

GENERAL PURPOSE STANDING COMMITTEE No. 5

Friday 1 September 2006

Examination of proposed expenditure for the portfolio areas

ENERGY, PORTS AND WATERWAYS

The Committee met at 2.00 p.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. J. C. Burnswoods
The Hon. G. J. Donnelly
Ms S. P. Hale

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

PRESENT

The Hon. J. G. Tripodi, Minister for Energy, Minister for Ports and Waterways, and Minister Assisting the Treasurer on Business and Economic Regulatory Reform

Department of Energy, Utilities and Sustainability
Mr M. Duffy, Acting Director General

NSW Maritime
Mr B. Moore, Acting Chief Executive
Mr A. Middleton, General Manager, Shipping, Security and Environment
Mr B. Stanwell, General Manager, Corporate Services

CHAIR: I declare the hearing open to the public. I welcome the Minister for Energy, Minister for Ports and Waterways, and Minister Assisting the Treasurer on Business and Economic Regulatory Reform, and the accompanying officials to the hearing. At this hearing the Committee will examine the proposed expenditure for the portfolios of Energy, Ports and Waterways. The speaker system is not functioning due to industrial action so I ask everyone to be mindful of that and to speak up. There is no amplification at this time.

Turning to procedural matters, we are examining the proposed expenditure for the portfolios of Energy, Ports and Waterways. As I said, due to the work bans we have no microphones so I ask everyone to speak in a clear voice, one at a time, and the audience will keep background noise to a minimum. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed and recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. Copies of the guidelines for the broadcast of proceedings are available from the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber support staff or the Committee clerks.

Minister, you and the officers accompanying you are reminded that you are free to pass notes and to refer directly to your advisors while at the table. I remind everyone to please turn off their mobile telephones. The Committee will commence with the portfolio of Ports but there may be some crossover so it would be very much appreciated if you could have all your advisors on standby. We will have a 10-minute break at 4 o'clock, midway through the hearing. I hope that none of these conditions or arrangements pose any difficulties. Minister, I advise you that the Committee has resolved to request that answers to questions on notice be provided within 21 calendar days of the date on which they are sent to your office. Do you anticipate that that will pose any problems?

Mr JOSEPH TRIPODI: I will get the answers to you as soon as possible.

CHAIR: I understand that some Committee members submitted to you a number of proposed issues for questioning during this hearing. Are you familiar with those issues?

Mr JOSEPH TRIPODI: Yes.

CHAIR: All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

MARK DUFFY, Acting Director General, Department of Energy, Utilities and Sustainability,

BRETT MOORE, Acting Chief Executive, NSW Maritime,

BRIAN STANWELL, General Manager, Corporate Services, NSW Maritime, and

ANTHONY MIDDLETON, General Manager, Shipping Security and Environment, NSW Maritime, sworn and examined:

CHAIR: I declare the proposed expenditure for the portfolios of Energy, Ports and Waterways open for examination. Minister, do you wish to make a brief opening statement?

Mr JOSEPH TRIPODI: Thank you, Mr Chairman. My portfolios of Energy, Ports and Waterways, and Assisting the Treasurer on Business and Economic Regulatory Reform, which I have held for the past seven months, are critical to our State's growth. Building on our strong New South Wales economy and creating the environment for economic growth is a clear focus of the Iemma Government. In just 12 months the Government has moved to deficit funding of infrastructure—\$10 billion per year, or \$41 billion over the next four years—lifted the land tax threshold so that fewer people now pay land tax, introduced a \$90 million payroll tax relief program for companies locating or expanding in regions with high unemployment, and reduced workers compensation premiums by 15 per cent, saving businesses in New South Wales about \$430 million per year.

In my Ports and Waterways portfolio the \$500 million expansion of Port Botany will boost exports, create 9,000 jobs and generate \$16 billion in economic growth over the next 20 years. That is more than \$800 million that Port Botany will deliver to the New South Wales economy each year. Port Botany is a critical piece of our State's infrastructure. We are experiencing a strong and steady growth in freight of between 5 per cent to 7 per cent per annum. With this growth, Port Botany is expected to reach full capacity by the end of the decade. It must be expanded to ensure that freight can continue to be moved efficiently and that we do not lose business to Queensland and Victoria.

The expansion also allows the Government to test the market for interest in a third stevedore at Port Botany. There appears to be a lot of interest in that opportunity. As to whether a third operator is desirable, I view increased competition at the port as a sound policy goal—particularly given the steady growth in freight that I have already talked about, which has been evident for a number of years now. Last week my colleague the Minister for Planning announced the approval for the location of the fifth berth at Port Botany. An independent expert panel investigated three potential sites for the fifth berth and recommended that it be built onto the northern end of the four berths that were approved in October last year. The panel found that this location offered the most benefits. It addresses maritime operational issues and will help to attract a third stevedore. It provides superior rail access and land tenure and it is up to \$253 million less expensive than the other options.

Yesterday I announced the start of the tender process for awarding the design and construct contract for the new terminal. As well as building the container terminal and backup area, the contract will include dredging, road and rail works, services provision, environmental enhancement works and the provision of community facilities on the foreshore. Advertisements have been placed in national and international media to attract contractors not only from Australia but from all over the world. The successful tenderer will be selected next year after a short-listing process, with the terminal to be completed and in operation by 2011.

Throughout this port restructuring and development Sydney Harbour will remain a working port. The Iemma Government will maintain a balance between Sydney Harbour's industrial and maritime uses and public access. Sydney Harbour will continue to provide for imports of crude oil, timber, sugar, cement and other bulk commodities. The harbour will also provide facilities for vessel maintenance and repair operations for the Royal Australian Navy, fuel tankers, cruise liners, port service vessels and charter, cruise and other commercial craft.

East Darling Harbour will become available for redevelopment when the current trade relocates to Port Kembla and the White Bay/Glebe Island precinct will continue to be a strategic area and will be retained for maritime purposes. The New South Wales ports growth plan is about

encouraging the relocation of trade from Sydney Harbour to Port Kembla. The Port Kembla Port Corporation has started expanding its facilities to provide for the relocation of trade. Stage one is under way with the construction of general cargo and container facilities scheduled for completion in the first half of 2007. Stage two will involve the construction of a third multi-purpose terminal which is scheduled for completion in mid-2007. Stage three will see the construction of a fourth berth to accommodate break bulk, and bulk cargo. Construction is expected to be complete by mid-2008.

When the expansion is finished it is estimated an additional 400 ships will visit Port Kembla each year, carrying 240,000 vehicles and 30,000 containers. The Port Kembla expansion will provide world-class facilities and create 1,000 direct and indirect jobs for the Illawarra region. This expansion will be a major boost for a region with high-level youth unemployment. Newcastle is one of the world's largest coal export ports. Late last year the port set an export record with more than \$7½ million tonnes of coal moving out through the port in just one month. In August 2005, the Government announced a \$530 million third coal loader for Newcastle that will mean approximately 2,000 direct and indirect jobs for the Hunter.

In March 2006, the Government announced Azzura Marine, a major luxury yacht builder, would expand its operations to Newcastle port and will ultimately generate up to 400 new jobs for the Newcastle region. This business builds on the success of Sensation Yachts, one of the world's top ten luxury yacht manufacturers, commencing its 20-year lease of the former Australian Defence Industry site at Carrington. The establishment of a marine precinct on port land suitable for boatbuilding, refit, repair and other related maritime industry is part of the growth and diversification of the port. In relation to the multi-purpose terminal, the Government is committed to pursuing general cargo and container trade in Newcastle. Newcastle has been identified as the next major container port for New South Wales, once Port Botany reaches capacity. The former BHP Steel works land is the strategic site for that growth.

While Newcastle and Port Kembla are the main regional ports in New South Wales there are also the smaller regional ports of Yamba and Eden. Earlier this year I officially opened a new \$4 million cargo storage facility near the Eden multi-purpose wharf, and this past summer a record seven passenger ships visited Twofold Bay. At Yamba on the North Coast the New South Wales Government has spent more than \$1.5 million over the past few years in port improvements.

All this activity to improve port infrastructure demands attention to the issue of freight and transport logistics. That is why the Freight Infrastructure Advisory Board was commissioned to develop recommendations to increase the use of rail to move container freight to and from Port Botany. The board's report looks at how to improve freight distribution, and the infrastructure requirements to service the network. The report proposes locations for the development of intermodal terminals to help support the goal of moving 40 per cent of all freight by rail. Professor David Richmond of the Premier's infrastructure implementation group is currently reviewing the board's recommendations and a Government response should be delivered soon.

Before I conclude on my Ports and Waterways portfolios I will comment on the critical issue of port security. The security of our ports and waterways is a top priority and the Government is spending \$23.4 million in an expansion of port security measures. Security upgrades by Sydney Ports have included the installation of 23 closed-circuit television cameras, including six thermal imaging cameras, increased security auditing, monitoring and mobile patrolling, improved checkpoint maintenance and new perimeter fencing, bollards, barriers, signage and lighting across all ports. Other security measures include \$460,000, which has been spent on the Port Botany Marine Command to provide two additional police officers. This funding will enable the command to extend its operations to 24-hours, seven days a week, and to provide a rigid-hull inflatable boat, giving police the ability to board vessels at sea, as well as night vision equipment.

All ports have undertaken security assessments and developed port security plans. In fact, the Port of Newcastle won the coveted inaugural award for innovation and security at the 2005 Australian Shipping and Transport awards. Sydney Ports Corporation was one of the first organisations to issue the new maritime security card. At least 10,000 NSW Maritime workers will be issued with the card after undergoing rigorous checks by the Australian Federal Police and the Australian Security Intelligence Organisation. The maritime security identification card will be compulsory from January next year, and the onus will now be on the Commonwealth Government to ensure it can complete all

the necessary checks and issue the security cards on time to meet that deadline. We certainly do not want to see a repeat of the cargo chaos caused by the Commonwealth Government's bungled attempt to introduce the new customs computer system last year.

The Hon. GREG PEARCE: Have you initiated any review of property assets in all three departments, Ports, Energy and Waterways?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: There has been no process for reviewing property assets in those three departments?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: Do you have an asset register of holdings in the various departments?

Mr MOORE: Yes, we do. In Maritime we have a total asset management [TAM] system where we record the assets that are under our care, control and management.

The Hon. MELINDA PAVEY: The Minister has not asked for any special details about that register since he has been—

Mr MOORE: No.

The Hon. MELINDA PAVEY: Would he have details of that register?

Mr MOORE: I do not believe so, no.

The Hon. MELINDA PAVEY: You have not bothered to ask for details of assets of NSW Maritime within your portfolios?

Mr JOSEPH TRIPODI: The balance sheet of NSW Maritime would indicate the assets at an aggregated level, and I inform myself by the financial statements.

The Hon. GREG PEARCE: Have there been any property asset sales in Ports and Waterways since you have been Minister?

Mr MOORE: I am just thinking now that for the very vital work going on at Port Botany a parcel of land was sold to Sydney Ports Corporation, and that is the only one I can think of.

The Hon. GREG PEARCE: Only that one sale in Ports and Waterways?

