensively in New South Wales about getting things on websites in relation to contractors that do not do the right thing and do not comply with their obligations.

Dr JOHN KAYE: A "name and shame" website?

Mr PAUL LYNCH: Yes. There were some announcements about that a little while ago and we have been trying to get to a stage where we can put up that material properly so that people can access it.

Dr JOHN KAYE: As we are dealing with public sector reform, I refer to the issue of transition to retirement. I understand that some time in 2008 the Department of Premier and Cabinet asked Treasury for advice on transition to retirement for public sector employees to allow workers who are approaching or at retirement age to continue to work, albeit a reduced number of hours, but with the same salary. This is to do largely with public sector employees who are on the defined benefits scheme. I have to declare a personal interest in this question as my partner is on a defined benefits superannuation scheme, as at retirement.

Mr PAUL LYNCH: So is mine.

The Hon. LYNDA VOLTZ: There are too many teachers around here.

Mr PAUL LYNCH: That is exactly right.

Dr JOHN KAYE: There is nothing wrong with that, Ms Voltz.

The Hon. LYNDA VOLTZ: And they all have parallel lives.

Dr JOHN KAYE: Leaving aside the parallel nature of our lives, I understand that the deadline set by Treasury was 1 July 2009. This is a matter of some concern in the teaching and nursing professions where a large number of teachers and nurses who are reaching retirement age wish to continue working at reduced hours but do not wish to continue to pay superannuation at the same rate, or at a pro rata rate, when they will receive no benefits for it. Minister, do you know where the transition to retirement advice is up to? Is it imminent that this Government will make an announcement relating to a policy in this area?

Mr PAUL LYNCH: That deadline was announced before I became the Minister. I do not know whether Mr Raper has any knowledge of that.

Mr RAPER: I was blissfully in retirement at the time, and I am not in a defined benefit scheme. I am aware though because we have responsibility for superannuation policy in our area. This has had a pretty long gestation and there are significant funding impacts on the way in which the superannuation scheme works. I do not want to bore you with the technicalities and all that but discussions have been proceeding in recent times. In fact, I think either tomorrow or early next week there will be a further meeting between the public sector

workforce office with Unions NSW and the New South Wales Treasury to look at some options that have been modelled by Treasury.

I am not saying that that will be the resolution of this issue but it is consciously in my mind. Before I retired it was an issue then. Defined benefit schemes cause significant funding problems in the way in which they crystallise and freeze current entitlements and then try to maintain the capacity to have a pension at the level that it might have been when retirement occurs. I am happy to take on notice any other issues that you want to raise but at the moment that is where it is at.

Dr JOHN KAYE: Can I take it from your answer, Mr Raper, that there is progress towards some advice being given, at least to Unions NSW, in respect of where the Government is going on transition to retirement?

Mr RAPER: I think there is a meeting tomorrow—it might be early next week—with Unions NSW to discuss an option that has been developed between my staff and Treasury that is cost neutral in its effect on the budget and in its effect on the funds in the State Super Scheme [SSS] and the State Authorities Super Scheme [SASS]. At the moment I am not in a position to say whether or not that is something that will meet with the applause of Unions NSW. But there is progress.

Dr JOHN KAYE: I appreciate your response. Are you aware whether formal advice from Treasury was ever returned to that request from the Department of Premier and Cabinet?

Mr RAPER: There has been a range of ongoing discussions and all sorts of models have been examined in that time. I am not aware whether there was a formal letter back in 2009 or whatever; I would have to check the records.

Dr JOHN KAYE: I presume that the Government in general is aware of the urgency of this matter given—and I will not use the words "tsunami of retirements"—the large number of retirements that are scheduled to happen, or the large number of public sector teachers and, to a lesser extent, nurses who will reach retirement age in the next few years, which will have a devastating effect on the workforce.

Mr PAUL LYNCH: It is not just restricted to teachers and nurses; a whole series of retiring professionals in the public sector will result in the same thing. In my old portfolio of Disability Services there were precisely the same sorts of issues. That is why a recruitment campaign was launched in that sector as a way of trying to change the arch profile of employees. The Government is certainly aware of the full parameters of that.

Dr JOHN KAYE: I turn now to the issue of government purchasing. An issue that sounds trivial but that becomes important relates to soccer balls and to sports uniforms. I refer to child labour, in particular, from the subcontinent and from Central Asia from which a large proportion of soccer balls and sports uniforms come and that are used in our schools. One of the issues that has been raised fairly assertively over the past few years relates to child labour content. Minister, what does the Government do to ensure that there is no child labour content?

Mr PAUL LYNCH: A New South Wales Government code of practice for procurement is issued by Treasury. Treasury determines the policy in this area rather than my departments. That establishes the standards of behaviour that are expected from government agencies as clients, tenderers, service providers, employers, industry associations and unions. The standards of behaviour include honesty and fairness, accountability and transparency, lack of conflict of interest, rule of law and no improper advantage. It also has specific obligations such as occupational health and safety management, and industrial relations.

For example, industrial relations service providers are accountable for "the behaviour and ethical conduct of all service providers down the contract chain" and "the compliance by the service providers". It requires also suppliers of textile articles, clothing and footwear to comply with all relevant laws or awards and other industrial instruments in relation to the contracting out of workers and the employment and management of employers, including outworkers. Those requirements are reflected in the standard form contracts for use by New South Wales procurement. The standard form also includes specific requirements on the use of child labour and sweatshops.

The Hon. ROBERT BROWN: Minister, my question relates to the ILS. Is the ILS intended to incorporate all licensing systems, including those that rely on photo licences?

Mr PAUL LYNCH: I think the aim is to include everything that we can include.

Mr SKEWES: Yes, it is. However, it does not include Roads and Traffic Authority licences.

The Hon. ROBERT BROWN: Or firearms licences?

Mr SKEWES: There have been discussions on that, but I think there is a register rather than firearms licences at this stage. A register is kept. There is potential for the government licensing system to provide a photo-type process, whether that is for a trade licence or for whatever other purpose.

The Hon. ROBERT BROWN: My second question relates to this Government's management involvement in the Building the Education Revolution scheme in New South Wales. Is the management of that scheme provided by any of the departments here, or by the Department of Education and Training?

Mr PAUL LYNCH: I am delighted to say that it is provided by the Department of Education and Training [DET]. An integrated planning office that is located within DET answers to the director general. That does most of the management. We have small bits around the edges but, to be completely blunt, none of those have attracted any of the attention.

The Hon. ROBERT BROWN: Obviously it is a matter for whole-of-government policy. Referring to the contract, we are looking for substantial amounts of money. It strikes me that NSW Public Works would have been the ideal department to manage that.

Mr PAUL LYNCH: As I understand it, Mr Ogle might have shared your view. However, I suspect that NSW Public Works was glad that was not the decision that was taken.

The Hon. GREG PEARCE: Did you not second people?

Mr PAUL LYNCH: A number of DET people are working in the IPO but they answer to the Department of Education and Training; they do not answer to us.

The Hon. GREG PEARCE: They are your people though.

Mr PAUL LYNCH: In that sense, yes.

Dr JOHN KAYE: I return to my previous question. I thank the Minister for his procurement policy but I was asking something different: I was asking about the enforcement of that policy. Given that there is an injunction against child labour content, how do you enforce that? How do you ensure that, when a provider of soccer balls or sports uniforms provides those things for use in New South Wales public schools, there has been no child labour? What investigations do you undertake?

Mr PAUL LYNCH: I am advised by the Department of Services, Technology and Administration that it has checked all three suppliers of soccer balls. They have confirmed in writing that no child labour is used in the manufacture of their products. In May 2009 the State Contracts Control Board updated the standard conditions in its contracts to strengthen the clauses prohibiting child labour. New section 12.5.2 states "The contractor must ensure that deliverables would not have been produced using the " 'worst forms of child labour' as defined in the Worst Forms of Child Labour Convention 1999." I understand that the Department of Education and Training advises all schools to purchase from the State Contracts Control Board contractors.

Dr JOHN KAYE: You get the say-so from the provider that this product is child-labour free. Is any auditing carried out or any attempt to go behind that?

Mr PAUL LYNCH: I will ask Mr Duncan to comment further, but it seems to me that if we are talking about manufacturing processes outside Australia I am not quite sure what auditing processes we can use. We do not have the power and capacity to get into factories or production processes run overseas. Mr Duncan might have other things to add.

Mr DUNCAN: The only way we could undertake an audit is if we actually have some information or are provided some information that potentially advises those sorts of things. We can then do an investigation. I am not aware that we have actually done an audit based on a complaint, but we can based on a complaint or some information that this may be the case. These people are taking a fairly major contract and they are making legal declarations.

Mr PAUL LYNCH: There is a bit of a risk. Flowing from what Mr Duncan says, if there is evidence or material that suggests that what they said is untrue, someone should get that to us at a rate of knots.

Dr JOHN KAYE: If there is no audit, no capacity to audit, what is the nature of the risk? They are never going to get caught. A number of people concerned about fair trade issues and child labour have raised that if there is no auditing or no way of working out whether that undertaking was correct, there is no risk to the provider in giving that undertaking?

Mr PAUL LYNCH: I think there is a risk. You very correctly pointed out some of the fair trade activists and some of the work that has been done in that area. I would have thought that it take a brave contractor to, knowingly tell lies to us about where the products are coming from, because they clearly run the risk that at some stage activists will find evidence that they have been telling lies and the consequences then are pretty severe.

Dr JOHN KAYE: As you know, these are small factories and the difficulty is tracing a soccer ball back to a particular place where it was assembled. The problem happens in the assembly, not in the manufacture. Tracing it back is problematic. Has the Government looked at using certification or requiring some kind of independent certification of there being an absence of child labour content?

Mr PAUL LYNCH: But do we not get back to the same problem: How do you get the independent certification? Either you rely on the assertion made by the people supplying the product or you have to run some sort of auditing process in someone else's country. The independent certifier will have even less luck than we will in being able to physically do that. I am not unsympathetic to the problem.

Dr JOHN KAYE: Of course you are not.

Mr PAUL LYNCH: It is just how practical is it.

Dr JOHN KAYE: This conversation needs to continue. Could you provide on notice the number of vehicles in the New South Wales Government vehicle fleet, how many are a four-wheel drive, and how many have engine capacities over two litres, three litres and four litres? Could you indicate also the disposition of each of those vehicles, particularly four-wheel-drive vehicles? In which departments are they being used?

Mr PAUL LYNCH: Certainly, we will need to take on notice the four-wheel drives.

Mr DUNCAN: We will need to do so for a number of sub-aspects of your question. There are approximately 25,000 in the State fleet. We can provide that breakdown of engine capacity, size, green vehicles and those sorts of things.

The Hon. ROBERT BROWN: Have you any really big trucks?

Mr DUNCAN: Yes.

Mr PAUL LYNCH: In 2005 large 6 to 8 cylinder vehicles made up two-thirds of the passenger fleet. That figure has been reversed in three years with small and medium vehicles now making up the majority of the fleet. We will get you the more precise figures, but that is the broad picture about where it is going with vehicle size.

Dr JOHN KAYE: When was work on the transitioning program of the Government radio network from analogue to digital first commenced?

Mr DUNCAN: The briefing I have is that the transitioning of this network started in 1994.

Dr JOHN KAYE: As I understand, the entire network services most of the emergency services in rural and regional New South Wales. How much of the network has been transformed to digital?

Mr DUNCAN: I could not give you an accurate indication off the top of my head, but I am more than happy to answer that in detail. There is work going on as we speak about bringing more of the network into one government radio network.

Mr PAUL LYNCH: Can I perhaps shed a little bit of light. In March 2009 the Government awarded Motorola a contract to upgrade the network to implement the latest radio standards to convert the network from part digital to fully digital by 2011.

Dr JOHN KAYE: Why has it taken so long? That is extraordinary. After starting in 1994, did you say the contract went out in 1998?

Mr PAUL LYNCH: The contract went to Motorola in March 2009.

Dr JOHN KAYE: Why did it take so long for a contract to be signed?

Mr DUNCAN: This is not about signing one contract; this is about a phased change from a number of different networks to one network in the long run. There are many networks. It is not a straightforward process. As I understand it, the transitioning in New South Wales is well on track, ahead of other States, of actually coming into one network.

Dr JOHN KAYE: Is the transitioning in New South Wales being done by a build and then switch or is the State switching consecutively as it builds new sections of the digital network?

Mr DUNCAN: It is not as straightforward as that. It is quite a complicated network. It is a transitional process and is somewhat incremental. It may be a combination of those processes, depending on which network you are bringing on. For example, some emergency services are operating on some of our networks in parts of the State, but not all of it. So you cannot just do it all in one go. It is quite a complex process and it has to do with spectrum and all sorts of things, but there is an intensive period of work at the moment where we are actually trying to bring a lot more on to the network.

Mr PAUL LYNCH: Because by definition you are dealing with emergency services, people are absolutely obsessed about trying to get it right and that takes a bit longer, for obvious reasons.

The Hon. HELEN WESTWOOD: What protections are covering New South Wales employees who are now with the national industrial relations system?

Mr PAUL LYNCH: Thank you for that question. Unlike its WorkChoices predecessor, the Fair Work system provides numerous protections for workers and establishes basic work place rights recognised in most advanced economies. Under the Fair Work Act employers and employees have access to collective enterprise bargaining that cannot undercut basic entitlements that Australian workers take for granted. Employers and employees also have access to an independent industrial tribunal which is equipped with powers to deal efficiently with industrial disputes. Employees are now protected by a comprehensive statutory safety net formed by 10 legislated national employment standards. Employees also have unfair dismissal remedies modelled on the longstanding New South Wales principle of a fair go all round. Importantly, the unfair dismissals system also has safeguards for small business.

During the development of the Fair Work Act New South Wales worked constructively with the Commonwealth and other States to create a cooperative and balanced national system through the Workplace Relations Ministers Council. In late October 2009, after the final and full form of the Fair Work legislation became available, the New South Wales Government decided to join the national system for the private sector subject to agreement of a number of principles and terms. On 11 December 2009 the former Minister for Industrial Relations signed a multilateral intergovernmental agreement on behalf of the New South Wales Government endorsing a set of principles for the national industrial relations system.

The seven principles are a strong, simple and enforceable safety net of minimum employment standards; genuine rights and responsibilities to ensure fairness, choice and representation at work, including the freedom to choose whether or not to join and be represented by a union or participate in collective activities;

collective bargaining at the enterprise level with no provision for individual statutory agreements; fair and effective remedies available through an independent umpire; protection from unfair dismissal; seamless service delivery arrangements; and cooperation between all governments in the development and implementation of a national industrial relations system. These sound principles will underpin the continuing development of a fair and productive national industrial relations system over the next decade and beyond.

The Fair Work Act also provides particular protections for low paid workers. Low paid workers are to be found in a diverse range of industries—retail and hospitality, child care, cafes and restaurants and many others. Workers in these industries are most likely to be women, young people, recently arrived migrants, or casuals. It is well established that these workers strongly rely on existing awards and have difficulty bargaining for enterprise agreements. There are three principal mechanisms in the Fair Work system that particularly assist low paid workers: legislated minimum standards, modern awards and bargaining. These three elements provide an integrated system of industrial regulation that delivers basic community standards, as well as particular terms and conditions that are appropriate for a particular industry, and ultimately, for a particular workplace or workplaces.

As the Minister for Industrial Relations and a member of the Workplace Relations Ministers Council, I am in a position to oversight the operation of the Fair Work system and ensure that none of its inbuilt protections are lost or undermined. Importantly, I will also be able to ensure that this State's insights from running its own industrial relations systems for over a century continue to contribute to the oversight of the national system, and ensure that it does not stray from the fundamental principles. The Fair Work legislation explicitly preserves the ongoing operation of many protective State laws, including in the following areas: occupational safety and workers compensation, anti-discrimination, shop trading and other business regulation, the setting of the days on which public holidays are to be observed, matters relating to outworkers, jury service, workplace surveillance, and essential services. These laws continue to operate with respect to all employers and employees in this State.

