

# **GENERAL PURPOSE STANDING COMMITTEE NO. 1**

**Thursday 21 August 2014**

**Examination of proposed expenditure for the portfolio areas**

**PREMIER, INFRASTRUCTURE, WESTERN SYDNEY**

**CORRECTED PROOF**

**The Committee met at 2.00 p.m.**

## **MEMBERS**

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

The Hon. C. Cusack  
The Hon. L. Foley  
Dr J. Kaye  
The Hon. M. Pavey (Deputy Chair)

The Hon. G. Pearce  
The Hon. P. Primrose  
The Hon. A. Searle

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## **PRESENT**

**The Hon. Mike Baird**, *Premier, Minister for Infrastructure, and Minister for Western Sydney*

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## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

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

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

**CHAIR:** Welcome to the public hearing of the inquiry into the budget estimates 2014-15. Before I commence I acknowledge the Gadigal people who are the traditional custodians of this land, and I pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginals present. I welcome Premier Baird and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure in the portfolios of Premier, Infrastructure, and Western Sydney.

Today's hearing is open to the public and is being broadcast live via the Parliament's website. A transcript of today's hearings will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. So I urge witnesses to be careful about any comments they make to the media or to others after they complete their evidence as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take the question on notice and provide an answer within 21 days. Any messages from advisers or member's staff seated in the public gallery should be delivered through the Chamber and support staff and the Committee clerks.

Premier, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Finally, I ask everyone to turn off their phones for the duration of the hearing. All witnesses from the department, statutory bodies or corporations will be sworn in prior to giving evidence. I remind the Premier that he does not need to be sworn in as he has already sworn an oath to office.

**SIMON ARTHUR SMITH**, Acting Secretary, Department of Premier and Cabinet, affirmed and examined:

**CHAIR:** I declare the proposed expenditure for the portfolios of Premier, Infrastructure and Western Sydney open for examination. The Committee has amended the times allocated for these portfolios in view of Government members reserving their right to ask questions. The Committee has reallocated the time for questions on the portfolio of Premier to be from 2.00 p.m. to 4.00 p.m., afternoon tea from 4.00 p.m. to 4.15 p.m., and questions on the portfolio of Western Sydney from 4.15 p.m. to 4.55 p.m. Mr Premier, do you have any objection?

**Mr MIKE BAIRD:** It sounds fine.

**The Hon. GREG PEARCE:** There was a great debate about afternoon tea.

**Mr MIKE BAIRD:** Whether we have it?

**The Hon. GREG PEARCE:** Yes.

**Mr MIKE BAIRD:** I am all in favour of afternoon tea.

**CHAIR:** The allocated time for questions in the first session is 20 minutes for the Opposition, 10 minutes for The Greens and 10 minutes for the Christian Democratic Party, and it will continue in that pattern.

**The Hon. LUKE FOLEY:** Premier, do you remain committed to the Liberal-Nationals 2011 election promise to "return planning powers to local communities"?

**Mr MIKE BAIRD:** Of course we do, yes.

**The Hon. LUKE FOLEY:** On Tuesday were you in the Hunter Mall?

**Mr MIKE BAIRD:** Yes.

**The Hon. LUKE FOLEY:** Are you aware of the planning proposal for the redevelopment of the Hunter Mall that involves three high-rise towers in that part of the east end of Newcastle?

**Mr MIKE BAIRD:** I am aware there are renewal plans for Newcastle, yes.

**The Hon. LUKE FOLEY:** Am I correct in recalling that in recent days you have stated publicly that you remain committed to all of the decisions your Government has made with respect to the urban renewal of Newcastle?

**Mr MIKE BAIRD:** That is right.

**The Hon. LUKE FOLEY:** Each and every one of them?

**Mr MIKE BAIRD:** Obviously, we are committed to the renewal of Newcastle. I do not quite know what point you are getting to, but yes.

**The Hon. LUKE FOLEY:** Are you aware of the process to date concerning the proposed redevelopment of the east end of Newcastle?

**Mr MIKE BAIRD:** That is obviously more for the planning Minister, who is overseeing that process.

**The Hon. LUKE FOLEY:** Do you have any knowledge of the UrbanGrowth GPT proposed redevelopment for the east end of Newcastle?

**Mr MIKE BAIRD:** I understand there is a proposal. I understand it is within the planning department. It seems like you are posing questions that should be answered by the planning Minister.

**The Hon. LUKE FOLEY:** I am asking you, Premier, in light of your visit to the very site two days ago and your public declaration that the Government will move forward with every one of these projects. Do you have any familiarity with the proposed redevelopment of the east end of Newcastle?

**Mr MIKE BAIRD:** I think the important point is what I committed to at that meeting—and I did not see you there, but maybe you were—that is, the renewal of Newcastle. Now for a long time that community has asked for something to be done. We have obviously been in Government for three years. We have listened to the community, we have listened to all stakeholders and we have taken a decision to renew that city—something that you did not do, something that we have found the money to do—which is going to provide an incredible opportunity. Newcastle is going to be an incredible city once that renewal is complete, not just in Australia, I genuinely think across Asia-Pacific and indeed around the world. I think you can see the benefits of what comes with urban renewal. On the ground when I was talking to people even this week it is clear—

**The Hon. LUKE FOLEY:** Indeed Newcastle's name has gone round the region and the world in recent days, Premier, has it not?

**Mr MIKE BAIRD:** It will be known as one of the most magnificent cities in the world; that is my strong sense. The connection of the beach to the harbour will provide an incredible opportunity. That is not just supported by me; it is supported by a former Labor member, with whom you might be familiar, Jodi, as well former Treasurer Michael Costa.

**The Hon. LUKE FOLEY:** Are you talking about the rail line in particular?

**Mr MIKE BAIRD:** The endorsement of the renewal of the city by both.

**The Hon. LUKE FOLEY:** Are you aware that an agency of your government, namely UrbanGrowth, chaired by John Brogden, has entered into a public-private partnership [PPP] with GPT to redevelop the site you were at two days ago?

**Mr MIKE BAIRD:** I understand that they are involved in a process. But again, if you have got specific questions or concerns about that issue it would seem appropriate that the planning Minister address them.

**The Hon. GREG PEARCE:** Point of clarification: The GPT proposal was one of the ones that was put forward several years ago under the former Labor Government, and not only did Labor let it lapse but it also let David Jones close down. Labor has a lot to answer for.

**The Hon. LUKE FOLEY:** I will be asking for extra time.

**CHAIR:** The Hon. Greg Pearce does not have to clarify the questions of the Hon. Luke Foley.

**The Hon. LUKE FOLEY:** Of course you note the advocacy from some for your Government's plans for Newcastle and it is the case that the former member for Newcastle, Tim Owen, has vocally supported the redevelopment of the Hunter Street mall. That is the case, is it not?

**Mr MIKE BAIRD:** I know that he has supported the renewal of Newcastle. I am not aware of individual sites as part of that. I am aware of a broad vision and that is consistent with a number of players up there. Indeed, I think the Hunter Development Corporation, when you were last in government, was making recommendations along these lines so you have former Labor members and Treasurers, former government agencies under your control all suggesting that this needs to be done, and a planning process is ongoing, as it should be.

**The Hon. LUKE FOLEY:** Premier, with respect, I am not talking about the overall strategy or the rail line; I want to deal with the redevelopment of the east end of the city, in particular the site you were at two days ago. Are you aware that in his final newsletter the former member for Newcastle touted more renewal; just the right mix and had a long piece putting the case for the public-private partnership that your Government has entered into with GPT? Are you aware of that?

**Mr MIKE BAIRD:** I am aware, as I told you, that he was supportive of the renewal of the city, as am I, and as are a huge number of stakeholders and the community. That is what I am aware of, and planning will run through its normal processes, as it should.

**The Hon. LUKE FOLEY:** Are you aware that the former Lord Mayor of Newcastle, then Councillor Jeff McCloy, has also supported very openly the public-private partnership that your Government has entered into to redevelop the Hunter Street mall on the east end of Newcastle? Are you aware of that?

**Mr MIKE BAIRD:** I am aware that comprehensive consultation has gone on and will go on and any decisions that you are alluding to will run through the normal planning process.

**The Hon. LUKE FOLEY:** Are you aware that three weeks ago, in the final days of July, your planning Minister changed the relevant State environmental planning policy so as to facilitate, to allow, a dramatic increase in the height of development in the city of Newcastle? Are you aware of that?

**Mr MIKE BAIRD:** I am aware that the instrument is to provide more jobs and homes in the city.

**The Hon. LUKE FOLEY:** And how does that action sit with your stated support for the Liberals and Nationals election commitment to return planning powers to local communities?

**Mr MIKE BAIRD:** The planning process is ongoing. If you are unhappy with part of the planning process, the planning Minister is doing estimates. I am sure you can ask her.

**The Hon. LUKE FOLEY:** Oh, I had some fun with her this morning.

**Mr MIKE BAIRD:** Oh you did. You did that this morning. Okay.

**The Hon. GREG PEARCE:** You did not really get on to this point, though, Luke.

**Mr MIKE BAIRD:** Well there you go.

**The Hon. LUKE FOLEY:** That is because you kept interrupting me.

**The Hon. GREG PEARCE:** Did I, Luke? You could have asked her this morning

**The Hon. LUKE FOLEY:** Who in your Cabinet does UrbanGrowth report to?

**Mr MIKE BAIRD:** Yes, UrbanGrowth does come into Planning, yes.

**The Hon. LUKE FOLEY:** UrbanGrowth is an agency of government that reports to the planning Minister, is that right?

**Mr MIKE BAIRD:** Yes.

**Mr SMITH:** The agency has its own independent governing board but the Act that establishes the agency is under the administration of the planning Minister.

**The Hon. LUKE FOLEY:** So in other words ministerial oversight of UrbanGrowth is the responsibility of the planning Minister?

**Mr MIKE BAIRD:** The Minister appoints the board.

**The Hon. LUKE FOLEY:** Yes, thank you.

**The Hon. GREG PEARCE:** You might have to help Opposition members here because they are not very good at doing their own homework.

**CHAIR:** No, Mr Pearce. Do not coach Mr Foley. He can do it.

**The Hon. GREG PEARCE:** I am trying to help him.

**The Hon. LUKE FOLEY:** Is it appropriate then Premier that in the case of this redevelopment the developer is an agency of government that reports to the planning Minister and the planning Minister took it on herself to change the planning rules in order to facilitate that development? Do you think that is appropriate?

**Mr MIKE BAIRD:** I think the planning Minister is exercising her rights and responsibilities, which are wide and varied. Of course she has the capacity to do that. UrbanGrowth is charged with looking for urban renewal opportunities across the city so they are absolutely doing their job. Appropriate consultation must be undertaken. I think we are kind of at the point: have you got a substantive issue to put? What is the concern?

**The Hon. LUKE FOLEY:** I am asking the questions. Is it right, in your view, that the Minister is both the developer and the policymaker when it comes to this planning proposal? Does that sit right with you?

**The Hon. MELINDA PAVEY:** Why did you not ask her today?

**Mr MIKE BAIRD:** Yes, that is a fair point. I was just checking with the secretary. I mean, Landcom has always been in that portfolio; it was there when you were there. I do not know whether you had concerns when that was the case for 16 years—I do not know—but from my point of view there is an oversight, there is an independent board, they are making decisions around urban renewal, as they should. There is a separate planning process, which should be overseen and complied with.

**The Hon. LUKE FOLEY:** To be clear, Premier, my concern is not with the actions of UrbanGrowth, which is doing its statutory duty in pursuing development opportunities on behalf of the State as it is required to do. The question I am asking is: Do you not see a potential probity issue when the developer is an arm of government that reports to the planning Minister and at the same time the planning Minister, in her own right, changes the planning rules, the Newcastle Urban Renewal Strategy, in order to facilitate the planning proposal brought by UrbanGrowth that was at odds with and in breach of the planning rules? Do you not see a probity issue there?

**The Hon. GREG PEARCE:** I thought you said GPT was the developer.

**The Hon. LUKE FOLEY:** It is a public-private partnership.

**The Hon. CATHERINE CUSACK:** Are you saying the Minister is a developer?

**The Hon. GREG PEARCE:** Are you saying UrbanGrowth is the developer or GPT?

**The Hon. PETER PRIMROSE:** Do you wish to ask questions?

**CHAIR:** Order! Can you let Mr Foley ask his questions?

**Mr MIKE BAIRD:** If you did not ask the Minister the question this morning—

**The Hon. LUKE FOLEY:** I am asking you. You were there two days ago and you made a very public commitment as part of your act of atonement to the people of Newcastle that you stood by each and every decision your Government has made for the future of Newcastle, so I am giving you the opportunity now to tell us whether you stand by the actions here where the Minister takes reports from the developer and also changes the planning rules for the developer?

**Mr MIKE BAIRD:** Well, first, you did not seem to have a problem with that when you were in government; Landcom was part of the same portfolio; they were doing the same thing, so you are raising an issue that you did not seem to have a concern with for 16 years yet all of a sudden you do. Secondly, we are very proud of what we have done for Newcastle and the Hunter compared to you. You absolutely took it for granted, things like the Newcastle inner-city bypass, which sat there year on year waiting to be done. Well, you know what we did—

**The Hon. LUKE FOLEY:** But with respect, Premier, I am asking about this planning proposal. You set foot on that very site two days ago. I am asking you: Do you remain committed to it and do you stand by all the actions of the Government you lead with respect to that planning proposal?

**Mr MIKE BAIRD:** I will finish and come to it. I promised to deliver every commitment we made. That includes things like the inner-city bypass, which is a \$280 million commitment that you looked at for 16 years but never delivered. We are delivering it. We are going through an urban renewal process and we have committed to it. Appropriate planning processes are being followed and, as you said, UrbanGrowth NSW has a role in that. Ultimately we are committed to the urban renewal process. If you are concerned about individual planning matters, it is interesting that you did not raise them with the Minister for Planning. I am happy to hear about them.

**Mr SMITH:** UrbanGrowth NSW was formed from Landcom and some other development corporations which were on the books and which had been for some time. It was also a sibling of the other development corporations that had been established, for example, the Hunter Development Corporation, the Central Coast Regional Development Corporation, Cooks Cove Development Corporation and so on. It was proving very difficult to facilitate urban renewal because so many difficult coordination tasks were required to bring all the infrastructure, approvals and systems into place. It was decided that UrbanGrowth NSW, as a participant in urban renewal, would be a change agent to achieve the overall objectives. It was thought necessary where there were government-owned assets or things that the private sector simply could not do that UrbanGrowth NSW should act as a catalyst. A very deliberate decision was made to have that capacity in UrbanGrowth NSW alongside but separate from the approval process, which is in the Department of Planning and Infrastructure.

**The Hon. LUKE FOLEY:** I have no quarrel with any of that and UrbanGrowth NSW is doing its job. Can you or the Premier tell me of any other case in which UrbanGrowth NSW has entered into a planning proposal and the Minister for Planning, to whom it reports, has changed the planning legislation to facilitate the development? This is unprecedented, is it not?

**Mr SMITH:** I think it is something that will be expected to occur dozens of times in the future. The point of UrbanGrowth NSW is to work with sites—

**The Hon. LUKE FOLEY:** So this is a precedent?

**Mr SMITH:** The same thing occurs when Landcom does developments. It has to apply for rezonings and gain development consent. That is the way it works.

**Mr MIKE BAIRD:** As the Secretary said, the usual planning processes apply. Distinct functions are being undertaken.

**The Hon. LUKE FOLEY:** But you told the Committee that you remain committed to the election promise to return planning powers to local communities. What do you say to the people of Newcastle when the Minister for Planning, with a stroke of the pen three weeks ago, raised height limits from eight to 20 storeys for this site so that three massive towers can be built in the east end of Newcastle. Community consultation led to an agreement that there would be no high-rise development in that area—it would be in the west end. What do you say to the people of Newcastle about that action taken by your Minister?