Mr MOORE: Yes.

The Hon. GREG PEARCE: What about long-term leases?

Mr MOORE: I would have to take that question on notice.

The Hon. GREG PEARCE: Would you take that on notice and provide details of when the sale occurred, what was the purpose, the purchaser, the price and how the price was derived?

Mr DUFFY: The department does not have any property that I am aware of. It has leases on fax machines, and we have a lease on a couple of floors at 227 Elizabeth Street. I am not aware of any property assets held by the Department of Energy, Utilities and Sustainability [DEUS], and I would have to take on notice what they are doing in relation to their property portfolio.

The Hon. GREG PEARCE: Mr Tripodi, I assume you are aware of the audit report that was undertaken by Mr Stokes and Mr Burdekin for your Government earlier this year.

Mr JOSEPH TRIPODI: Yes.

The Hon. GREG PEARCE: Have you considered the Government's response to that report and its recommendations relating to your portfolios?

Mr JOSEPH TRIPODI: My understanding is that in relation to Ports and Waterways, it is still under active consideration. In relation to DEUS—

Mr DUFFY: We have had an analysis that the Premier's Department did to follow up, and DEUS is essentially maintained as a standard-alone agency, identifying that the work that it does is still valid and vital for the policymaking of Energy in particular and Water in New South Wales.

The Hon. GREG PEARCE: Who undertook that evaluation?

Mr DUFFY: I believe that officers in the Premier's Department, in conjunction with other officers, did an analysis of the audit and provided back to Cabinet their recommendations as to the application of the audit report in relation to DEUS.

The Hon. GREG PEARCE: Minister, when you said you believed it was ongoing in relation to Ports and Waterways, do you mean that the Premier's Department is evaluating whether Ports and Waterways continue the asset as it is?

Mr JOSEPH TRIPODI: Yes.

The Hon. GREG PEARCE: On the Stokes and Burdekin report, and your Government's response, are you aware that asset management was identified as an area of major focus for the Government?

Mr JOSEPH TRIPODI: Generally, yes.

The Hon. GREG PEARCE: Then what have you done in relation to Ports and Waterways in terms of reviewing asset management by that authority?

Mr JOSEPH TRIPODI: In the corporations or within the department?

The Hon. GREG PEARCE: Both. Your Government has identified this as a major focus.

Mr JOSEPH TRIPODI: Yes, I understand that, and the Premier's Department is actively considering that at the moment.

The Hon. GREG PEARCE: But you, as the Minister, are not in any way involved in or doing anything about it?

Mr JOSEPH TRIPODI: Obviously, as it develops, I would imagine that I would be involved in expressing a point of view about the proposed implementation of that reform.

The Hon. GREG PEARCE: How, then, does your role differ from your role when you were Minister for Housing, when you did actually identify public housing land and homes for sale?

The Hon. JAN BURNSWOODS: Chair, are questions relating to housing before this Committee?

The Hon. GREG PEARCE: The question is not about housing. It is about the Minister's role.

The Hon. PETER PRIMROSE: Are you asking for a comparison?

The Hon. GREG PEARCE: Yes.

CHAIR: Could I make clear that, as I understand, any questioning on estimates, if related to Mr Tripodi's role as a Minister, is within the bounds of being reasonable.

The Hon. GREG PEARCE: I would like the Minister to explain the difference.

The Hon. JAN BURNSWOODS: This estimates hearing is about Ports and Waterways and Energy.

CHAIR: The Minister has been only a short time in his present portfolio. If the question pertains to his ministerial responsibilities, I would think it a reasonable question to ask.

The Hon. JAN BURNSWOODS: But if it is about housing, it should be asked of the Minister for Housing, which means it is a matter for another estimates committee.

CHAIR: Mr Tripodi was Minister for Housing up until a short while ago, and I am saying that is a reasonable question.

The Hon. GREG DONNELLY: It is outside the scope of the terms of reference of this inquiry.

The Hon. PETER PRIMROSE: My point of order, Mr Chairman, is this: I have spoken to the clerks, and I am advised that the order for questions here is the issue of relevance. Relevance relates to the portfolios that the House has decided should be examined. We are not in this hearing examining Housing, and therefore I believe the question is not relevant, and it is therefore out of order to ask questions in relation to whatever portfolios the Minister may or may not have had in the past. I submit the question is out of order.

The Hon. GREG PEARCE: With respect, Mr Primrose, my question was about how Mr Tripodi approaches his ministerial responsibilities. I want to know what difference he saw between his portfolios.

CHAIR: My understanding is that the question asked what the Minister had done as Minister for Housing compared to what is being undertaken now under the Minister's current responsibilities. I suggest that that question is in order. But I ask the member to note that—

The Hon. PETER PRIMROSE: I do not want to move dissent already, but asking someone to compare means you are saying: Specify what happened here, and specify what happens here. Therefore you are asking specific questions and asking the Minister to talk about and specify what happened previously, about another portfolio.

The Hon. JAN BURNSWOODS: Which has its own estimates committee.

The Hon. PETER PRIMROSE: Ask the current Minister for Housing, not the former Minister.

CHAIR: Mr Primrose, you may move dissent if you so wish. But I understand the comparison is valid in relation to this portfolio, and I will allow the question.

The Hon. PETER PRIMROSE: If that is the case, I would urge the Minister not to feel obliged to talk about other portfolios that he is no longer Minister for. That is not what we are here to question.

The Hon. JAN BURNSWOODS: Mr Chairman, would your suggestion go back eleven years—say for a Minister who may have had six or eight portfolios in a term of ten years? You see the sort of problem that I am alluding to.

CHAIR: I know what you are alluding to.

The Hon. GREG PEARCE: But it is hypothetical. That is not the question here.

CHAIR: I am dealing with a question that seeks a comparison between the portfolios. I am also taking into consideration that there has been a relative recent change in ministerial responsibilities. Given that we are talking about budget estimates for the last financial year—

The Hon. PETER PRIMROSE: Maybe the Minister should feel free to talk about other portfolios.

Mr JOSEPH TRIPODI: Mr Chairman, if I could remind you that I have had the Roads portfolio between Housing and my current portfolio.

The Hon. MELINDA PAVEY: Do you want some Roads questions?

CHAIR: I will allow the question. I ask that we continue with the questioning. I am mindful of the issues that have been raised, but I will allow this question given that it seeks a comparison that appears to be relevant.

The Hon. GREG DONNELLY: Point of order: In terms of the issue of comparison, you can compare something by essentially looking at one of the issues, not both of the issues, fully. So the Minister might choose to give particular emphasis to the position with respect to his portfolio areas which are being examined here today.

CHAIR: I appreciate your support for the Minister. But I think the Minister is capable of determining how he will answer. May I make the point that if we have a breakdown of communication at this stage, and it gets worse, we may have to call the Minister back. I am trying to ensure we get through the material in this sitting.

The Hon. JAN BURNSWOODS: Mr Chairman, the difficulty is that we have had estimates committees in this place for fourteen years, and never has there been an estimates committee that has proceeded the way you are suggesting we proceed.

The Hon. GREG PEARCE: Come on!

The Hon. PETER PRIMROSE: We cannot question Ministers about their previous portfolios.

CHAIR: I understand it to be a relevant comparison between the portfolios that the Minister has been and is responsible for, and I have ruled to allow the question. If we want to get through the process, I suggest it is in everyone's interest to allow the Minister to answer the question as he sees fit. He may choose to take it on notice. That is the Minister's choice, and I think he is capable of making that decision.

The Hon. JAN BURNSWOODS: The point is the precedent that you are attempting to create.

The Hon. GREG PEARCE: The member is deliberately wasting our time.

CHAIR: I have given my ruling. Could we continue?

The Hon. PETER PRIMROSE: It is a very interesting precedent, and the clerks are allowing you to do it.

CHAIR: Mr Tripodi, would you like to answer as you see fit?

Mr JOSEPH TRIPODI: It seems to me to be a very theoretical question, so I would offer this answer. The portfolios are not exactly comparable because the assets are deployed for different purposes. In the Housing portfolio, it is primarily a social purpose; in the Ports and Waterways portfolio, it is primarily an economic purpose. So it would be extremely difficult to draw comparisons.

CHAIR: Thank you, Mr Tripodi. Yes, Mr Pearce?

The Hon. GREG PEARCE: What is your understanding of a Minister's role in relation to the sale of assets by a department or authority?

Mr JOSEPH TRIPODI: Ministers are responsible for setting the policy, and the operational matters are managed by the department.

The Hon. GREG PEARCE: It is not appropriate for the Minister to be involved directly in the actual asset sales?

Mr JOSEPH TRIPODI: Ministers are responsible for setting the policy, and the operational decisions are the responsibility of the department.

The Hon. GREG PEARCE: To what extent do you see your role as Minister being one of having control and disciplinary responsibilities for officers in the department?

Mr JOSEPH TRIPODI: As I said, the Minister's responsibility is primarily and overwhelmingly policy, and operational issues are managed by the department.

The Hon. GREG PEARCE: I am pleased that you have understood that. What was the process for the appointment of Mr Duffy to his current position?

Mr JOSEPH TRIPODI: Mr Duffy is currently the Acting Director General.

The Hon. GREG PEARCE: What was the process for his appointed to that position?

Mr DUFFY: The process is the Premier's Department produces paperwork. I think the Governor appoints to an acting position while a merit-based process unfolds, which is what is unfolding.

The Hon. GREG PEARCE: There has been advertising?

Mr DUFFY: The job has been advertised and, presumably, interviews will take place in due course.

The Hon. GREG PEARCE: Has the selection panel been appointed?

Mr DUFFY: I am not aware of that. I have not taken any advice or had any involvement in how the Premier's Department has done that.

The Hon. GREG PEARCE: Minister, are you aware?

Mr JOSEPH TRIPODI: No. Nor am I aware of whether that particular body has been assembled.

The Hon. GREG PEARCE: Are any of the other officers present aware as to whether that selection panel has been established?

Mr MOORE: No.

The Hon. GREG PEARCE: None of you are members of it?

Mr MOORE: No.

The Hon. MELINDA PAVEY: What is the progress of the New South Wales Government's Ports Growth Plan?

Mr JOSEPH TRIPODI: The New South Wales Ports Growth Plan, announced in October 2003, provides a direction to industry and the community regarding the Government's plan to facilitate future trade growth and the development of port capacity in New South Wales. I am pleased to advise that there has been good progress in implementing the various elements of the Ports Growth Plan. The

Port Botany expansion will vastly increase the number of containers Port Botany can handle. The development is vital for the New South Wales economy. Sydney Ports Corporation has appointed a technical adviser for the Port Botany expansion, and called for tenders for project managers. It is expected that this tender process will be finalised by September 2006. The relocation of containers, general cargo and car stevedoring from Port Jackson to Port Kembla is a vital part of this Ports Growth Plan. An estimated 1,000 jobs are anticipated in the Illawarra from this trade relocation. In April 2006 development approval was given to the third multipurpose berth, which will significantly increase the capacity of the site and accommodate some of the world's largest car carriers. Sydney Harbour will remain a working port.