The New South Wales Long Service Leave Act 1955 continues to have effect as the source of long service leave entitlements for anyone in this State who does not have a Federal award or agreement that contains its own long service leave provisions. While the Industrial Relations Act 1996 no longer has any relevant application to national system employers and employees, it does of course continue to provide the framework for the conduct of industrial relations in the State public sector and the local government sector. The Industrial Relations Commission of New South Wales will continue to exercise powers under that Act with respect to those sectors, and the powers that it has under the preserved State laws mentioned above.

The Hon. HELEN WESTWOOD: Minister, Will you advise the Committee of the contribution that the New South Wales Public Works stone yard makes towards the maintenance of all significant State-owned heritage buildings? Could you also provide an update on the significant sandstone carving that the stone yard is undertaking for the Lands Department building?

Mr PAUL LYNCH: Certainly. New South Wales Public Works has a proud tradition of preserving some of New South Wales's most beautiful historic buildings, particularly important government sandstone buildings. The heritage and building services unit of the New South Wales Public Works operates a stone yard with specialist staff who are experts in preserving sandstone buildings. The stone yard was established in the late 1970s and was first located at Homebush. As part of the general reorganisation of the Homebush light industrial area in the lead-up to the 2000 Sydney Olympics, the stone yard was relocated to its present site at Burrows Road, Alexandria, which I visited a few weeks ago.

The stone yard's services are utilised in the restoration and maintenance of government heritage buildings such as the Chief Secretary's Building, the State Library, Sydney Hospital, the Australian Museum, Government House, and structures in the Royal Botanic Gardens. Specialised services that the stone yard provides include stonemasonry, restoration, intricate carving and shaping of stone, heritage roofing and plumbing services including slate, copper and lead work, expert advice, construction and project management of heritage restoration, expert advice on a range of stone and slate selection as well as stone processing to suit client requirements. The stone yard has a staff of 55, which includes stonemasons, other heritage trade staff, management, administrative staff and four apprentices.

At the annual National Trust Heritage Awards held on 12 April this year, two projects utilising the stone yard's expertise received Highly Commended Awards. The projects were the Sydney Hospital stonework conservation and the Rockpool Restaurant external stonework conservation and internal refurbishment. These

two awards provide deserved recognition and reinforce the reputation of the New South Wales Public Works stone yard. The Department of Services Technology and Administration is committed to preserving its capacity to maintain its heritage built assets. With the assistance of the Department of Education and Training, the New South Wales Heritage Office and the stone industry, the department has established the George Proudman Stonemasonry Fellowship Trust.

The trust commemorates the contribution of Mr George Proudman, an Order of Australia Medal recipient, who was involved in the initial establishment of the New South Wales Public Works stone yard. George was instrumental in re-establishing a TAFE stonemasonry course and the indenture of over 50 apprentices. The trust fosters stone masonry skills by offering fellowships to assist stonemasons further their training and experience. As well as major structural work, such as roof re-slating, sandstone facade repairs and reconstruction of seawalls, the stone yard also has the expertise to undertake smaller-scale work requiring the more intricate stonemasonry skills. For instance, the Land and Property Management Authority has commissioned the stone yard to carve a statue of the emancipist convict surveyor James Meehan. The statue will be installed into one of the niches in the Lands Department Building, Sydney, on the Loftus Street frontage.

A historian within the Government Architect's Office Heritage Group investigated James Meehan's background and carried out research into the clothes he would have worn, his hairstyle, and what props he would have about his person. As no known image of James Meehan exists, a photograph of one of his male descendants was used to create the facial characteristics. James Meehan was born in Ireland in 1774 and sentenced to transportation for involvement in the Irish Rebellion of 1798. On arrival in Sydney in February 1800, he was assigned as a servant to Charles Grimes, the colony's Acting Surveyor-General, and accompanied him on various exploratory expeditions.

The Hon. DUNCAN GAY: He is a famous man.

CHAIR: Is he related to you at all, Minister?

Mr PAUL LYNCH: No, but related in spirit, is the point I make about Mr Meehan.

The Hon. DUNCAN GAY: He was the first explorer to Crookwell.

Mr PAUL LYNCH: I knew there was something to be said against him.

The Hon. HELEN WESTWOOD: Hence its name.

The Hon. ROBERT BROWN: That is why they have no photographs of him—he never came back.

Mr PAUL LYNCH: By 1806, a pardoned James Meehan was carrying out surveying functions and undertook work in Van Diemen's Land. In 1812 Governor Lachlan Macquarie appointed Meehan Deputy Surveyor of Lands. He was responsible for the survey of sites such as Richmond, Windsor, Wilberforce, Liverpool, Bathurst and also Hobart Town. In 1821 he relinquished his position due to failing health and the privations he had suffered in his early life, and was granted a pension by Governor Brisbane. James Meehan was one of that small group of emancipists who played an important part in the affairs of the colony during its establishment and justified Governor Macquarie's belief that good conduct and reformation should enable a person to regain the place in society that they had lost when sentenced to transportation—or, in the case of Irish rebels, perhaps never actually lost. New South Wales can take pride in the specialised skills of the Public Works stone yard utilising modern and traditional skills to undertake this historically significant commission.

CHAIR: Thank you for upgrading the interest of the Committee.

Mr PAUL LYNCH: I thought the Committee would be interested in some of those matters.

The Hon. HELEN WESTWOOD: Minister, will you update the Committee on the implementation of the Commonwealth Government's Paid Parental Leave Scheme for the New South Wales public sector?

Mr PAUL LYNCH: I certainly will. The Federal Labor Government introduced the Paid Parental Leave Scheme legislation, which was passed by Parliament in June this year. It is a historic reform that ensures all working parents have access to flexible and equitable arrangements following the birth or adoption of a child. The Paid Parental Leave Scheme will enable parents to maintain their connection with their workplace and

careers while being able to stay at home to care for their child during those early and vital months of development. The Federal Labor Government's scheme already is in place. Payments will commence from 1 January 2011 whereas, under the Coalition's announced policy, there would be no change to the current Paid Parental Leave Scheme until mid-2012.

I turn now to how the Commonwealth Paid Parental Leave Scheme will operate and how it will affect New South Wales public sector employees. The Commonwealth legislation that established the scheme applies to the working parents of a child born or adopted on or after 1 January 2011. The scheme also can apply to another person who is nominated by the mother to be a child's primary carer. The primary carer of a child, whether it is a mother, father, grandmother or someone else, can receive a payment at the Federal minimum wage, which is currently \$570 a week, for up to a total of 18 weeks. For example, it is possible for a mother to receive some of the payments and then decide to go back to work and elect for the remaining payments to be made to the father, if he becomes the child's primary carer during the paid parental leave period. An eligible person may elect to receive the Commonwealth payments separately, or at the same time as any other paid parental leave entitlements that may be payable by an employer. Overall, the 18 weeks of Commonwealth paid parental leave payments must be taken within 12 months of the birth or the adoption of a child.

The Commonwealth Family Assistance Office will decide who is eligible for the paid parental leave payments, mainly on the basis of a work test and an income test. First, there is the work test. To be eligible, a person must be in paid work and have been engaged in or worked continuously for at least 10 of the 13 months prior to the expected birth or adoption of the child. This equates to at least 330 hours of paid work during the previous 10-month period. This averages out to about one day of paid work a week. In other words, part-time and casual employees can be eligible. The income test requires a person to have a taxable income of \$150,000 or less in the previous financial year.

Most New South Wales public sector employees will be eligible for the Commonwealth paid parental leave payments. In addition, the New South Wales Government already provides public sector employees with paid parental leave of up to 14 weeks through existing awards and agreements. The Commonwealth paid parental leave entitlements and the New South Wales award entitlements will operate independently of each other. The two entitlements can be taken concurrently or separately. The combination of the two arrangements will provide a family with considerable flexibility in managing their family and work responsibilities.

As I said, the Commonwealth Family Assistance Office will determine an employee's eligibility for the Commonwealth scheme on the basis of various criteria, including a work test and an income test. The Family Assistance Office will also be responsible for determining entitlement and making the paid parental leave payments, whether directly to the eligible person or through that person's employer. The Commonwealth paid parental leave legislation makes clear that the assessment and payment processes undertaken by the Family Assistance Office will remain separate from any of the processes involved in assessing a person's eligibility for other leave entitlements provided by an employer.

In other words, the 14 weeks paid parental leave entitlements already available to New South Wales public sector employees will continue to be assessed and paid as they have been for years. I understand that from 1 July 2011 the Family Assistance Office will make the paid parental leave payments to the employers of eligible people. The employers will then make the payments through their payroll systems. The Family Assistance Office will, however, continue to be responsible for assessing eligibility and ensuring that payments are properly made. I am advised that the Department of Premier and Cabinet is working with New South Wales public sector agencies to ensure that they will be ready to assume the role of paymaster for the Commonwealth's paid parental leave payments by 1 July 2011.

The department will also ensure that public sector agencies and employees are provided with information about how the Commonwealth scheme will operate in conjunction with existing entitlements. I am pleased that New South Wales public sector employees will now be able to make more choices about how they will manage family and work responsibilities following the birth or adoption of a baby. By combining entitlements under the Commonwealth scheme and those already available under public sector awards and arrangements, many will find working in the New South Wales public sector much more attractive in the future.

The Hon. TONY CATANZARITI: Will the Minister update the Committee on how the New South Wales Government is ensuring that workers from culturally and linguistically diverse communities can access information about their workplace rights and obligations?

Mr PAUL LYNCH: It is important that everyone has access to the help they need to understand their workplace rights and responsibilities under the new Fair Work national industrial relations system. In greater Sydney almost every third person was born overseas and some have difficulties with the complexities of English as a second language. I am pleased to note a range of initiatives being run by New South Wales Industrial Relations to assist people who have English as a second language by helping them to find out about their workplace rights and entitlements in their first language.

The first of these initiatives is the Talk to an Expert program. This program helps people from a non-English speaking background understand New South Wales workplace laws and their job entitlements. Workers and employers from culturally and linguistically diverse communities in Sydney are provided with the opportunity to seek assistance from an industrial relations expert in a relaxed and informal environment. The Talk to an Expert program involves staff from New South Wales Industrial Relations making regular visits to community centres in Rockdale and Auburn for informal chats with local migrant and refugee workers and employers.

Employers and workers have been taking full advantage of the service, booking one-to-one sessions and asking questions about dismissal notices, termination entitlements, flexible work practices, advice about pay rates and duties not covered by an award. Where required, interpreting support using multilingual staff and a telephone interpreting service is used to ensure full understanding. This program is an innovative and grassroots response to a real community need, and is part of the New South Wales Government's ongoing work to ensure employers and employees are informed about workplace changes under the new industrial relations system.

The Talk to an Expert initiative has already achieved some notable results, including one female client who spoke only Mandarin being directed to the correct Federal agency for further help. The case resulted in her receiving about \$20,000 in unpaid entitlements. In addition, a recent case saw a 59-year-old Cantonese-speaking man receive a payment of \$2,120 in outstanding long service leave. The man had worked as a clothing presser in Marrickville, Sydney, for almost 10 years and came to seek assistance from New South Wales Industrial Relations at a Talk to an Expert session in Auburn. Importantly, he had kept a work diary and recorded the days and hours he had worked, which greatly assisted his case. Three weeks later New South Wales Industrial Relations was able to present him with a cheque for unpaid entitlements.

In addition, New South Wales Industrial Relations provides workplace information on its website in 26 community languages to assist employers and employees who do not have English as a first language to understand the new industrial relations system and provide advice about where to go for help. A fact sheet called "Working in NSW" has also been translated into these 26 languages. The "Working in NSW" fact sheet covers issues such as what to do when you are offered a job, how to find out information about minimum pay rates, and the differences between casual, full-time and part-time work. In addition to the initiatives mentioned above, New South Wales Industrial Relations is the first New South Wales government agency to make public information available via the internet in Australian sign language or Auslan.

Well over 600,000 people in New South Wales are either deaf or have a hearing impairment, and half of them are of working age. They face enormous challenges in the workplace and many have difficulties finding employment. People who are deaf or have a hearing impairment are at risk of exploitation in the workplace as they can struggle to find information that takes into account their specialised communication needs. New South Wales Industrial Relations has made it possible for the signing deaf to access important workplace information by providing short videos using an Auslan interpreter, providing information about topics such as starting a job, pay slips and letters of offer.

The Auslan videos are currently being updated to assist the deaf community in understanding their rights and obligations under the new Fair Work national industrial relations system. The videos will be available from the New South Wales Industrial Relations website this month. The New South Wales Government will continue to deliver initiatives to ensure that employers and workers from culturally and linguistically diverse communities across the State have access to vital information about their workplace rights and entitlements.

The Hon. TONY CATANZARITI: Will the Minister advise the Committee on how the Government Architect's Office works to incorporate an indigenous perspective in its design work?

Mr PAUL LYNCH: The Government Architect's Office is a business unit within the Department of Services, Technology and Administration. The office is focused on the design quality of the built environment and public domain, and has a comprehensive understanding of social, economic, environmental and urban

issues. Located within the office is the Indigenous Design Unit. The Indigenous Design Unit is unique in Australia and brings the understanding of indigenous culture and values to the processes of design and procurement of buildings. The team works closely with clients and indigenous communities to achieve quality innovative buildings.

The principal indigenous architect in the Government Architect's Office's, Dillon Kombumerri, is an Aboriginal descendant of the Yugembar nation on Queensland's Gold Coast. Dillon is a registered architect with over 20 years experience, and has designed several award-winning projects during this time. The unit's architectural graduate, Michael Mossman, is an Aboriginal descendant of the Jiddabal nation from the Cairns region of far north Queensland. Michael graduated in 2001 and has been working within the unit for the past eight years. Dillon and Michael have worked on many indigenous-specific projects providing culturally appropriate services. These include strategic solutions throughout all phases of a project, from inception and concept feasibility through to design and documentation. They have advisory roles during construction to respond to project management queries.

Recent major indigenous projects for the Government Architect's Office include the Aboriginal Health and Medical Research Centre at Little Bay in Sydney's south-east. This project was a State winner in the 2009 Australian Institute of Project Management's awards and has been submitted for the 2010 Australian Institute of Architects awards. The Aboriginal Health College is a training and research facility for more than 60 Aboriginal medical services organisations in New South Wales. The building is set in a spectacular but exposed location above Little Bay. Its materials were chosen for their long life and resilience in harsh environmental conditions, while the long windows capture the spectacular water views. The top floor has deep verandas protected from the weather where both social gathering and informal learning can take place. The college was officially opened by the New South Wales Governor in February 2009. The Indigenous Design Unit is also responsible for the design of the Gawura facility at Brookvale TAFE. This design too was submitted to the 2010 Australian Institute of Architects awards.

The building is located within the centre of the TAFE campus adjacent to the student hub, library and main administration block. As well as a campus teaching facility, the building is available for hire to the wider community. In consultation with local Aboriginal community representatives the building form incorporates a culturally significant motive of the whale. Its fin is expressed in the skylight, which provides ventilation and natural light to internal spaces. The exterior is finished with a soft rotunda to evoke the whale's colouring and is elevated above the ground to respect the land and minimise environmental impact upon the site.

(The witnesses withdrew)

KAREN SMITH, Executive Director, Energy, Department of Industry and Investment, affirmed and examined:

MARK DUFFY, Deputy Director General, Minerals and Energy, Department of Industry and Investment, sworn and examined:

The Hon. DUNCAN GAY: Minister, welcome to the portfolio which you have had for only a short time after a large number of turnovers.

Mr PAUL LYNCH: A very interesting place to be though.

The Hon. DUNCAN GAY: I am sure it is. As part of your entry into the portfolio and as part of the debate in Parliament will you tell the Committee if you have read the Owen report?

Mr PAUL LYNCH: I am proud to say that I am probably one of the few people in this building who has. I read it when it came out, not because I had the portfolio but because I was interested in the policy area.