**The Hon. GREG PEARCE:** I will clarify—

**The Hon. PETER PRIMROSE:** Let him answer.

**The Hon. GREG PEARCE:** The department gave evidence this morning that the maximum was 17 storeys.

**The Hon. PETER PRIMROSE:** Stop running interference.

**The Hon. GREG PEARCE:** If he is going to mislead—

**CHAIR:** Order! Mr Pearce, you cannot clarify Mr Foley's questions.

**The Hon. PETER PRIMROSE:** He is running interference for the Premier.

**The Hon. GREG PEARCE:** I am just clarifying—



**Dr JOHN KAYE:** It is not your role to do that.

**CHAIR:** Order! Let Mr Foley ask his question.

**Mr MIKE BAIRD:** The Secretary has answered the question the member asked. There are individual functions and we are not backing away from the planning process in any way, shape or form. The planning process will unfold and project consultation must be undertaken. It is interesting that the member did not raise this with the Minister for Planning this morning. I also make the point—

**The Hon. LUKE FOLEY:** You are in charge now and you must understand that. I am asking you because you are the boss. You lead the Government.

**Mr MIKE BAIRD:** That is correct, and I have very capable Ministers who are undertaking their responsibilities very well, including the Minister for Planning. The question that should be asked of you and the Labor Party is what you will do about Newcastle. Will you back the former member and agree that there should be renewal and light rail, or will you sit on the fence like you did for 16 years?

**The Hon. LUKE FOLEY:** As part of making it right and getting your house in order, as you put it in recent days to the people of the Hunter, will you consider commissioning a short and sharp probity review of the process to date, and in particular to look at the roles of the Minister for Planning and her agency UrbanGrowth NSW in the proposed high-rise redevelopment of the east end of Newcastle? Will you consider that?

**Mr MIKE BAIRD:** No.

**The Hon. PETER PRIMROSE:** So much for being sorry.

**The Hon. CATHERINE CUSACK:** What is the allegation?

**The Hon. LUKE FOLEY:** I am not making any allegations; I am asking questions.

**The Hon. CATHERINE CUSACK:** Why would he have a probity inquiry when there are no allegations?

**Dr JOHN KAYE:** Point of order: This is Mr Foley's opportunity to ask questions, not the Government's.

**The Hon. GREG PEARCE:** We are not asking questions.

**CHAIR:** Order! No, you are interjecting. Let Mr Foley ask his questions. He has a line of questions and Government members are interrupting him.

**The Hon. CATHERINE CUSACK:** No, I was responding to Mr Primrose's interjection.

**The Hon. PETER PRIMROSE:** We are both out of order.

**The Hon. LUKE FOLEY:** In order to address the widespread concerns of many Novocastrians about this proposed redevelopment—

**Mr MIKE BAIRD:** In fact, there is wide support for the urban renewal program.

**The Hon. LUKE FOLEY:** I am talking about this proposed redevelopment and the three 17- to 20-storey towers in the east end, which you visited two days ago. To address the widespread concerns of Novocastrians and, indeed, the *Newcastle Herald*, about this redevelopment will you consider appointing a retired judge—perhaps David Ipp—to conduct a probity review of the roles of the Minister for Planning and her agency UrbanGrowth NSW?

**Mr MIKE BAIRD:** The urban renewal strategy was an open process; it was put on public exhibition—

**The Hon. LUKE FOLEY:** And it was changed three weeks ago with the stroke of a ministerial pen.

**Mr MIKE BAIRD:** The Minister responded to departmental advice.

**Dr JOHN KAYE:** Welcome to your first budget estimates committee as Premier. On 8 June 2012 you signed a document of which I have a copy entitled "Appointment of Mr Nicholas Di Girolamo to State Water Corporation Board". Do you recall signing that document?

**Mr MIKE BAIRD:** Yes.

**Dr JOHN KAYE:** The document states that the board selection committee met on 15 March 2012 to consider candidates for the board of Sydney Ports Corporation—not Sydney Water. The document states that the committee considered that Mr Di Girolamo would likely be suitable for smaller boards—smaller than Sydney Ports Corporation. Do you recall that there was no specific selection in respect of Mr Di Girolamo's appointment to Sydney Water?

**The Hon. CATHERINE CUSACK:** Point of order: I have listened carefully and I am trying to see the connection to the Premier's estimates for the financial year 2014-15. There is no connection whatsoever to the Premier's portfolio, let alone to the financial year. If he has allegations and matters that he wants to be investigated there are other forums to pursue that. In fact, investigations are being undertaken now. I ask that there be some relationship to the subject of this hearing.

**CHAIR:** Order! The Premier is in charge of the State and all aspects of the State. We are all concerned about corruption allegations.

**Dr JOHN KAYE:** I want to get to the bottom of this as I did at the last budget estimates hearings. We now know more about the decision and about Mr Di Girolamo's appointment than we did then.

**The Hon. CATHERINE CUSACK:** That does not make this the right place to ask those questions.

**The Hon. GREG PEARCE:** I ask that Dr Kaye table the document so that the Premier is not taken by surprise.

**Dr JOHN KAYE:** The Premier said he remembers having signed the document.

**The Hon. GREG PEARCE:** He does, but if you are going to drill into it you should give him a copy.

**Dr JOHN KAYE:** You should declare an interest because you also signed this document.

**The Hon. GREG PEARCE:** I remember it too.

**The Hon. CATHERINE CUSACK:** That is a Treasury question.

**Dr JOHN KAYE:** It goes to the heart of New South Wales and some of the major concerns people have about this State. Mr Baird is now the Premier and he should answer my question. Premier, do you recall that a Sydney Ports Corporation board selection document was attached to that appointment document? It says that Mr Nick Di Girolamo has "legal experience but in a relatively narrow area of practice ... does not have the relevant experience and does not fill the current skills gap on SPC's board ... likely to be suitable for other smaller boards"?

**Mr MIKE BAIRD:** Skills that are appropriate to the industry? What was his industry background?

**Dr JOHN KAYE:** The only evidence you had related to a legal background, not a water background. Secondly, are you not concerned that he was likely to be suitable for other smaller boards? Is it not true that the State Water Corporation is a bigger undertaking and has a larger capital value than the Sydney Ports Corporation? In fact, there were more members on the board of the State Water Corporation than on the board of Sydney Ports Corporation.

**Mr MIKE BAIRD:** I cannot tell you off the top of my head what the asset footings are between the two. Let us end this here—

**Dr JOHN KAYE:** That is up to me to determine.

**Mr MIKE BAIRD:** On the issue, there was a merit-based process that went through. It was presented to Cabinet and approved by Cabinet.

**Dr JOHN KAYE:** You signed this after it was approved by Cabinet?

**Mr MIKE BAIRD:** It is a nomination, is it not?

**Dr JOHN KAYE:** It is a recommendation. Before it went to Cabinet, you and Mr Pearce made a recommendation.

**Mr MIKE BAIRD:** There is a process. The shareholder Ministers make a recommendation to Cabinet.

**Dr JOHN KAYE:** Were you not at all concerned—

**The Hon. GREG PEARCE:** Which they have been doing for 30 years.

**Mr MIKE BAIRD:** Under the former Government there was no merit-based process.

**Dr JOHN KAYE:** You are setting the standard for probity based on Eddie Obeid and Eric Roozendaal. Is that correct?

**Mr MIKE BAIRD:** No, I am saying there was no merit-based process under the former Government. For this appointment there was a merit-based process. It went to Cabinet. It was approved by Cabinet. End of story.

**Dr JOHN KAYE:** That is what you said last time, but you did not tell us last time that the merit-based process was not a selection board with respect to the State Water Corporation. It was with respect to another job, and he rated number six out of six applicants for the position on Sydney Ports Corporation. Did that raise any alarm bells for you?

**Mr MIKE BAIRD:** We are going over old ground. He was identified as a suitable director.

**Dr JOHN KAYE:** But he was not identified as a suitable director. The previous interview—the only interview he had by the only board that looked at him—rated him sixth out of six; the bottom of six.

**Mr MIKE BAIRD:** You just read out the comments.

**Dr JOHN KAYE:** He was rated number six out of six and was said to be likely to be suitable for other smaller boards, yet you appointed him to a bigger board.

**Mr MIKE BAIRD:** We have been through this.

**The Hon. MELINDA PAVEY:** Cabinet appointed him.

**Dr JOHN KAYE:** You recommended him to Cabinet for appointment.

**Mr MIKE BAIRD:** If you have an allegation, make it. As I have told you consistently, there was a merit-based process and he was appointed by the full Cabinet. That is it.

**Dr JOHN KAYE:** When you signed the document, did you have no concerns about that at all? Did it seem perfectly reasonable to you?

**The Hon. CATHERINE CUSACK:** You asked all this last year.

**Dr JOHN KAYE:** I did not ask it last year because I did not have this document last year.

**Mr MIKE BAIRD:** It is consistent with what I said last year.

**The Hon. MELINDA PAVEY:** Point of order: I think the Premier has answered the questions and we should not continue with this just because it is not the answer that Dr John Kaye wants.

**CHAIR:** It is up to Dr John Kaye if he wants to use his time to keep repeating the question.

**Dr JOHN KAYE:** You had the opportunity to clarify this matter. I do not think you have clarified it, but I turn to another matter. Premier, you would be aware that the now former Lord Mayor of Newcastle, Jeffrey Raymond McCloy, and two of his associated companies have taken a High Court writ against the New South Government and the Independent Commission Against Corruption challenging section 96I of the Election Funding, Expenditure and Disclosures Act 1981. You would also be aware that the effect of that writ would be to wipe out the ban on developer donations as well as bans on business entities, alcohol, tobacco and gambling.

**Mr MIKE BAIRD:** Could be, yes.

**Dr JOHN KAYE:** If section 96I is overturned then that would be the effect, is that correct?

**Mr MIKE BAIRD:** Yes.

**Dr JOHN KAYE:** What are you doing to defend section 96I in the High Court?

**Mr MIKE BAIRD:** We will be defending.

**Dr JOHN KAYE:** Will you be defending by bringing forward evidence of the corruption risk associated with donations from those kinds of individuals?

**Mr MIKE BAIRD:** We will be taking the appropriate legal advice and responding accordingly. Obviously we will be defending it. On the broad donations position, High Court challenges have come and been lost. We did not bring those High Court challenges, but we are defending them.

**Dr JOHN KAYE:** Do you give us a commitment now that you will ensure that the State of New South Wales puts up the strongest possible defence?

**Mr MIKE BAIRD:** Yes, of course we will.

**Dr JOHN KAYE:** Including bringing forward evidence of the corruption risk associated with donations from developers?

**Mr MIKE BAIRD:** I am not going to construct the legal case on the floor of estimates. I will take legal advice, and the legal advice will give us the appropriate strategies and steps we will take. To your question, are we defending? Yes, we are.

**Dr JOHN KAYE:** And you are committed to defending it?

**Mr MIKE BAIRD:** Yes.

**Dr JOHN KAYE:** There will be no flat bat played in this court?

**Mr MIKE BAIRD:** I will respond to the legal advice.

**The Hon. LUKE FOLEY:** It is not a flat bat; it is a dead bat.

**Dr JOHN KAYE:** Sorry, dead bat.

**Mr MIKE BAIRD:** A flat pitch with a dead bat.

**Dr JOHN KAYE:** You will not be playing this with a dead bat?

**The Hon. LUKE FOLEY:** Or shouldering arms.

**Dr JOHN KAYE:** Or bowling underarm.

**Mr MIKE BAIRD:** I normally love cricket.

**The Hon. CATHERINE CUSACK:** That is called a wide.

**Dr JOHN KAYE:** Premier, you therefore do not stand by the submission of Mr Mark Neeham, the then State director of the Liberal Party, on 8 June 2012 to the review of the Parliamentary Elections and Electorates Act and the Election Funding, Expenditure and Disclosures Act. His submission called for the repeal of section 96L. To be fair, it was in a different context; there were no corporate donations at that stage. It was fairly clear from the Liberal Party's submission to that inquiry that they had no interest in maintaining the ban on developer donations. Has the party changed its position on that?

**Mr MIKE BAIRD:** All I can do is give you my position, and that is we will be defending.

**Dr JOHN KAYE:** Do you think it is a good thing to have a ban on developer donations?

**Mr MIKE BAIRD:** We are obviously supporting the legislation, yes.

**CHAIR:** My first question is on the same theme. As Dr Kaye stated, we have the prohibition on donations from developers, individuals associated with gambling, the liquor industry and so on. You have given an assurance that there is no plan to amend that legislation, particularly in the area of developers.

**Mr MIKE BAIRD:** No, there is not. It is important to note that I have asked Kerry Schott, together with John Watkins and Andrew Tink, to look at all the challenges around the donation system. I have asked them to pursue the public funding model; that has been my stated position on this for a long time. There are challenges that have come up, both constitutionally and legally, but I have told them to push as far as they can and get as much advice as they need to provide a clear view of it if it is possible and how we would make it work. Ultimately, if they come back with a position that it is not, I have asked what model should there be that reduces the corrosive influence of donations in this State. That was in the terms of reference; that is my position.

How that looks, what shape that takes, will ultimately be up to Kerry Schott and the panel. I have been very clear on this. In my maiden speech I made the point that it was about time that we took away the corrosive influence of donations. I have pursued that. My hope is with the Labor Party there will be bipartisan support for the recommendations, when they come down—obviously John Watkins is represented there. I believe we have this opportunity to clean up politics in this great State. This is something I am determined to do. Those steps are very considered. We look forward to the report when it comes.

**CHAIR:** As you know, in the recent ICAC hearings we are up to about nine Liberal members of Parliament, I think, who have been discussed. We have to wait for the final decisions. Do you feel there should be some more aggressive ethics training for members of Parliament, because some of them do appear to be a bit naïve about how these laws actually work? Have you given some consideration to that as the Government? Are you considering some aspects?

**Mr MIKE BAIRD:** Yes. Today I have confirmed that the Code of Conduct for Ministers of the Crown is now ICAC-able. We have changed the code of conduct. We have taken the step of adopting the code for the purposes of ICAC in response to the recommendation put forward by ICAC. This has been on the table for a long time and has never been done. We have taken that step. We have taken that step. The regulation was made by the Governor on 20 August and I think it is a very significant step forward in ethics in this State. A breach of the code considered to be substantial could amount to a finding from ICAC that the Minister has engaged in corrupt conduct. I think this is the important point and it gives you a sense of what I am trying to achieve as Premier of this State. It says in the preamble to the code, "It is essential to the maintenance of public confidence in the integrity of government that Ministers exhibit and be seen to exhibit the highest standards of probity in the exercise of their offices and that they pursue and be seen to pursue the best interests of the people of New South Wales to the exclusion of any other interest."

The revised code will commence on 20 September 2014. Examples of requirements under the code are that "Ministers must comply with their oaths of office as a member of the Executive Council, as a Minister of the Crown; must not knowingly breach the law, the New South Wales Lobbyist Code of Conduct or any other applicable code; must not solicit or accept any private benefit as an inducement or reward for doing or not doing something or showing or not showing favour or disfavour to any person in the exercise of official functions; and

must not misuse public property or information acquired in the course of their official functions for private benefit."

It also implements, and I think this is an important point, given some of the events we have seen, "ICAC's recommendation that the code prohibit Ministers, either directly or via their staff, from demanding that New South Wales government agencies change recommendations in instances where the agency remains of the belief that a recommendation ought to be made." It does make clear that it does not prevent Ministers disagreeing with the agency advice or directing the agency to implement the Minister's decision whether or not it accords with the agency advice, but there is a substantial change. I have taken a number of actions since becoming Premier. This is an important development this week that I think sets the benchmark for Australia. We now have the toughest ministerial code of conduct in the nation and it is about time.