The Hon. GREG PEARCE: Can I interrupt you for one second? It is still the 2003 plan?

Mr JOSEPH TRIPODI: Yes, October 2003.

The Hon. GREG PEARCE: What document exists to explain what the plan is?

Mr JOSEPH TRIPODI: I might finish my answer, and it may cover that.

The Hon. MELINDA PAVEY: You are not sure until you read it?

The Hon. JAN BURNSWOODS: Can he answer the question? You asked the question, but then you will not listen to the answer.

CHAIR: I will allow the Minister to answer the question as he sees fit. Complete the question, then another question.

The Hon. PETER PRIMROSE: Good ruling.

Mr JOSEPH TRIPODI: Sydney Harbour will remain a working port, retaining the importing of oil, construction materials and bulk commodities. The harbour will also continue to provide facilities for cruise ships, chartered vessels, the commercial fishing fleet and the Royal Australian Navy. Currently, various options are being considered for Glebe Island and White Bay to ensure that the harbour remains a working port. An environmental assessment for the Enfield Intermodal Logistics Centre has been launched by the Sydney Ports Corporation, and is currently being considered by the Minister for Planning. If approved, this development would contribute towards the New South Wales Government's goal of increasing the proportion of containers moved by rail from 20 per cent to 40 per cent. The Newcastle Coal Infrastructure Group [NCIG] will develop Newcastle's third coal loading terminal at Kooragang Island. The \$530 million terminal will result in more than 2,000 direct and indirect jobs for the Hunter region, and increase coal export capacity by 30 million tonnes per annum. I am advised that the NCIG has estimated that if the planning and construction of the loader proceeds without delay, the first ship should be loaded at the berth in 2009. The New South Wales Ports Growth Plan provides the framework to ensure that each of New South Wales ports is well placed to support its local economies and create local jobs, as well as to contribute to the New South Wales economy and to meet the strong growth in freight in New South Wales.

The Hon. MELINDA PAVEY: Industry estimates suggest that we will run out of container capacity at Port Botany in 2010, is that right?

Mr JOSEPH TRIPODI: At the end of the decade, correct.

The Hon. MELINDA PAVEY: You are saying that all things going well, fingers crossed, we will have the extensions at Port Botany finished in 2009?

Mr JOSEPH TRIPODI: Yes.

The Hon. MELINDA PAVEY: What month in 2009?

Mr JOSEPH TRIPODI: Obviously, the capacity of the port will be determined by the management decisions made by the stevedores. There is an estimate that complete capacity is possible in about 2010 or 2011. Port Botany now handles about one-third of Australia's container traffic, and

generates about \$1.5 billion in economic activity. Container growth is forecast to grow at 5 to 7 per cent per annum for the next 20 years. At that rate the port would reach capacity by the 2010-11 financial year. I am pleased that the planning approval for the fifth berth at Port Botany has now been given, to be built on the north of the first stage of expansion. This approval followed extensive consideration and consultation by an independent panel of experts, which found that the northern option was the preferred one. It addresses maritime and operational issues, and will help to attract a third stevedore.

The site provides superior rail access and land tenure. It is also considerably less expensive than the other options that were being considered by the panel. The development at Port Botany will ensure that Sydney's reputation as a competitive and reliable port continues. Failure to provide for trade growth at Port Botany would have led to increases in the cost of imported consumer goods. The expansion is expected to deliver 9,000 new jobs to New South Wales, and boost the State's economy by \$16 billion over the next 20 years. That is an \$800 million per year injection into the New South Wales economy. It is anticipated that development work at the port will commence in 2007, and that the first berths will be commissioned in 2010 to 2011.

The Hon. MELINDA PAVEY: It is a pretty tight timeframe, is it not? There is not much room for slip-ups.

Mr JOSEPH TRIPODI: I believe it is very good planning.

The Hon. MELINDA PAVEY: Why is that?

Mr JOSEPH TRIPODI: Because—

The Hon. MELINDA PAVEY: To have it so tight?

The Hon. JAN BURNSWOODS: Can you let him answer the question?

CHAIR: Please go through the Chair.

Mr JOSEPH TRIPODI: It is anticipated the expense would be in the order of \$500 million. Given the opportunity cost of \$500 million it is very important that the using up of existing capacity within the port at the moment coincides with the coming on of new capacity within the port. It is very important to align them very closely to ensure that we minimise the total cost to the taxpayers of the State in the provision of its infrastructure.

The Hon. MELINDA PAVEY: But you could also maximise potential problems. If you have a few hiccups in the construction we will not be able to take containers into Sydney because it is full.

Mr JOSEPH TRIPODI: All our planning work indicates that the current capacity will be utilised to its full extent up to the time that capacity comes on. We are quite confident that the planning of it has minimised the cost to taxpayers by making sure that full capacity utilisation is achieved at the time that the new capacity becomes available.

The Hon. MELINDA PAVEY: Talking about full capacity, planning and not achieving, the Brereton Report said that we should aim to have, as you referred to in your earlier answer in relation to Enfield, 40 per cent of cargo on rail. How long has the Department of Planning been considering the Enfield Intermodal hub?

Mr JOSEPH TRIPODI: I am sorry, did you refer to the Brereton report?

The Hon. MELINDA PAVEY: Yes.

Mr JOSEPH TRIPODI: That is a matter for the Minister for Planning. He is the one who has to consider all issues in his assessment of the Sydney Ports Corporation's application.

The Hon. MELINDA PAVEY: So it is someone else's responsibility, the desire to have 40 per cent of cargo on rail? That is not your responsibility, even though that was part of the Port Botany growth plan?

Mr JOSEPH TRIPODI: The responsibility for intermodals and freight capacity is increasingly becoming a Federal Government responsibility since the involvement of the Australian Rail Track Corporation [ARTC].

The Hon. MELINDA PAVEY: So now it is the Feds' fault that we cannot get a decision?

CHAIR: Can I ask you, Ms Pavey—

The Hon. GREG DONNELLY: Point of order: I think it is appropriate for the Minister to be allowed to answer a question as he sees fit without having cheap pot shots from The Nationals member.

CHAIR: I suggest to all members that questions are amply allowed to be asked, such that we can wait for the Minister to finish his answer without extra comment.

The Hon. PETER PRIMROSE: It is starting to sound like talkback radio.

CHAIR: Could I please just have question and answer and not interruption?

Mr JOSEPH TRIPODI: The ARTC is taking increasing levels of responsibility over the rail freight issues. Obviously that requires interface with New South Wales and the New South Wales Government. That interface is primarily with the Minister for Planning and the Minister for Transport.

The Hon. MELINDA PAVEY: Are you saying that the Australian Rail Track Corporation is responsible for the decision to build the intermodal hub at Enfield?

Mr JOSEPH TRIPODI: No, not at all.

The Hon. MELINDA PAVEY: Whose responsibility is that?

Mr JOSEPH TRIPODI: At the moment, the Sydney Ports Corporation's application is in with the Department of Planning. I understand that it is under active consideration by the department and the Minister.

The Hon. MELINDA PAVEY: How long has it been there?

Mr JOSEPH TRIPODI: I will take that on notice.

The Hon. MELINDA PAVEY: You do not know?

Mr JOSEPH TRIPODI: I cannot remember the exact dates. I would like to give you an exact date, so I will take that question on notice.

The Hon. MELINDA PAVEY: Does anyone behind you know? Where do your responsibilities begin and end in terms of running ports in the State? Do you have a conflict in your own administration in terms of knowing what needs to be done, but you are relying on other Ministers to make decisions to reach capacity and to do what New South Wales ports corporations have said would happen?

Mr JOSEPH TRIPODI: My primary responsibility as the Minister for Ports and Waterways is to set the policy for Government and also to have under active consideration the governing legislation, the regulatory structure, within which the ports operate. Obviously, like any proposal or any economic activity, it will involve interfacing with a whole range of different

government agencies. Ports and waterways are no different from any other economic activity that requires an interface with a range of government agencies.

The Hon. MELINDA PAVEY: What is the progress on the Ingleburn intermodal hub?

Mr JOSEPH TRIPODI: That is an issue for the Minister for Transport.

The Hon. GREG PEARCE: Just taking you back to the Port Botany expansion, and your assurances earlier that it would be completed on time, and on budget, I assume, can you explain why there is a one-year delay in this current budget for the estimated completion in 2011?

Mr JOSEPH TRIPODI: From when to when?

The Hon. GREG PEARCE: From 2010 to 2011.

Mr JOSEPH TRIPODI: How have you come to the conclusion that there is a delay?

The Hon. GREG PEARCE: When you have a budget paper last year stating that the estimated completion date was 2010 and this year's budget paper says that the estimated completion is 2011, that is a year later.

Mr JOSEPH TRIPODI: As I said to my previous answer, it is 2010-2011, which is obviously a reference to the financial year, so it can be quite easily straddled across the calendar year.

The Hon. GREG PEARCE: Straddled? Okay. Why was there nearly a \$10 million underspend last year on planning work that was supposed to have been occurring for the Port Botany expansion?

Mr JOSEPH TRIPODI: You are referring to the expenditure?

The Hon. GREG PEARCE: The allocation last year was over \$15 million and only about \$5 million of that was actually spent. I am asking you why that occurred.

Mr JOSEPH TRIPODI: Can you detail for me what line item that is under, what heading, or budget item?

The Hon. GREG PEARCE: It is in this year's Budget Paper No. 4 at page 127 and in last year's at page 130. You will see the numbers. I am asking you to explain why last year's allocation was not spent.

Mr JOSEPH TRIPODI: Okay. I will take that question on notice.

The Hon. GREG PEARCE: So you do not know?

Mr JOSEPH TRIPODI: I will take the question on notice.

The Hon. MELINDA PAVEY: Minister, have you made any recommendations in relation to the issue of trucks around Port Botany and, given the logjam in the Department of Planning in relation to Enfield, have you put any solutions forward because of the capacity of the M5 East and the difficulties in taking any more trucks as well as the noise problems in Port Botany? Have you come up with any ideas or proposals?

Mr JOSEPH TRIPODI: At the moment, David Richmond is currently assessing the issues arising from the Freight Infrastructure Advisory Board [FIAB] report. He is doing that with this group and all these issues are being co-ordinated under his authority.

CHAIR: Time has expired.

The Hon. GREG PEARCE: I would have thought we should have had another five minutes of Government time after their time wasting.

CHAIR: We are timing it, and it is over, so questions will be asked by Ms Sylvia Hale now. You will get another opportunity.

Ms SYLVIA HALE: I understand the containers will be transported directly from Port Botany to the Enfield logistics centre. Does this mean that containers will be opened and inspected for quarantine purposes at Enfield? If so, what are the implications for such examinations taking place in densely populated residential areas?

Mr JOSEPH TRIPODI: Obviously, that will require some interface between the Sydney Ports Corporation as the operator of the Enfield logistics centre and the Federal Government on what those arrangements will be. I still have not been advised on whether that actually has progressed. That will be a matter primarily for the Federal Government as to how they would like quarantine requirements to be implemented.

Ms SYLVIA HALE: Presumably it poses additional complexities in terms of security, the escape of microbes, or inappropriate material into the Sydney metropolitan area.