The Hon. DUNCAN GAY: As Minister and as a loyal member of the Left, do you support the recommendations about the future structure of the New South Wales electricity industry as outlined in the Owen report?

Mr PAUL LYNCH: I am a loyal member of Cabinet and adhere to the Cabinet decision.

The Hon. DUNCAN GAY: Which was to support?

Mr PAUL LYNCH: I suspect that if you have a look at the Owen report, you will see that there are some differences between what the Cabinet eventually decided and what the Owen report recommended. Having said that, I am of the view that issues relating to the privatisation or the energy reform process are entirely matters for the Treasurer and not for me, partly for the reasons you have already outlined I suspect.

The Hon. HELEN WESTWOOD: Touché!

The Hon. DUNCAN GAY: I was not listening.

Mr PAUL LYNCH: You have just said you do not listen if you do not want to.

The Hon. DUNCAN GAY: I have selective hearing. Do you support the Gentrader model of sale, given that Owen did not?

Mr PAUL LYNCH: It is clear that you did not listen to the last answer I gave. I am a loyal member of Cabinet and matters relating to the electricity reform process and privatisation are entirely matters for the Treasurer.

The Hon. DUNCAN GAY: You said they are entirely matters for the Treasurer but they impact on your portfolio and customers of utilities in New South Wales. Do you accept that?

Mr PAUL LYNCH: They are matters of interest to my portfolio but this Committee hearing is examining the estimates of my department, and those matters that are within my ministerial responsibility. The electricity reform process and privatisation is not one of those.

The Hon. DUNCAN GAY: Have you taken any action to satisfy yourself that the Gentrader has no effect in your area?

Mr PAUL LYNCH: I just answered that question.

The Hon. DUNCAN GAY: Are you aware that an Opposition call for papers relating to the previously failed, and the current, privatisation reveals that \$21 million will come out of the State's retail and generation businesses to defray project advisory fees? Are you aware that in that call for papers the exact amount was blacked out with a felt pen—but not a very good one—and everyone could satisfy themselves that the blacked

out figure was \$21 million? Is that \$21 million still current? Given the Government has already ripped billions of dollars out of the State's retail businesses and failed to reinvest those billions in upgrading infrastructure, is it appropriate for money paid by taxpayers in their electricity bills to be used to pay advisors?

Mr PAUL LYNCH: They are entirely matters for the Treasurer. You really should have been at his estimates committee hearing the other day and asked those questions then, Duncan.

The Hon. DUNCAN GAY: With great respect, there are some questions that should go to the Treasurer—and it is very easy for you to say this—but these questions affect your area. Taxpayers were asked to pay.

Mr PAUL LYNCH: I really do not want to have to spend my time telling you how to do your job but if you continue with this line of questioning, I will. This Committee hearing is meant to examine the estimates for which I am responsible. What you are asking about is not within my portfolio jurisdiction. If you do not understand that, I am sorry. You have been in this place longer than I have. You really should know that by now, Duncan.

The Hon. DUNCAN GAY: Minister, with great respect, there is no need to lecture me.

Mr PAUL LYNCH: There is.

The Hon. DUNCAN GAY: You would be better answering the questions that affect your portfolio rather than hedging.

Mr PAUL LYNCH: I will answer the questions that are relevant to this Committee. You do not pretend to understand the process.

The Hon. DUNCAN GAY: Just keep calm. Everyone tells me that you are a cranky man, just keep calm.

Mr PAUL LYNCH: Frankly, dealing with you, Duncan, what can you expect?

The Hon. DUNCAN GAY: Personal insults are fine, but the question is—

CHAIR: Substance would be appreciated. If you ask the question and the Minister chooses to answer in that way, it is his right.

The Hon. DUNCAN GAY: I appreciate the Chair running backstop for the Minister.

CHAIR: If you are not getting satisfaction, you can enlarge on those questions.

The Hon. DUNCAN GAY: I would if you did not continue to take my time. Should the \$21 million have been spent on much-needed upgrades to infrastructure, which is part of your portfolio? Would it have been better spent in that way or by helping customers who are having problems paying their bills?

Mr PAUL LYNCH: The core of the question is once again not relevant to this Committee inquiry. I point out, however, that we are spending a very substantial amount of money on customers who might be struggling with their bills. We are spending a very substantial amount of money funding an increased energy rebate, which went up on 1 July to \$145 per annum. It is going up to \$161 per annum next year. It is being expanded dramatically so that we are now paying it to everyone who is entitled to a Commonwealth health care card, that is, one-third of households in this State are eligible to have access to that rebate.

The Hon. DUNCAN GAY: But Minister they have \$21 million less that went to Frontier Economics and others.

Mr PAUL LYNCH: Not only do you not understand what is the jurisdiction of this Committee but you now insist upon interrupting me when I am trying to give an answer that, even on your view, must be responsive to your question.

The Hon. DUNCAN GAY: You are not answering my question. You can get as angry as you like but it would be better to answer the question.

Mr PAUL LYNCH: You actually raised the issue of assistance to people of Australia with their bills and I am dealing with that: that must be relevant to your question.

Dr JOHN KAYE: I did not think he was cranky.

Mr PAUL LYNCH: Me or him?

Dr JOHN KAYE: You.

Mr PAUL LYNCH: I am normally not, except when I am provoked by people who are clearly trying to break the rules. He knows what the rules are and he is clearly trying to breach them. In addition, we have an energy assistance process for vouchers that people who are in crisis can apply for and obtain vouchers. We have spent \$800 million over five years to provide assistance to people who are struggling with increasing costs of bills.

The Hon. DUNCAN GAY: That would have been better with that \$21 million.

Mr PAUL LYNCH: So for the Deputy Leader of the Opposition to suggest that we are not doing anything, which was the clear inference of his question, is entirely wrong and thoroughly mischievous.

The Hon. DUNCAN GAY: But, Minister, surely the programs would have been better with that \$21 million remaining in your portfolio?

Mr PAUL LYNCH: It was not in my portfolio.

The Hon. DUNCAN GAY: It was—it came out of your area.

Mr PAUL LYNCH: No. The commercial and financial matters relating to SOCs are matters for the Treasurer; they are not within my jurisdiction. And the shareholding Ministers do not include me; they are the Treasurer and the Minister for Finance. Financial matters for SOCs relate to the Treasurer and the Minister for Finance, particularly the Treasurer. That is the law. I assume you have read some of the legislation at some stage, Duncan, and you understand what it says.

The Hon. DUNCAN GAY: The ongoing price of electricity is going to be affected by the supply of coal. What is the status of negotiations around the Cobbora deal?

Mr PAUL LYNCH: I have no role in the negotiations around the Cobbora arrangement. They are being conducted by the Treasurer, as you would know from his estimates hearing the day before yesterday. He was asked a series of questions about that. My understanding of what he was saying is that those negotiations are commercial-in-confidence and are ongoing, but that is simply what I have obtained from reading his answers in the transcript at estimates.

The Hon. DUNCAN GAY: Is it also correct that the New South Wales Government will guarantee the maximum price for coal in the gentrader arrangement, meaning that if coal prices rise above the price promised the New South Wales taxpayers will bear the cost?

Mr PAUL LYNCH: They are matters for the Treasurer and he was asked extensively about that at the estimates hearing the day before yesterday.

The Hon. DUNCAN GAY: Were you consulted on this? Were you part of making this decision?

Mr PAUL LYNCH: I am not sure what decision you are referring to because for me to answer that question I would have to agree that a decision has been taken and I have not conceded that at all, because it is a decision that would be taken by the Treasurer and not by me.

The Hon. DUNCAN GAY: Have you been part of the negotiations around Cobbora?

Mr PAUL LYNCH: No, I have not. They are matters for the Treasurer.

The Hon. DUNCAN GAY: You have not had any part—

Mr PAUL LYNCH: I do not have a role in negotiating that.

The Hon. DUNCAN GAY: And the effect that it has on, particularly, MacGen?

Mr PAUL LYNCH: They are matters for the Treasurer.

The Hon. DUNCAN GAY: You just do not have an interest.

Mr PAUL LYNCH: I did not say that. It is about what is relevant—

The Hon. LYNDA VOLTZ: How many times do you want the same answer?

The Hon. DUNCAN GAY: There is no limit on the amount of questions we can ask on a subject.

Mr PAUL LYNCH: I have an interest in a whole range of things and I would be happy to talk to you about a whole range of obscure things that have nothing to do with this Committee—

The Hon. DUNCAN GAY: I know that, but I want you to answer the questions.

Mr PAUL LYNCH: No, you want me to answer questions that are not relevant to this Committee's jurisdiction and which have already been asked of another Minister—the Treasurer—two days ago.

The Hon. DUNCAN GAY: Mr Duffy, of the network expenditure across New South Wales distributors, what percentage is being spent to meet demand growth?

Mr DUFFY: Can I take that on notice? The reason I take it on notice is that the submissions that are made to the Australian economic or energy regulator are very complex and large documents and the regulator makes a decision on the basis of independent advice about those submissions. I am happy to take it on notice and see if I can find a reliable number for you on that question.

The Hon. DUNCAN GAY: Thank you, and when you are doing that perhaps you could include what percentage has been spent to replace ageing infrastructure and what percentage has been spent to meet the Government's network performance standards.

Mr DUFFY: I would be happy to do so.

Mr PAUL LYNCH: Could I add that they are publicly available documents.

The Hon. DUNCAN GAY: You will have no problem supplying them, in that case. Mr Duffy, have you had any phone calls, emails or meetings with regard to the New South Wales Government guaranteeing the maximum price for coal in the gentrader arrangement?

Mr DUFFY: Have I had any phone calls or emails or—

The Hon. DUNCAN GAY: Conversations, emails or meetings with regard to the New South Wales Government guaranteeing the maximum price for coal in the gentrader arrangement?

Mr DUFFY: No, I have not.

The Hon. DUNCAN GAY: None at all?

Mr DUFFY: None at all.

The Hon. DUNCAN GAY: Mr Duffy, have you had any phone calls, emails or meetings in regard to negotiations around the Cobbora coal deal and, if so, how long have you and your department been aware that some New South Wales generators faced a coal shortage?

Mr DUFFY: I do not think that anyone has put a proposition to our department that there is a coal shortage and I think that reference could be made to the substance of that question that was put to the Treasurer and his officials. Discussion about coal anywhere in the world at the moment is more about price than shortage, I think is the answer.

The Hon. DUNCAN GAY: Minister, do you recall in May 2009 the Government announced a \$125 million customer assistance policy and do you recall that that included a promise to train financial counsellors? It is now 16 months on. Can you tell us how many financial counsellors have been trained?

Mr PAUL LYNCH: I do not specifically recall the announcement. As you very pointedly made clear when this session commenced, I have only just taken over the portfolio. I have, however, announced in the short time I have been in the portfolio an allocation of \$600,000 to financial counsellors Australia to do precisely that. Do my officials need to add anything to that?

Ms SMITH: That is correct. The department has entered into a contract with the financial counsellor association for \$600,000 to provide training to financial counsellors over the next two years.

The Hon. DUNCAN GAY: When was that announcement made?

Mr PAUL LYNCH: I went out and announced it at their annual conference at Bondi probably about six weeks ago, and we issued a media release.

The Hon. DUNCAN GAY: Sixteen months ago your Government promised to train financial counsellors. Six weeks ago you allocated some money to an association. Given the situation with customers at the moment and the increase in the cost of electricity, do you consider that a breach of a promise?

Mr PAUL LYNCH: I would need to have a look at what the original promise was—not that I don't take your word for it, but I would rather like to see the details of it before I concede that (a) it was made and (b) whether it has been breached.

The Hon. DUNCAN GAY: Why did it take 16 months just to announce funding to another body when in the current situation—and an important situation—with a lot of pressure on customers in New South Wales no money was allocated?

Mr PAUL LYNCH: I have had the portfolio for three months. I have no idea of exactly what has happened from what you claim to have been an announcement 16 months ago. It was announced six weeks after I took over the gig. That is as much as I know.

The Hon. DUNCAN GAY: Can you provide a final version of the customer assistance policy that outlines which measures will be implemented and at what cost?

Ms SMITH: The department consulted on the development of the customer assistance policy, including a number of measures of which financial counselling was one. The department provides updated information as to the customer assistance measures on its website.

The Hon. DUNCAN GAY: Can you provide a final version of the customer assistance policy [CAP] that outlines which measures will be implemented and at what cost?

Mr PAUL LYNCH: We will take that on notice.

Ms SMITH: That is the information that we provide on our website about those measures.

The Hon. DUNCAN GAY: Minister, can you or the director general also provide an itemised account of the money that has been spent so far and a schedule for the allocation of any remaining funds?

Mr PAUL LYNCH: We will take that on notice, I think.

The Hon. DUNCAN GAY: Given the answers to previous questions, do you receive briefings in the form of meetings, emails or telephone calls from Treasury affecting your Energy portfolio?

Mr PAUL LYNCH: I think I might have to take that on notice. My recollection is that I have not, but I would want to be absolutely certain before I told this Committee absolutely not.

The Hon. DUNCAN GAY: When you are collecting your thoughts on whether you have had any Treasury briefings, could you also try to find out how often you have had these, when was the last one and who actually briefs you?

Mr PAUL LYNCH: I can certainly say there are no formal briefings in the sense of someone coming to my office. My reason for being a little less than absolutely certain about the answer is that there is a wad of material that comes across my desk from time to time, which has certainly from time to time included briefing notes from the Treasurer's office.

The Hon. DUNCAN GAY: Minister, given that electricity prices are set to go up by as much as 42 per cent in the next three years surely you should be receiving those sorts of briefings, and if you are not you should be asking for them. Why have you not?

Mr PAUL LYNCH: I get a number of briefings from my own staff about some of the issues you are talking about. I get information from a whole range of sources. Obviously I focus most strenuously upon those things that directly affect my portfolios and are directly within my jurisdiction.

The Hon. DUNCAN GAY: Mr Duffy, do you receive briefings from Treasury?

Mr DUFFY: I do not receive briefings from Treasury except when meetings take place, but generally speaking some of the issues you referred to come through our agency and so we certainly brief the Minister on events, some of which you touched upon—price.

The Hon. DUNCAN GAY: With all the things happening that affect energy, Treasury does not brief the Minister for Energy?

Mr PAUL LYNCH: What Mr Duffy has just suggested was a confirmation of what I said, which is that information goes from Treasury to my agency from time to time and then it comes to me.

The Hon. DUNCAN GAY: Minister, are you aware that the New South Wales task force formed to consider options for a solar feed-in tariff scheme estimated the average annual increase in electricity bills per household would be between \$1.90 and \$7.47 in 2009 for a solar bonus scheme with a 60 cent per kilowatt hour gross feed-in tariff? Given the scheme is being funded by all New South Wales energy customers, how have the actual costs of the scheme per household been calculated?

Mr PAUL LYNCH: Those calculations will be carried out by the retailers. They are the ones that are imposing the fees. We expect that will be one of the things dealt with in the review that we recently announced.

The Hon. DUNCAN GAY: Based on the uptake of the scheme to date, what are the costs of the scheme to New South Wales households?

Mr PAUL LYNCH: That is something that will be dealt with in the review that we have announced.

The Hon. DUNCAN GAY: What action is the New South Wales Government taking to remove the regulatory barriers to decentralised energy and other low and zero carbon technologies similar to the removal of the regulatory barriers to decentralised energy in the United Kingdom?

Mr DUFFY: The Government has a range of programs that have been announced and I think the Government is also reviewing the programs that operate across the whole of government to bring further matters forward. Certainly in planning areas and precincts that have been identified for solar and other renewables, a range of renewable energy projects have had planning approval. As you know, gas reduces the carbon output for a given unit of energy by 50 per cent and the Government is working to renovate the gas framework as well as renewable energies. We are happy to give you a catalogue, if we can take it on notice, to give you more precise detail in those areas.