**CHAIR:** You have to be commended for that, but what about members who are not Ministers?

**Mr MIKE BAIRD:** The Liberal Party is running through a process as we speak. Indeed, the State director has confirmed that the FIA committee in the State Executive will shortly receive a final version of a mandatory contract for all members of Parliament and candidates, which will set out strict conditions for the receipt and use of donations for State elections. In particular, the contract will make it a condition of a continuing endorsement by the party that obligations both to the party and under State electoral law are complied with. We are doing exactly as you would expect and as you had asked. That code is being formalised and finalised as we speak and it will be rolled out.

**CHAIR:** At this moment, as was mentioned earlier, there are three categories of developers and those associated with gambling or liquor. I was pleased to move amendments to add "gambling or liquor". I tried to add "from the sex industry" but I could not get that through the upper House. Do you have any objections to the sex industry being one of the categories from which members or parties should not receive donations?

**Mr MIKE BAIRD:** My response to all the issues is to head that to the Schott committee. Obviously I encourage you to make representations to the Schott committee, but that committee is considering all parts, all elements. Obviously my hope is that it is public funding. But if it is not in the model that they come forward with, that is a matter for them to determine. Again, I think I made the point that my hope is that it is bipartisan when those recommendations come out.

**CHAIR:** In my opinion, ICAC has been doing a good job and has been very successful, but there is some criticism of ICAC in some areas about its powers. There is no plan to review the powers of ICAC in view of these sensational findings?

**Mr MIKE BAIRD:** No. In fact, we have provided them with more money. We support the work they are doing obviously, and we reflected that with the increased funding that we have provided.

**CHAIR:** There does seem to be though a problem with ICAC and all the good work it does, resulting in the Director of Public Prosecutions [DPP] having successful prosecutions. As you know, Mr Obeid has been before ICAC and he has boasted that he will never be charged. I think he said there was a 1 per cent chance. The ICAC committee, of which I am a member, had a report from the DPP indicating that in a lot of the cases "there is not sufficient evidence to prosecute" even though it appears to lay people that there is evidence. Obviously it has to be evidence that can be used in a criminal case. Do you think there is a need to review that situation so that prosecutions can proceed from the ICAC inquiry and there is some conclusion?

**Mr MIKE BAIRD:** I am not a lawyer, but I share the frustration. Certainly the Attorney General is looking at every possible avenue. I find it amazing that you can have comments such as those you alluded to. It seems to me completely and utterly arrogance of the highest order and I do not see any form of contrition. I would have thought contrition would have been in order. Obviously the community is talking about the need to see prosecutions. That is something the Attorney General is working on with ICAC: how to effect it and how to implement and respond to those community concerns. The sooner the prosecution is brought forward the better. That is what the community demands and expects.

**Mr SMITH:** One thing worth adding to that is that the changes that the Premier announced in the code of conduct are going to change the whole landscape in regard to how easy it is for ICAC to identify corrupt conduct much more quickly and easily, which means that it would be much harder to have a Minister being

corrupt over some extended period. Under this new code, if a Minister is found to deviate from the code, that is itself the basis of a finding of corrupt conduct. So people will be much more readily detectable by the ICAC.

**CHAIR:** What is the end result though? They will be dismissed from their position?

**Mr SMITH:** Yes.

**CHAIR:** But would they face any criminal prosecution?

**Mr SMITH:** Yes, it would be the same, but all I am saying is that you could not be a corrupt Minister for a long time—they would have less time to make trouble.

**CHAIR:** We will move on to Mr Foley.

**The Hon. LUKE FOLEY:** Premier, in light of the recent questions, could I turn to one of the other reforms you have enacted in your period in office? You recently amended the Lobbying of Government Officials Act to hand to the Electoral Commission responsibility for the regulation of third party and other lobbyists, did you not?

**Mr MIKE BAIRD:** Before I answer that I refer to your last set of questions and to the east end development application to which you were alluding. I have been advised that the approval authority for that application or questions on this matter should be directed to Newcastle City Council.

**The Hon. LUKE FOLEY:** Can we now go to the Lobbying of Government Officials Act? You sponsored some legislation in the Parliament as Premier that transfers the responsibility for the regulation of the lobbyists in this State to the Electoral Commission, did you not?

**Mr MIKE BAIRD:** Yes.

**The Hon. LUKE FOLEY:** And that was passed by both Houses in June, was it not?

**Mr MIKE BAIRD:** Yes.

**The Hon. LUKE FOLEY:** It has received assent, has it?

**Mr MIKE BAIRD:** Yes.

**The Hon. LUKE FOLEY:** Do I understand that it has received assent but it has not yet been proclaimed?

**Mr SMITH:** That is right. It is not in effect yet.

**The Hon. LUKE FOLEY:** The current situation is that the Department of Premier and Cabinet retains responsibility today for the regulation of lobbyists?

**Mr SMITH:** That is correct.

**Mr MIKE BAIRD:** While the unit is being established with the Electoral Commissioner.

**Mr SMITH:** The funding has been provided to the Electoral Commission to establish the role. They are currently building the database and the tools that will be necessary to take on the role and they will also need to be doing some recruitment to have the personnel to conduct the function.

**The Hon. LUKE FOLEY:** Do you anticipate that the Act will be proclaimed in the life of this Parliament, or will it happen in the life of the next Parliament?

**Mr SMITH:** This Parliament.

**The Hon. LUKE FOLEY:** This year?

**Mr SMITH:** Yes.

**Mr MIKE BAIRD:** The Electoral Commission is working very hard.

**The Hon. LUKE FOLEY:** What exactly will be handed over? Are all current records concerning lobbyist activity within New South Wales to be handed over from the Office of the Department of Premier and Cabinet [DPC] legal counsel to the Electoral Commission on or before the Act is proclaimed?

**Mr SMITH:** Yes. The whole lot.

**The Hon. LUKE FOLEY:** The whole lot?

**Mr SMITH:** Yes.

**The Hon. LUKE FOLEY:** That will include the register of lobbyists and all annual and quarterly paperwork obligations?

**Mr SMITH:** Yes.

**The Hon. LUKE FOLEY:** Who exactly is responsible right now for investigating alleged breaches of the lobbyist code of conduct in New South Wales?

**Mr SMITH:** DPC, and the general counsel is the lead person who is in charge of that function.

**The Hon. LUKE FOLEY:** Will the records of recent investigations conducted by Mr Eccles and Mr Miller be handed over to the Electoral Commission?

**Mr SMITH:** Yes.

**The Hon. LUKE FOLEY:** So you expect that all records relating to the matters I raised with Mr Eccles and Mr O'Farrell at last year's estimates will be handed over to the Electoral Commission upon the proclamation of the Act?

**Mr SMITH:** Yes, because the commission will have both a registry function, keeping a list of who is registered, the entities that are registered and the employees, and it will also need the record of the various things that have been done to add and remove people from the registry. You will recall after last year's events changes were made which said that a person could not be both a registered lobbyist and an office holder or the person concerned with the management of a political party. So we had to write to everyone on the register to draw their attention to that fact. We had a process where people were essentially given the choice about which they would rather be and almost everybody promptly made that choice and fell into only one camp or the other.

**The Hon. LUKE FOLEY:** Almost everyone. Has that matter now been concluded? Has everybody made the choice?

**Mr SMITH:** Yes. After a bit of delay it is now resolved.

**The Hon. LUKE FOLEY:** These are the charges announced by Prime Minister Abbott and then the State followed in about October. My recollection is that Mr Eccles told us he wrote to all the registered political parties in New South Wales, as well as all the registered lobbyists, concerning these changes.

**Mr SMITH:** Yes, I believe that is correct.

**The Hon. LUKE FOLEY:** So you are telling us that everyone on the lobbyist register who was an office holder of a political party as defined by you has now got their affairs in order to comply with the new requirements of the code?

**Mr SMITH:** That is right. My understanding is that all of those people were written to and asked to confirm in writing that either they were seeking to be removed from the lobbyist register or they had resigned from their position as an office bearer in a political party. We followed that through with each person. There was, as I mentioned, a slight delay with one person. Everyone else moved—



**The Hon. LUKE FOLEY:** Who was that?

**Mr SMITH:** I prefer not to go into detail in relation to that unless it is very important.

**The Hon. LUKE FOLEY:** No. I take you to your second reading speech. You made some remarks about the establishment of a watch list for the first time. Can you tell us how that new mechanism, the watch list, will operate. In particular, I am interested to learn whether it is directed in the main at third party lobbyists or at other lobbyists who you seek to capture in your new arrangements? I commend you for that. Or is it aimed at both?

**Mr MIKE BAIRD:** I will let the Secretary answer that but I make the point that we have implemented a longstanding report—it was delivered early in 2010—about these recommendations so we are getting on with the job.

**The Hon. LUKE FOLEY:** For the record let me say I think it was a good step, a good piece of legislation. However, I am interested to learn how the watch list would work in practice. I know you had your back turned, Mr Smith, but my particular question is whether the watch list is aimed in the main at third party lobbyists, other lobbyists who you are seeking to capture, or both?

**Mr SMITH:** Essentially, this will be something that the Electoral Commissioner does. When the commissioner forms the view that a person has not adhered to the ethical standards, if the person is a registered lobbyist they would be kicked off the list of registered lobbyists. That would be the first step. If a person who is not a registered lobbyist does not adhere to the ethical standards, then they are the characters who would go on the watch list. So it applies generally. The effect of the watch list is that while Government Ministers and government officials are not ever required to meet with any person generally, in the case of a person who is on the watch list they would be required to take extra special care in having a meeting with that person. That would probably include having additional witnesses in the room or it could be that they may decide not to meet at all with the person who is on the list.

**The Hon. LUKE FOLEY:** Your answer confirms the Premier's statements in his second reading speech that the primary sanction for registered third party lobbyists will continue to be removal from the register and the primary sanction for other lobbyists—lobbyists other than third party lobbyists—will be this new watch list. Is that correct?

**Mr SMITH:** Yes. I cannot be sure but I expect that the commissioner would be able to deal with a registered lobbyist who has not complied with the standards by doing both in one stroke. They could say, "You are no longer registered" and "You are on the watch list". Once they are removed from that list they are a non-registered lobbyist and people in that category can be placed on the watch list.

**The Hon. LUKE FOLEY:** For third party lobbyists the watch list is not a yellow card and removal a red card. It is the case that the principle sanction for third party lobbyists will be removal. The watch list is not something that would be a sort of halfway house for third party lobbyists who commit misdemeanours?

**Mr SMITH:** No. If they are not up to standard as a registered lobbyist then they should not be a registered lobbyist. But I think the commissioner would be quite likely to go further than that if he or she discovered that they were not conforming to the standards. Then it would not matter whether they registered or not. People in government should know.

**Mr MIKE BAIRD:** And he has the discretion.

**Mr SMITH:** That is right.

**The Hon. LUKE FOLEY:** So rather than yellow card, red card, the third party lobbyist can be sent off the field and then he would cop an extra suspension by being on the watch list as well, so no-one would ever meet with him. That is what we are looking at, is it not?

**Mr SMITH:** It could be red card with flashing light on head.

**The Hon. LUKE FOLEY:** We have moved from cricket to football. I try to pay some attention to the words in second reading speeches because they carry some weight. I refer to the term "interim sanction" for third party lobbyists. To be clear, do I take that an "interim sanction" is something that could occur while the Electoral Commission conducts a thorough investigation of a matter before making a final decision? Is that what you think is meant by the term "interim sanction" for a third party lobbyist in the Premier's second reading?

**Mr SMITH:** I am afraid I am not certain but it sounds plausible.

**The Hon. LUKE FOLEY:** Could you perhaps take it on notice?

**Mr SMITH:** Sure.

**The Hon. LUKE FOLEY:** —and come back to the Committee with some further advice on what is exactly meant by the phrase "interim sanction" in the second reading speech. I do not think those words appear in the Act, so I am just interested in the thinking and the rationale.

**Mr SMITH:** Yes, happy to do so.

**The Hon. LUKE FOLEY:** When can we anticipate a further change to the lobbyist code of conduct to establish the watch list? I beg your pardon, is it intended that the lobbyist code of conduct will be amended to incorporate the establishment of a watch list?

**Mr SMITH:** Yes, that would be something that the commissioner would do. He is working on now setting up the administrative systems and whether they have them in a revised code or some other notice that went to the public sector and people who are subject to the code would be for him or her to work out. There will be a special position in the Electoral Commission Registrar, whose job is to administer that whole system, and they will be the ones helping to develop all the administrative arrangements.

**The Hon. LUKE FOLEY:** There will be a registrar—

**Mr SMITH:** Of lobbyists.

**The Hon. LUKE FOLEY:** To be clear, there will be a registrar within the Electoral Commission who reports to the three persons?

**Mr SMITH:** He or she will be one of the commissioners.

**The Hon. LUKE FOLEY:** He or she will be one of the three commissioners?

**Mr SMITH:** That is my understanding.

**The Hon. LUKE FOLEY:** Thanks. This is news to me.

**Mr SMITH:** It is all new. It is not there yet.

**The Hon. LUKE FOLEY:** Yes, that is why I am asking about it.

**Mr MIKE BAIRD:** There is also discretion given to the Commissioner over the next 12 months to look at the process and make recommendations on enhancements. We are open to refinements as well. The Commissioner has discretion, and obviously the Department of Premier and Cabinet is liaising directly with them.

**The Hon. LUKE FOLEY:** That is good to know. Premier, I did ask politely for the Electoral Commissioner to appear today so I could ask him some questions about this, but I think Natasha was in a mean mood—she said no. I am interested in a supplementary hearing, a non-adversarial forum to ask some questions of the Electoral Commissioner about how he will get this system up and running. I am not asking for any commitments today. I just put that in your in tray.

**Mr MIKE BAIRD:** We will let him get a final position and then we will organise an appropriate briefing.

**The Hon. LUKE FOLEY:** In summary, Mr Smith, do you anticipate that one of the three members of the Electoral Commission will act as the Registrar of Lobbyists in New South Wales and conduct all the duties that the head of the Department of Premier and Cabinet has in practise delegated to the department's legal counsel? Do you think that is how it will proceed?

**Mr SMITH:** Yes, we pass over all of our work in that space to the independent body.

**The Hon. LUKE FOLEY:** The Registrar will then be required, I assume, to deal with all fresh applications for registration as a lobbyist in New South Wales?

**Mr SMITH:** Yes, I believe so.

**The Hon. LUKE FOLEY:** Has budget supplementation been ticked off by the budget committee or the Cabinet—

**Mr MIKE BAIRD:** Yes, we have given \$2.8 million over four years, recurrent, and \$400,000 capital. They need to build the IT systems to cope with that as well.

**The Hon. LUKE FOLEY:** Is that \$2.8 million just for the regulation of lobbyists' functions?

**Mr MIKE BAIRD:** Yes.

**The Hon. LUKE FOLEY:** Or is it for other functions concerning the Election Funding Authority?

**Mr MIKE BAIRD:** No, solely that.

**The Hon. LUKE FOLEY:** The amount of \$2.8 million over four years to regulate what lobbyists get up to in this State?

**Mr MIKE BAIRD:** Yes.

**The Hon. GREG PEARCE:** Plus \$400,000.

**Mr MIKE BAIRD:** Yes, plus \$400,000 capital, which is the database.

**Mr SMITH:** It is a much more significant undertaking than simply a registration system for third party lobbyists. There will be quite a bit of activity that relates to other people who seek to lobby government who are not and need not be registered.

**Mr MIKE BAIRD:** I think the idea of a briefing is important because the whole sense of this is to try to get bipartisan support into these changes. I am pleased you are keen to do that, so we will organise that.

**The Hon. LUKE FOLEY:** Have you Mr Smith, Mr Eccles or legal counsel of the Department of Premier and Cabinet had cause to investigate any other registered lobbyist since the Tannous investigation that I kicked off last year?

**Mr SMITH:** I have not in my period of Acting Secretary, but I can take it on notice to let you know if there was anything prior to that time.