Mr JOSEPH TRIPODI: I am sure that all the environmental issues will be issues that will be sorted out in the discussions between the Sydney Ports Corporation and the Commonwealth agency that is responsible for quarantine issues.

Ms SYLVIA HALE: I understand that in 2005-06, imports through Sydney ports outstripped exports, and that, of the containers that were exported, more than half were empty. Is that correct?

Mr JOSEPH TRIPODI: I can get the exact numbers for you. Generally speaking, I am sure that all members of the Government of New South Wales are concerned about the Federal Government's failure to address current account issues in Australia. Obviously, the fact that many of those containers leave the country empty is a reflection of the economic performance of the national economy and the failure of the Federal Government to implement the reforms necessary to fix the current account issues.

Ms SYLVIA HALE: Minister, would you agree it would be reasonable to conclude that the people of New South Wales are paying for port infrastructure in Sydney to subsidise imports at the expense of exports that are shipped primarily through ports such as Newcastle and Wollongong?

Mr JOSEPH TRIPODI: Are you proposing that the empty containers go to another—

Ms SYLVIA HALE: I am wondering if we have a massive expansion at Port Botany, which is obviously there to assist imports, but the exports are going out primarily through other ports, but all the money and finance is basically going into Port Botany, which is, at the very least, posing a problem for Sydney's residents.

Mr JOSEPH TRIPODI: Obviously each port will assess its capacity issues. As you know, they are separate ports corporations and they will make their investment decisions around their current and projected capacity constraints. At the moment it is projected that we need to have an expansion in Port Botany in order to meet the trade flows that currently operate through Port Botany. That is why the Government has accepted and supported the expansion at Port Botany. On the issue of empty containers, I agree that if the national economy were performing better our capacity to export and, therefore, fill those empty containers would be addressed. The current account has only deteriorated over the last 10 years and it is of concern for all Australians, I think.

Ms SYLVIA HALE: Minister, in your opening remarks you referred to some additional 400 ships that will go to Port Kembla each year. I understand that Port Kembla is undergoing major expansion as part of the Government's ports growth plan. Given the expansion of Port Kembla and the

associated increase in port handling, storage and traffic, what consideration have you given, or has your department given, to getting freight into, or moving freight into and out of Port Kembla? Have you given any consideration to moving freight by rail?

Mr JOSEPH TRIPODI: The people of the Illawarra have been enormously enthusiastic about the Government's port growth plan; it has been extremely well received by the community, particularly given the issues of unemployment in the Illawarra. I have encountered nothing but enthusiasm from that community on the Government's Port Growth Plan. The relocation to Port Kembla will remove 300 truck movements a day from inner-city streets and suburbs such as Balmain, Annandale, Marrickville, Strathfield and parts of south-west Sydney. Car imports to East Darling Harbour and Glebe Island generate around 110,000 semitrailer truck movements a year. Fewer trucks mean less congestion, less pollution, and a better quality of life of thousands of residents.

The majority of cars are shipped to holding yards in south-west Sydney, which is accessible from Port Kembla by freeway. Additional truck movements from Port Kembla will result in a 1 per cent increase in traffic volume. I understand that Senator Connie Fierravanti-Wells, whose office is based in Illawarra, recently visited Port Kembla with a view to encouraging the Federal Government to allow for more AusLink funding to enhance the rail capacity for freight activities in Port Kembla. I welcome the Federal Government's interest in that issue and encourage it to make the necessary investment that will allow that general goal of the State Government to reduce freight on trucks to be shifted to rail.

Ms SYLVIA HALE: Does that mean you, as Minister for Ports, will urge the Minister for Transport to complete the Maldon to Dombarton line?

Mr JOSEPH TRIPODI: As I said, Senator Connie Fierravanti-Wells recently visited Port Kembla and she conveyed to me personally her interest in trying to secure more AusLink funding so that we can increase movements of containers by rail. I am happy to work with the Senator to achieve that in the way that the Federal Government believes it can be achieved.

Ms SYLVIA HALE: The Minister for Transport, Mr Watkins, said it is not a question of resources. He said it was a question that a viable business case had to be produced to complete the rail link. Given that 450 trucks will leave Darling Harbour after 2007, once the port facilities are closed, that coal exports are expected to expand from 10 million tonnes to 14 million tonnes per year and that in 2008 Asian exporters will double the size of the vessel they use to bring cars to Sydney, the only place in which those vehicles will be unloaded is Port Kembla. They will be distributed from there through New South Wales onto Brisbane and Melbourne. Surely the basis for a viable business case already exists and the time to start moving to complete that rail link is now rather than some time in the never-never?

Mr JOSEPH TRIPODI: You present an interesting case, we need to ask the Minister for Transport.

Ms SYLVIA HALE: But you are the Minister for Ports. Surely you have a responsibility on the part of the people of New South Wales, particularly the people of the Illawarra who will have to attempt to co-exist with all those trucks. Surely it is your responsibility to put that case to the maximum extent of your ability.

Mr JOSEPH TRIPODI: Obviously the answer that the Minister for Transport has given you is that his method of dealing with this issue that you have detailed is a matter for him. I am advised that given that truck movements will add only 1 per cent to traffic volumes, rail may not necessarily be needed at this stage. Obviously, given that Senator Connie Fierravanti-Wells has visited the port—one visit I was happy to facilitate—she must be of the view that there may be an opportunity for the Federal Government to provide AusLink funding to address some of those issues when the time is right. I welcome any co-operation with the Federal Government on expanding the transport options and capacities through AusLink funding. The State Government will be more than happy to accommodate it when it comes.

Ms SYLVIA HALE: Minister, do you believe that at the very least it is incumbent upon you to attempt to put the case for the completion of the rail link, particularly when the amenity of people

living in the area will be affected by not only the massive increase on truck movements but also, for example, the 60,000 homes that are being built at Dapto and a few thousand more to be built at Picton? In addition, the Wollondilly Shire Council recently approved the construction of a residential estate with 1,165 dwellings on Picton Road. The residents of all those new homes will be subject to the impact of this massive increase in truck traffic. Surely the time to act is now, rather than in the future?

Mr JOSEPH TRIPODI: I refer to my previous answer: Given that truck movements will add only 1 per cent to the traffic volume, I am advised that the rail enhancements you have referred to may not necessarily be required at this stage. Obviously if the Federal Government wants to come along with AusLink funding to assist this freight movement, or at least allow AusLink funding to come down to the Illawarra, we would welcome that. Something I definitely encourage the Federal Government to do, is extend the AusLink funding from the north of Wollongong down into the heart of Wollongong so that the extra capacity you referred to can be funded, and that will address some of the issues that you have raised.

Ms SYLVIA HALE: I now turn to New South Wales Maritime and its information technology [IT] services. Will you please provide to the committee the costs of providing information technology support services for each of the divisions of New South Wales Maritime for each of the last five years?

Mr MOORE: We will take that question on notice, thank you.

Ms SYLVIA HALE: There may be a number of questions that you would like to take on notice. What has been the annual expenditure on in-house contractors employed to undertake IT duties for each of the last five years? Are contractors employed as individuals or is a service company contracted between New South Wales and some of the people doing the work? If so, which company is that? Does any entity providing personnel also supply hardware or software? If so, can you provide the name of that entity? Will you let the Committee know whether all services and products have been procured in accordance with standing government procedures? If not, how and where have they varied from government policy?

What open tender process was involved in the selection of the main contracting entities? Have all contracts being publicly reported in accordance with the Premier's memorandum No. M2000-11? On the amounts spent in the 2005-06 financial year on IT systems, how much was spent on systems and staff providing geographic information to New South Wales Maritime? Does the Minister consider that the money that has been spent on providing geographic information was well spent?

Mr MOORE: We will take those questions on notice.

Ms SYLVIA HALE: Minister, can you tell me the Sharing Sydney Harbour Access Plan commits New South Wales Maritime to, "remove structures that impede access to the intertidal strip"?

Mr JOSEPH TRIPODI: If it does?

Ms SYLVIA HALE: Yes?

Mr JOSEPH TRIPODI: My understanding of that policy is that does not commit to the removal of structures. The policy itself does not commit to the necessary removal of structures in the intertidal zone.

Ms SYLVIA HALE: Would you care to consult page 25 of the policy and just confirm that that is the interpretation that you place on it, based on what is there?

Mr JOSEPH TRIPODI: I will have to take that question on notice. I do not have that information with me.

CHAIR: Could you inform the Committee how many clean up notices New South Wales Maritime has issued since 2004?

Mr JOSEPH TRIPODI: I will take that question on notice.

CHAIR: Similarly, how many prevention notices has New South Wales Maritime issued since that time?

Mr JOSEPH TRIPODI: I will take that question on notice.

CHAIR: can you indicate how many environmental compliance checks boating service officers have performed in that time?

Mr JOSEPH TRIPODI: I will take that question on notice.

CHAIR: Are you able to provide any information at all on bilge waste management and bilge management inspections boating service officers have performed on commercial vessels in Sydney Harbour since 2004?

Mr JOSEPH TRIPODI: I will take that question on notice.

CHAIR: Do you have any information at all on the thoroughness of the checking on bilge released into Sydney Harbour in that time? To have any record of that?

Mr JOSEPH TRIPODI: I will inquire. I will take that question on notice.

CHAIR: Does your department take inspections of bilge associated with fishing vessels in New South Wales harbours and ports.

Mr JOSEPH TRIPODI: Yes.

CHAIR: Can you indicate how regularly inspections take place and how many fishing vessels have been inspected for contaminants?

Mr MOORE: I would like to take that question on notice, please.

CHAIR: Perhaps you could indicate generally what New South Wales Maritime is doing to address bilge discharges from vessels into Sydney Harbour? What action are you taking?

Mr MOORE: New South Wales Maritime has an environmental services section. It also has boating service officers who conduct inspections along with our ship surveyors. Those inspections are conducted sometimes on an ad hoc basis, sometimes on a program basis, through the survey process to determine the safety and compliance of a commercial vessel—which is, I think, what you are referring to. If issues are detected in that inspection, they will be dealt with by issue of the notices that you previously mentioned, a clean up or prevention notice.

CHAIR: Is New South Wales Maritime investigating or evaluating new technologies that will prevent oily bilge discharge from vessels?

Mr MOORE: Yes.

CHAIR: Could you perhaps described the investigation, success or otherwise, and the new techniques that are being looked at?

Mr MOORE: I can only do that from my very high-level knowledge of the briefs that I have had, but certainly we are looking at new bilge absorption products, which are disposable and made from cotton waste and the like. There is also a lot of work being done on separators that actually separate the water from the oil, commercial vessel technology. Matters such as that are under consideration by us quite often. I mean, it has to be cost-effective, too, for the operators. The more useful one for us at the moment is the absorption method.

CHAIR: Are these processes paid for by the operators? There is no input from your department, in terms of cost?

Mr MOORE: No.

CHAIR: Do you have any information to provide to the Committee relating to results so far with these methods?

Mr MOORE: Again, I would have to take that question on notice. I just do not have that detail here.