Dr JOHN KAYE: Minister, you referred recently to the review of the Solar Bonus Scheme. I refer to the undertakings given to customers in respect of what might change about the scheme. I understand your department has given undertakings to customers via people who are supplying solar rooftop systems that the change will not affect those customers who have received connection approval from the distributor. Is that correct?

Mr PAUL LYNCH: First of all, there has been no decision to change the current scheme.

Dr JOHN KAYE: It is possible there will be changes.

Mr PAUL LYNCH: You will understand it is important I say that to get it on the record to make sure we know where we are at. It cannot be changed unless it goes to Parliament in any event. Whatever theoretical changes you might want to talk about are still dependent upon legislation going through Parliament. Certainly the undertakings that were given when the scheme was introduced by way of legislation—when the bill was introduced—were that any changes made at the end of the review would not be retrospective. The principle is that you do not want to retrospectively harm people who have made decisions. We need to discuss precisely how we work that out as part of the review with the retailers. You would think it likely that if there were to be a change—once again, no change has been decided—the people who would be covered by the current scheme would be those who have purchased or made a financial commitment to install the panels and have made application to be connected to the system, and there would need to be some evidentiary proof around that. That is where I think we would be if there were to be changes. It is not just people who are connected right at this minute. I think the reality is if you were doing anything more draconian it probably would not get through the Parliament in any event.

Dr JOHN KAYE: The legislation is ambiguous as to what that means, as you have pointed out, and it would become a matter for your department to determine.

Mr PAUL LYNCH: Technically you might be right, but it seems to me that granted it is a live issue the Parliament may well have some views about what goes into the legislation.

Dr JOHN KAYE: Certainly. The concern right now is that the scheme has been more successful than originally anticipated and we passed the 40 megawatts barrier—

Mr PAUL LYNCH: Fifty megawatts.

Dr JOHN KAYE: We passed the 50 megawatts barrier earlier than was anticipated, which is great. Congratulations to everybody involved. The concern amongst installers is that they may have to tell people who are applying that they do not know when the retrospectivity will apply, so they do not know what the retrospectivity test will be and they cannot guarantee people that if they apply, given there is a six- to eight-week delay to get a connection agreement out of the distributors—

The Hon. ROBERT BROWN: And the rest!

Dr JOHN KAYE: —and other issues, as Mr Brown points out—they cannot guarantee that they will be able to get people the 60¢ for the remaining five years of the scheme. Would you accept there is a need for some certainty to be maintained within the industry?

Mr PAUL LYNCH: I absolutely agree there needs to be certainty. Part of the problem is, as I have already suggested, that the Government can say what its position is, but that is not necessarily the decision that will be taken because it will need to go through Parliament. We have been trying to be as precise as we can in what we say. I think we have recently updated our website to make it even clearer. Perhaps Ms Smith could tell us about that.

Ms SMITH: As the Minister foreshadowed, customers who have purchased an eligible generator and lodged their application to connect will be considered existing participants in the scheme—

Dr JOHN KAYE: At the point of lodgement?

Ms SMITH: That is right.

Dr JOHN KAYE: So as soon as they lodge they are safe?

Ms SMITH: That is right, provided they have purchased an eligible generator and they are otherwise eligible for the scheme, and we are providing that updated information to people who are lodging queries with us.

Dr JOHN KAYE: Thank you. I appreciate that. I refer to the proposal for a 330kV powerline from Bonshaw, near Dumaresque, to Lismore, which you will be aware is a highly controversial—

Mr PAUL LYNCH: I have read previous estimates hearings.

Dr JOHN KAYE: Do you accept there is at least some controversy, if not major problems, about TransGrid's demand forecast for the Lismore district?

Mr PAUL LYNCH: I understand there is controversy about that. My predecessor commissioned Deloitte to review TransGrid's methodology in determining their forecasts. Deloitte essentially confirmed that TransGrid had behaved reasonably in its estimates. I concede there is controversy and that something was done by my predecessor to respond to that controversy, the end result of which is that Deloitte found that TransGrid's assessments and methodology were reasonable.

Dr JOHN KAYE: Your summary of the Deloitte report is news. Are you prepared to release the Deloitte document?

Mr PAUL LYNCH: We will take that question on notice.

Ms SMITH: It is on our website.

Mr PAUL LYNCH: I am told that it is on our website.

Dr JOHN KAYE: The Deloitte document is on your website?

Ms SMITH: It is.

Dr JOHN KAYE: I refer to the second of many areas of controversy—the issue of TransGrid failing adequately to take into account the opportunities for demand management and end-of-line local generation. Are you aware of those controversies, and what will be done to address them?

Mr PAUL LYNCH: I am certainly aware of those controversies. I do not know whether there is a lot of scope for me to do much about it, granted that the complaint was made to the Australian Energy Regulator, or the AER. Should I tell them?

The Hon. ROBERT BROWN: Yes, tell us.

Mr PAUL LYNCH: Last Friday the AER released a report.

Dr JOHN KAYE: Yes, we are aware of that. That we do have. But you are still the regulatory Minister involved in this issue.

Mr PAUL LYNCH: The AER conducted an investigation and it concluded that it does not need to take any further action in relation to TransGrid. However, TransGrid will not concede that it has broken the rules. However, it has indicated that it is prepared in the future to change the way in which it does things. The AER indicated that it is content and happy about that. I think that is the answer to your question. TransGrid has agreed to change some of its procedures. I am seeking formal confirmation of that from TransGrid.

Dr JOHN KAYE: As I understand it, that agreement is in respect of future projects. However, that still leaves us with a \$227 million proposal that will have substantial impacts on both the North Coast and along the route of the powerline, for which there are unresolved issues in respect of demand-side alternatives.

Mr PAUL LYNCH: I think the point about the AER is that the AER said that even if this proposal had been done differently there probably would not have been a different result.

Dr JOHN KAYE: That is your reading of the report; that is not my reading of the report.

Mr PAUL LYNCH: I think that is what the AER said.

Dr JOHN KAYE: The AER gave TransGrid a fairly heavy slap on the wrist for its behaviour, and that was not for nothing.

Mr PAUL LYNCH: For getting the process wrong. The AER then concluded that, even if the process had been different, there probably would have been the same result.

Dr JOHN KAYE: You are entirely satisfied that this transmission line should go ahead, subject to planning approval?

Mr PAUL LYNCH: I think that is right. The advice I have been given is that it is needed. The AER is of the view that effectively it should proceed.

Dr JOHN KAYE: I do not think you can read that into it.

Mr PAUL LYNCH: Sorry, that was a wrong choice of words. The AER concluded that, even if the process had been different, you would have got the same result. The advice I have received is that there is a need for it. Deloitte confirmed the methodology relating to future need. I think it needs to go ahead. I am always open to rational argument about these things, but all the evidence that I have shows it should go ahead.

The Hon. ROBERT BROWN: My question on the solar rebate scheme has already been asked. It is an excellent scheme.

Mr PAUL LYNCH: You have them on your roof.

The Hon. ROBERT BROWN: I have them on my roof.

Dr JOHN KAYE: Are you declaring a personal interest?

The Hon. ROBERT BROWN: I am. My question, which relates to an earlier exchange between the Hon. Duncan Gay and the Minister, is about matters that concern his department and Treasury. How far ahead does the department plan for demand? Is it five years or 10 years?

Mr PAUL LYNCH: Mr Duffy can give you more detail. In reality, these things are now led by the national market. The Australian Energy Market Operator [AEMO] issues a statement of opportunities that sets out when you think you need further generation capacity. The various networks, the distributors and TransGrid put up proposals for expanding the network. They have to be approved by the Australian Energy Regulator, or the AER, and this is now a national system. We have talked about all the investment that might be proposed by a distributor or regulator. They put the plan together. A State-owned corporation and an independent board put forward the proposal and that goes to the AER.

The Hon. ROBERT BROWN: Directly?

Mr PAUL LYNCH: Yes. They make a determination about whether or not it is appropriate. Referring to the rhetoric about whether people have spent enough money, historically, the State-owned corporations put up proposals to the national regulator, which usually reduces the amount of money. It says, "We think you are probably being a bit too generous." Historically, that is what has been happening. That is a broad outline of the issue overall. Mr Duffy could probably give you a further explanation.

The Hon. ROBERT BROWN: When you do that, Mr Duffy, could you explain also where the State Government gets on board in this process? What level of veto, if any, do you have over some of these plans that are accepted by the regulator?

Mr DUFFY: Are you talking about generation or about the network?

The Hon. ROBERT BROWN: Let us start with generation.

Mr DUFFY: The Minister gave us an excellent summary of the situation. You have a national electricity market—

The Hon. ROBERT BROWN: I understand what the Minister said.

Mr DUFFY: It was a perfect description of how the system works. If we go back to the history of electricity we find a recognition by the then Treasurer, Paul Keating, and others that the State-based planning had led to a dramatic underinvestment or a dramatic overinvestment. Sharing the national capacity and having price signals to indicate when, where and how much is required enables investors to identify when, where, how much and what sort of capacity. The first thing the national market did was to share all the different forms of electricity. As you probably know, different generation has the capacity to do different things. You can pull a lever at the Snowy and a huge amount of water goes down and generates a huge amount of electricity very quickly. The dirty old things in Victoria need to idle very high, so you can use brown coal at night and pump water back up the hill at night if you want to. Then you have peaking plants and black coal generation with different on and off accelerated capacity.

Mix that with an international market, interconnect the States and you get a much better sharing of the spare capacity and, hopefully, a much more precise investment in when and where you need it. Effectively, the States have ceded their planning capacity to the national market. The market is not a watermelon market; it is a highly regulated market with a lot of forecasting. A huge amount of work goes into that market. The Minister referred to the AEMO statement of opportunities. Basically that breaks down the market going forward. In this case I think it is a 10-year outlook. It then breaks it down State by State and it identifies, very conservatively, with what is committed.

The Hon. ROBERT BROWN: On a point of clarification: When you said that it breaks it down State by State do you mean in relation to what demand can currently be met?

Mr DUFFY: Exactly. Each region is given an indication of what is its current capacity and what is the forward outlook. Investors—public or private—can access that information and work out a conservative estimate based on what has been committed rather than what has been planned. I think other Committee members have raised this matter in the past. Each year more investments are made, so the requirement for capacity tends to move out by a year. From the time that Owen reported it has moved out one year, every year.

The Hon. DUNCAN GAY: It is now out three years.

Dr JOHN KAYE: It is always in the last year of the forecast period.

Mr DUFFY: I think you will find that Owen's projections—conceited though they were—were endorsed by the following AEMO report. This is a very conservative process. One way of defending that is to say that most governments would find it very difficult to explain to their constituencies why the lights have gone out. I guess there is a bias to say, "Let us be conservative about our forecasts. You can always roll them out a year." Effectively, that is what is happening.

Mr PAUL LYNCH: It is better to be too soon rather than too late.

Dr JOHN KAYE: Even if you are investing \$8 billion.

The Hon. ROBERT BROWN: If, for example, an aluminium producer said, "I want to stick in an extra pot line" would go to the State Government to coordinate that information through to the regulator? How does that potential demand information become known?

The Hon. DUNCAN GAY: By contractors.

Mr DUFFY: Ideally they would decide either whether they want a direct contract with a particular generator or a range of contracts. Presumably with a long-lasting investment like that, they would be seeking a long-term electricity contract.

The Hon. ROBERT BROWN: Is there a requirement if an aluminium smelter entered into a direct contract with a supplier for that information to be made available to the regulator at any particular point in time?

Mr DUFFY: This would not be functional without that sort of background information.

The Hon. ROBERT BROWN: At some point in time would they be required to make that potential deal public so far as the regulator is concerned so that the regulator could put it into the planning?

Mr DUFFY: I think so. I will confirm that, but I am pretty sure that this can only function if the basic information about contracts, supply and usage is in the system to plan and forward estimate.

The Hon. ROBERT BROWN: Does the State Government have the capacity to try to get involved or bid for any extra demand being built so it gets built in our State rather than in Victoria or somewhere else?

Mr DUFFY: The State, as have all the other States, has signed up to a national agreement to let the market operate.

The Hon. ROBERT BROWN: Freely?

Mr DUFFY: That is right. I do not know how section 92 operates here but, effectively, to the extent that the interconnectors are connecting, it is not really the role of the State to micromanage. It has not been the role of this or other governments to try to manipulate, if you like, to get an investment outcome that way.

The Hon. ROBERT BROWN: Even with state-owned businesses, is it still fully deregulated as far as the market is concerned?

Mr DUFFY: I think Treasury's answer to that would be that if there is a commercial proposition that is put by a large user to a generator and it makes commercial sense, the commercial board would analyse that commercial proposition and determine whether it was in the best interests of the business.

CHAIR: Given that the aluminium industry uses some 24 per cent of the State consumption, is any strategy in place regarding reduction efficiencies and suchlike between the Government and this industry?

Mr PAUL LYNCH: It is interesting. We might take that on notice. I had a look at the Tomago plant eight weeks ago. It has done some interesting things about increasing its efficiencies and use of energy. There is some pressure on it from its own internal logic. It sees the public debates and the cost, all of that stuff. I do not want to quote figures now, but there was some quite remarkable efficiency reduction up there.

CHAIR: Are you happy to take that question on notice?

Mr PAUL LYNCH: I might take that on notice. It is interesting. The other interesting thing about the aluminium stuff—I am not endorsing this argument; this is what they put to me—is that if you produce steel it will rust and corrode. If you produce aluminium, it will not. In a sense, aluminium may end up being a more efficient long-term product than steel. I can see the reaction to that. I was very careful to say I do not endorse it, but it is an interesting argument about the complexity.

CHAIR: They are acknowledging their fault?

Mr PAUL LYNCH: The fact they put out that argument to me means that they are conscious of the issue.

The Hon. DUNCAN GAY: Tomago would be pleased to hear that.

CHAIR: Much concern has been expressed about domestic solar panels—they look great on house roofs, et cetera. Has there been any assessment of solar rays in general areas that would combine the efficiencies and make it a more effective project, if you like, by having suburban solar rays to which the public can contribute?

Mr PAUL LYNCH: I am not sure that we have done anything about that in residential areas. Certainly, there is the solar flagship project, which is run at a Commonwealth level, for which we are providing support. Because that is a pilot project, it will be interesting to see what comes out of it in the long run.

The Hon. DUNCAN GAY: Are you continuing that?

Mr PAUL LYNCH: We gave some financial commitments to the participants in the solar flagship program. That has been continued. It is a Federal program, but we have guaranteed financial support to successful tenderers.

The Hon. DUNCAN GAY: If they stop, do you keep going?

Dr JOHN KAYE: There is no program if they stop.

Mr PAUL LYNCH: If they are not doing it, we cannot.

CHAIR: Concern has been raised also in the domestic solar industry that domestic demand management often is ignored and solar panels, et cetera, are favoured. I am not knocking the solar panel industry at all, but have you any strategy in respect to domestic demand management, assessments or education? Huge value can be gained by including the general community and that type of demand management needs process?

Mr PAUL LYNCH: We are doing some things about that, for example the energy efficiency program. Some of the stuff that is coming out of the Energy Australia project at Newington can be relevant to that. We will take that on notice and provide a more fulsome answer, but there is some interesting stuff happening.

The Hon. TONY CATANZARITI: Can you inform the Committee how the New South Wales Government's initiatives, the Energy Savings Scheme and the Green Gas Reduction Scheme, are encouraging projects that reduce carbon emissions?

Mr PAUL LYNCH: The New South Wales Government recognises the need to reduce carbon emissions, both from an environmental and economic point of view. The nature of electricity generation is changing and to guide this process at a State level, the New South Wales Government has State Plan targets to reduce our emissions by 60 per cent by 2050 and increase renewable energy to 20 per cent by 2020. The energy sector accounts for around one-third of Australia's emissions and are among the fastest growing source of emissions. Not acting on this is, frankly, not an option. The Government already is leading the way with a number of initiatives to promote the use of sustainable fuels including the Solar Bonus Scheme and wind energy precincts. However, we recognise also that the electricity sector cannot change overnight and, accordingly, we are drafting a Gas Industry Development Plan to further promote gas as a low-emission fuel and alternative to electricity.