**The Hon. PETER PRIMROSE:** Premier, I refer to the front page of today's *Newcastle Herald* headlined "Power shock: 1500 Hunter jobs up in the air". Did you have that result in mind when you decided to sell electricity generators?

**Mr MIKE BAIRD:** No. I assume you are talking about the Tomago contract, which is ultimately a matter for Tomago. It signed an electricity contract late in your Government's term that provided a forward electricity curve that at the moment is a challenge for them. Obviously the dollar is working against them and the global industry conditions are working against them. Ultimately that is nothing to do with the transaction—

**The Hon. PETER PRIMROSE:** Are you washing your hands of 1,500 workers who will lose their jobs as a consequence?

**Mr MIKE BAIRD:** No. That transaction has nothing to do with the financial position, competitiveness or circumstances of Tomago. The transaction has nothing to do with it.

**The Hon. PETER PRIMROSE:** So you are washing your hands? You are saying it is none of your concern.

**The Hon. CATHERINE CUSACK:** That is not what he said.

**Mr MIKE BAIRD:** Not at all. If we got to a position that that came to effect, of course, there is huge concern. We are concerned over losing any jobs not as Premier of this State but as a member of the State. That is something that no-one likes to see obviously.

**The Hon. PETER PRIMROSE:** What action do you propose to take to save those 1,500 workers?

**Mr MIKE BAIRD:** First, let us see the facts and substance around them. I have only seen some preliminary reports that have come forward but, ultimately, we are happy to support in any way possible—

**The Hon. PETER PRIMROSE:** Will you provide an example of what would be possible? What would you do, given you sold the generators, we have this outcome of 1,500 families facing a loss of a job and all the flow through the Hunter, all of the other jobs that will go as a consequence of these people losing their jobs? What will you do?

**Mr MIKE BAIRD:** You cannot connect that to the transaction. It is not connected in the transaction, it is separate. I am sure you understand the dynamics of aluminium and the global industry, the impact of the dollar and the long-term contract that Tomago signed.

**The Hon. PETER PRIMROSE:** What will you do to help save those 1,500 jobs?

**Mr MIKE BAIRD:** You are trying to make a connection between the transaction and that contract. There is no connection.

**The Hon. PETER PRIMROSE:** Premier, you said you will do something. What would you do?

**Mr MIKE BAIRD:** Yes, we are happy to sit down with the company. We are happy to sit down with all the stakeholders.

**The Hon. PETER PRIMROSE:** One thing?

**Mr MIKE BAIRD:** I have just told you. We will consult with them.

**The Hon. PETER PRIMROSE:** One thing?

**Mr MIKE BAIRD:** Let events take place. There are some preliminary—

**The Hon. PETER PRIMROSE:** Let them lose their jobs?

**Mr MIKE BAIRD:** No, there are some preliminaries that have come out in relation to the long-term contract.

**The Hon. PETER PRIMROSE:** Give me one thing you would do.

**Dr JOHN KAYE:** In relation to that matter, Premier, have you actually seen the document on which the *Newcastle Herald* report was based?

**Mr MIKE BAIRD:** The AGL release?

**Dr JOHN KAYE:** It is not a release actually; it is set of slides for shareholders, sort of overhead—

**Mr MIKE BAIRD:** No, I have not seen them. I have seen the reports, yes.

**Dr JOHN KAYE:** It makes interesting reading. Premier, I refer to the casino, which I think is still in your portfolio. I understand the licence fee is \$100 million?

**Mr MIKE BAIRD:** Yes.

**Dr JOHN KAYE:** The licence has now been granted by the Independent Liquor and Gaming Authority. Has the State of New South Wales received \$100 million yet?

**Mr MIKE BAIRD:** As I understand it we have.

**Dr JOHN KAYE:** Where is that going? Is it hypothecated to ameliorating the harms of gambling or to general revenue?

**Mr MIKE BAIRD:** My understanding is general revenue.

**Mr SMITH:** Yes, the money has been received but it is not available for allocation yet because the granting of the licence is conditional on the actual opening of the operation and that does not happen until 2019.

**Dr JOHN KAYE:** We have or have not received the money?

**Mr SMITH:** Cash is in hand.

**Dr JOHN KAYE:** Mr Smith, are you saying that the State holds the money in trust until the licence is actualised by the operation of the casino?

**Mr SMITH:** There is a provision for a refund if the licence never comes into effect because if the casino is unable to open then part of that fee has to be refunded.

**Dr JOHN KAYE:** That is interesting. Is that risk manageable by the State? Let me put it this way: What circumstances would cause the licence fee to need to be refunded? Would it only be because the casino did not come into action because of something the State did or did not do?

**Mr SMITH:** Yes, only if something the State did prevented it from happening.

**Dr JOHN KAYE:** So if, for example, Mr Packer went bankrupt we would still keep the \$400 million?

**Mr SMITH:** We would keep the money. That is right. Yes, we would.

**Dr JOHN KAYE:** What sort of things could the State do? For example, if the development assessment process failed to grant development approval for the integrated resort would that \$400 million go back to Mr Packer?

**Mr SMITH:** Sorry, the \$100 million.

**Dr JOHN KAYE:** Sorry, \$100 million, I beg your pardon. I have inflated it; you are quite right.

**Mr MIKE BAIRD:** The budget just got better.

**Mr SMITH:** If the State refused to grant a lease of land in Barangaroo on which the building could be constructed or the Parliament changed the law and said there will not be any gambling licence or anything like that.

**Dr JOHN KAYE:** Mr Smith, my question here was specific. If the development assessment process fails to grant an approval, would that \$100 million stay with the State or go to Mr Packer?

**Mr SMITH:** Some of it would be refunded.

**Dr JOHN KAYE:** How much?

**Mr SMITH:** \$95 million.

**Dr JOHN KAYE:** So 95 per cent of it would go back. So the risk on the development application is with the State?

**Mr SMITH:** No, the risk in the development application is with the proponent.

**Dr JOHN KAYE:** But 95 per cent of that \$100 million goes back to Mr Packer if the development application process fails to deliver an outcome for Mr Packer?

**Mr SMITH:** In some cases it could be, yes.

**Dr JOHN KAYE:** In some cases it could be or it is? I mean you have gone from a statement before—

**Mr MIKE BAIRD:** It is a usual planning process.

**Dr JOHN KAYE:** I understand it is a usual planning process but suddenly it is a usual planning process in which the State has a \$95 million interest in a positive outcome for Mr Packer.

**Mr SMITH:** I mean just generally the business is something that is going to pay a lot of tax in the future but if it does not get planning approval it cannot start and it cannot pay the tax.

**Dr JOHN KAYE:** And \$95 million of the \$100 million goes back to Mr Packer.

**Mr MIKE BAIRD:** Well, there is no licence.

**Mr SMITH:** He would not have a licence because the licence is tied by statute to that very specific piece of land. It cannot be moved elsewhere. So if the planning system says, "No, you can't build a building on that site", then you cannot open the operation and you cannot start paying tax.

**Dr JOHN KAYE:** All that risk is with us. Mr Baird, have you met with any lobbyists or representatives of Crown Casino in your period as Premier?

**Mr MIKE BAIRD:** I meet lots of people; that is my job, both as Treasurer and Premier of this State. I am not going to play meeting gotchas but what I have done has significantly enhanced the transparency in this State by putting forward the provision for Ministers to reveal scheduled meetings.

**Dr JOHN KAYE:** I welcome the fact you have done that but my understanding is you, as Premier, from the period of April until the end of June this year will not be covered by that. It is not retrospective, which is fine.

**Mr MIKE BAIRD:** Actually the whole history of the State is not covered.

**Dr JOHN KAYE:** Absolutely.

**Mr MIKE BAIRD:** From the very short time since I have been Premier it is.

**Dr JOHN KAYE:** You became Premier on 16 April, is that right?

**Mr MIKE BAIRD:** I have not gone back to check.

**Dr JOHN KAYE:** If you cannot remember you will have to take that on notice?

**Mr MIKE BAIRD:** It was just before the Easter weekend; I know that.

**Dr JOHN KAYE:** Between April and June—we will not know from your diaries because we will never see your diaries between April and June—did you meet with a lobbyist or a representative of Crown Casino or Mr Packer?

**Mr MIKE BAIRD:** I know you would love to but I am just not going to play meeting gotcha or diary gotcha.

**Dr JOHN KAYE:** So you will not tell us whether you met with Mr Packer or a representative of Mr Packer or a representative of Crown Casino in that period?

**Mr MIKE BAIRD:** I tell you that in this job I meet hundreds, if not thousands of people.

**Dr JOHN KAYE:** I am not talking about a casual, perhaps you having lunch with your—

**The Hon. CATHERINE CUSACK:** He has answered the question three times now.

**Dr JOHN KAYE:** I have asked it three times and I am fascinated that the Premier will not answer the question.

**The Hon. CATHERINE CUSACK:** He has answered the question and he has given the same answer three times.

**Dr JOHN KAYE:** He has not given a responsive answer.

**Mr MIKE BAIRD:** What is the issue of substance?

**Dr JOHN KAYE:** It is only an issue of substance because you will not tell me. If you told me, as always, I would have ticked that one and moved on to my next question. Now I am fascinated as to why it is that you will not tell us whether you met with a representative of Crown Casino or Mr Packer himself?

**Mr MIKE BAIRD:** Ultimately, what I have done is very significant for the State. Going forward you will have full capacity, for the reasons you are starting to articulate, of a range of scheduled meetings had with all these people. I am not going to go back and do meeting gotchas from last month or the month before or the last 10 years.

**Dr JOHN KAYE:** But we do not need it for the last month or the month before because you have, quite sensibly, said that ministerial diaries, including your own, become public property?

**Mr MIKE BAIRD:** Yes, very much.

**Dr JOHN KAYE:** But there is a dark period between April and June—

**The Hon. CATHERINE CUSACK:** Are you asking a question or arguing? It does not sound like a question.

**CHAIR:** The member will be allowed to conclude his question.

**Dr JOHN KAYE:** You are not going to tell us. I turn now to the section 142 agreements between the Independent Liquor and Gaming Authority [ILGA] and Crown Casino. My understanding is that they cannot be published on ILGA's website until the duty agreement has been tabled in the Parliament. Can you tell us when the duty agreement will be tabled in the Parliament?

**Mr SMITH:** Yes, it has been tabled.

**Dr JOHN KAYE:** It has been tabled?

**Mr SMITH:** Yes. The Treasurer tabled it this sitting a couple of weeks back and ILGA is making preparations to release all of the documents on its website very soon.

**Dr JOHN KAYE:** Do we know when "very soon" is?

**Mr SMITH:** It is a pile about this fat; I would think within a week or two.

**The Hon. LUKE FOLEY:** It would be on the parliamentary website.

**Dr JOHN KAYE:** No, not the section 142.

**Mr SMITH:** The previous Premier gave a commitment that those documents would be released and that is going to happen very soon.

**Dr JOHN KAYE:** Can I go briefly to the speed with which Mr Packer went from an unsolicited proposal to having a licence to operate a casino. Are you surprised by the speed with which that happened? I mean, most people cannot get a garage through a local council at that speed—

**The Hon. MELINDA PAVEY:** Especially if it is run by The Greens.

**Dr JOHN KAYE:** He gets a massive development all the way through.

**The Hon. CATHERINE CUSACK:** It might be Marrickville.

**The Hon. GREG PEARCE:** Leichhardt.

**Mr MIKE BAIRD:** The Secretary can talk to the timing of the process but obviously from my point of view all process was followed appropriately.

**Dr JOHN KAYE:** From a global perspective Mr Packer had the red carpet laid out for him. How does this compare, for example, to his proposals in other jurisdictions. For example, he is trying to get a casino through in Japan. Have you looked at Japan?

**The Hon. MELINDA PAVEY:** This is New South Wales budget estimates.

**Mr MIKE BAIRD:** I do not care what other jurisdictions do. I am interested that we do our processes well and properly and we do them with total probity.

**Dr JOHN KAYE:** So no comparative analysis was done with respect to processes overseas?

**Mr SMITH:** I think the commentary that focuses on speed relates to ILGA's activity and it was quite straightforward for ILGA in this case because it had not long recently completed a very extensive and long process of satisfying itself about Crown Resorts' suitability to increase its stake in the existing casino operating company. So they went through and did all of their international inquiries, checks of character, production of documents, interrogation of people—

**Dr JOHN KAYE:** Yes, I understand that.

**Mr SMITH:** —all of that on the previous steps, so when it came time to look at the Crown one, they only had to see if anything had changed. So that just truncated the process.

**Dr JOHN KAYE:** Because the law was changed to allow that to happen?

**Mr SMITH:** No pressure was put on them as to how long it would take. They took as long as they took.

**Dr JOHN KAYE:** But it is true the law was changed so they could use evidence gathered in the previous hearings—

**Mr SMITH:** Yes.

**Dr JOHN KAYE:** —in this particular assessment?

**Mr SMITH:** Just because it would seem odd to redo something you had just spent months and months doing to answer exactly the same question. It was more just saying, "Well, you have done all of that so let's just consider what is new" rather than re-asking the same question.



**CHAIR:** Thank you. Minister, Regarding Badgerys Creek, which was confirmed, I understand, in April this year as the site for the Western Sydney airport, what immediate infrastructure has been set in place to accommodate construction with vital road upgrades and infrastructure?

**Mr MIKE BAIRD:** Thanks, Mr Chair. It is quite an exciting time and opportunity. There are some details around this and I think it is worth highlighting. I want to commend the Federal Government and indeed I think the Opposition here has actually supported this as well. It is a very exciting opportunity for Western Sydney—and I know we have Western Sydney coming up—to have a precinct that provides 35,000 jobs. We know the challenges, we know the housing that is coming and we know the infrastructure that is being built. A critical part of maintaining it and making it work is to have jobs and the jobs that are going to come out of this airport are second to none. Obviously I commend the Federal Government for making the decision; it has been a long time coming. We have sat and watched for over 20 years; I hate to think how often we have done that. It is underway and there are some significant projects.

Importantly, the strategy is that first we must deliver the roads and then the airport will come. The \$3.5 billion commitment that we have made jointly with the Federal Government will be spent over 10 years, and that includes the Bringelly Road upgrade. The Northern Road upgrade will cost about \$1.6 billion, the Elizabeth Drive corridor—which is the motorway between the M7 and Northern Road—will cost \$1.25 billion, and the local roads package will cost about \$200 million. Tenders have already been invited for stage one of the Bringelly Road project and the design contract was awarded in the middle of this year.

This will be a fantastic opportunity for investment in the State and in Western Sydney. It will connect with the jobs precinct and provide huge capacity improvements for all local residents before the airport is built. It will be a win-win. In addition, we will be looking to tenderers to bid for the major contracts on the basis of the number of apprentices they will employ and their connections with local education institutions. We will have a long-term education legacy and, importantly, the projects will provide job opportunities for our youth, which is obviously a critical element. It is a very exciting project.

**CHAIR:** Do you expect it to be operational by the mid-2020s? Is there a completion date?

**Mr MIKE BAIRD:** I have heard the Federal Government mention that time frame. Ultimately it must determine the timing and the scoping arrangements around the airport. All these roads will be in place by then and we will be ready to go. We have obviously preserved the rail corridor as well to provide connectivity into the airport. It will be ready, but it is ultimately up to the Federal Government to determine the funding model. Obviously there will be a number of funding models and the Federal Government is in negotiations with the owners of Sydney Airport, who have the first option to build the second airport. The expectation seems to be about 10 years.

**CHAIR:** As you know, Mascot has a curfew that severely limits its operations as an international airport. Has it been finally confirmed that there will be no curfew at Badgerys Creek?

**Mr MIKE BAIRD:** Again, that is a matter for the Federal Government. It must make that determination. I am not sure whether it is final. I have heard the Federal Government give directions about that, but it must make the final decision.