CHAIR: Thank you. Minister, I would like to go on to energy, with leave. I would like to consider some of those issues. I wonder if you could tell the Committee when they Government will be years as long-awaited energy white paper?

Mr JOSEPH TRIPODI: Are we going on to energy generally? Because I have not had an opportunity to make an opening statement in relation to the Energy portfolio. I am happy to do it later on, if you wish, but I would like to have an opportunity to make an opening statement. I will answer your question immediately or, perhaps you will allow me an opportunity to make that opening statement. It is up to you. I know that you have time allocations between yourselves.

The Hon. MELINDA PAVEY: Would Government members of the Committee be prepared to give their allocated time to the opening statement on energy?

Mr JOSEPH TRIPODI: I do not think the opening statement took the time of any particular group, did it?

The Hon. GREG PEARCE: Yes. It took our time.

The Hon. JAN BURNSWOODS: No, it did not. It did not take anyone's time.

CHAIR: I might just withhold my questions and move to the Government members, then see what time we have left on waterways and come back to it.

The Hon. GREG PEARCE: We have not finished ports with the bozos over there interrupting us and taking up time.

The Hon. JAN BURNSWOODS: Mr Chair, he does not have to refer to us as "bozos" really. Could I suggest that you ask the Hon. Greg Pearce to mind his language.

CHAIR: In the interests of getting some degree of completion here I would request that we have at least reasonably civil interaction. That was totally inappropriate Mr Pearce. You are doing yourself a disservice by referring to other members of the Committee in that way. I ask that you desist from that.

The Hon. JAN BURNSWOODS: I am anxious to know what Government is doing to support the volunteer marine rescue groups in New South Wales?

Mr JOSEPH TRIPODI: Thank you for that question as it gives me an opportunity to highlight the fantastic work that these groups are involved with. I am sure that Committee members will join me in acknowledging publicly the sterling work of the thousands of members of these groups, who give tirelessly to help make our waterways as safe as possible. It is a special type of person who devotes himself or herself to the community in this way and, on behalf of the Lemna Government, I am delighted to speak for them in this forum. Members of the maritime community share a special bond. Their love of boating binds them together and almost everyone who enjoys our waterways feels a strong responsibility to look out for others. The members of our volunteer marine rescue groups take that sense of responsibility one step further: they give up their time to be part of an organised, committed group that is dedicated to ensuring optimum safety on our waterways.

New South Wales has 2,140 kilometres of coastline and 12,500 square kilometres of navigable waters. Almost 90 per cent of our population lives along the coast, and of course we can lay claim to having some of the most wonderful waterways for boating, from the world-renowned Sydney

Harbour to the many lesser-known but stunning coastal estuaries dotted along the coast. With such an abundance of waterways, it should come as no surprise that New South Wales has one of the largest boating populations in Australia. More than 445,000 people hold a licence to drive a recreational powerboat and 209,000 people own a registered vessel. In total, marine industry estimates suggest that more than 1.5 million people get out on our waterways each year.

Boating is largely a fun and social experience but there are times when trouble strikes. Last year the volunteer marine rescue groups in New South Wales provided assistance to thousands of boaters in need. This assistance ranged from towing a boat that had run out of fuel in a protected harbour to full-blown offshore search-and-rescue-efforts in atrocious conditions to save the lives of people in distress. In recognition of this contribution to the boating community, the New South Wales Government, through the State boating regulator, NSW Maritime, reached agreement with the State Rescue Board of New South Wales in 1998 to provide funding for the marine rescue volunteer groups.

Since then, the New South Wales Government has provided more than \$4.8 million in funding for these important groups. This funding is for capital improvements such as replacement vessels and upgrades, to search-and-rescue co-ordination centres on the New South Wales coast, and for operational support to assist in the delivery of effective rescue services. The volunteer groups receiving funding under the agreement are the Royal Volunteer Coastal Patrol, the Australian Volunteer Coastguard and the Volunteer Rescue Association marine units. Last year the New South Wales Government's contribution to the volunteer marine rescue groups for boats, equipment and facility upgrades along the State's coastline reached almost \$750,000. Today I am pleased to announce a substantial increase in this funding by the New South Wales Government through Maritime to the volunteer marine rescue organisations. The volunteers will now receive \$760,000 this year plus an additional \$512,000 to bring the Government's total funding commitment to these volunteer marine rescue groups to \$1.27 million for 2006-07.

The Hon. JAN BURNSWOODS: Hear! Hear!

The Hon. MELINDA PAVEY: What was it last year?

Mr JOSEPH TRIPODI: It reached almost \$750,000. This additional funding is designed to improve training for the men and women of these groups. The aim is to help keep their skills honed in readiness to assist the public when and where they are needed. The New South Wales Government has a solid relationship with the network of volunteer marine rescue groups spread throughout New South Wales. Not only is annual funding provided, but NSW Maritime encourages the involvement of volunteers when staging aquatic events.

For example, the contribution of the men and women of the marine rescue volunteers to help with on-water traffic control during events such as the in-harbour start of the annual Sydney to Hobart yacht race and New Year's Eve and Australia Day festivities on Sydney Harbour is to be commended. By boosting its on-water traffic control fleet with volunteer vessels and crews, NSW Maritime has achieved a proud safety record for the many major aquatic events staged in State waters. The New South Wales Government also recognises the contribution to water safety by the State Emergency Service and Surf Life Saving New South Wales. NSW Maritime is subsidising these two groups to the value of almost \$200,000 a year by waiving payment for boat licences, vessel registrations and aquatic licences. The New South Wales Government will continue to work with and support the men and women of the volunteer organisations.

The Hon. JAN BURNSWOODS: Thank you, Minister. The other area I would like to address is the impact on the New South Wales maritime sector of the Opposition's policy to cut 29,000 jobs from the public service. I am particularly interested in how this would impact on safety.

Mr JOSEPH TRIPODI: Thank you for that very good question. I am very concerned that the Opposition's slash-and-burn approach to the public service will leave the 1.5 million people who use our waterways each year exposed to increased danger. We know that the Leader of the Opposition plans to hack at least 29,000 jobs from the public sector. I say that it is at least 29,000 jobs because on 22 February this year he told the *Sydney Morning Herald* that his "broad strategy is to cut the 300,000-strong public service by 10 per cent." So 29,000, 30,000 or even more than that could be

slashed from the New South Wales public service. The only thing we know for sure is that the Leader of the Opposition is hell-bent on cutting front-line public sector jobs in nursing, policing and teaching.

Safety underpins everything that the State boating authority regulator, NSW Maritime, does and stands for. Any reduction in the current level of spending in the areas of recreational boating safety, commercial boating safety, shipping safety, maritime investigation or the State's oil spill response capability could have disastrous effects for both the public and the environment. The State Government provides the cleanup response to any oil and chemical spill that happens in New South Wales oceans or harbours. Any cut to this would have the potential to compromise the ability to deal with significant oil and chemical spills in New South Wales. I am sure that Mr Ian Cohen, in particular, will be alarmed to learn of the threat that the Opposition's plans pose to the marine environment. I am sure you are, Mr Chairman.

CHAIR: I will listen to what you have to say, Minister.

Mr JOSEPH TRIPODI: I think we should all be concerned about anything that threatens the marine environment. With the massive cuts proposed by the Opposition, we must ask ourselves how Sydney would manage to deal with a major oil spill in the harbour, such as the 300,000 litre spill that occurred in 1999 from the *Laura D'Amato* at Gore Cove. That cleanup response became an international benchmark for such work but was achieved by hundreds of people from numerous government agencies working together almost round the clock to clean up our harbour. Have I convinced you, Mr Chairman?

Public education and investigations into recreation, commercial and shipping accidents would also be compromised by any reduction in staffing. Currently there are 4,500 shipping movements annually through the State's ports. This generates \$60 billion in trade. To service these visits by ships the State Government provides pilots and other crucial services, including security to key ports such as Port Botany, Port Kembla, Sydney Harbour, Newcastle, Eden and Yamba. There are just under 5,800 commercial vessels registered in New South Wales. Of these, about 2,000 fall in the category requiring them to be in survey—a regular mechanical and physical check of a vessel for safety and sea worthiness. To provide these surveys, which set the benchmark for public safety on our waterways, the Government has surveyors and naval architects employed up and down the coast of New South Wales.

NSW Maritime is the State's maritime regulator and is a totally self-funding agency, dedicated to safe and responsible boating. More than 445,000 people hold a licence to drive recreational powerboats, and 209,000 people own a registered vessel. In total marine industry estimates suggests more than 1.5 million people get out on our waterways each year.

Revenue raised through recreational boating fees and management of thousands of waterfront properties is ploughed back into the community to fund a wide range of products and services aimed at meeting safety and amenity targets. The public face of NSW Maritime is the team of 55 boating officers who are located strategically near popular boating areas. I doubt any of them would be left after the Leader of the Opposition does his dirty work.

The Hon. MELINDA PAVEY: That is where Neville Wran lives, is it not?

Mr JOSEPH TRIPODI: With the stroke of a pen he would wipe out these important public sector workers, and reverse years of effort, which has given New South Wales waterways an enviable safety record. I fear the Leader of the Opposition and his mindless, populist pronouncements. He just does not think about the impact of his crazy ideas on the mums and dads of New South Wales. He plucks a figure out of the air and it pops out of his mouth without any thought of the consequences. The Leader of the Opposition will get rid of the boating officers who patrol our waterways, providing education and assistance to boaters who may be in trouble. They ensure boaters have the correct licences and equipment and are operating in a safe and environmentally responsible manner.

Random safety checks of all kinds of vessels are conducted daily all over New South Wales. In 2005-06 more than 42,000 vessels were checked by NSW Maritime boating officers and required to demonstrate all necessary equipment, such as a life jacket for each person on board. Infringements were issued to more than 2,900 skippers during that time, equating to 7 per cent of all vessels checked.

NSW Maritime is getting the education message through and the boaters are generally becoming more responsible. In the past financial year, boating officers also conducted and hosted 30 school visits. A targeted educational booklet to take marine safety into the State's classrooms is also being developed. NSW Maritime is dedicated to supporting safe and responsible use of the State's waterways. Last year the number of boating fatalities in New South Wales dropped from 16 to 9. Any death is one too many, however, a reduction of seven is certainly welcome.

Our work to keep the State's waterways safe in all areas of operation cannot be compromised by the scale of cuts being touted by the Opposition, cuts that would take 29,000 people or more out of the public service. These would be cuts that would compromise protection of the environment and undermine public safety on our waterways. I am extremely concerned about the Opposition's plans for maritime safety, and I am pleased this important issue was raised by the Committee today.

The Hon. GREG DONNELLY: What is the Government doing to ensure the ports of New South Wales are safe and secure?

Mr JOSEPH TRIPODI: The security of our ports and waterways is a top priority and that is why the Government is spending \$23.4 million in an expansion of port security measures for New South Wales ports. Security upgrades by Sydney Ports have included the installation of 23 closed-circuit television cameras, including six thermal imaging cameras, increased security auditing, monitoring and mobile patrolling, improved checkpoint maintenance and new perimeter fencing, bollards, barriers, signage and lighting across all ports. Sydney Ports Corporation was one of the first organisations to issue the new maritime security card. The maritime security identification card will be compulsory from January next year. NSW Ports is on track to meet the shortened timeframes introduced by the Commonwealth Government.