Increased use of gas can help New South Wales transition to a low-carbon economy in two ways. First, gas-fired power generation has lower emissions than coal-fired power generation. Natural gas produces about half the carbon emissions of coal in order to produce the same amount of energy. Second, fuel switching by consumers using gas instead of electricity for basic domestic needs can reduce our reliance on more emissions intensive energy. Natural gas is already well established as an alternative source of energy. Around 38 per cent of New South Wales households are connected to natural gas, which they use for cooking, heating and hot water—thus supplying many of the key domestic energy needs and reducing the demand of these households for electricity.

While this is a strong start, the New South Wales Government is continuing to promote the use of natural gas as an alternative fuel through a range of initiatives. Gas for power generation has made significant inroads over the last few years, with support from State Government schemes such as the New South Wales Greenhouse Gas Reduction Scheme, or G-GAS. Last year Delta Electricity commissioned the new Colongra Gas turbine at Munmorah representing a \$500 million investment in new gas infrastructure and an extra 668 megawatts of electricity available for use during peak demand. I must say, having visited that site, it is a very impressive plant. This is on top of two gas-fired power stations at Tallawarra with 435 megawatts and Uranquinty with 648 megawatts that commenced operation in New South Wales in the past two years. Whilst I have not visited Uranquinty, I certainly have looked at the plant at Tallawarra.

The New South Wales Government has facilitated also the construction of gas pipelines and generators through new streamlined provisions for critical infrastructure in planning laws, and amendments to the Pipelines Act 1967. Last year we saw planning approval granted for our portion of the \$850 million Queensland Hunter Gas Pipeline, which will provide a potential third source of gas supply for New South Wales consumers. In addition, we have created a regulatory environment that encourages companies to explore the options of

developing gas as an alternative fuel. We have earmarked a number of generation development sites with approved gas power stations to encourage private sector investment in cleaner generation. Gas also can be used extensively as cogeneration—the combined production of heat and power. Cogeneration can achieve significant efficiencies in power generation through the use of waste heat, for example at Tallawarra.

We also are examining regulatory reforms to support the installation of small-scale, gas-fired co-generation and tri-generation facilities. We have taken steps to clarify responsibility for the regulation of gas networks, installations and appliances to avoid duplication and overlap and create a more streamlined and efficient gas industry.

The New South Wales Government also is leading the way at the national level to develop and support a range of initiatives to bring about a strong and efficient national gas industry. Foremost among this is the establishment of a short-term trading market for trading wholesale gas, which will initially operate in New South Wales and South Australia. This short-term trading market, which commenced this month, is an important development for the New South Wales gas industry as suppliers are able to buy and sell on an open market. The short-term trading market was developed by gas industry participants under the oversight of the Gas Market Leaders Group and is operated by the Australian Energy Market Operator.

We also have taken several key steps to promote gas use at the consumer level, with the introduction of new laws to give greater protection to landholders and gas consumers by bringing operators of gas networks under the authority of the approved energy industry ombudsman. This not only ensures that all gas users in New South Wales have appropriate consumer protections but also brings New South Wales in line with other jurisdictions as part of the process of developing a truly national gas energy market.

The Hon. LYNDIA VOLTZ: Will you inform the Committee about the levels of New South Wales Government investment in electricity infrastructure?

Mr PAUL LYNCH: The New South Wales Government has a long history of investing in the public infrastructure the community needs, including electricity infrastructure. More than \$10 billion has been spent over the last decade to upgrade and maintain the network. The results of this investment are that New South Wales electricity networks have a world-class level of reliability. Of course, no network can be 100 per cent reliable, and there are factors beyond the control of the network that have a role in this. However, the fact remains that New South Wales performs well in this area. We are now entering a period of growth in demand, population, and housing, which requires more infrastructure. We also are seeing a vast amount of infrastructure, which was constructed when New South Wales was rapidly expanding some 40 to 50 years ago, reach the end of its usable life.

The New South Wales Government will spend around \$18 billion over five years from 2009 to upgrade, renew or replace one-third of the State's electricity infrastructure and to provide additional capacity to cater for growing demand. This record level of capital expenditure is independently assessed and approved by the Australian Energy Regulator. Some major projects that will be part of this include a \$569 million project for the high voltage transmission network that will reinforce supplies to support growing demand in the inner western Sydney areas. In fact, some \$635 million will be spent on projects for western Sydney in this financial year alone. The project will result in construction of two new substations at Holroyd and Potts Hill, 14 kilometres of underground cables to connect the substations, and increasing the capacity of an existing transmission line in the area. The new electrical link is part of the New South Wales Government's long-term strategy to increase the security of Sydney's power supply.

Significant projects like that are occurring not just in Sydney but across the State. More than \$330 million will be spent in the Hunter region on electrical infrastructure this financial year, including construction of new zone substations and powerlines that provide essential services to those local communities. Residents of the South Coast and Illawarra will see \$80 million in new money invested in their area and \$350 million will be spent on projects in the Central Coast. Across regional New South Wales, Country Energy plans to spend nearly \$1 billion on its network this year to deliver upgrades and new infrastructure, such as the \$72 million second 132,000 volt power line from Bega to Cooma, to improve supply reliability for its customers.

Major projects at our generators are also underway to make them more efficient and improve environmental performance. Eraring Energy is undertaking a \$613 million investment that will add 10 per cent to the power station's generating capacity and will make it one of the most efficient coal-fired power stations in

energy conversion and CO₂ emission terms, in Australia. Last year marked the successful completion of Delta Electricity's \$500 million new gas-fired power station on the Central Coast, Colongra, which is now supplying customers with electricity produced from cleaner gas sources during times of peak demand—which is when we really need it. The projects that are underway right across the State all contribute to delivering a secure and reliable electricity supply for New South Wales consumers. The New South Wales Government will continue delivering on this commitment and investing in energy infrastructure for the benefit of the people of New South Wales.

The Hon. LYNDA VOLTZ: Minister, earlier we may have been slightly remiss when the Hon. Duncan Gay wanted to ask a question regarding Country Energy.

The Hon. DUNCAN GAY: Minister, are you aware that a fine and long-term public servant, appointed by your government—we accept that even your Government gets some appointments right—

Mr PAUL LYNCH: Can we have that underlined?

The Hon. DUNCAN GAY: —Craig Murray, recently retired from Country Energy? It would be remiss of us not to pay tribute to the role he played in bringing together the former NorthPower and Advanced Energy and others and transformed what was almost a basket case, as well as a focus of angst in the community, into Country Energy—an entity that has been accepted, provided employment in country areas of New South Wales, and reinstated presence and support. Minister, I know in the short term of your administration, you, Mr Duffy and others appreciate the work he did, and that you worked with him. I thank the Government members for giving up a little of their time to allow me to pay tribute to Craig Murray.

CHAIR: Hear, hear.

Mr PAUL LYNCH: I understand he retired after more than nine years at the helm of one of Australia's largest regional businesses. In terms of where we are now going, recruitment specialists Watermark Search International have been engaged to undertake a search and selection process. The new chief executive officer will be appointed in accordance with the SOP laws. Terri Benson will continue as the acting managing director until a new managing director is appointed. I think Mr Duffy has had more than a bit to do with Mr Murray over the years, and may wish to add some comments.

Mr DUFFY: I thank the Hon. Duncan Gay and appreciate that the relationship between Country Energy and members of Parliament who are not members of the Government has been a very cordial and productive one. Craig acted in a spirit of regional development in the way he approached managing Country Energy. Basically he fought to keep local employment. As has been said, he focused on local jobs. He was very proud of the apprenticeship program that Country Energy ran, in particular the Aboriginal apprenticeship programs that have been outstanding successes for those involved. I am sure the Minister will bring you up to speed on those.

As you have said, Craig brought a very wide-ranging set of cultures among disparate country distributors together into one functioning organisation that is very highly regarded on a whole lot of levels. As you would know, given the spread of the geography, it is very difficult to try to keep up with or contain distributors in terms of reliability, travel times and the weather that they deal with. It is all very challenging. I appreciate that the Committee has taken this opportunity to pay some tribute to Craig Murray. He has been a great servant of the public, and particularly of country New South Wales. I thank you for this opportunity.

Mr PAUL LYNCH: Mr Duffy is right: Country Energy has been very good about Aboriginal employment. There are lots of people around who do not do terribly well at that, but Country Energy has been very good not just in the apprenticeship scheme but generally for what it has done in relation to employment. Moreover, Country Energy is regarded pretty well by the Aboriginal community. Elders of the communities I visit speak volumes. Country Energy does sensible things. At one stage we had a problem at Toomelah about lights and everybody was complaining about it. Nothing happened, but we phoned Country Energy and it was suddenly fixed, although beyond Country Energy's strict brief. That stemmed from the leadership of Mr Murray.

The Hon. TONY CATANZARITI: I had little to do with Craig Murray, but our relationship was such that I was always pleased to talk to him and he was always open to listening to what I had to say. As has been pointed out, his commitment to apprenticeships particularly is one that I do not think has been equalled

anywhere and it is really great. I place on the record that we were very pleased to have known him and very pleased with the work that he did.

The Hon. LYNDA VOLTZ: Obviously all round he had a good relationship with the Government and non-government members. I will move on to the next question. Could you let us know about progress with the national energy reform process?

Dr JOHN KAYE: Was that about the energy reform process?

The Hon. LYNDA VOLTZ: Its progress.

Dr JOHN KAYE: I did not think it was part of your portfolio.

Mr PAUL LYNCH: This is the national process. The National Energy Customer Framework [NECF], is clearly relevant to me.

The Hon. LYNDA VOLTZ: I know what I am doing.

Dr JOHN KAYE: Your question was incredibly unclear.

The Hon. LYNDA VOLTZ: Only to you. The Minister understood it perfectly.

The Hon. ROBERT BROWN: He is prescient.

Mr PAUL LYNCH: Significant work is being done at State and Federal levels to ensure the smooth transition of energy customers to a national framework. The National Energy Customer Framework is the next major stage in the national energy reform process that has been agreed and progressed through the Council of Australian Governments. The framework will support competition in the retail electricity and gas markets, and provide streamlined protections for vulnerable customers. The framework will also include a set of national rules for a new National Connections Framework, which will streamline and define connection arrangements for customers to the electricity and gas distribution network. These processes will improve customer certainty, especially in relation to gas, where customers will for the first time be able to apply directly to the distributor for a connection.

The Government has an effective and strong customer framework that governs how energy retailers treat their customers. This framework includes rules regarding disconnection procedures, marketing of energy offers to small customers, customer hardship policies and minimum contract terms and conditions. The framework ensures that retailers operating in New South Wales are stringently monitored for compliance with these rules, which are part of retailers' licence conditions. It also ensures that New South Wales customers have access to a range of government assistance measures to help them pay their bills, including rebates, emergency vouchers and payment plans. These rules are expected to transition to the national framework when it is implemented. However, the New South Wales Government will continue to independently offer rebates and other programs for energy customers.

The New South Wales Government is committed to vigorously pursuing best practice consumer protection arrangements when negotiating with the Commonwealth and other States and Territories on the transfer of State-based regulatory functions to national bodies. We will not allow for an erosion of consumer protection arrangements for New South Wales customers. In fact, the implementation of the national framework in New South Wales is being designed to ensure that current protections are either maintained or improved. The Government will also ensure that New South Wales customers can have access to a regulated retail price for their electricity and gas until at least 30 June 2013 or beyond until the Government is satisfied that there is sufficient competition in the New South Wales retail energy market.

Each State and Territory is charged with the responsibility of implementing the national framework locally. To inform this process in New South Wales the Government has released a consultation paper which seeks stakeholder feedback on the proposed implementation in New South Wales. This paper focuses on consumer protection and covers the transitional arrangements that will apply as the framework is implemented, timing, and how to ensure best practice consumer protections are maintained. Submissions on the consultation paper will be considered as part of our transition and are invited until 6 October 2010. New South Wales

stakeholders have been advised that the new national connection arrangements are not expected to significantly impact on the operation of the existing New South Wales electricity contestability regime for connections services.

It is expected that the new frameworks will be implemented in jurisdictions progressively between July 2011 and July 2013. The New South Wales Government will continue to work with the States and Territories, as well as the industry here, to ensure that New South Wales customers benefit from the new arrangements as they progress. Another national energy reform initiative that has been implemented is the Short Term Trading Market for trading wholesale gas, which will initially operate in New South Wales and South Australia. The Short Term Trading Market, which commenced this month, is an important development in the New South Wales gas industry as suppliers are able to buy and sell on an open market. The Short Term Trading Market was developed by gas industry participants under the oversight of the Gas Market Leaders Group and is operated by the Australian Energy Market Operator [AEMO].

The Hon. LYNDIA VOLTZ: What is the Government doing to deliver on its commitment to ensure a reliable electricity supply?

Mr PAUL LYNCH: The Government is delivering on its commitment to ensure that all New South Wales homes and businesses have access to energy services that are reliable, affordable, sustainable and safe. The State Plan sets high targets that New South Wales electricity distributors, the companies that manage the poles and wires, need to meet for customers. Our goal is to provide electricity supply reliability of 99.98 per cent by 2016, and we are certainly on track to meet that mark. That percentage equates to an average customer experiencing just 105 minutes a year without power. No electricity system can be 100 per cent reliable, and in this context our target may seem very high, but it is for a very good reason.

New South Wales is home to more residents than any other Australian State or Territory, and has the largest retail, transport and storage, construction and communication services industries. Our population and demand for energy is steadily growing. Secure and reliable sources of electricity are fundamental to everyday life, supporting a growing population and our economy, establishing New South Wales as a safe place to invest and do business. New South Wales customers expect the power to stay on, and as we are all more dependent than ever on electrical devices, such as computers and air conditioners, loss of supply is even more apparent.

Secure electricity supplies underpin the economy and support the high standard of living and lifestyle that all residents of New South Wales deserve. Current reliability is trending at a world-class rating of more than 99.97 per cent reliability, and New South Wales already has one of the most reliable electricity networks in Australia. This is a major achievement with New South Wales customers spread across a vast network, with more than 300,000 kilometres of wires and cables, more than two million power poles and 180,000 electrical substations. Average reliability in 2009-10 was 99.9796 per cent, or 107.4 minutes per customer—an increase from 99.973 per cent, or 142 minutes, achieved in 2008-09. These improvements in reliability are the result of continuous spending on the network by the New South Wales Government.

More than \$10 billion was spent on the network over the past decade, and more than \$18 billion is currently being spent over five years on new infrastructure to grow the network and to replace or maintain the assets that have served us well for many decades and provided value for money for New South Wales customers. That is almost \$10 million a day. This investment will maintain and improve the reliability experienced by all electricity customers, including households, commercial premises and industry, across the State. I am pleased to advise the Committee that, in addition to investing in new infrastructure and maintenance to support supply reliability, new laws to protect vital power cables and gas pipelines recently commenced on 1 July 2010. The laws play an important role in safeguarding public infrastructure, especially because most outages are not related to network or system failures but to other factors like storms, falling trees or botched excavation. The laws require New South Wales service operators to be members of the Dial Before You Dig service. This free national service holds and provides information about the location and type of underground assets, including gas pipes and electricity cables. [*Time expired.*]

CHAIR: My question relates to bushfire, longevity, aesthetics or technology. Has the department paid any attention to undergrounding electricity lines, particularly in country areas of high population growth, which have sensitive environments as well?

Mr PAUL LYNCH: The department has considered those matters. In relation to bushfires, there was the Victorian report in July. We are reviewing the findings of that report. There will be an overall government

response to which we will contribute. My recollection—Mr Duffy will correct me if I am wrong—is that the Victorian Government did not accept the recommendation to underground power lines.

Mr DUFFY: That is right.

Mr PAUL LYNCH: If you are trying to underground every power line in the country, I think the cost is prohibitive. But that is not to say that there are not a whole range of other things you should be doing.