**CHAIR:** Are you making a recommendation to the Federal Government?

**Mr MIKE BAIRD:** We are working closely with the Federal Government.

**CHAIR:** Do you support there being no curfew?

**Mr MIKE BAIRD:** I have not seen the business case. I do not know whether the model is to attract international freight, and obviously that becomes important in relation to curfews. I would need to see all the details. I am certainly open to it if that is what the Federal Government wants to do.

**CHAIR:** There has been some controversy about the name of the airport. Has there been any discussion about a high-quality international name?

**Mr MIKE BAIRD:** We are thinking of calling it the "Fred Nile Airport".

**CHAIR:** Perhaps the "Baird Airport".

**Mr MIKE BAIRD:** I think others will name it. It is an opportunity and we should spend some time thinking about it. It will be a significant Sydney landmark and I hope the name reflects something or someone significant in this great State.

**CHAIR:** Mascot was named after Sir Charles Kingsford Smith, but that name is not used very often.

**Mr MIKE BAIRD:** No. Nothing has landed on my desk, but if you have any ideas I will consider them.

**CHAIR:** There has been controversy about people flying the ISIL flag. Is that Syrian-Iraqi organisation a prohibited terrorist organisation in Australia? Is it legal to fly that flag?

**Mr MIKE BAIRD:** I will to take advice on that. We are reaching a crisis point. The Federal Government is taking significant action and our forces are working cooperatively with others. The images we have seen over the past few days are beyond horrifying. I cannot even think of words to describe them. How on earth is this happening? I think the Prime Minister said it is the purest form of evil. I do not think that goes far enough.

**CHAIR:** You would oppose people flying that flag in Sydney suburbs?

**Mr MIKE BAIRD:** I would have to take advice. I understand that that is a Commonwealth responsibility.

**CHAIR:** It is mostly happening in Sydney and New South Wales. That is the dilemma. It is back in your court.

**Mr SMITH:** The law that enables the classification of an organisation as a terrorist organisation is a Commonwealth law.

**CHAIR:** I understand that. I am talking about the NSW Police Force taking action at a State level.

**Mr SMITH:** I know that the police are investigating Australians who go to Syria and they work with the Commonwealth authorities to detect and to prevent that occurring and to protect Australia from those people when they return. However, they normally work with the Federal authorities and rely on their laws and powers to take action.

**CHAIR:** Looking at the other side of that coin, do you have any plans to encourage government agencies and schools to fly the Australian flag? Apparently schools are not required to fly the flag and some do not.

**Mr MIKE BAIRD:** Really?

**CHAIR:** Yes.

**Mr MIKE BAIRD:** I was not aware of that.

**CHAIR:** I was disappointed when the Minister for Education indicated that schools are not required to fly the national flag. I think government agencies, and particularly schools, should be required to fly the flag.

**Mr MIKE BAIRD:** I will take that question on notice. I was not aware of that. It seems sensible to require schools to fly our national flag proudly. I like the idea, but I am not sure we would get bipartisan support.

**CHAIR:** Do you have any plans to privatise any water utilities in New South Wales?

**Mr MIKE BAIRD:** No.

**CHAIR:** Are there any plans to advocate for the removal of penalty rates in New South Wales?

**Mr MIKE BAIRD:** Again, that is a Federal issue; it is not our jurisdiction.

**CHAIR:** When you were Treasurer you were interested in this issue. Do you have any plans with regard to public holidays in New South Wales?

**Mr MIKE BAIRD:** I would like your support about Boxing Day, but we cannot quite get you there. Even opening from lunchtime on Boxing Day would be good.

**CHAIR:** Is that the only plan you have at this stage?

**Mr MIKE BAIRD:** Yes. There are about 40 areas across the State where retailers can open on Boxing Day. People there are used to shopping on Boxing Day. If retailers want to open their shops and people want to shop they should be able to. It is difficult having neighbouring suburbs with different arrangements. I would support it from a consistency and fairness point of view, but I need to do more work to convince you, Mr Chair.

**CHAIR:** I will keep a close watching brief.

**The Hon. LUKE FOLEY:** Mr Smith, a provision of the lobbyists' code of conduct requires that a registered lobbyist keep "strictly separate" his or her lobbying activity and his or her political activity. How is that monitored in light of the fact that several registered lobbyists are well-known political operatives from the Labor and Liberal parties and The Nationals? How is that requirement monitored in practice by your department?

**Mr SMITH:** It is important to recognise that the code applies not only to the lobbyists but also to those who are met by the lobbyists.

**The Hon. LUKE FOLEY:** Who are lobbied?

**Mr SMITH:** That is correct. We obviously cannot attend every meeting that every lobbyist has with every person, so our system is based on investigating any complaints or reports that we receive.

**The Hon. LUKE FOLEY:** From government officials?

**Mr SMITH:** From anyone who has been lobbied and who feels that the lobbyist has stepped outside his or her proper role.

**The Hon. LUKE FOLEY:** Or from anyone else—a member of Parliament, for example. I raised some matters concerning a registered lobbyist at last year's estimates and that was investigated. Is dealing with matters that are brought to the department's attention in practice how you oversee compliance with that requirement?

**Mr SMITH:** That is right, and also regular reminders through the public sector to remind people that the code exists. For example, we train people and we have departments train their people so that when an assistant to a secretary is asked to have a meeting he or she asks whether the person is a lobbyist. People are trained to advise and record when a lobbyist has been in a meeting.

**The Hon. LUKE FOLEY:** Premier, given your clear statement, when you introduced amendments to the lobbying Act in June, concerned your determination to restore confidence in our political system, you would insist on the strict separation between lobbying activities of the lobbyist and political activities being strictly honoured, would you not?

**Mr MIKE BAIRD:** Obviously there is the capacity within that, as the Secretary said, in the definition. If you are asking whether someone can be a member of a party or running the party—

**The Hon. LUKE FOLEY:** No, they have to keep the activities strictly separate—that is the obligation. You would be very strongly supportive of that as far as Liberal lobbyists are concerned, as I would be as far as Labor-aligned lobbyists are concerned. We are as one on that, are we not?

**Mr MIKE BAIRD:** Yes.

**The Hon. LUKE FOLEY:** Mr Smith, has the department allocated any resources to overseeing the activities of First State and Mr Joseph Tannous since the director general found a breach of the code of conduct in September last year?

**Mr SMITH:** As I said, I am not aware of specific proactive investigations since I commenced as the Acting Secretary, but I am happy to take that on notice for the earlier period.

**The Hon. LUKE FOLEY:** Does a finding—to my knowledge the first in the life of this Government—that the code of conduct has been breached not lead to some degree of keeping an eye on this fellow?

**Mr SMITH:** Yes, it would to some degree.

**The Hon. LUKE FOLEY:** You will get back to us with some information on how your department has kept an eye on this character since your predecessor found he had breached the code of conduct?

**Mr SMITH:** Sure, I would be happy to take that on notice.

**The Hon. LUKE FOLEY:** The NSW Aboriginal Land Council is a client of Mr Tannous' lobbying firm. I have been provided with board papers from the Aboriginal Land Council that state that First State, Mr Tannous' firm:

... facilitated attendance of NSWALC staff at a local MPs fundraiser event in Drummoyne (John Sidoti MP). ... The fundraiser was a local MPs fundraiser and it perhaps would have been more appropriate for NSWALC to attend state level functions, rather than local MPs functions that were aimed at receiving donations from local business owners.

In light of this, will you investigate whether Mr Tannous and his firm were complying with their obligations under the Lobbyist Code of Conduct to keep strictly separate their lobbying and political activities?

**Mr SMITH:** Sure. We ask people to send us any information they have that would suggest anything untoward in lobbying activity. We would gladly look into it.

**The Hon. LUKE FOLEY:** Would you be prepared for me to furnish you with some information at the conclusion of this hearing? Would it be an acceptable process for me to provide you with material that has come into my possession?

**Mr SMITH:** Sure.

**The Hon. GREG PEARCE:** And you will include the purported minutes in that material you have referred to.

**The Hon. LUKE FOLEY:** I am happy to discuss with the Committee whether you want them tabled. I have no objection to that, but in the first instance I think Mr Smith and I have agreed on a way forward.

**The Hon. CATHERINE CUSACK:** Is there an allegation?

**CHAIR:** The Hon. Luke Foley is asking questions.

**The Hon. LUKE FOLEY:** I also ask you to investigate the activities of First State and Mr Tannous with respect to Auburn City Council, given that Auburn City Council was a client of the firm on the register of lobbyists last year; given that I have a report from that level of government, Auburn City Council, about the activities of First State on their behalf; and given that—

**The Hon. GREG PEARCE:** Point of order: I think we have allowed the upper House Leader of the Opposition some flourish with his estimates questions. If he has a series of allegations the appropriate course is not to air them at an estimates committee without due opportunity for those who are being accused to respond. If he wants to give them to the Acting Secretary and the Premier, that is fine. Other than that, he needs to go through a proper process with this Committee, which would be to provide copies of all the documents to all the members and to give everybody an opportunity to look at these things. He has had a fair run. If he wants to give things to the Acting Secretary he should do it.

**The Hon. LUKE FOLEY:** To the point of order: Time is short. I am simply placing on the record that I would like the Acting Secretary to investigate matters with respect to the First State lobbyists.

**The Hon. GREG PEARCE:** You have done that.

**The Hon. LUKE FOLEY:** I have done that. The Acting Secretary has agreed to look at both those matters and investigate them. I will move on.

**Mr MIKE BAIRD:** He will receive the letter and determine whether he needs to investigate. I think that is the best way to describe it.

**The Hon. ADAM SEARLE:** Premier, on 14 August you were asked a question in Parliament about whether or not you had received any illegal donations during the 2011 election. You were not able to give a response on that occasion, but I believe you said subsequently to the *Sydney Morning Herald*, "Yes, I can guarantee that I have never accepted any illegal donation." Will you today, on oath, give that same undertaking?

**Mr MIKE BAIRD:** Yes.

**The Hon. ADAM SEARLE:** During the last two elections you have disclosed nearly \$340,000 worth of electoral expenditure, but your Election Funding Authority disclosure for 2010-11 reports no reportable political donations, despite the fact that Mr Roger Massey-Greene, Grant Thornton Australia, John Michael Grill and Ataki Holdings have all said they gave donations for the benefit of your campaigns. For the 2015 election will you disclose who exactly has made donations to benefit your campaign in Manly? Will you act to ensure that all Liberal Party candidates do the same for their respective electorates?

**Mr MIKE BAIRD:** On the first matter, you know the position. You can take up any matters with the party. On the second—

**The Hon. ADAM SEARLE:** You are the leader of the party and you are facing election next year. Will you make sure that all party candidates disclose the source of the donations that have benefited them in their respective campaigns?

**Mr MIKE BAIRD:** I will be doing a couple of things. The first I mentioned when you were not here, but I ran through what the Schott committee is doing. All of us in this room, I believe, have a strong, mutual interest in ensuring we clean this up once and for all. The committee I put together with Kerry Schott, an outstanding public servant who comes with the highest level of integrity, John Watkins, whom I respect a lot, as well as Andrew Tink, has an opportunity to put forward some historic reforms that everyone in this Parliament can embrace. We can set it up for a generation to come. I also have said that I will bring back additional reforms that will apply for the 2015 election. Before the end of September I will bring back some reforms for this Parliament to consider.

**The Hon. ADAM SEARLE:** On the Schott committee, Ms Schott has said to the *Australian Financial Review* "the thing about public funding is it is unconstitutional". That is one of the matters that has been given to the committee to look at, yet she seems to have expressed a fairly conclusive view well before the committee has deliberated. Does that not kill off one of the central elements you have asked her to look at?

**Mr MIKE BAIRD:** There is some stated legal opinion about that. What I have asked her and the committee to do is to investigate every form of advice, legal opportunities, legal considerations, to determine whether it can be done. If it can be done, I give you this assurance: It will be done. I will back it in, we will back it in, and my hope is that the Parliament backs it in. But that is a matter that this committee is considering and I have asked them to look across the world, because the Constitution in Canada is not dissimilar to ours, but there is a process that is similar to full public funding. I have asked them to look at international jurisdictions. I have asked them to consider all legal considerations, constitutional as well, and in that context I wait for the report.

**The Hon. ADAM SEARLE:** You approved the terms of reference for that committee, did you not?

**Mr MIKE BAIRD:** The Executive Cabinet approved it.

**The Hon. ADAM SEARLE:** The Government approved it. The second clause reopens the debate on the appropriate expenditure cap for State campaigns and the fifth clause reopens whether or not there should be prohibited donors. Those two surely are good reforms that have improved integrity to the system. Why are you reopening the debate and opening the door for the possibility that these things might get wound back?

**Mr MIKE BAIRD:** No, I am not reopening the debate. What I am saying is that if public funding cannot be done what model is there? You tell me—I am not telling them—what it is, and bear in mind the last words in the terms of reference, and this is the issue, "The panel is ultimately to consider the best way to remove any corrosive influence of donations in New South Wales". That is the only requirement I have on this matter. As I said, my hope is that full public funding works. That is what I have pushed consistently.

**The Hon. ADAM SEARLE:** You are on the record about that.

**Mr MIKE BAIRD:** You are a lawyer, you would understand that if you come back and you have strong legal advice across a range of sources—not just one—that says, "This is not legally possible", and you have seen the High Court challenge and what that has done, there is doubt, but I want it pushed as far as possible. If you get to a position that all of the advice in all the jurisdictions says it cannot be done, on that basis I say that is incredibly disappointing, but tell me what model? Those last lines, "Takes away the corrosive influence of donations", that is all I am interested in—if that is where we get to. That is very much plan B.

**CHAIR:** Will they seek public submissions?

**Mr MIKE BAIRD:** Yes, they are. I can get the exact dates for you but I think it is the third week of September, and there are about three days worth. There are both public hearings and submissions.

**The Hon. ADAM SEARLE:** I understand these are complex issues but, for example, with bail law, your Government pushed for and got a turnaround of a report in a matter of only weeks. This has surely identified a crisis at the heart of New South Wales politics. Why such a leisurely timetable that ensures that any new system, whatever the recommendations might be, cannot be put in place for the next State election?

**Mr MIKE BAIRD:** I have just told you that I will be bringing back some reforms that we will take to the 2015 election by the end of September.

**The Hon. ADAM SEARLE:** But not necessarily the recommendations of this committee.

**Mr MIKE BAIRD:** The committee is looking at the long-term propositions, but before that I want to bring back some reforms before the end of next month that have some enhancements to it for the 2015 election. I was consistent. When I announced the Schott review I said that we would be doing that. We are doing some work on that and we will bring some measures back to the Parliament before the end of September.

**The Hon. ADAM SEARLE:** Before the last election the Wallarah 2 coalmine project had been killed off on planning and environmental grounds. Despite commitments given at the last election by your party of its then leader and its Central Coast candidates, the Government, of which you are a part, allowed the resuscitation of the consideration of that proposal. Will you as Premier now act to cancel the Wallarah 2 coalmine application and deliver on your party's previous election commitment to prevent the mine from going ahead, and if not, why not?

**Mr MIKE BAIRD:** I will commit to having an independent process. There is a lot of comfort in having an independent process as opposed to events we have seen previously where government intervenes in these sorts of decisions.

**The Hon. ADAM SEARLE:** There was a previous process that said no to the proposal. Your party made a clear commitment to the community of the Central Coast. Why will you not follow through on that commitment?

**Mr MIKE BAIRD:** The commitment was to have it assessed at arm's length, which is exactly what we are doing.

**The Hon. ADAM SEARLE:** The commitment was that no mining would occur.

**CHAIR:** Order! We will move on to Dr Kaye.

**Dr JOHN KAYE:** The Independent Commission Against Corruption has taken some high-profile Liberal scalps and there have been a number of high-profile Liberals who have called for changes to ICAC. Could you give us a commitment here today that you will not let any of the powers of ICAC be diluted or any of the funding of ICAC be removed as long as you are Premier?