Thousands of NSW Maritime workers will eventually be issued with the card after undergoing rigorous checks by the Australian Federal Police and the Australian Security Intelligence Organisation. The maritime security identification card will be compulsory from 1 January next year. The onus will now be on the Commonwealth Government to ensure it can complete all the necessary checks and issue the security cards on time to meet that deadline. We certainly do not want to see a repeat of the cargo chaos, and the massive disruption to business during the busy Christmas period caused by the Commonwealth Government's bungled attempt to introduce the new customs computer system last year.

Other security measures include \$460,000, which has been spent on the Port Botany Marine Command to provide two additional police officers. This will enable the command to extend its operations to 24-hours, seven days a week. That funding will also provide a rigid-hull inflatable boat, giving police the ability to board vessels at sea, as well as night vision equipment. Pop-up anti-terrorism defence barriers at Sydney's overseas passenger terminal are able to disable a speeding truck.

Ports Corporation has undertaken security assessments and developed port security plans. In fact, the Port of Newcastle won the coveted inaugural award for innovation and security at the 2005 Australian Shipping and Transport awards. The regional ports of Yamba and Eden have also developed port security plans and are in the process of getting ready for the 1 January 2007 deadline to have the maritime security identification card in place. This State Government is responding to the challenges faced by providing security to major port infrastructure in New South Wales. NSW Maritime, on behalf of the Government, is co-ordinating maritime security in this State for the ports and is working with the Ports Corporation, State and Commonwealth agencies and other key stakeholders to improve maritime security measures.

The Hon. GREG DONNELLY: What is the Government doing to ensure commuter wharves are maintained to a safe public standard in Sydney?

Mr JOSEPH TRIPODI: The State Government recognises the important transport role played by the commuter wharves in Sydney Harbour. It is correct to say some councils have had trouble keeping this public infrastructure up to the required standards. That is why earlier this year this Government announced a \$9 million three-year plan to upgrade and maintain commuter ferry wharves run by local councils on Sydney Harbour. Under this plan the State Government is to take over

responsibility for 16 commuter ferry wharves. Commuters need an assurance that their ferry wharves are reliable. Maintaining the wharves is costly and councils have sometimes found it difficult to come up with the necessary funds. The commuter ferry wharves to be handed over are: Wolseley Street, Drummoyne; Birkenhead Point; Bayview Park at Concord; Gladesville; Alexandra Street in Hunters Hill; Longueville; Northwood; Bay Street, Greenwich; Greenwich wharf; Balmain; Balmain East; Birchgrove; Woolwich; Double Bay; Rose Bay; and Darling Point.

The plan also includes progressively upgrading the wharves to include disability access. Three wharves have already been upgraded since this program was announced—Balmain East wharf at a cost of \$28,810, Birkenhead Point jetty at a cost of \$57,850 and the Double Bay jetty at a cost of \$26,100. The legal handover of those wharves is expected to be completed within 12 months. This program demonstrates the State Government's commitment to improving transport infrastructure in New South Wales.

The Hon. PETER PRIMROSE: What is the Government doing to encourage safe and responsible use of our State waters?

Mr JOSEPH TRIPODI: Safety underpins the work of NSW Maritime, the State's boating authority and regulator. More than 445,000 people hold a licence to drive recreational powerboats and 209,000 people own a registered vessel. In total, marine industry estimates suggests more than 1.5 million people get out on our waterways each year. NSW Maritime is dedicated to achieving the highest possible standards of public safety on the water.

Revenue raised through recreational boating fees and management of waterfront property is used to fund a wide range of products and services aimed at improving safety. The public face of New South Wales Maritime is the team of 55 boating officers who are located strategically throughout New South Wales near popular boating areas. These boating officers patrol our waterways, providing assistance to boaters who may be in trouble. They ensure that boaters have the correct licences and equipment and operating in a safe and environmentally responsible manner.

Random safety checks of all kinds of vessels are conducted daily all over New South Wales. In 2005-06 more than 42,000 vessels were pulled over by a New South Wales Maritime boating officer and required to demonstrate all necessary equipment, such as a life jacket for each person is onboard. Infringements were issued to more than 29,900 skippers during this time, equating to 7 per cent of all vessels checked. Compliance rates from these spot checks over the past year were at 92 per cent, which indicates boaters generally are being responsible.

In the last financial year the boating officers also conducted and hosted 30 school visits. Targeted educational material to take Maritime safety into the State's classrooms is also being developed. A 2005 survey of New South Wales boaters found that 93.6 per cent were satisfied with the general level of safety that exists on New South Wales waterways. But they also wanted to see even more boating officers out on the water. The survey revealed the biggest concerns for boaters are speed, alcohol and unsafe behaviour.

New South Wales Maritime is addressing these concerns in the development and review of regular on-water education and awareness campaigns targeting speed and alcohol, hypothermia, dealing with capsizing, and protection of the environment. Last financial year seven statewide compliance campaigns were carried out, along with more than 70 regional campaigns. New South Wales Maritime is also spending up to \$2 million a year on navigation markers across the State. These are the traffic safety signage of the waterways. New South Wales Maritime also maintains the lights of 14 lighthouses along the coastline. Since 1998 New South Wales Maritime has allocated more than \$4.8 million to assist the men and women of the volunteer marine rescue groups, who do such a good job supporting the boating community.

Just some of the other actions taken by New South Wales Maritime to support and promote safe and responsible boating include: subsidising a toll-free weather service, which last year took 269,577 calls; providing a boating information line, which recorded 83,000 calls; maintaining a web site, which attracted almost 2 million page views; maintaining more than 30 customer service centres across the State; producing more than 100 publications, such as low-cost waterproof boating maps, safety videos and DVDs, and providing a host of material free, from tide charts to the annual boating

handbook; conducting more than 440 boating safety seminars across New South Wales, to promote understanding of the marine regulations and safety requirements; managing more than 18,000 aquatic events a year, which includes the annual Sydney to Hobart yacht race start, and New Year's Eve and Australia Day celebrations on the Harbour.

Let me conclude by restating that New South Wales Maritime is dedicated to supporting safe and responsible use of the State's waterways. I am committed to supporting the State's Marine Maritime Regulator in continuing to work to make our waterways even safer.

The Hon. PETER PRIMROSE: What is the result of the new boat drivers licence testing regime, which was introduced in New South Wales last year?

Mr JOSEPH TRIPODI: I thank the Hon. Peter Primrose for that question. In New South Wales you need a licence to drive a car so that roads can be shared safely. The same rule applies to powerboats, which are driven at speed on our waterways. A boat drivers licence is required to operate a powerboat at 10 knots or more and to operate a jet ski at any speed. Ten knots is around 19 kilometres an hour, and some of today's recreational powerboats are capable of speeds exceeding 100 kilometres an hour.

New South Wales Maritime advises that an estimated 1.5 million people go boating each year in a variety of recreational vessels. More than 445,000 people hold a licence to drive a recreational powerboat, with about 30,000 new licences being obtained each year. A powerboat licence sets a benchmark of knowledge to encourage safety on the water. To obtain a license a person must understand the fundamental marine regulations and safety requirements. The aim is to minimise accidents and injuries on our waterways.

Last October a more rigorous licence test was introduced for the start of the 2005-06 boating season. The new test has a bank of questions that are tougher and triple in number compared with the old test. The old test system had a pass rate of more than 90 per cent. New South Wales Maritime was concerned that test was too easy, and this was backed up by the findings of two independent surveys of the boating community.

Since October, almost 31,000 people have sat for the new, tougher licence test, and there are indications that people are putting more effort into learning the fundamentals needed for safer boating. For example, more people than ever before are checking their knowledge online. The number of people checking themselves against the New South Wales Maritime online self-test boating knowledge quiz and those viewing the New South Wales Maritime handbook has increased significantly in the past 12 months. Twelve months ago the online boating self-test attracted a little over 4,000 page views a month. Compare that with the first six months of this year, for which the monthly average has climbed to more than 10,000.

Supporting this, there is revision material available online or through traditional printed publications, such as the free New South Wales boating handbook and some 470 three boating seminars conducted annually throughout New South Wales. By raising the bar on the knowledge required to obtain a boat drivers licence, the foundations are being set to reduce the number of accidents on our waterways. The next stage of revising the licence regime will see the introduction of a compulsory education package from 1 October this year. This move will further strengthen the education and understanding of people getting a powerboat and will reinforce the Maritime regulations and safety requirements necessary to undertake safe boating activities.

The Hon. MELINDA PAVEY: Minister, are trucks queuing up at Port Botany? Last time you were out there, did you see a big queue-up?

Mr JOSEPH TRIPODI: No.

The Hon. MELINDA PAVEY: So things are going well?

Mr JOSEPH TRIPODI: There is no doubt things can continue to improve. Obviously, I am happy to consult with the industry to make sure operations, particularly in relation to trucks, can continue to improve so that we can get a continuing improving performance from the port.

The Hon. MELINDA PAVEY: Have you got any ideas yourself on how to fix it?

Mr JOSEPH TRIPODI: The Freight Infrastructure Advisory Board estimated that by 2021 truck movements will increase to more than 2.5 million a year if the percentage of containers carried on rail is not increased. I understand that if the target of 40 per cent of containers by rail is met, the number of truck movements is estimated at 1.5 million—

The Hon. MELINDA PAVEY: I am sorry, but I was referring to the problem of trucks queuing up. Is the booking system working better? When I was out there last they were trying to improve it, and I was wondering whether it has improved at all.

Mr JOSEPH TRIPODI: Obviously, operations of the booking system would improve if we were able to move towards the 40 per cent target that has been detailed in the Freight Infrastructure Advisory Board [FIAB] report.

The Hon. MELINDA PAVEY: But you are waiting on the Enfield decision before that can be achieved?

Mr JOSEPH TRIPODI: I will go through the answer to the question, because it will provide you with an answer.

The Hon. MELINDA PAVEY: But is Enfield important to getting the 40 per cent movement onto rail?

Mr JOSEPH TRIPODI: My answer will cover the issue you have raised. This report is publicly available, including on the Internet.

The Hon. MELINDA PAVEY: Which report is that?

Mr JOSEPH TRIPODI: It is the FIAB report. It is obvious that—

The Hon. MELINDA PAVEY: I—

CHAIR: If the Minister could answer, then you can ask questions.

Mr JOSEPH TRIPODI: It is obvious that as trade grows so we will freight demands. At the moment Professor David Richmond of the Infrastructure Implementation Group is reviewing the Freight Infrastructure Advisory Board's report. As part of the Port Botany expansion, trucks will be directed onto Foreshore Road and away from residential areas.

The Hon. MELINDA PAVEY: When will that review by Professor Richmond be finished?

Mr JOSEPH TRIPODI: That is a question for Professor Richmond.

The Hon. MELINDA PAVEY: When would you like to see—

The Hon. PETER PRIMROSE: Can he answer the question?