CHAIR: There may be certain areas where there would be priority for that sort of thing?

Mr PAUL LYNCH: That is true, but we might take the question on notice and give you a more detailed response.

CHAIR: I appreciate that. It is an interest in my local area.

(The witnesses withdrew)

STEPHEN WRIGHT, Registrar, NSW Aboriginal Land Rights Act, affirmed and examined:

JAMES ALEXANDER CHRISTIAN, Chief Executive, Aboriginal Affairs NSW, Department of Human Services, sworn and examined:

The Hon. DAVID CLARKE: The Opposition has received complaints from Aboriginal communities that the Minister could visit far more of their communities than he has. They suggest that the Minister has been rather light on with his visits. What does the Minister say to that?

Mr PAUL LYNCH: I would say that is the most outrageous bit of nonsense I have ever heard. I have visited more Aboriginal communities in the electorate of Barwon than the member for Barwon.

The Hon. DAVID CLARKE: That is not an answer. You are the Minister.

Mr PAUL LYNCH: Yes, and he is the shadow Minister and it is his electorate and I have seen more Aboriginal communities in Barwon than he has. I have had an extensive—

The Hon. DUNCAN GAY: How many?

Mr PAUL LYNCH: A lot more than you have been to. I have had an extensive range of visits to a whole range of communities.

The Hon. DUNCAN GAY: You would not know—

Mr PAUL LYNCH: Any suggestion that I have not is a disgraceful and outrageous lie.

The Hon. DAVID CLARKE: Do you say that to communities that have made that allegation?

Mr PAUL LYNCH: Absolutely. I am happy to say I have not been to absolutely every community in New South Wales but I have got to say I have been to a lot more, frankly, than any previous Minister for Aboriginal Affairs in the past 20 years.

The Hon. DAVID CLARKE: That is a question of relativity though, is it not? Do you have a list?

Mr PAUL LYNCH: I am happy to provide the list on notice.

The Hon. DAVID CLARKE: Will you take that on notice?

Mr PAUL LYNCH: Oh yes. But the Opposition would know that because it FOI'd my transport records so it knows exactly where I have been and how many flights I have had to regional New South Wales to visit communities.

The Hon. DUNCAN GAY: Some very strange stuff there.

Mr PAUL LYNCH: And the fact that you have not been able to raise it until now suggests that it was exactly as it should have been.

The Hon. DAVID CLARKE: The Opposition will wait with anticipation for the list of communities that you have visited.

Mr PAUL LYNCH: I also ask in reply would you get your shadow Minister to provide a list of communities he has been to?

The Hon. DAVID CLARKE: Minister, I am not here to answer questions from you; I am here to ask questions.

Mr PAUL LYNCH: Which means you cannot answer them because the shadow Minister goes nowhere.

The Hon. DUNCAN GAY: When he is the Minister you will be able to ask him.

Mr PAUL LYNCH: That will be the end of all of us.

The Hon. DAVID CLARKE: Mr Christian, are you aware that employees of your department are leaking information to the New South Wales Opposition?

Mr CHRISTIAN: If I were aware of any specific examples or of individuals inappropriately leaking information from the agency you can be assured that we would be taking that very seriously in accordance with the requirements of public servants to follow the appropriate rules.

The Hon. DAVID CLARKE: If it were said that it was leaking like a sieve would it surprise you?

Mr CHRISTIAN: It would.

The Hon. DAVID CLARKE: Has anyone been employed in your department, or under contract with the Ministry, who has been tasked with the role of finding out the source of any leaks in the department?

Mr CHRISTIAN: The answer to that is, no. I do not have anyone employed or on contract to undertake investigations about the leaking of information to the Opposition, if that is your question.

The Hon. DAVID CLARKE: Is Mr Chris Morrison employed in the department?

Mr CHRISTIAN: Yes, Chris Morrison is my acting executive officer.

The Hon. DAVID CLARKE: Do you deny that one matter he is expected to check on, as it were, is that of leaks? Do you deny that he has been specifically requested to look into that matter?

Mr CHRISTIAN: Yes, I would deny that he has been specifically asked to look into leaks and investigate any staff in relation to alleged leaks to the Opposition. I would deny that.

The Hon. DAVID CLARKE: I refer to the Government's Safe Families Program that tackles Aboriginal child sexual assault in five nominated communities in far western New South Wales. The Opposition has a document that states that the program was supposed to be fully operational and staffed by February 2010 but as of the middle of June, I think, three of the five designated centres had not been opened. Is that the situation? Is it continuing? Has it been rectified?

Mr CHRISTIAN: In answering that question I would like for the Committee to understand just exactly what Safe Families Program is about. Safe Families is a whole-of-government program being delivered by Aboriginal Affairs NSW as lead agency, Community Services and NSW Health and the New South Wales Police Force to tackle child sexual assault in five Aboriginal communities in far west New South Wales.

The Hon. DAVID CLARKE: I am mindful of the time. My question does not relate to how the program operates but asks whether three of the five centres that were meant to be opened and staffed as of February had as at the middle of June not been opened. There is talk that they may come on to line in July 2010. Is that the situation?

Mr CHRISTIAN: Ever since the program was first funded in the 2008 financial year, Aboriginal Affairs and partner agencies have been working with the targeted communities in a concerted effort to begin to build awareness and leadership around this important issue. You need to understand that the five communities that are selected are in remote and rural New South Wales, and that we not only have been working with those communities for a number of years now to build that awareness of this important issue but have had various staff working on the program. For a while now we have had two of the sites up and running—that is, [name suppressed by order of Committee] and—

Mr PAUL LYNCH: Don't name them.

Mr CHRISTIAN: Two of the sites up and running now for a period of time.

The Hon. DUNCAN GAY: Too late. He has named one.

The Hon. DAVID CLARKE: Were those sites meant to be up and running in February 2010?

Mr CHRISTIAN: They were operating prior to February so they were actually ahead of time. The remaining sites are expected to come on progressively for the remainder of this year. We are well positioned to make sure that all staff in the program are on board, particularly the Aboriginal Affairs staff in the program. I would wish the Committee to note that about 70 per cent of those staff will be Aboriginal people working in that program.

The Hon. DAVID CLARKE: The Opposition has documentation that states that the offices in [names suppressed by order of Committee] should have been on line as of February 2010.

The Hon. LYNDA VOLTZ: Point of order: I am not sure we should be naming the communities that are being set up. Could they be removed from the *Hansard* record?

CHAIR: I was just getting advice on that.

The Hon. LYNDA VOLTZ: Could we instruct that Hansard remove the names and we refer to them as the "three communities"?

The Hon. DAVID CLARKE: I am happy to do that. Do you accept that there are three communities that were meant to have these offices fully operational and staffed by February 2010 and the document states they "had fallen behind because of delays in recruitment and securing suitable office premises"? What do you say about that?

Mr CHRISTIAN: I reiterate that Aboriginal Affairs NSW and partner agencies have had a presence in those communities—if not by directly having them in the new Safe Families teams, we have had a presence. We have been working with communities. I also remind the Committee that the Safe Families Program is not a substitute for the core services that are to be delivered to those Aboriginal communities through Community Services, the New South Wales Police Force and NSW Health in relation to tackling child sexual assault and abuse.

The Hon. DAVID CLARKE: Mr Christian, I am asking a very specific question and I would like a specific answer. Are there three community offices to be fully staffed that should have been up and operational by February that, as at the middle of June, were not operational? Is the answer yes or no?

Mr CHRISTIAN: I am sorry; it is not a simple answer. You are asking whether they have been operational. What I am telling you is that the program has been operational in all five communities to the extent that Aboriginal Affairs has been working with partner agencies and with communities to build an awareness and acceptance of this program in the community so that it can be embraced and so that the community can take leadership around this important issue.

The Hon. DAVID CLARKE: If there was a document from your department stating this, you know nothing about that document.

Mr CHRISTIAN: I suspect that you may be referring to a letter that was signed out by me to New South Wales Treasury around slippage in the program. If that is specifically the document that you are referring to, of course I know about the letter—I signed it.

The Hon. DAVID CLARKE: Are those centres in three of those communities that were meant to be fully operational and staffed by February 2010 now fully operational and fully staffed?

Mr CHRISTIAN: No, they are not fully operational and they are not fully staffed. They will be very soon.

Mr PAUL LYNCH: It is also worth pointing out that that is part of Safe Families. The other part involved the development of the JIRT office, which opened in June of last year.

The Hon. DAVID CLARKE: Mr Christian, these offices deal with very serious issues—basically that of sexual assaults on Aboriginal children. There could not be a much more serious matter to be dealing with than that. Would you agree with me?

Mr CHRISTIAN: It is serious and very sensitive and very complex.

The Hon. DAVID CLARKE: That is right. If it is the situation that there are centres that should have been operational in these communities—that should have been up and operating in February—but that are still not fully operational, you would not be happy about that delay, would you?

Mr PAUL LYNCH: But these are not meant to replace existing services. There are currently existing services—

The Hon. DAVID CLARKE: I understand that.

Mr PAUL LYNCH: Well, the Opposition does not because it consistently manages to ignore saying that.

The Hon. DAVID CLARKE: Clearly these are an integral part of the system and that is why they have been set up.

Mr PAUL LYNCH: They are a new part of the system that we are trying to establish in remote areas of New South Wales where it is hard to get staff and accommodation. They are difficult and complex things to do and, as Mr Christian has indicated, the mere fact that an office has not got all the furniture does not mean that the programs are not being run.

The Hon. DAVID CLARKE: Seeing as you are happy to answer for Mr Christian, can I ask you this question: Are you prepared to accept, on behalf of the Government, responsibility for the State Government's incompetence in protecting Aboriginal children by not having these centres fully operational and fully staffed when they should have been in February this year?

Mr PAUL LYNCH: Your claim of incompetence is as dishonest and as personally offensive as the first question you asked.

The Hon. DAVID CLARKE: I am asking you, on behalf of the Government.

Mr PAUL LYNCH: As I have just said, the claim of incompetence from you is as dishonest and as personally offensive as the question you first started with.

The Hon. DAVID CLARKE: So you are not prepared to take responsibility for the fact that these centres are still not operational, as they should be?

Mr PAUL LYNCH: I am denying that there is incompetence involved.

The Hon. DAVID CLARKE: But they should be fully operational, should they not?

Mr PAUL LYNCH: I have given you an answer.

The Hon. DAVID CLARKE: It was not a very specific answer in response, if I may say so.

Mr PAUL LYNCH: I think it was. These are far more complex issues than you will ever concede.

The Hon. DAVID CLARKE: Minister, can you elaborate as to the bullying culture and heavy-handed tactics—

Mr PAUL LYNCH: That are being used in this Committee?

The Hon. DAVID CLARKE: That have been taking place in the community. Do you believe that there has been a culture of bullying and intimidation in the department?

Mr PAUL LYNCH: That is a matter I think for Mr Christian.

Mr CHRISTIAN: I am happy to answer that—

The Hon. DAVID CLARKE: Has there been that culture of bullying and intimidation?

The Hon. TONY CATANZARITI: Let him answer the question.

Mr CHRISTIAN: Aboriginal Affairs NSW is committed to providing a workplace that respects dignity and respect for all employees and our clients. We have undertaken a range of activities to ensure that everyone within the agency and those dealing with the agency are aware of their obligations and rights. That includes, for example, investment in our staff around professional development that has been delivered throughout 2009, and continues today. We have signed a dignity and respect workplace charter in partnership with the Public Service Association. We have run specific training for staff, more commonly referred to as Fair is Fair, and all but a few staff have been put through that program. The remaining staff will undertake the training by the end of September.

The Hon. DAVID CLARKE: You were so concerned about this culture of bullying and intimidation that you called in an independent consultant to investigate the problem and to make recommendations. Is that the situation?

Mr PAUL LYNCH: How else can he respond to claims like that? Of course.

The Hon. DAVID CLARKE: Is the answer to that yes or no? Specifically, it was an independent consultant by the name of Jan McClelland. Is that the situation?

Mr CHRISTIAN: I think you are referring to a specific grievance and not to more general issues, so you might want to put your question more directly.

The Hon. DAVID CLARKE: I will be specific. She made a number of recommendations, which clearly go to a whole culture, not to a specific issue. One of the recommendations put forward was that the director general commission a quarterly review of the implementation of the recommendations in this report and establish protocols for handling disputes that may arise in the course of implementation. My question to you is: Has that been implemented?

Mr CHRISTIAN: The agency does have policies for dealing with workplace conflict, things like grievance handling procedures and policies.

The Hon. DAVID CLARKE: Including that one?

Mr CHRISTIAN: Including all matters that are raised. The policy for dealing with grievances and workplace disputes has been in place for some time. Like many other government agencies, Aboriginal Affairs does have a specific policy. As I indicated to you earlier, we are taking that further because we do take this matter seriously. We are taking that further by providing professional development and training for all staff in how to identify and best deal with workplace conflict and grievances and other issues that might arise from time to time in the organisation.

The Hon. DAVID CLARKE: What I read out to you was the tenth of 10 recommendations. Has that tenth recommendation proposed by Ms McClelland been introduced? Have you been receiving quarterly reviews? Have these quarterly reviews been commissioned, as was recommended in the report by Ms McClelland?

Mr CHRISTIAN: For the record, I would say, firstly, that I have been at Aboriginal Affairs since February of this year and I have received more than quarterly reports about how we are going against various recommendations included in the McClelland report.

The Hon. DAVID CLARKE: So has that tenth recommendation been implemented or not?

Mr CHRISTIAN: You might need to read recommendation 10 to me again, please.

The Hon. DAVID CLARKE: I am happy to do that. Can I ask, first of all, are you aware of the 10 recommendations by Ms McClelland?

Mr CHRISTIAN: Yes, I am.

The Hon. DAVID CLARKE: The tenth recommendation is that the director general commissions a quarterly review of the implementation of the recommendations of this report and establishes protocols for handling disputes that may arise in the course of implementation. It refers to a quarterly review, so I am asking you specifically about the recommendations contained in that tenth recommendation.

Mr CHRISTIAN: As I have already answered, we do have policies and procedures, and we are providing extensive training and development for staff around these types of issues. I receive regular reports about the implementation of various recommendations that the organisation might receive from independents, such as Jan McClelland.

The Hon. DAVID CLARKE: So are you answering yes to my question as to whether this tenth recommendation has been implemented? Is your answer to that yes?

The Hon. TONY CATANZARITI: Point of order: I always thought that witnesses could answer a question in the way they wanted to answer, and that should be accepted.

CHAIR: Mr Catanzariti is right. Mr Christian can answer the question as he sees fit. He does not have to continue answering that question.

The Hon. DAVID CLARKE: Can I ask you this question, Mr Christian: Are you prepared to answer yes or no?

The Hon. TONY CATANZARITI: He has answered three times. He can answer it any way he likes.

Mr CHRISTIAN: I believe I have answered the question.

The Hon. DAVID CLARKE: How much did Ms McClelland's investigation into bullying cost?

Mr CHRISTIAN: I do not have that detail with me. I will take that on notice.

The Hon. DAVID CLARKE: Did bullying and intimidation in the department lead to an overabundance of sick leave?

Mr CHRISTIAN: I am happy to take that question on notice but I remind the Committee that employees in Aboriginal Affairs are entitled to take a range of leave, including sick leave, and to my knowledge no leave has been taken inappropriately or for which there has not been an entitlement by employees within the agency.

The Hon. DAVID CLARKE: Minister, are you aware of a letter last year from the Public Service Association that accuses the department of openly misleading it and which stated, "The Association wishes to discuss the obvious difficulties in establishing a trust environment in circumstances where we have openly been misled"?

Mr PAUL LYNCH: What did you say the date was?

The Hon. DAVID CLARKE: It was 26 August 2009.

Mr PAUL LYNCH: Somewhat over a year ago. I will take that on notice.

The Hon. DAVID CLARKE: Minister, do you think your lack of leadership has allowed this culture of bullying and intimidation to fester, which required a special investigator to prepare a report and recommendations?