**Mr MIKE BAIRD:** I think it goes without saying.

**Dr JOHN KAYE:** But say it, Premier.

**Mr MIKE BAIRD:** I have said it consistently.

**Dr JOHN KAYE:** Would that include not taking away the right of ICAC to hold public hearings?

**Mr MIKE BAIRD:** There are no plans for that whatsoever.

**Dr JOHN KAYE:** No plans, but that is one level. As you know, Premier, there are layers in this. Will you give us a commitment now that you will not let there be a change to ICAC that stops it holding public hearings?

**Mr MIKE BAIRD:** I had no intention to seek that change.

**Dr JOHN KAYE:** You might not seek it but there are others in your party who are.

**Mr MIKE BAIRD:** I will give you a scenario. If the commissioner came and said, "By the way, I don't want to do public hearings any more", and I do not know why the case might be, but if the commissioner said that then far be it from me to tell the commissioner how to run the job. My commitment is very clear: The commissioner can have whatever processes and funding are needed to enable her to do her job.

**CHAIR:** That is her power now: She can have either public or private hearings.

**Dr JOHN KAYE:** You have changed the question. I talked about powers. That would be the commissioner using her discretion to not hold public hearings, but I am asking you another question: Will you give us a commitment, which you have not done yet, that you will not take away powers from ICAC?

**Mr MIKE BAIRD:** I have done it.

**Dr JOHN KAYE:** You have given us a commitment?

**Mr MIKE BAIRD:** Yes.

**Dr JOHN KAYE:** Can we go to the issue of what the State of New South Wales is going to do to fix up the electoral laws with respect to the 2015 election, that is, not the Schott process—

**Mr MIKE BAIRD:** I have answered that before.

**Dr JOHN KAYE:** I admire your precipitance there, Premier. Before I ask the question you tell me you have answered it.

**Mr MIKE BAIRD:** You said, "What are we doing for the 2015 election?"

**Dr JOHN KAYE:** No, I did not. I said can we go to that matter. I will ask you specifically: Why is it taking us so long to get to new laws? There are some fairly obvious matters that can be dealt with quickly that are very straightforward. What has been the delay in this?

**Mr MIKE BAIRD:** This whole issue I want to do properly. I do not want a knee-jerk response or a political response. I want to make something that is robust, comprehensive and can be effected. The challenge we have is quite simple: Look at the current ongoing legal cases. That is making it a difficult position but,

despite that, what I have said is that I will bring back some reforms for Parliament to consider before the end of September and I am, obviously, hopeful that your party supports them.

**Dr JOHN KAYE:** That is a good issue you raise. Will these be reforms that will be dropped on us suddenly or will they be reforms that we will have an opportunity to discuss in public?

**Mr MIKE BAIRD:** Of course there will be an opportunity to discuss it.

**Dr JOHN KAYE:** So what is in your mind then? What things are you mulling over to go there?

**Mr MIKE BAIRD:** Patience is a virtue.

**Dr JOHN KAYE:** You are not going to engage in a public process of discussions of what we should do for the 2015 election?

**Mr MIKE BAIRD:** I have just said that I will, before the end of September, be bringing back some reforms for the Parliament to consider. You cannot get any more public than that.

**Dr JOHN KAYE:** Well, yes you can, enormously. You could, for example, tell us whether you are going to bring down the caps on donations; you could tell us whether you are going to have immediate reporting of donations over \$1,000; you could tell us whether you are going to ban donations from the mining industry.

**The Hon. CATHERINE CUSACK:** I can take up a lot of your time with a point of order or you can just move on and not argue.

**Dr JOHN KAYE:** Are any of those issues on your agenda?

**Mr MIKE BAIRD:** My agenda is very clear, and I think we can finish this point on this: I have brought forward the Schott committee; it has not been done previously. I have staked a claim on this publicly—go back to my maiden speech. I am not a Johnny-come-lately trying to politically respond to the challenges that we have seen in the donations space, full stop. I have marked out right from my first days in this place what I see as an amazing opportunity for all of us in this room and this Parliament to fix once and for all. We have a transformational opportunity that I will be doing everything I possibly can to bring into effect.

**Dr JOHN KAYE:** But there are two separate issues here: There is fixing it once and for all and what we do for 2015.

**Mr MIKE BAIRD:** That is going to take time. I do not think your qualifications are as a lawyer, but there is a whole range of legal considerations that need to be gone through on the public funding model. That is what we are waiting for.

**Dr JOHN KAYE:** You have misunderstood me.

**Mr MIKE BAIRD:** The second point is: I have said that I will also bring back some reforms that will apply for the next election. I have told you I will bring them back to Parliament before the end of next month.

**Dr JOHN KAYE:** I asked you whether those reforms considered any of the matters I have mentioned.

**Mr MIKE BAIRD:** They are considering a range of matters. Now is not the time to canvass them. There will be plenty of opportunities to canvass them at that point.

**Dr JOHN KAYE:** If there is to be an airport at Badgery's Creek will a rail line be completed before the airport is opened, or will the airport be serviced only by road at least for some period?

**Mr MIKE BAIRD:** You would have seen that we moved quickly to preserve the rail corridor. Again, we need to see the shapes. The commitment and the priority is to build the roads first, preserve the corridor for rail, let the airport be built and then look at the configuration. Obviously there is an opportunity, having preserved the corridor, to implement rail where it makes the most sense.



**Dr JOHN KAYE:** Is that an investment risk management issue—you do not want to invest in rail until you know that the airport will be successful—or is it a strategy around trying to avoid building rail?

**Mr MIKE BAIRD:** I will let the Secretary answer, but think about it: If the decision is made to make it predominantly a freight airport, there is a question of whether you need rail to access it. That is just a fundamental question that comes to mind.

**Dr JOHN KAYE:** Certainly.

**Mr MIKE BAIRD:** That is what you need to see. Then the question is: If you have a ramp-up, how many passengers do you have? How does that play out against the housing opportunities, the corridor and the capacity to service it? There is no point building a railway when there is no-one to use it. You need a transition at the end with a sensible planning strategy and the commercial functions of the airport.

**Mr SMITH:** My understanding is that the airport will be constructed with a station box already present so you do not have to dig it all up again to put in the rail. Analysis of other airports around Australia and the world shows that it will take quite some time before it has enough passengers to justify a rail service.

**Dr JOHN KAYE:** So that is a ramp-up issue, not a risk issue?

**Mr SMITH:** I think the intention is certainly to have rail there once it is big enough to need it.

**Mr MIKE BAIRD:** Managing the risk issue is the point. Making it rail ready, you are managing the long-term risk because you might rule it out in terms of costs and construction if you did not prepare it and get ready for rail in the longer term.

**Dr JOHN KAYE:** The problem with New South Wales has always been that people say we will build a project eventually, and it often never happens. The eastern suburbs railway is a good example. It took 100 years between when it was committed to and when it was partially completed.

**Mr MIKE BAIRD:** I am glad you raised that at the end because it is worth putting on the record. I would say that we stand on our track record. Have a look at what we have done since coming to office 3½ years ago. The North West Rail Link, for example—there was nothing there. Indeed, there were no plans and no funding. Over the next four years—I am trying to remember the budget estimate—about \$4.4 billion is going into that project. The borers go into the ground this year. The South West Rail Link is being delivered ahead of schedule. We inherited not a centimetre of track. That is being funded and delivered.

We said we would make a commitment across the major roads and we would start on one of the major motorways. We are actually starting on all three motorway projects. As for the fact that we have taken a positive step in preserving the corridor, I could agree with you that there would be concern if we had not taken that step. But we have preserved the corridor. We will make the appropriate investment, in conjunction with the Commonwealth Government or whatever player is involved in that, at the appropriate time.

**CHAIR:** I have just been to Broken Hill. I have been there a number of times. I was disappointed on this occasion because the city is in the doldrums with a lack of jobs, a slowdown in mining and young people and young families moving away. It seems to be becoming quite a senior citizens town. Can you consider declaring Broken Hill some sort of economic zone where it receives special economic assistance from the Government so that companies get tax relief and so on to establish businesses there?

**Mr MIKE BAIRD:** We need to work with Broken Hill because no doubt they are doing it tough at the moment. There are some mining opportunities coming on board, some different sorts of mines, but it is in a tough position. The history of economic zones is that they simply do not work. They create a whole range of distortions and knock-on impacts. Ireland is the best example. Basically it built itself on some significant taxation concessions and others in a special economic zone. Ultimately that did not get truck with the real economy and the social dislocation that came was a mess at the end. My strong preference is to look for practical opportunities, either decentralisation from a government context or encouraging industry from another. We are keen to support those things.

**CHAIR:** You say "encouraging industry", but the industry would need some economic benefits to go there when it is such a distance from everything in terms of getting supplies to the factory and then distributing those supplies, et cetera.

**Mr MIKE BAIRD:** Yes, I understand. But there is potentially some consideration of uranium exploration licences. That is being considered out there. That is already under review. From our point of view, the best role we can have is Trade and Investment. Trade and Investment has a capacity and an annual budget to provide support and incentives to businesses. Obviously it has to work harder in relation to that region. We have to support it. We already have some money available on an ongoing basis to encourage industry, but it has to be sustainable. It has to connect into the region. It has to be a long-term sustainable base. That is the way that you make it successful. That is under consideration.

**CHAIR:** So you will keep Broken Hill at the top of your list of projects so that it is not forgotten?

**Mr MIKE BAIRD:** Certainly.

**CHAIR:** As you know, there are proposals for the Western Sydney population to dramatically increase by 2031 to house half—52 per cent—of Sydney's population. Where is the Government's Western Sydney employment area draft structure plan to combat this?

**Mr MIKE BAIRD:** Are we on Western Sydney?

**CHAIR:** Western Sydney, yes. No, I have jumped the gun. Going back to Barangaroo, I see some value in the Crown resort project, but there seems to be an indication of reductions in the public domain areas, which were clearly designated at the beginning of the whole debate about the project. Has there been any reduction of the north public domain or the central precinct domain? Are those public areas still viable?

**Mr MIKE BAIRD:** I will let the Secretary talk to that but there is a modification proposal in the public domain. I do not think it has come forward yet.

**Mr SMITH:** There are three precincts in Barangaroo. The north part is the park, which is unchanged. The central part is the low rise, and that amount of public domain is unchanged. There is an application for modification for central because the authority is getting much closer to selecting developers that will construct the buildings. But there has been no reduction in the total area of public space in the central area. On the southern area there is a change because there was to be a hotel over the water, and now the hotel comes onto the land. But in aggregate across the whole of Barangaroo the amount of open public space is not diminished.

**CHAIR:** I have a general question connected with your area of responsibility relating to future major events. What plans are there for the Cricket World Cup competition in 2015?

**Mr MIKE BAIRD:** I do not have direct responsibility for it but, as a cricket tragic, I am very excited about that. We have allocated the money. We are working closely with Cricket Australia. We have a home semi-final—assuming we win. I do not know much more beyond that. What else would you like me to provide?

**The Hon. LUKE FOLEY:** Why did Melbourne get the final and not Sydney?

**The Hon. GREG PEARCE:** What about the Asian Cup? That is earlier.

**CHAIR:** That is my next question.

**The Hon. ADAM SEARLE:** You are really straying away from budget estimates.

**CHAIR:** My next question is: What are your plans for the Asian football cup in 2015?

**The Hon. GREG PEARCE:** He is going to attend.

**Mr MIKE BAIRD:** To hold it.

**CHAIR:** You are not as enthusiastic about that as you are about cricket?

**Mr MIKE BAIRD:** I love the sport. It is true, I have to be honest, cricket is my number one but soccer comes a very close second—with my son that is.

**Mr SMITH:** The attraction of those big international events is not in the Premier's portfolio, it is in Destination NSW which reports to the Deputy Premier.

**Mr MIKE BAIRD:** I do not mind talking about them. Are you going, Mr Chair?

**CHAIR:** Yes. I love cricket. I was a good cricketer.

**Mr MIKE BAIRD:** Were you a batsman or a bowler?

**The Hon. LUKE FOLEY:** We do have a vacancy for a left-arm bowler at the moment.

**CHAIR:** I bowled six batsmen out in one over, including a hat-trick.

**Mr MIKE BAIRD:** You are kidding. You got two hat-tricks?

**CHAIR:** At Cleveland Street High School. It is on the record.

**Mr MIKE BAIRD:** Six in one over? I don't think that would have been done in the history of Australian cricket.

**The Hon. MELINDA PAVEY:** That is two hat-tricks, isn't it?

**The Hon. GREG PEARCE:** It is a bit equivalent to his political record.

**The Hon. CATHERINE CUSACK:** No, there are eight balls in an over.

**CHAIR:** My time is up.

**Mr MIKE BAIRD:** I think we need to get that into the paper.

**The Hon. CATHERINE CUSACK:** Were you a fast bowler or a spin bowler?

**CHAIR:** No, a fast bowler.

**Mr MIKE BAIRD:** Six wickets in an over?

**CHAIR:** But I had a technique: The ball would go underneath the batsman's bat.

**(The witness withdrew)**

**(Short adjournment)**

**SIMON ARTHUR YARWOOD SMITH**, Acting Secretary, Department of Premier and Cabinet, on former oath:

**CHAIR:** We will now deal with the portfolio of Western Sydney.

**The Hon. PETER PRIMROSE:** I refer to the issue of whether Western Sydney airport should have the same curfew as Kingsford Smith Airport. Will you clarify your position?

**Mr MIKE BAIRD:** My position is unchanged. It is a matter for the Federal Government.

**The Hon. PETER PRIMROSE:** You do not have a position at all?

**Mr MIKE BAIRD:** We will consider whatever the Federal Government puts forward. I said we are open to it but let us see what is the proposal that comes forward with the airport.

**The Hon. PETER PRIMROSE:** Surely as Premier of the State and Minister for Western Sydney you would be prepared to advocate one way or the other? Do you have a position on it at all?

**Mr MIKE BAIRD:** I just gave you the position. The position is it is up to them. I am open to whatever curfew proposition is put forward.

**The Hon. PETER PRIMROSE:** It is very difficult to understand how being a Minister for Western Sydney, having such a proposal that will impact so much on the city, that you do not have a position one way or the other that you are advocating to the Federal Government. Your position is not having a position?

**Mr MIKE BAIRD:** No, the position is let the Federal Government bring forward what they are proposing and I am open to consider it. I am open to consider a curfew that meets the needs of that airport, which will provide the jobs for the region that we have all spoken about.

**The Hon. PETER PRIMROSE:** So it is a non-position. Are any homes in Western Sydney affected by loose fill asbestos insulation?

**Mr MIKE BAIRD:** Is that in relation to?

**Mr SMITH:** Mr Fluffy.

**The Hon. PETER PRIMROSE:** Or any other company.

**Mr MIKE BAIRD:** The Minister for Finance is handling that particular issue. I am not aware of there being cases in Western Sydney but I am happy to take them on notice.

**The Hon. PETER PRIMROSE:** I am not asking for an answer, just if you would take this on notice. Will you consider to committee to conduct an investigation into the matter in Western Sydney? Will the Government commit to remedial action in any affected homes? Will you take those questions on notice?

**Mr MIKE BAIRD:** The Minister for Finance is overseeing this and is already responding and providing a strategy across it.

**The Hon. PETER PRIMROSE:** But in Western Sydney.

**Mr MIKE BAIRD:** We will take that on notice in relation to Western Sydney. Do you have information in relation to Western Sydney?

**The Hon. PETER PRIMROSE:** I have got a lot of information in relation to Western Sydney.

**Mr MIKE BAIRD:** On this issue.

**The Hon. PETER PRIMROSE:** In relation to this issue, yes. Asbestos is a major issue, as you know, in Western Sydney, particularly in the area of Holroyd. Do you know where Ropes Crossing is?