CHAIR: Excuse me, if I could—

The Hon. PETER PRIMROSE: He did answer it.

The Hon. MELINDA PAVEY: He did answer the question.

CHAIR: Had you completed your answer?

Mr JOSEPH TRIPODI: Yes.

CHAIR: I am sorry, my apologies.

The Hon. MELINDA PAVEY: Thank you, Chair.

The Hon. GREG PEARCE: How much are you trying to protect him?

CHAIR: I thank you for that comment. I suggest that destructive interjections—

The Hon. GREG PEARCE: By the Chair?

CHAIR: —are a poor replacement for incisive questions. I really would like to see more incisive questions.

The Hon. MELINDA PAVEY: When would you like to see a decision made on Enfield?

Mr JOSEPH TRIPODI: Obviously, that is a matter that will require sensitive consultation with local communities. I understand it is one that the Department of Planning is currently involved with. Obviously, that is a question that the Minister for Planning, Mr Frank Sartor, is in a better position to provide you with an answer.

The Hon. MELINDA PAVEY: Have you had discussions with, or representations from, Tony Stewart about the intermodal hub at Enfield?

Mr JOSEPH TRIPODI: I have had discussions with him, yes.

The Hon. MELINDA PAVEY: He is not keen on it, is he?

Mr JOSEPH TRIPODI: You will need to ask Tony Stewart exactly what his perspective is. It is not an answer I can provide as easily as you have defined your question.

The Hon. MELINDA PAVEY: Virginia Judge is lobbying pretty hard against the intermodal hub at Enfield, too, is she not?

The Hon. JAN BURNSWOODS: Point of order: We are here to ask the Minister about the budget. We could, I suppose, go through the whole 140-odd members of both Houses. Are these appropriate questions for the Minister and the estimates figures department?

CHAIR: It would be an appropriate question if Virginia Judge's position directly pertained to budget issues on the Enfield terminal.

The Hon. GREG PEARCE: Yes, the cost and timeframe of delivery of the intermodal terminal.

The Hon. MELINDA PAVEY: And their strategic plan involves getting 40 per cent of cargo onto trains.

The Hon. PETER PRIMROSE: You can ask about policies, but not about individuals.

CHAIR: I would appreciate it if you would focus on the policies.

The Hon. PETER PRIMROSE: Not the individual—it is private communication.

The Hon. MELINDA PAVEY: The honourable member for Auburn, Barbara Perry, has made strong representations, is that right?

The Hon. JAN BURNSWOODS: Point of order: You have just made a ruling and now the member is trifling with it.

The Hon. GREG PEARCE: To the point of order: The issue, as you said, is policy. We are trying to explore whether the decision is going to be made on a policy basis or on the basis of representations of Labor members to their Minister.

The Hon. JAN BURNSWOODS: If you had asked that, that would have been in order.

The Hon. GREG PEARCE: It is a perfectly sensible question.

The Hon. JAN BURNSWOODS: But that is not what you have asked.

The Hon. GREG PEARCE: You need to ask a series of questions to lead up to it.

The Hon. PETER PRIMROSE: You are seeking to represent the views of individuals.

CHAIR: Time is up for that section.

Ms SYLVIA HALE: Are you aware of community concern about a catering agreement with Doltone House at the St George Sailing Club, which is a site leased from Maritime New South Wales?

Mr JOSEPH TRIPODI: No.

Ms SYLVIA HALE: Are any of your officers aware of community concerns?

Mr BRETT MOORE: No.

Ms SYLVIA HALE: How often have you or members of your staff met with the principal staff, consultants or representatives of Doltone House and, if so, who were those representatives?

Mr JOSEPH TRIPODI: I meet with lots of people involved in Waterways issues all the time. I have discussions with a number of people on matters in my portfolio responsibilities.

Ms SYLVIA HALE: The people behind you seem to be more concerned. Have you or, to your knowledge, the Premier attended any functions catered by Doltone House for you or for the Premier, or for members of their families, or for the Australian Labor Party [ALP]?

Mr JOSEPH TRIPODI: I am happy to take questions in relation to issues in Ports and Waterways. I am also happy to take questions in relation to issues in Energy.

The Hon. PETER PRIMROSE: The Minister cannot answer on behalf of anyone in the ALP or the Premier.

Mr JOSEPH TRIPODI: I am happy to take any budget issues.

CHAIR: He has answered the question.

Ms SYLVIA HALE: Have you or your staff met with office-bearers of the Saint George Sailing Club?

Mr JOSEPH TRIPODI: I meet with all kinds of proponents and people—

Ms SYLVIA HALE: Would you care to provide the Committee with details of your meetings with office-bearers of the Saint George Sailing Club?

Mr JOSEPH TRIPODI: I have discussions—

Ms SYLVIA HALE: The site is leased from Maritime New South Wales.

The Hon. JAN BURNSWOODS: He started to answer the question, and now you are accusing him. Let him answer the question.

Mr JOSEPH TRIPODI: I have discussions with a number of people on matters in my portfolio all the time. I am happy if you want to refer anyone to meet with me. I am happy to do that.

Ms SYLVIA HALE: I am not talking about the future I am talking about the past, whether you or members of your staff have had any meetings with office-bearers of the Saint George Sailing Club, which leases land from Maritime New South Wales?

Mr JOSEPH TRIPODI: I have discussions with a number of people on matters in relation to my portfolio. I am happy to meet with people who have particular issues and to discuss them with them.

Ms SYLVIA HALE: You would be happy to provide details from your diary, or from the diaries of your staff, to members of the Committee?

Mr JOSEPH TRIPODI: I have discussions with a number of people on matters in my portfolio. I am happy for you to refer anyone you would be interested in my meeting with. I would be happy to accommodate that request.

Ms SYLVIA HALE: Will you categorically confirm that you have always paid full price for every function arranged for your personal benefit that has had a connection with Doltone House?

Mr JOSEPH TRIPODI: Those questions—

The Hon. GREG DONNELLY: Point of order: The question of private arrangements that the Minister might have in terms of a function, what does that have to do with his responsibility as a Minister of the Crown and the duties in his portfolio areas?

The Hon. MELINDA PAVEY: To the point of order: The honourable member is trying to determine any arrangement that the Minister has with Doltone House, and he is doing everything he can to obfuscate giving an answer. I think the member is entitled to try to seek some more information.

The Hon. JAN BURNSWOODS: To the point of order: The question from Ms Sylvia Hale did not mention a particular organisation, Doltone House or any other; nor did it specify or limit the functions or gatherings that she was asking about. I guess it was asking the Minister everything that he ever goes to or has ever been to.

The Hon. PETER PRIMROSE: At any time.

The Hon. JAN BURNSWOODS: Whether it has any connection with politics or not. If he goes to the movies, he is supposed to put it on a piece of paper. This question is out of order.

CHAIR: Thank you. Perhaps Ms Sylvia Hale would like to clarify that.

Ms SYLVIA HALE: I have asked you to categorically confirm that you have always paid full price for every function that has been arranged or catered by Doltone House at the Saint George Sailing Club site, which is situated on land leased from Maritime New South Wales.

Mr JOSEPH TRIPODI: That is just a ridiculous question.

The Hon. PETER PRIMROSE: It is ridiculous.

Mr JOSEPH TRIPODI: I am happy to—

Ms SYLVIA HALE: Then provide the details.

Mr JOSEPH TRIPODI: —provide you with answers in relation to any of the budget issues that relate to Ports and Waterways, or to Energy. If you want to put those questions, I am happy to try to provide the best answers possible.

The Hon. JAN BURNSWOODS: Minister, could you tell us about the work that the State Government is doing to improve Manly wharf?

Mr JOSEPH TRIPODI: Yes. Thank you very much for that question. The ferry pier at Manly wharf is currently undergoing a \$15 million upgrade which is due to be completed in the first half of 2007. The work began on the wharf in February and has been designed to have as little impact as possible on normal commuter ferry services. The heritage nature of Manly wharf, which has been a focal point on Sydney Harbour for commuters and tourists since the first wharf was built in 1854, has been taken into account in the upgrade design. Noisy work, such as piling, is being undertaken at restricted times and most bulk deliveries are being made by barge.

Once the works are complete, the wharf will be on par with the commuter wharves at Circular Quay which received their own \$32 million upgrade and overhaul ahead of the Sydney 2000 Olympics. In fact, once the upgrade is complete, Manly will also be able to lay claim to having one of the most technologically advanced ferry berthing arrangements in the world. The new JetCat berthing facility will be able to receive all classes of ferry within the Sydney Ferries fleet and will be capable of automatically adjusting for tidal variations. In contrast, the existing JetCat berth consists of a manually operated hydraulic platform which intrudes into the body of the wharf. This is being removed to allow passenger access to the currently disused southern end of the wharf, opening up extensive views of the harbour.

Key elements of the upgrade include: improved views through the wharf out to the harbour, improved commuter convenience and comfort, removal of the existing JetCat platforms and installation of a new JetCat berthing facility, new passenger waiting areas on each side of the wharf, reinstating the original roof profile on the eastern side of the wharf, improved passenger flows by modifying ramps and relocating ticket booths, new disabled access features on the wharf, and improved passenger safety. Passenger flows are set to improve considerably in the new-look Manly wharf which is frequented by approximately half a million people each month. Under the existing arrangement at the wharf, there is a conflict between commuters who wish to get to ticket booths and those commuters who are leaving the terminal. The new ticketing facilities will be relocated to the side walls to remove this conflict between people boarding and people disembarking ferries.

The wharf and commercial area will remain in operation throughout the upgrade, minimising inconvenience to commuters and retailers. A public awareness campaign is informing the local community and the shopkeepers at the wharf of the project and its progress and provides opportunities for community feedback. The State Government looks forward to unveiling a new and upgraded facility at Manly in 2007 that improves public safety and access and retains the heritage character of this high-use, high-profile commuter wharf.

CHAIR: Minister, I will quickly ask you to give your introductory statement on Energy at this point.

Ms SYLVIA HALE: When we come back, will we still be able to range over ports and waterways?

CHAIR: I see no reason why not. The Minister did not want to commence Energy until he had made his statement.

Mr JOSEPH TRIPODI: Moving on to my Energy portfolio, the New South Wales Government is dedicated to ensuring that the residents of the State continue to have a safe and reliable supply of electricity. Electricity supply is an important issue for this Government. Reliable energy supplies underpin the economy and provide a high level of comfort for residential customers. Our State has a world-class reliability level of higher than 99 per cent. It is through a committed investment in infrastructure that we maintain such excellent standards. The Premier outlined the high levels of infrastructure investment in the State Infrastructure Strategy whereby the Government, through its electricity distributors and transmission companies, is investing \$9.1 billion in upgrading and expanding the State's electricity network over the next four years.