Mr PAUL LYNCH: Your allegation is untrue. You have consistently made a number of false allegations about me today. You are a disgrace. You have no substance despite what the bloke up the back who

has been making rude faces at us has been handing to you on bits of paper. Your performance has been abysmal. It was a brave move by Barry O'Farrell to appoint a National Party member to be shadow spokesperson on Aboriginal Affairs. It has been an abject failure because the bloke who is giving you the questions works for a bloke who thinks he is in Hollywood, not in Parliament.

The Hon. DUNCAN GAY: Point of order: No-one from the Opposition has been critical of the Minister's staff or any other staff. It is totally unfair for this bully of a Minister to be critical of staff who have no ability to respond on their behalf. I find the Minister's behaviour completely out of order.

CHAIR: I do not accept there is a point of order. The Minister can answer the question as he sees fit. Please continue.

Mr PAUL LYNCH: Clarke's suggestion, which is simply a reprint of the rhetoric that Humphries goes on with, is nonsense. It suggests, and indeed confirms, that Humphries and Clarke have no connection with this portfolio, no idea about the department and absolutely no idea of what is going on in Aboriginal communities. We have had 23 minutes of questions the vast bulk of which have had nothing to do with Aboriginal communities. I think that is the most eloquent confirmation that the Opposition has no idea about this portfolio.

The Hon. DAVID CLARKE: Sexual abuse of Aboriginal children has nothing to do with you?

CHAIR: Mr Clarke, your time is up. I call Mr Brown.

The Hon. ROBERT BROWN: In the last couple of years I have been involved in a number of committees that have come across situations where local indigenous involvement was required and necessary and it appears to me there is a bit of a problem in obtaining long-term community involvement in some committees. Does the department have any specific education programs for community leaders or community representatives on how to conduct themselves and work things so they can contribute, particularly to some of these advisory committees?

Mr PAUL LYNCH: There are a few things that happen. There are Aboriginal young people round tables where we deal specifically with younger Aboriginal people who are perceived as leaders within their own community. That is a longer-term thing but I think it is critical in the long run. Community working parties exist in quite a number of communities and are about improving governance of Aboriginal communities and representatives interfacing with government agencies and trying to coordinate services and have a bit more input into the end products. Community working parties are an example of the way that Aboriginal people are being more involved in communities, and that is a place where other people can go to be involved and be connected with the communities.

The Hon. ROBERT BROWN: My second question relates to the department's role in advising agencies in their dealings with communities. A specific example is the river red gum national parks that have just been created. I was fairly closely involved with the people there. I came across what appears to be a point of contention with the local community in New South Wales. The Bangarang people had their noses out of joint because National Parks and Wildlife had chosen to negotiate with another group, the Yorta Yorta, on the other side of the river. Do departments come to you for advice or are they required to do so before they get involved in making public statements about who they will or will not deal with? Do you provide a service to those agencies to negotiate for them or help them with their relationships?

Mr PAUL LYNCH: Certainly one of the agency's main roles is to deal with other government departments and give them advice as they request. Sometimes the advice is accepted and sometimes not. That is the nature of the world. There is sometimes an unfortunate assumption that all Aboriginal people think the same way—or they should. That is as irrational as thinking all non-Aboriginal people should think the same. So there will be a range of opinions within Aboriginal communities, as there are within non-Aboriginal communities.

The Hon. ROBERT BROWN: One of the reasons I asked the question is that the Yorta Yorta representatives that we spoke to, on the basis of their discussions with the Government, were off to the World Bank to get some money to do some things in relation to the forests yet another group of people were saying, "Hang on, nobody asked us." In relation to training and apprenticeships for young Aboriginal persons, does the department have any input with agencies or a specific methodology to try to establish ways in which those agencies—we heard earlier about Country Energy—can set up programs to ensure that indigenous youth gets a crack at some of these things? Do you monitor the success of the programs?

Mr PAUL LYNCH: The public sector has clear guidelines and policies about that. There was an announcement at the end of last year that 2,229 Aboriginal-specific jobs would be created over four years. That included a number of cadetships, traineeships and apprenticeships. That builds on things we have done previously. Making it our Business is a public sector wide Aboriginal employment strategy that includes young people, which predated the announcement in December. We also have job compacts, which are agreements between employers and Aboriginal communities to try to increase levels of employment. All of that is about breaking down barriers. Quite often you will find Aboriginal people think, because of the history of racism, they are not going to get a job. It therefore creates the expectation that they will not. If you can break down that sort of cycle it is as relevant for young people as it is for older people. In addition, there are now 11 or 12 economic development officers partly funded by the Federal Government and the State, which is an attempt to create business opportunities within the Aboriginal community.

Once again, that has an impact on young people. There is a range of programs run by other departments that we are keen to encourage. One of the most sensible and basic relates to licences and is run by the Roads and Traffic Authority. Lots of young Aboriginal people do not have licences. There is a program whereby if we can get them a job and a licence their loss of licence because of failure to pay fines will be suspended if the fines are paid. Interestingly, Bourke council came on board with that. A number of local councils around the place are part of that. That is not one that we run but one that we are keen to encourage and we talk it up a bit as we go round.

The Hon. ROBERT BROWN: With respect to the overall policy initiative you mentioned of having 2,229 places, is it your portfolio's responsibility to monitor and report on that within your portfolio, or is it the responsibility of the individual agencies who take it up?

Mr PAUL LYNCH: Individual agencies have to take it up, but that figure was determined after going to each agency after a very lengthy process. So it was not just plucked out of the air. It is also a condition of employment of the chief executive officers of all those agencies that they adhere to those targets, which is a reasonably big stick. Interestingly—we were just discussing this the other day in my capacity as Minister for Public Sector Reform—I might be trying to do something at a little bit higher level than just those things. They should be enough but in this world you never take anything for granted. So, I am looking to see what more we can do to keep a check sheet of the 2,229.

CHAIR: As the Aboriginal Trust Fund Repayment Scheme is located and managed within the Department of Premier and Cabinet, who is ultimately responsible for the administration and finalisation of the scheme—you as Minister for Aboriginal Affairs or the Premier?

Mr PAUL LYNCH: It was the Minister for Finance, even though it was located within the Department of Premier and Cabinet. It has now been transferred to me. So, I am the one who signs the letters when we are paying people out.

CHAIR: How many applicants to the Aboriginal Trust Fund Repayment Scheme have received payments and what is the total of the ex-gratia payments made out of the scheme?

Mr PAUL LYNCH: As at 1 August 2010, \$2.4 million has been approved in payments out. As at 1 August 2010, \$2,390,714.80 has been approved for ex-gratia payment. There have been 1,525 claims assessed, and of those 1,291 claims have been finalised with 231 people having had payments approved. There have been 266 claims assessed and sent to claimants, with responses from claimants still pending. With regard to direct claims—that is those claims for clients who are still alive for which the trust was established—1,132 direct claims have been finalised. I think that covers all of that.

CHAIR: It does, and you have just answered my next question. As the Aboriginal Trust Fund Repayment Scheme is now repaying a set amount of \$11,000, as I understand, for each claim judged to be successful, how much money has been budgeted for repayment until June 2011?

Mr PAUL LYNCH: I might take that on notice. The amount that has been budgeted will include a payment of \$11,000 for all the people likely to be successful claimants. It is worth making the point that this is an ex-gratia scheme so if someone can prove they are entitled to more than \$11,000, that is a whole different process.

CHAIR: How many staff members are currently budgeted for the Aboriginal Trust Fund Repayment Scheme? How many of those staff members are budgeted until June 2011 and what are the roles of the staff members?

Mr PAUL LYNCH: Before I get to the note, because of the extensive advertising associated with the extension of the scheme's deadline we had to put on extra staff. We had something like a 266 per cent increase in claims. To address the unexpected increase in the number of claims and to deliver on the Government's commitment to consider all claims by the end of 2010, an additional 8.5 staff have been deployed across the Department of Premier and Cabinet, Aboriginal Affairs and State Records. In total, 18 front-line staff are now devoted to finalising claims under the scheme. The rest of the question I might take on notice. That gives you some of the answer.

CHAIR: Obviously, as you know, most claimants are anxious to know when their claims will be processed. My understanding is that the scheme's hotline states that it will not answer questions about individual claims. Is there provision in the budget for expanding this hotline to include answers about the progress of individual claims, particularly for the frail and elderly who have been waiting many years for this process to be concluded?

Mr PAUL LYNCH: We might take that on notice. The problem is the more time you spend answering inquiries about particular claims, the less time you have to get on and assess them.

CHAIR: Yes, but you can imagine the general angst.

Mr PAUL LYNCH: Yes, which is why getting on and doing it quickly might be the solution. I will take the question on notice and give you a more considered answer.

CHAIR: It is likely when the scheme closes that there will still be significant amounts of unclaimed Aboriginal Trust Fund moneys under government control. Is there currently any provision in the budget for identifying such unclaimed trust moneys in the future and conducting consultations with the Aboriginal community about the most appropriate way to distribute such remaining amounts?

Mr PAUL LYNCH: I am not sure that is right, because I do not know that there is a lot of unclaimed trust money. I think the problem was that the money was in the trust and the Government stole it. That is effectively what happened. It is not as if you have a whole lot of money sitting in trust accounts without it being touched. The money was all gone when the scheme was closed down back in the 1960s.

CHAIR: A low percentage of claimants, approximately 10 per cent, currently have access to legal assistance, the majority of this coming from pro bono lawyers. Is there any provision in the budget for additional legal and practical support for claimants to ensure that all claimants have fair and equitable access to the Aboriginal Trust Fund Repayment Scheme?

Mr PAUL LYNCH: It is not just the pro bono private schemes. My understanding is that Legal Aid do quite a number of these claims as well. I have certainly written letters to the Legal Aid Commission, so you are not simply limited by the number of pro bono private firms that are offering their services.

CHAIR: How much funding has been provided to Link Up, the New South Wales Aboriginal Corporation, in 2010-11?

Mr PAUL LYNCH: We have given them heaps. We just gave them an extra amount to run the Cootamundra girls home function.

CHAIR: Can you quantify that?

Mr PAUL LYNCH: I was about to say every extra cent I get I'd like to give to Link Up, which is probably not something I should say, but they are a very good organisation that I have immense time for. We might take the question on notice and give you a proper figure. As I say, we recently announced some extra money to them to run the Cootamundra girls home commemorations.

CHAIR: You might recall in answer to questions on notice from the 2008 budget estimates hearings the Government confirmed to the relevant committee that the New South Wales Government and the

Commonwealth Government were renegotiating an overarching agreement on Aboriginal affairs 2005-10, also known as the bilateral agreement. The committee was subsequently informed at its hearings on 14 September 2009 that negotiations were still ongoing. Have those negotiations now been finalised? If so, when? And, if not, why not?

Mr PAUL LYNCH: As part of the Council of Australian Governments' commitment to closing the gap in disadvantage, bilateral agreements are being updated both to reflect the Council of Australian Governments' targets and to strengthen focus on this area. Negotiations with the Australian Government are progressing well and New South Wales has highlighted areas where it would be particularly effective to work together on joint projects.

CHAIR: I take it the negotiations have not been finalised as yet, is that correct?

Mr PAUL LYNCH: That is true. We are highlighting particular areas we want to work on—urban and regional service delivery, economic development and child protection. Mr Christian might want to add something to it. My suspicion is that we have an ongoing problem with Canberra where they focus on other States rather than ours, and that might be the issue.

Mr CHRISTIAN: That is part of the issue.

CHAIR: Whatever stage negotiation, obviously it is not complete. Is there any material information that can be released publicly on this process at this point?

Mr CHRISTIAN: There are just a couple of things I would like to add to what Minister Lynch has already said about this. You are absolutely right: the overarching agreement on Aboriginal affairs was signed by the New South Wales Government and the Australian Government back in December 2005 and runs for five years. We have been in negotiation with the Commonwealth around a replacement agreement. However, in the meantime in New South Wales we have a number of national partnerships that underpin the national indigenous reform agreement and the agenda that the Council of Australian Governments has. There are no less than six national partnerships that we have specific to closing the gap on Aboriginal disadvantage in New South Wales, ranging from the partnership on remote service delivery through to things like closing the gap in indigenous health. As I said, we have been in discussions and negotiations with our Australian Government counterparts and are at a stage where the final details are being put to the bureaucrats in order to put a position to government. In order to release the information around that, there is an issue around Cabinet in confidence because the agreement would need to go to Cabinet.

CHAIR: Last year questions were asked about what consultation, if any, had been held with Aboriginal people or their representative organisations on the content of the document. The former Director General, Mr Brown, said, "Not a lot at this stage", which clearly foreshadowed a proposed consultation process. Has there been any consultation process with Aboriginal people and/or with their representative organisations?

Mr CHRISTIAN: I am confident in stating that in my time at Aboriginal Affairs a number of measures have been undertaken to engage with Aboriginal peak bodies that, by and large, represent the key interests of Aboriginal people across New South Wales. We have what is known as the Two Ways Together coordinating committee—a committee chaired by Aboriginal Affairs. Through that committee we look at various strategies that are being implemented under Two Ways Together. Through that committee we have been talking also about Closing the Gap strategies in New South Wales. Every lead agency with a responsibility for the development of the Closing the Gap strategy has a key relationship with each of its peak bodies. A number of measures will ensure that Aboriginal peak bodies are being engaged around closing the gap on indigenous disadvantage and the way in which they would like to advise the New South Wales Government on priorities.

CHAIR: Minister, I ask you directly whether the Government is still of the view, as expressed by you at the last estimates committee, that there is no place in this agreement—correct me if I have this wrong—for Aboriginal peak representative bodies.

Mr PAUL LYNCH: The model of the agreement is such that it is just between governments. We do a whole series of other things and we engage with peak Aboriginal bodies. A lot of the stuff in this space is run by the Federal Council of Australian Government [COAG] agenda and the working group on indigenous reform. Those bodies have always been subject to the valid criticism that they have not involved Aboriginal people. It has been a frustration for some time that we have to deal with people in Canberra who have a particular way of

doing things. That does not apply to everyone in the Commonwealth public sector. The State director of the Department of Families, Housing, Community Services and Indigenous Affairs [FaHCSIA] is a considerable improvement on his predecessor. With some of these COAG processes there is a generic problem about how the communities are consulted at the peak level. I think we do a lot better in New South Wales at the State level.

CHAIR: I refer to Aboriginal land council claims. Could you advise how many land claims are currently registered or lodged with the registrar's office for the Aboriginal Land Rights Act?

Mr WRIGHT: I am using statistics that are current as at yesterday, that is, 15 September 2010. Since the commencement of the Act in 1983, 29,648 claims have been lodged. The number of claims that remain to be determined at that date is 20,300.

CHAIR: Do local Aboriginal land councils now have access to Crown lands databases, or are they still required to use the parish maps? I think I referred to this issue last year.

Mr WRIGHT: I have not been directly involved in conversations between the New South Wales Aboriginal Land Council and the Government in relation to Crown lands data. I understand that the consolidated data about which you are talking is a database held by the Department of Lands that records Crown land estate in New South Wales in a grouped or consolidated form. I do not know the answer so I will take your question on notice.

CHAIR: I think I have raised this issue also with the Minister for Lands at various times.

Mr WRIGHT: I will take that question on notice and I am happy to obtain an answer for the Committee.

CHAIR: If the answer is no, what are the time and resource implications for requiring land councils to use parish maps rather than the Crown land databases? Could you also take that question on notice?

Mr WRIGHT: Yes.

CHAIR: What role does the expeditious processing of Aboriginal land rights claims have in progressing the objects of the Act and broader economic development opportunities?

Mr WRIGHT: Are you asking whether it assists if land claims are determined expeditiously?

CHAIR: Yes, in progressing the objects of the Act and broader economic development opportunities.

Mr PAUL LYNCH: Undoubtedly.

CHAIR: Are there examples of where delays in claim evaluation and processing can impact on future land use and economic development opportunities?