**Mr MIKE BAIRD:** Ropes Crossing?

**The Hon. PETER PRIMROSE:** Yes.

**Mr MIKE BAIRD:** Yes.

**The Hon. PETER PRIMROSE:** Can you tell me where it is?

**Mr MIKE BAIRD:** In Western Sydney.

**The Hon. PETER PRIMROSE:** Where is it near?

**The Hon. CATHERINE CUSACK:** Have you run out of questions already?

**Mr MIKE BAIRD:** For heaven's sake, I am not playing geography gotcha. If that is what you want to play, I am not going to play.

**The Hon. PETER PRIMROSE:** So you will not tell me where it is.

**The Hon. CATHERINE CUSACK:** Labor has run out of questions.

**Mr MIKE BAIRD:** This is budget estimates in the New South Wales Parliament.

**CHAIR:** The Minister answered "Western Sydney".

**The Hon. PETER PRIMROSE:** The Premier answered "Western Sydney". That is good, as he is the Minister for Western Sydney. It is actually near Lethbridge Park, for future reference. Ropes Crossing Public School has no air conditioning and students suffer in sweltering temperatures in summer. Will your Government fund air conditioning at Ropes Crossing Public School?

**Mr MIKE BAIRD:** I am happy to talk to the Minister for Education about it. Obviously I need to see the circumstances. I am happy to talk to the Minister for Education.

**The Hon. PETER PRIMROSE:** Will you come back to the Committee about what time you may be prepared to fund that air conditioning?

**Mr MIKE BAIRD:** Yes, we can certainly come back on that issue.

**The Hon. PETER PRIMROSE:** As Minister for Western Sydney you would be aware that the railway line at Casula is very noisy. Is that right?

**Mr MIKE BAIRD:** The rail line at Casula?

**The Hon. PETER PRIMROSE:** Yes.

**Mr MIKE BAIRD:** If that is what you are telling me, I will believe you.

**The Hon. PETER PRIMROSE:** I am sorry I thought you would be aware of that. Will you advise what noise abatement work has been done and is planned to alleviate this problem for the residents of Casula?

**Mr MIKE BAIRD:** I can talk to the Minister for Transport and we can provide a response to you on that.

**The Hon. PETER PRIMROSE:** Are you aware of the issue at Casula?

**Mr MIKE BAIRD:** I am aware of a range of issues but that is one that is the responsibility of the Minister for Transport. I will provide a response back to you on that.

**The Hon. PETER PRIMROSE:** I would have thought you would have been aware of that. Your Government has withdrawn the proposed new ramps at Church Street, Parramatta, and Bridge Road, Westmead, which have been promised as part of WestConnex to take traffic off Parramatta Road and ease congestion at James Ruse Drive and the Cumberland Highway intersection. As Minister for Western Sydney will you now make sure that the promised traffic ramps are built?

**Mr MIKE BAIRD:** The final configuration of the WestConnex project is being determined. Roads and Maritime Services [RMS] are working with the WestConnex Authority on that. That is being finalised and obviously there is no final position. So to say that something is in or out, the final configuration is still being determined. The final business case for WestConnex will be provided by the end of the year.

**The Hon. PETER PRIMROSE:** But, Premier, the proposed ramps at Church Street and Bridge Road have been deleted from the proposal. Will you undertake to put them back in?

**Mr MIKE BAIRD:** I am saying that WestConnex is determining its final business case which includes routes and configurations. It is working closely with the RMS. The RMS, in terms of connections into, around and out of the WestConnex is obviously making its final decision on budget allocations as well. Let us wait for the final business case before we say whether something is definitely in or out.

**The Hon. PETER PRIMROSE:** Leaving aside the issue of business, do you support doing something like this for the people of Parramatta and Granville?

**Mr MIKE BAIRD:** You make a very good point because I am interested in how Labor will support the people of Western Sydney in its road strategy when they had not put a dollar towards it. Look at what we are delivering, the WestConnex project, which will be, over three stages, close to \$15 billion. We have funded it. We funded it through a long-term lease of the port that you were against—

**The Hon. PETER PRIMROSE:** Will it have the ramps at Church Street and Bridge Road?

**Mr MIKE BAIRD:** We have also delivered on the North West Rail Link, something that you promised in 1998—

**The Hon. PETER PRIMROSE:** You do not actually know about this, do you?

**Mr MIKE BAIRD:** You said it would be delivered in 2010. We have got boring machines going into the ground.

**The Hon. PETER PRIMROSE:** You actually do not know about the issue of Church Street and Bridge Road?

**Mr MIKE BAIRD:** No, I did not say that. I told you that before—

**The Hon. PETER PRIMROSE:** In or out?

**Mr MIKE BAIRD:** I have answered the question.

**The Hon. PETER PRIMROSE:** In or out?

**Mr MIKE BAIRD:** I said that there is a finalised business case being determined for WestConnex, which will be finalised by November. At that juncture the RMS will have the final configuration route and upgrades associated with it. Let us wait until then before we have a definitive in and out. Of course, at every capacity I am looking to provide enhancements and expand our road network. It has been a priority of this Government. Indeed, I think it has been a screaming success of this Government if you look at what we put up with for 16 years versus what we are delivering now.

**The Hon. PETER PRIMROSE:** Youth unemployment in Parramatta is around 16.8 per cent and that is an increase of 48 per cent in the last two years. In south-west Sydney it is 15.4 per cent, and in the outer west and Blue Mountains it is 11.7 per cent, an 18 per cent increase in the last two years. Premier, how will cutting TAFE courses and putting up fees help reduce youth unemployment in these areas? Young people in Campbelltown, for example, have already seen IT, engineering, carpentry, and paint and panel classes cut from

their local TAFE campus. Can you give them an assurance that no other courses will be cut at Campbelltown TAFE?

**Mr MIKE BAIRD:** Doing it backwards, we support TAFE very strongly. TAFE plays a critical role in providing skills and services for our youth and those transitioning into trades, in particular. But let us come back to your point about unemployment, and it is right. On average unemployment across Western Sydney is about 1 per cent to 1.5 per cent higher than the State rate. We have worked very hard to deliver employment in this State.

**The Hon. PETER PRIMROSE:** But how does cutting TAFE courses help that, Premier? Can you please zero in on that specific issue? I do not have a lot of time.

**Mr MIKE BAIRD:** But coming back to the question—this is important—the best way that we can help with youth unemployment is to provide jobs and since we have come to Government, from 2011 to today over 120,000 jobs, the second most jobs created in the nation—

**The Hon. PETER PRIMROSE:** Will you give an assurance that no further courses will be cut at Campbelltown TAFE?

**Mr MIKE BAIRD:** —the second strongest jobs growth in the nation, which means that our unemployment rate is now second. For the previous 10 years of your Government there was the slowest jobs growth in the country.

**The Hon. PETER PRIMROSE:** Will you give an assurance that no further courses will be cut at Campbelltown TAFE?

**Mr MIKE BAIRD:** I have given an assurance that we will run the TAFE system as efficiently as we possibly can but specifically—

**The Hon. PETER PRIMROSE:** You will not give that assurance, will you?

**Mr MIKE BAIRD:** Well no, the assurance I give you is that we are providing the youth with every possible opportunity for a job and we have done that through payroll tax incentives, through the infrastructure program. Also we have announced that each infrastructure project we are undertaking—significant projects we are undertaking in Western Sydney—I have committed over the next four year to at least a thousand—

**The Hon. PETER PRIMROSE:** Will you give an assurance that no additional courses will be cut at Campbelltown TAFE?

**Mr MIKE BAIRD:** —apprentices and those that are bidding are providing opportunities. We are asking them not only to provide apprentices but also an employment legacy and the employment legacy is to work with local TAFEs or universities to provide additional education and training for our youth.

**The Hon. PETER PRIMROSE:** You will not give that assurance. Can you name one major infrastructure project being constructed as part of the New South Wales Government procurement process that is required to have a specific ratio of apprenticeships?

**Mr MIKE BAIRD:** We have announced that and that is what we are implementing with the projects we are undertaking.

**The Hon. PETER PRIMROSE:** I know you have said it will be done on a case-by-case basis, so what is the specific ratio on a project?

**Mr MIKE BAIRD:** That will be determined, as I have said, on a case-by-case basis on procurement by procurement.

**The Hon. PETER PRIMROSE:** Just name one?

**Mr MIKE BAIRD:** The WestConnex project.

**The Hon. PETER PRIMROSE:** What is the ratio of apprentices?

**Mr MIKE BAIRD:** That is still in procurement.

**Mr SMITH:** The Premier has asked us to work on the methodology that would be used to ensure that sufficient contribution is made from each project to achieve the overall commitment.

**The Hon. PETER PRIMROSE:** What is the algorithm you would use?

**Mr SMITH:** That is what we are working on now.

**The Hon. PETER PRIMROSE:** Surely you have some idea; you have announced this a number of times. The Premier is putting his hat on the issue today. Can you just give me a figure? What is the algorithm you were going to use as to the percentage of apprentices or cadets? What is the percentage?

**Mr SMITH:** It just depends on the characteristics of each project and how much labour is involved, how many apprentices are required. Work is underway now to go through to set some thresholds for different project types.

**The Hon. PETER PRIMROSE:** So there is not one at the moment that is operating with a ratio of apprentices?

**Mr SMITH:** The Government has announced its target—

**Mr MIKE BAIRD:** We have just announced it.

**Mr SMITH:** —and the next step is to work to develop the methods to do it.

**The Hon. PETER PRIMROSE:** Again give me just one project and tell me the ratio of apprentices?

**Mr MIKE BAIRD:** I told you, the WestConnex.

**The Hon. PETER PRIMROSE:** What is the ratio of apprentices?

**Mr MIKE BAIRD:** We are not there yet.

**The Hon. PETER PRIMROSE:** That is my point. You cannot tell me—

**Mr MIKE BAIRD:** I told you. The thing about the WestConnex is I noticed your leader said he is going to build it faster. Why don't you give me a plan on how you are going to do that? How are you going to build the WestConnex faster? Are you going to get out there with your shovels?

**The Hon. PETER PRIMROSE:** I appreciate that unemployment in Western Sydney may be fun for someone coming from your part of the world—

**The Hon. MELINDA PAVEY:** Oh, stop the cultural fringe.

**The Hon. PETER PRIMROSE:** —but it is actually a serious issue. You clearly do not have a project with a specific ratio of apprentices.

**Mr MIKE BAIRD:** Peter, why you have to reach to that sort of level, I do not know.

**The Hon. PETER PRIMROSE:** You will not answer the question.

**Mr MIKE BAIRD:** I think I did.

**The Hon. PETER PRIMROSE:** Name one project with a ratio of apprentices?

**Mr MIKE BAIRD:** I told you we have announced the policy. You cannot procure a contract overnight. It takes time to procure a contract.



**The Hon. PETER PRIMROSE:** Yes, I know, in the future, like the airport. Okay. On Sunday 16 May this year at the Premier's post-Federal budget media conference you said, "In terms of the funding in health, what we are seeing over the next 12 months, hundreds and hundreds of hospital beds here in New South Wales alone. We have heard them on health. There are hundreds of beds in our health system that are supported by that funding and it's gone." In your statement you said that funding for hundreds of beds will be gone. Which Western Sydney hospitals will be most impacted?

**Mr MIKE BAIRD:** None; that is the good news. We funded it ourselves. That was pretty clear in our budget. So over the forward estimates there was about \$1.2 billion produced. We have stepped up to the plate and covered all of that. And on top of that I am sure you will be interested that there is significant capital spend we are undertaking across Western Sydney, whether it be Campbelltown Hospital of \$135 million or Blacktown Hospital or Westmead Hospital—we are undertaking significant investments.

**The Hon. PETER PRIMROSE:** How much of that is covering money that has been lost because of cuts in Prime Minister Abbott's budget?

**Mr MIKE BAIRD:** Our spend has gone up 5.2 per cent this year so it is close to a \$900 million increase on the previous year in the amount of funding.

**The Hon. PETER PRIMROSE:** So you are infilling to cover his cuts? How much are you covering?

**Mr MIKE BAIRD:** I told you. It is about \$1.2 billion over the four years.

**The Hon. PETER PRIMROSE:** Thompson Square at Windsor is a New South Wales heritage-listed urban open space and the most intact surviving square of those designed by Governor Macquarie dating back to 1795. Residents opposed to the current State Government proposal to slice off part of the square have been holding a longstanding vigil at the site. This Sunday 24 August will be the 140th birthday of the Windsor Bridge, which you propose to destroy. As Minister for Western Sydney will you visit Windsor and meet with local residents concerned about these proposals?

**Mr MIKE BAIRD:** We are getting on and actually building a bridge that has long been required and there has been a lot of consultation with the community. But I am always happy to meet members of the community to discuss any concerns.

**The Hon. PETER PRIMROSE:** So will you visit Windsor?

**Mr MIKE BAIRD:** I have been to Windsor.

**The Hon. PETER PRIMROSE:** Will you visit the residents at Windsor Bridge?

**Mr MIKE BAIRD:** I have been to Windsor. As I told you, I am happy to meet with any residents about any issues.

**The Hon. PETER PRIMROSE:** Are you prepared to meet with the residents about this issue out at Thompson Square?

**Mr MIKE BAIRD:** I am prepared to meet, as I said, with any residents on any issue.

**The Hon. PETER PRIMROSE:** But particularly in relation to Thompson Square, are you prepared to meet with them?

**Mr MIKE BAIRD:** Are you one of those residents?

**The Hon. PETER PRIMROSE:** No, not me. These are residents of Windsor.

**The Hon. CATHERINE CUSACK:** Can I suggest you get some details.

**Mr MIKE BAIRD:** But why don't they get in touch with me and I would be happy to discuss it with them.

**The Hon. LUKE FOLEY:** Don't go with Bart Bassett.

**The Hon. PETER PRIMROSE:** The Western Sydney Regional Organisation of Councils [WSROC] has expressed concern that the new housing developments in Western Sydney continue to be a threat to Sydney's 1.5 billion peri-urban agriculture, which provides over 40 per cent of Sydney's vegetables. What proposals do you have to address this particular issue?

**Mr MIKE BAIRD:** We are trying to get the balance right. Obviously housing is critical and the important thing about housing is that we were at, under you, about 50-year lows. We are now in a position, for the first time last year, where 50,000 houses were approved.

**The Hon. PETER PRIMROSE:** Anything other than the vibe, Premier? Do you have any particular proposals to address this issue?

**Mr SMITH:** Obviously dealing with that is a matter of land-use planning for Western Sydney.

**The Hon. PETER PRIMROSE:** Yes, I appreciate that. That is why I have asked the question.

**Mr SMITH:** I think the planning Minister released today the extension of the job area for economic development so as to focus and extend that from the M7 to the M4 area down to include the airport to properly plan for the concentration of employment lands in those specific areas. The other planning aspects are about concentrating the residential development near the new infrastructure that the Government is building.

**The Hon. PETER PRIMROSE:** Have any proposals come up in relation to the \$1.5 billion peri-urban agriculture system that operates in outer Western Sydney?

**Mr SMITH:** I know that the work being done by the Department of Planning and Infrastructure on finalising the metropolitan strategy has that as a very high priority and an important value to be protected.

**The Hon. PETER PRIMROSE:** I accept that it is important. However, so far all you have said is that it is the vibe that it should be protected. Premier, do you have any proposals as Minister for Western Sydney?

**Mr SMITH:** The planning strategies that I mentioned lead into rezonings, the construction of developments and the protection of other lands for different purposes.

**The Hon. PETER PRIMROSE:** Which lands do you propose to protect?

**Mr SMITH:** That will be in the metropolitan strategy. There will be maps indicating the areas to be protected.

**The Hon. PETER PRIMROSE:** Which lands are they?

**Mr SMITH:** That is the work which is now underway and which the Government will release when it is ready.

**The Hon. LUKE FOLEY:** When will we get the final metropolitan strategy? The draft has been on the table for a long time. Will we get it in the life of this Parliament?

**Mr SMITH:** Yes.

**The Hon. PETER PRIMROSE:** Premier, will you rule out the requirement that people provide photo ID at the next election?

**Mr MIKE BAIRD:** Does this relate to Western Sydney?

**The Hon. PETER PRIMROSE:** Yes. Many people in Western Sydney are concerned about this.

**Mr MIKE BAIRD:** That is a bit too neat.

**The Hon. PETER PRIMROSE:** The question relates to Western Sydney. People in Western Sydney are concerned about whether they will be required to produce a photo ID at the next State election.

**Mr MIKE BAIRD:** You are on the Joint Standing Committee on Electoral Matters. Is the committee considering it?

**The Hon. PETER PRIMROSE:** It is not before us.

**Mr MIKE BAIRD:** Are you going to bring it forward?

**The Hon. PETER PRIMROSE:** You are the one who introduces legislation.

**The Hon. GREG PEARCE:** Your time is up.

**The Hon. PETER PRIMROSE:** I have asked a question and the Premier has not responded.

**Mr MIKE BAIRD:** We are happy to consider any sensible proposals.

**The Hon. PETER PRIMROSE:** So the people of Western Sydney should be worried.

**Dr JOHN KAYE:** Premier, are you aware of the organisation called the Muslim Women's Support Centre? This is not a trick question; it is genuine. It is an organisation.

**Mr MIKE BAIRD:** It is a shelter.

**Dr JOHN KAYE:** That is correct. It runs multifaceted services for women and children experiencing domestic violence and it is open to people from Muslim and non-Muslim backgrounds. Are you aware that under the Going Home Staying Home program it is being stripped of its funding?

**Mr MIKE BAIRD:** I am advised that it is going through the second funding round. A second fund has been set up.

**Dr JOHN KAYE:** I understand that the centre has been told that it has funding until 31 October, but after that all bets are off.

**The Hon. CATHERINE CUSACK:** These questions have been put to Minister Upton and Minister Goward and many of them have been taken on notice.

**Dr JOHN KAYE:** Thank you for that interjection. It is not a point of order.

**The Hon. CATHERINE CUSACK:** You have put the Premier in an awkward position, given that you have already asked these questions of other Ministers. They have all been taken on notice and the responses will be provided.

**CHAIR:** This is a separate hearing involving the Premier.

**Dr JOHN KAYE:** Premier, you would be aware that Western Sydney has substantial problems with domestic violence.

**Mr MIKE BAIRD:** Yes.

**Dr JOHN KAYE:** Do you have concerns about the insecurity being created in a number of resource centres and shelters because of the change in the way in which they are funded?

**Mr MIKE BAIRD:** There are two parts to that. The exciting thing is that we have made a significant commitment to Going Home Staying Home. More funding than there was will be available to provide additional services. The Government has acknowledged that the rate of homelessness is increasing and that we need to work out how we can come up with a strategic policy response that once and for all starts to reduce that rate. It is a collective. Rather than offer individual services, this will bring services together to operate from the point of prevention through to crisis. Obviously, the approach that we have announced will then be supplemented by

some of these additional groups that have the capacity to provide more services than are currently provided. They are complementary to the reforms that will lead to an overall improvement. It is incredibly distressing that the Labor Party has been scaremongering on this issue.

**Dr JOHN KAYE:** I do not want you to play politics with this because it is a serious matter. This is a serious provider of services that is saying that it will not be able to survive without State Government funding, and its funding is at risk. These services deal with women who are in extreme crisis.

**Mr MIKE BAIRD:** They have my deep empathy.

**Dr JOHN KAYE:** If they cannot access that service they will have to go back to an abusive household.

**Mr MIKE BAIRD:** I will take the question on notice. However, my understanding is that they are part of the second round of additional funding that has been provided for supplementary services. I understand that they are participating in that.

**The Hon. GREG PEARCE:** That is the answer the Minister for Women provided.

**Dr JOHN KAYE:** I do not need your commentary, Mr Pearce. You are not a Minister.

**The Hon. CATHERINE CUSACK:** It is not commentary.

**Dr JOHN KAYE:** I am over this. Are you saying that the Premier is incapable of answering these questions?

**CHAIR:** These are separate hearings.

**The Hon. GREG PEARCE:** I am simply saying that he is providing the same answer that you were provided with earlier today.

**Dr JOHN KAYE:** Are you saying that he cannot stand up for himself? You have a problem with him.

**The Hon. CATHERINE CUSACK:** It is a sneaky little tactic and we are entitled to call it.

**Dr JOHN KAYE:** I hear what you are saying, Premier, and I appreciate it.

**Mr MIKE BAIRD:** I take that as a genuine question. I have had discussions with the Department of Family and Community Services and I have asked the staff to work very hard with everybody across the State, including groups in Western Sydney, to ensure that those who missed out in the first round are given every opportunity to participate in the second round. I understand that they are part of that process, but I will take the question on notice.

**Dr JOHN KAYE:** I have chosen that group but there are others such as immigrant women's organisations and so on that cater specifically to the demographic needs of Western Sydney. As the Minister for Western Sydney have you given any thought to uncertain funding for these organisations?

**Mr MIKE BAIRD:** I have visited a few. The Bankstown Multicultural Youth Service is an incredible example of how to support young kids in very difficult circumstances. Its drop-in centre model, which I found inspiring, involves building relationships and connections with disadvantaged kids. They have real jobs at the Peppertree Cafe in downtown Bankstown, and that employment allows them to develop a curriculum vitae and to build their confidence. It provides a platform from which they can get other employment. It is a fantastic model. In relation to funding, this Government has allocated more funding to deal with homelessness and we are prioritising the vulnerable in our society.

**Dr JOHN KAYE:** I am not sure about that. The fact that this service is facing funding uncertainty makes it hard for me to agree with the proposition that you are prioritising the most vulnerable.

**Mr MIKE BAIRD:** Again, with respect, if that service misses out on a tender another party will potentially provide the service that it provided. I have specifically told the Department of Family and Community Services that it must work with the providers who missed out to see whether they can provide

additional and complementary services. The existing services and more will be provided. That is the model. We will not be providing less; in fact, more services will be provided as a result of these reforms.

**Dr JOHN KAYE:** From where does the Bankstown Multicultural Youth Service get its funding?

**Mr MIKE BAIRD:** It is a mix.

**Dr JOHN KAYE:** Do they get State Government funding?

**Mr MIKE BAIRD:** Some State, some Federal.

**Dr JOHN KAYE:** Are they part of the reform to do with Going Home Staying Home?

**Mr MIKE BAIRD:** No.

**Dr JOHN KAYE:** Their funding is safe, is it? They are not at risk in the same way that organisations that are caught up in the Going Home Staying Home funding are at risk?

**Mr MIKE BAIRD:** No, they are not part of the revised tender arrangement, as far as I am aware.

**Dr JOHN KAYE:** What organisation in this State funds them?

**Mr MIKE BAIRD:** From FACS.

**Dr JOHN KAYE:** Under which program?

**Mr MIKE BAIRD:** I will take that on notice.

**Dr JOHN KAYE:** Could you also take on notice whether there are any plans to change or to reform that program?

**Mr MIKE BAIRD:** Yes. We are being consistent. We are looking to provide more and additional funding in this space, not less. It is about 10 per cent more.

**Dr JOHN KAYE:** I turn to the WestConnex proposal. What alternatives did the Government consider, rather than building that road? Did you consider alternatives?

**Mr MIKE BAIRD:** Infrastructure NSW, as you know, did their report. They considered all the infrastructure needs across the State. They determined that project is the number one priority.

**Dr JOHN KAYE:** But your Government did not accept all of what Infrastructure NSW recommended.

**Mr MIKE BAIRD:** We accepted the vast majority.

**Dr JOHN KAYE:** When you accepted that, did you do any other studies, or did you just accept what Infrastructure NSW said? Did you look at alternatives to providing the connectivity that it was argued WestConnex would create?

**Mr MIKE BAIRD:** What we did with Infrastructure NSW was finally to take some politics out of infrastructure decisions. We let the experts assess and make recommendations. They built the pipeline and the State Government followed them. WestConnex came out as the number one project.

**Dr JOHN KAYE:** You did that by appointing a former Liberal Premier as the chair of Infrastructure NSW.

**Mr MIKE BAIRD:** He comes with significant expertise. An independent board was established to oversee it.

**Dr JOHN KAYE:** Indeed. You would understand there is a fair amount of cynicism about building another motorway in Western Sydney in that every motorway that has been built to Western Sydney has ended

up as a parking lot. I do not know whether you have used the M5 recently. I made that mistake and deeply regretted it having sat in a tunnel.

**The Hon. LUKE FOLEY:** Some of us catch public transport.

**Dr JOHN KAYE:** What do you say to people in Western Sydney about that cynicism?

**Mr MIKE BAIRD:** I say that we have the answer. The answer is—

**Dr JOHN KAYE:** Unlike your predecessors, who also said they had the answer, and their predecessors who also said they had the answer.

**Mr MIKE BAIRD:** We did not put two lanes into the M5, as an example.

**CHAIR:** There are three lanes.

**Mr MIKE BAIRD:** We have outlined not only the capacity in relation to WestConnex—and I assume you will agree this is an important point—but also our commitment to Sydney Rapid Transit, which provides a second harbour crossing and, most importantly, extra capacity through the central business district. That will transform the commute of everyone in Western Sydney, because you have the road enhancement and significant public transport enhancement. Sydney Rapid Transit will deliver, across each rail line, a 60 per cent increase in capacity. That means at peak hour an extra 100,000 commuters an hour across Sydney, including Western Sydney, can access rail. I imagine The Greens will be backing that. It will be funded by the lease of the poles and wires business. That is the commitment.

**Dr JOHN KAYE:** My time has run out, so I cannot respond to that.

**Mr MIKE BAIRD:** I will take that as yes.

**Dr JOHN KAYE:** No, do not take that as yes. If you took that as yes you would be misleading yourself and your Government.

**CHAIR:** I have a general question about Western Sydney. According to the Government's draft metropolitan plan for Sydney 2013, Western Sydney will house more than half of Sydney's population by 2031, approximately 52 per cent. The Western Sydney basin is currently the size of Adelaide and growing. Premier, where is the Government's Western Sydney employment area draft structure plan to combat this growing issue?

**Mr SMITH:** That was released today or yesterday, I believe.

**CHAIR:** Do you have a copy of that document and can you table it?

**Mr MIKE BAIRD:** We will provide it. It is important, because part of the previous planning problem was that you had Housing on one side and no infrastructure or employment. For the first time we have brought that together. The housing is coming, the infrastructure is being built and the employment lands are in the centre. This document, which has been updated, has just been released.

**CHAIR:** That is very good as its release fits in with our hearing dates.

**Mr SMITH:** It needed to be redone to take into account the airport plan, because that is central to employment prospects in that region. The plan for the employment land needed to be redone.

**CHAIR:** Premier, you know that Western Sydney is a multiracial and multireligious area, with up to 35,000 Muslims in some of the electorates. The Prime Minister has been meeting with Islamic leaders to encourage harmony and cooperation. Have you had any meetings, or are you planning to have any meetings with leaders in that region?

**Mr MIKE BAIRD:** Yes, I have. In the past few weeks I have met with some leaders. The concept of harmony could not be more important. The events we have seen unfolding may be removed from us, but the images are having a knock-on effect on the communities here. All community leaders have a significant role at this time. I think we are in for challenging times, and harmony has to be the key.

**CHAIR:** Have you had cooperation? Have there been boycotts or any other problems, as they have had in Victoria?

**Mr MIKE BAIRD:** No, I have had good cooperation.

**CHAIR:** There is more unity in Sydney.

**Mr MIKE BAIRD:** Obviously there are tensions. Tensions flare, from personal experience. People are responding to what they see happen to brothers, sisters and other family members overseas. I can understand those tensions, but I implore the local community leaders not to import that tension. We are thriving on multiculturalism and the harmony at the centre of that.

**CHAIR:** As you know, there are distressing events in Syria and Iraq in regard to the Christian minorities there. There was a large meeting at Greenfield Park last week and I understand next Wednesday there will be a protest in Canberra at Parliament House. Have you had an opportunity to give some support to those minority Christian groups represented in the western suburbs and to Assyrians and others?

**Mr MIKE BAIRD:** Yes, I met with the Coptic Church in particular. A regular part of my program is meetings with leaders. These are difficult circumstances for them.

**CHAIR:** Will you be giving them some moral support, because they need that?

**Mr MIKE BAIRD:** Absolutely.

**CHAIR:** What is your position on protecting Western Sydney's water supply from adverse impacts of coal seam gas exploration or drilling, which is causing some concern?

**Mr MIKE BAIRD:** We have already taken action in relation to the protections around the residential areas. Mary O'Kane, Chief Scientist and Scientific Engineer, is in the midst of a final report in relation to coal seam gas compliance regulations and steps going forward. We will be watching that very closely and we will welcome her report. We look forward to responding when the report comes out. It is only a matter of a couple of months away, as I understand it.

**CHAIR:** Could you update the Committee on the progress of the Parramatta Road upgrade? There has been some controversy about the tunnel and other criticism by local businesses.

**Mr MIKE BAIRD:** There is a range of issues around that. I think it would be better for me to get the updated position from the Minister for Roads and Freight, because there are a number of layers in it. I will provide that to the Committee.

**CHAIR:** Are there no problems with the redevelopment, which needs to happen?

**Mr MIKE BAIRD:** I understand that, but with any project like that there are challenges. I will get the roads Minister to provide an update.

**CHAIR:** I am always concerned with all the diagrams that we do not seem to have a plan to get traffic into the city; it almost bypasses around to the airport. Is that an issue? I know it is in Duncan Gay's area.

**Mr MIKE BAIRD:** It is a good point. Part of that Rebuilding NSW, which John Kaye is backing for the Sydney rapid transit system—the road issue you are talking about—one of the issues for Infrastructure NSW is the augmentation of the extension of WestConnex to Anzac Bridge and Victoria Road which is, effectively, a direct link to provide access straight into the city, together with the south augmentation that goes to Presidents Avenue which, for the first time, will provide an alternative city bypass rather than the Eastern Distributor. So you will have one on the east and one on the west. I think that is a significant enhancement to the overall network, which WestConnex and Infrastructure NSW are looking at. But that will provide M4 and M5 traffic with a capacity to go along those roads and straight into the city; it connects with Anzac Bridge and Victoria Road. I think that issue will be addressed.

**Mr SMITH:** The options under consideration are not just a horseshoe shape anymore. The plan has moved on to have the potential for extensions on the eastern side of the horseshoe to the north and to the south, which will provide those connections that the Premier described that will be needed. Infrastructure NSW is currently reviewing the business case or it is looking to see how much those things might cost and what the traffic flows might be.

**CHAIR:** That is very important. I am glad that is happening.

**Mr MIKE BAIRD:** The important point is that what we will be fighting in the election is in clear contrast with those opposite because we have the capacity to fund the projects and the others do not. Those projects do not go ahead unless we win the next election. That is obviously something for which we will be fighting hard.

**CHAIR:** That brings me to the end of my questions. We have one minute. Do you have anything you wish to say to the Committee before we conclude?

**Mr MIKE BAIRD:** I just thank the Committee for a very enjoyable afternoon and for the commentary on cricket and soccer and, most importantly, Mr Chair, the incredible bowling feats that we have learned about you. I think that is remarkable. It is a story I am going to tell many people. Congratulations on that.

**CHAIR:** Not too many; you are going to embarrass me. We thank you, Premier, for your cooperation and Mr Smith for your attendance and we thank you for your answers to our questions. As you know, any questions taken on notice you have 21 days to answer. There may be some other questions from Committee members which will be forwarded to you.

**Mr MIKE BAIRD:** Thank you, Mr Chair, for chairing the Committee. I thank the staff for all their work, and the Committee members.

**(The witness withdrew)**

**The Committee proceeded to deliberate.**

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