Mr PAUL LYNCH: Theoretically one would imagine so. I do not think I can point to anything in particular. Mr Wright might be able to help.

Mr WRIGHT: There are a number of older claims but nowhere near as many as there were when we spoke last year at this Committee. Interestingly, a number of those older claims have been put in various processes to assist with their determination. For example, I alert you to claims at Coffs Harbour, Brewarrina and Ballina, where negotiations are proving fruitful in relation to those claims. So, yes, as the Minister rightly said, theoretically there is always an issue with land-use activities after the date of claim—which inherently are unlawful unless the claim is determined—affecting land use more generally. However, where negotiation is possible there have been some good outcomes in that respect.

CHAIR: Could you give the total value and size in hectares of landholdings of all New South Wales Aboriginal land councils, or will you take that question on notice?

Mr WRIGHT: I will take that question on notice and get you an updated figure.

CHAIR: Are you able also to provide the Committee with the balance in the land council Community Development Fund.

Mr WRIGHT: The total amount of money held in its statutory investment fund?

CHAIR: Yes.

Mr WRIGHT: Yes.

CHAIR: Is additional funding available for local Aboriginal land councils to comply with the new requirements of the 2009 amendments to the Aboriginal Land Rights Act?

Mr WRIGHT: By the 2009 amendments I assume you are referring to the land dealing provisions?

CHAIR: Yes, that is my understanding.

Mr WRIGHT: I will take that question on notice and I will be happy to provide that information to you.

Mr PAUL LYNCH: By definition, if you have a development proposal that requires you to go through the hoops you need to go through to get approval under the 2009 amendments, a pot of money will come at the end of the day.

CHAIR: When is the end of the day?

Mr PAUL LYNCH: Whenever the development occurs.

CHAIR: Is that locked in if there is a change of government?

Mr PAUL LYNCH: It is all covered by legislation, so there would have to be a change to the legislation. To be fair, I have had a feisty exchange with my opponent from time to time; however, those land dealings bills went through without opposition from anyone. They went through unanimously. To be fair to everyone, there was a commitment to the process. The virtue of it is that it is one of those things where you have both the rights agenda and the development agenda coming together. There was something in it for everyone to support and it sort of made sense. In the long run my suspicion about those 2009 amendments is that they will last for a long time.

Mr WRIGHT: I add that one of the very useful outcomes of those amendments, which were wholeheartedly supported by the Parliament, has been the good alignment between the Real Property Act and the Aboriginal Land Rights Act. Some good work is now being done between the Land and Property Information service, my office and the New South Wales Aboriginal Land Council, in ensuring that the rights of both land councils and the third parties that deal with them are clearly articulated in the Real Property Act. That has been a wonderful thing for general land management in New South Wales beyond the Land Rights Act itself.

The Hon. LYNDIA VOLTZ: One of the targets of COAG's Closing the Gap is employment and economic development. As you know, employment is one of the crucial issues within Aboriginal communities. What is the Government doing to increase Aboriginal employment and economic participation as part of Closing the Gap?

Mr PAUL LYNCH: Improving economic opportunities for Aboriginal people is a priority of the Government's State Plan and the Aboriginal Affairs plan Two Ways Together. A major focus of the work is improving employment outcomes in the private and public sectors and through government contracts. This recognises that employment is essential to improving the lives of many Aboriginal people. The Council of Australian Governments agreed also to action in the area of economic development for Aboriginal people. In March 2008 it committed to halving the gap in employment outcomes for Aboriginal people within a decade.

New South Wales has the largest Aboriginal population in Australia, with 27 per cent of the New South Wales Aboriginal population living in Sydney. Eight per cent of the nation's Aboriginal population lives in west

and south-west Sydney. It is estimated that the Aboriginal population of New South Wales will grow by 37 per cent between 2006 and 2021, over double the average growth rate for the total population.

Over the same period the proportion of the total Aboriginal population of working age—15 to 64 years—is expected to increase from 58 per cent to 61 per cent. While the Aboriginal population in western New South Wales will increase in line with the overall Aboriginal population in New South Wales, demographic trends within the region will see many more Aboriginal people living in regional towns. These trends highlight that urban and large regional areas in New South Wales offer the greatest potential to increase Aboriginal workforce participation. They also highlight the need for a continued focus on innovative employment and economic development activities in regional and remote locations in New South Wales because of the growing Aboriginal population and high level of disparity.

Job compacts are written agreements between the Government, Aboriginal groups, local businesses and decision-making bodies to increase Aboriginal employment in the private sector at a local level. Eleven job compacts have been established across the State. These agreements are developed on a location or industry basis to generate employment opportunities for Aboriginal people. The Aboriginal Participation in Construction Guidelines were developed to expand Aboriginal people's participation in New South Wales Government-funded construction and related activities.

They also support the role of the construction industry to enhance Aboriginal employment. The specific aim of the guidelines is to improve workforce diversity in construction and related industries by facilitating the development of Aboriginal enterprises and to encourage government contractors to provide Aboriginal people with apprenticeships, on-the-job skills training and career opportunities for those entering the industry. Under State Plan priority Strengthen Aboriginal Communities, the guidelines were used to target 15 construction projects. Aboriginal employment outcomes were a tender requirement. Examples of successful projects include the construction of the Nowra Correctional Facility and refurbishment of a Bowraville school. At least 191 Aboriginal people have been employed as a result of this State Plan commitment.

The New South Wales Government is committed to increasing the employment of Aboriginal people in the public sector workforce. The New South Wales Government committed to a 2.6 per cent Aboriginal employment target under Making It Our Business, the New South Wales Government policy for improving Aboriginal employment in New South Wales. Many agencies are aiming to have a higher percentage of Aboriginal employees to reflect their client base. Already 12 agencies have an Aboriginal employment rate of over 4 per cent.

The New South Wales Government has committed to the employment of an additional 2,229 Aboriginal people within the New South Wales public sector over the next four years as part of the effort required to meet the Government's Council of Australian Governments' commitment to halving the gap in Aboriginal unemployment within a decade. Through Aboriginal Affairs NSW and Industry and Investment NSW, 10 economic development officers [EDO] positions have been established to build and strengthen economic capacity by promoting, supporting and encouraging Aboriginal entrepreneurs to start up self-employment and sustainable business opportunities in New South Wales. The EDOs had been funded by the Australian Government Department of Employment, Education and Workplace Relations [DEEWR] through the Emerging Indigenous Entrepreneurs Initiative.

Initial feedback on the business outcomes during the period between February and June this year show that, first, 50 new indigenous owned and operated businesses have been established, with a target of 20—establishment of a new business is recorded when an EDO has significantly contributed to the establishment of a business through their work with a client; second, 132 indigenous owned and operated businesses have been assisted—with a target of 160; a variety of assistance can be provided by EDOs such as information on government programs available to support businesses, conferences, training and networking opportunities; and, third, 113 indigenous clients have been provided with supporting-mentoring services, with a target of 160. Also recorded during this period was the creation of 16 new jobs for Aboriginal people by businesses supported by the EDOs.

The National Partnership Agreement on Indigenous Economic Participation contributes to the Closing the Gap targets agreed in the National Indigenous Reform Agreement. The agreement involves complementary investment and effort by the Australian Government and the States and Territories to significantly improve opportunities for indigenous people to engage in private and public sector jobs. The New South Wales Government is committed to these efforts. Significant preparatory work has been undertaken with agencies and

non-government stakeholders to develop a number of possible approaches to strengthening Aboriginal employment through procurement. This work is a priority for Aboriginal Affairs NSW and is ongoing. As I mentioned earlier, we have also committed to a 2.6 per cent Aboriginal employment target for the New South Wales public sector. Supporting this is the requirement for all government agencies to have an Aboriginal employment strategy in place to strengthen Aboriginal employment, retention and progression.

The Hon. LYNDIA VOLTZ: As you would be aware, the retention of languages is culturally very important. What is the Government doing to support retention of Aboriginal languages?

Mr PAUL LYNCH: The Government is working with Aboriginal communities to build stronger communities by providing support for the revitalisation of Aboriginal languages as a key means of strengthening cultural resilience. Linguists estimate that at colonisation about 70 Aboriginal languages were spoken within what is now New South Wales. Today there are very few speakers of Aboriginal languages. Addressing this urgent need for Aboriginal language revitalisation, the New South Wales Government is focusing on language revival within Aboriginal communities, language education in schools and adult education and use of languages in the wider community. The Government recognises the crucial role played by members of Aboriginal communities in teaching and revitalising Aboriginal languages.

In 2009-10 the Government has supported both a local focus, through the Community Language Assistance Program grants, and provided funding for a statewide language forum and four targeted regional language workshops. The Aboriginal Community Language Assistance Program has allocated \$99,220 to four organisations to assist language revival efforts within Aboriginal communities. These grants fund the production of linguistic materials, multimedia dictionaries and teaching resources, and provide training in teaching and speaking a number of languages across New South Wales. These projects include: 10 Gamilaraay language workshop in the Tamworth region; producing Gamilaraay Yuwalaraay book and language resources; developing a Wiradjuri language pack with games, cards and an accompanying CD; and a Kattang language kit with a DVD and accompanying booklet.

Thanks to our efforts, Aboriginal language is being taught in Menindee, Wentworth, Broken Hill, Wilcannia, Bourke and Brewarrina. Aboriginal people in those communities can now hear the words of their forefathers. They can hear Paakantyi and Ngiyampaa. In schools in the central west, more people are connecting with the Wiradjuri language. In the North West, we now hear more people using Gamilaraay and on the South Coast we can hear the sounds of Dhurga being spoken. Aboriginal language education in schools has been a catalyst for increased attendance rates amongst Aboriginal students and has also been linked to increased student performance, particularly around levels of literacy and improved attendance.

Teaching Aboriginal languages relies on and creates strong community and school partnerships. That is why the Government has also provided \$100,000 in 2009-10 for a New South Wales Aboriginal languages forum and four regional language workshops. The forum and workshops are a partnership with the Aboriginal Educational Consultative Group [AECG], which is recognised as the principal source of advice on behalf of Aboriginal communities on issues relating to education and training. These workshops and forums are critical to providing professional development and targeted support to Aboriginal community members striving to revive their languages.

The State forum will provide workshops and presentations on Aboriginal language revival, consider the linguistic features of Aboriginal languages and explore the methodologies on teaching Aboriginal languages. The proposed forum will enable discussion on current developments in Aboriginal language revitalisation and education, and foster important links between Aboriginal communities, linguists and schools in language revival and teaching. The forum will also showcase the best Aboriginal community language activities and resources.

The four regional workshops are intended to provide a strategic focus on Aboriginal language activities and resources across particular regions. The regional workshops will enable communities, assisted by a linguist and other specialists, to identify and address linguistic resource gaps and extend language teaching more broadly across regions associated with particular language groups. These grants add up to more than \$1.1 million that the New South Wales Government has contributed to 68 language projects across New South Wales in the last five years. The Government's work is guided by the New South Wales Aboriginal Languages Policy and Strategic Plan. The Policy and Strategic Plan link community language work with language education work in schools, gaols and the community, and with wider appreciation of Aboriginal languages.

In 2010 a further \$100,780 has also been allocated to eight other Aboriginal organisations, though these funds are at the commencement of the 2010-11 financial year. In addition, in 2010 a new Small and Special Grant Category, available throughout the year, has been established. This grant has had strong community interest and has already allocated \$52,290 to date. These projects build on a substantial base of previous projects, including development and distribution of the CD-ROM, "An Introduction to New South Wales Aboriginal Languages", produced in cooperation with Aboriginal communities and language experts. This valuable resource has been distributed to all New South Wales schools, Aboriginal preschools, juvenile detention centres and community organisations. The CD-ROM has proven to be a useful and popular resource for students, teachers and communities interested in language revival. The centre has worked with the Geographical Names Board to continue naming geographical features in New South Wales with Aboriginal names.

The Hon. HELEN WESTWOOD: What progress has been made under the rollout of the \$200 million Water and Sewerage Program?

Mr PAUL LYNCH: I am delighted to advise the Committee about this. In 2008 the Government, in partnership with the New South Wales Aboriginal Land Council, committed to jointly investing in the \$200 million Aboriginal Communities Water and Sewerage Program. The program operates, maintains and monitors water and sewerage systems in discrete Aboriginal communities. This program commits to spending more than \$200 million over 25 years. Providing clean drinking water and effective sewerage treatment and removal will make an important contribution to Closing the Gap on Aboriginal health outcomes in New South Wales. We are doing this in partnership with communities, and we will get rid of the third-world water and sewerage conditions.

The New South Wales Government and the New South Wales Aboriginal Land Council have committed to working together on the Aboriginal Communities Water and Sewerage Program, maintaining and monitoring water and sewerage systems in discrete Aboriginal communities. Under the State Plan, the New South Wales Government is continuing its focus to provide all Aboriginal communities with equitable access to water and sewerage infrastructure by 2015. Under the New South Wales Aboriginal Affairs Plan, Two Ways Together, the New South Wales Government committed to upgrading water and sewerage in over 60 communities, with 22 communities to benefit over the next four years. Since the Aboriginal Communities Water and Sewerage Program began, up to 2,700 people living in 27 Aboriginal communities already are receiving improved water and sewerage services.

Site visits have been held with 59 of the 61 currently eligible communities and negotiations have commenced to determine the current level of service and the works necessary to raise service standards to the appropriate level. The Local Aboriginal Land Council, the local water utility and the New South Wales Office of Water have signed five-year service agreements for the local water utility to provide operations and maintenance services for water and sewerage in two communities: Cummeragunja, with services provided by Murray Shire Council from 15 May 2010, and Gundurimba, with services provided by Lismore Council from 9 June 2010.

In addition to the two long-term service agreements, interim arrangements are in place for service providers to take responsibility for the ongoing operation and maintenance of the water and sewerage services at a further 22 communities. These include Balranald Reserve, Barwon 4, Baryulgil Square, Brewarrina West, Collarenebri Reserve, Enngonia Reserve, Gingie Reserve, Goodooga Reserve, Jubullum, Malabugilmah, Mallee, Mehi Crescent, Murrin Bridge, Namoi Village, Nanima Reserve, Stanley Village, Summervale, Toomelah, Wallaga Lake, Warrali Mission, Weilmoringlel Wyalbar and Willow Bend. Further interim arrangements are pending for another seven communities.

Approvals have been given for backlog maintenance, emergency repairs and special purpose works at 28 communities. These works have commenced in 21 communities. To date \$4.1 million of the jointly invested New South Wales Government and New South Wales Aboriginal Land Council funds have been expended. The allocation for 2010-11 is \$10 million. Our partnership with the New South Wales Aboriginal Land Council is informed by a survey that we commissioned to examine the level of environmental health and community infrastructure, and the level of services currently delivered, in discrete Aboriginal communities. During 2008-09 the former Department of Commerce was engaged to survey essential and municipal services beyond the scope of the Aboriginal Communities Water and Sewerage Program. The Roads and Traffic Authority also surveyed road safety infrastructure in Aboriginal communities, reporting in January 2010.

In addition, Aboriginal Affairs NSW chairs the Environmental Health and Community Infrastructure Working Group, established to provide advice on community infrastructure needs in Aboriginal communities. The Working Group is comprised of representatives from Aboriginal Affairs New South Wales, Treasury, New South Wales Health, the Roads and Traffic Authority, the Aboriginal Housing Office and the New South Wales Aboriginal Land Council. The Working Group will consider the reports produced by the former commerce department and the RTA for Aboriginal Affairs New South Wales for future policy development supporting environmental health in Aboriginal communities.

CHAIR: Thank you, Minister, for your attendance and that of your staff. The Legislative Council resolved that answers to questions taken on notice must be provided within 21 days, if that is satisfactory.

Mr PAUL LYNCH: Sure.

CHAIR: I shall just make this general statement to advisers in the audience. Advisers are able to support members, but at all times they must respect the Committee proceedings. I ask that in future advisers remain quiet during hearings.

(The witnesses withdrew)

The Committee proceeded to deliberate.