The electricity distributors will spend almost \$1.7 billion on their 2006-07 capital programs, ensuring a reliable supply for the homes and businesses of New South Wales. TransGrid will spend \$260 million more on its capital program for 2006-07. This will ensure that the high-voltage network in New South Wales is secure, reliable, and has the required capacity. This is the backbone of our electricity system. There is a further \$382 million in capital expenditure being invested by the State's

three generators, Macquarie Generation, Delta Electricity and Eraring Energy, to increase capacity, optimise efficiency and enhance reliability. An example is the \$80 million upgrade of the Point Piper power station in June. The improvements see the construction of better turbines and a modified and upgraded boiler—something that will help to ensure the State's power supply into the future as well as generating 75 new jobs for the Lithgow area during the construction phase.

Also in June I was pleased to announce the \$52 million contract for a new emissions control plant at the Vales power station on the Central Coast. The new air emission control plant will use state-of-the-art fabric filter technology to improve air quality by reducing visible emissions from the power plant. All up then, we are spending \$2.3 billion on enhancing the State's infrastructure in this financial year alone. Last November the Premier announced the State's plans to expand electricity generation in New South Wales. The State Infrastructure Strategy detailed these plans. Announcements were made recently for the construction of two new environmentally friendly gas-fired power plants to be built in New South Wales.

The Government has granted planning approval for a 600 megawatt peak power plant to be constructed at Lake Munmorah on the New South Wales Central Coast. The Munmorah gas-fired power plant will be built in two stages of 300 megawatts each, with an ultimate 600 megawatts of additional generation capacity for New South Wales. The Munmorah gas-fired power plant represents an important environmentally friendly enhancement to the State's electricity industry. This \$400 million investment will help the New South Wales Government continue to deliver secure and reliable energy supplies, especially at times of peak demands—the hot summer days and the cold winter nights. Importantly, the new environmentally friendly gas-fired generator produces approximately 40 per cent less greenhouse gas than do coal-fired power plants.

The first stage of the 300 megawatts plant is expected to be operational by 2009 and there will be a further 300 megawatts by approximately 2010. Construction is already under way on another gas-fired plant in the Illawarra. The development of this 400 megawatt gas-fired power station was recently announced by a private investor, TRU Energy. The \$350 million power station will be located at Tallawarra, which is 13 kilometres south of Wollongong. Construction has commenced on the Tallawarra gas-fired power station and is expected to be completed by summer 2008-09, well on track to meet the needs of the New South Wales energy market. These two projects will maintain the reliability and security of electricity supply in New South Wales and deliver lower levels of greenhouse gas emissions.

The Government also has gas-fire generation proposals for Uranquinty, Bamarang, Marulan, Cobar and Bega. New wind farms have been proposed at Crookwell and Woodlawn. The Government is committed to ensuring that the people of New South Wales receive the best service when it comes to their energy supplies. New South Wales takes seriously its world-class levels of over 99 per cent reliability. In August 2005 for the first time the Government imposed licence conditions on New South Wales electricity distributors for the benefit of customers. These licence conditions require the distributors to meet mandatory standards for the planning and reliability of new and existing infrastructure and to compensate customers who receive poor reliability. These standards are driving improvements right now in security of supply, network design, asset management and reliability performance.

New South Wales electricity customers will be entitled to receive up to \$320 a year in compensation if they suffer frequent or long blackouts because of equipment failures. From July, residents of Sydney, the Blue Mountains, Illawarra, parts of the Hunter and Central Coast can receive an \$80 payment if they are without electricity for more than 12 hours or experience four outages longer than four hours in a year. Customers in the remainder of the State are entitled to an \$80 payment if they experience an outage greater than 18 hours or more than four five-hour interruptions; an acknowledgement of the often greater distances to be travelled by the skilled rural-based technicians required to fix problems on the network.

When a problem occurs the front-line electricity workers are on call 24 hours a day, seven days a week, providing an emergency response. We are committed to strengthening this response and that is why energy companies have taken on record numbers of apprentices across the State. Less than 30 per cent of supply interruption is the result of network faults; most outages are caused by environmental factors such as storms, bushfires, vegetation, animals and traffic accidents. However,

we are committed to the continued investment necessary to maintain and enhance the overall performance of the electricity network. Some blackouts, those caused by a natural disaster, vehicle accidents, vandalism, severe weather or planned maintenance work, will not attract compensation.

Some members of the committee will be particularly interested in what I have to say next, which deals with our greenhouse gas abatement scheme. In June 2005, the New South Wales government became the first jurisdiction in Australia to commit to a long-term strategic vision to address greenhouse gas emissions. In the Premier's greenhouse plan he committed to cutting greenhouse emissions to 2000 levels by 2025 and a 60 per cent cut in greenhouse emissions by 2050. The New South Wales Government's greenhouse gas abatement scheme is a key initiative in achieving the Government's targets for reducing emissions from the stationary energy sector. The greenhouse gas abatement scheme [GGAS] was one of the first emissions trading schemes in the world when it was established four years ago. It has attracted worldwide interest.

The greenhouse gas abatement scheme was implemented ahead of the European Union emissions trading scheme, which commenced in 2005. Since its commencement, the New South Wales scheme has saved more than 25 million tonnes of greenhouse gas emissions. We have a credible, measurable system for addressing emissions. In 2005, more than 10 million tonnes of carbon dioxide were either prevented from entering the atmosphere or offset by emission reduction activities such as tree planting. That is the equivalent of taking two million cars off the road; it is a 32 per cent increase over 2004 and it is expected it will have an even stronger result next year. Because it is a market-based system, GGAS provides emission reduction at the lowest cost to consumers. We would now like to see carbon trading go national.

In August Premier Iemma, other Premiers and chief Ministers released a discussion paper called "Possible Design of a National Greenhouse Gas Trading Scheme". The paper sets out a proposal for a national emissions trading scheme to apply in the stationary energy sector. In 2004 the stationary energy sector accounted for around 50 per cent of all greenhouse emissions in Australia. The release of the discussion paper follows an extensive investigation and nationwide consultation process as part of which some 70 submissions were received, including from all major industrial sectors, industries and environmental groups.

The discussion paper shows that a carefully designed emissions trading scheme can help Australia enhance its competitiveness by minimising the costs of reducing emissions. The New South Wales Government would like to see a decision taken to establish a national emissions trading scheme, once the discussion paper process has been completed, and a white paper issued. It is important to stress that significant greenhouse emissions reductions can occur while the economy continues to grow strongly.

[Short adjournment]

CHAIR: Minister, continuing the line we commenced earlier, could you inform the Committee when the Government will release its long-awaited Energy white paper?

Mr JOSEPH TRIPODI: The Government has addressed the major issues identified in the Energy directions green paper. In doing so we have made numerous commitments that will ensure the State's electricity supply. These commitments include 1,000 megawatts in new gas generation at Tallawarra and Munmorah, up to 400 megawatts in upgrades to existing plants in an initial \$1.6 billion in network reliability improvements, \$200 million for the energy savings fund, energy savings action plans to be prepared by large users, new greenhouse gas targets at 2000 emissions levels by 2025 and a reduction of 60 per cent by 2050.

CHAIR: Is that an Energy white paper, Minister? Are you talking about the white paper with those details?

Mr JOSEPH TRIPODI: No, the green paper.

CHAIR: Do you have a white paper?

Mr JOSEPH TRIPODI: There is an extension of the greenhouse gas abatement scheme to 2020, development of a national emissions trading scheme and 10 per cent green power must be offered to new and moving electricity accounts. The Government will continue to address energy-related challenges as they arise. We are thinking strategically and will continue to make announcements on new policies. We are getting on with the job of securing the State's energy future

CHAIR: Thank you, Minister. My question was about the Energy white paper. Could you inform the committee what stage that has reached?

Mr JOSEPH TRIPODI: We will continue to issue issues papers as needed and as required.

CHAIR: Is there not a specific Energy white paper or is there an expectation that that will be released? I would have thought if you cannot give a date you could give a commitment that it will be release?

Mr JOSEPH TRIPODI: Yes. We will issue a white paper or any other kind of paper as the Government requires it.

CHAIR: So, you do not have any commitment? There is no commitment from your department for the release of an Energy white paper? I understand that is a specific paper and that there is an expectation of it to be released.

The Hon. MELINDA PAVEY: Is there a plan for a white paper?

Mr JOSEPH TRIPODI: The Government will continue to work on the issues identified in the green paper and will continue—

CHAIR: So, there will not be a white paper? Is that what you are telling the Committee?

Mr JOSEPH TRIPODI: No, we will issue policy papers as required. We will continue to work on those issues that are identified in the green paper.

CHAIR: I appreciate that, Minister. I understand it is anticipated and has been awaited by many community members, et cetera. Will there be a release of an Energy white paper in the foreseeable future? If so, can you give an approximate deadline for its release? If not, why not?

Mr JOSEPH TRIPODI: The Government continues to work on some of the issues, a comprehensive number of the issues that were identified in the green paper. As the issues emerged the Government will issue future policy.

CHAIR: I appreciate that, Minister, you have already said that. Is there a white paper to be released at some stage? Maybe I am talking a different language from you. Do you have a position on when, where and if there will be the release of the Government's Energy white paper?

Mr JOSEPH TRIPODI: It depends on what policy issue you are particularly referring to.

CHAIR: The Energy white paper. Is there an Energy white paper due, or not?

Mr JOSEPH TRIPODI: There always will emerge and be created policy papers on a whole range of issues.

CHAIR: I must have it wrong. Do I understand that you correctly that no energy white paper is due for release at any time? Is there no such thing as an energy white paper? Perhaps it is my mistake. Is it a reasonable expectation that there is going to be, at some stage in the near future, the release of an energy white paper?

Mr JOSEPH TRIPODI: A whole range of policy papers will be issued as required by the Government.

CHAIR: I am asking a specific question perhaps you could answer "yes" or "no". Am I wrong? Is there an energy white paper to be released or am I pursuing the wrong line of questioning

Mr JOSEPH TRIPODI: I refer you to the answer I have already given.

CHAIR: No. Is there an energy white paper or not?

Mr JOSEPH TRIPODI: There is a whole range of policy papers that are formed as the Government requires them.

CHAIR: Therefore there is not an energy white paper.

Mr JOSEPH TRIPODI: There is a whole range of policy papers—

CHAIR: I am sorry but I do not understand why it is such a difficult question to answer. I did not intend it to be. I am simply asking, in accordance with advice to me, about a long-awaited energy white paper. I am asking for some indication as to when or whether it is to be released. If you are saying there is not one and there may be other papers, I can understand that. Can we know whether there is an energy white paper? If there is, when will it be released? If there is not energy white paper and you are saying there are other papers and other information to be released, I can appreciate that. Could you indicate whether we are going to receive an energy white paper?

Mr JOSEPH TRIPODI: Mr Chair, I have answered that question.

CHAIR: It does not answer my question.

Mr JOSEPH TRIPODI: Well, it does.

CHAIR: I am sorry, Minister, but I am still in the dark, if you like, about the white paper. Can you appreciate my concern? I do not understand why you cannot answer "yes" or "no" in regard to the release of an energy white paper.

Mr JOSEPH TRIPODI: The answer that I have provided you with covers the question you asked of me.

CHAIR: Do you know what an energy white paper is?

Mr JOSEPH TRIPODI: Of course I do.

CHAIR: I thought I was leading with a very easy to answer question and I find it rather unusual but I do not have an answer.

The Hon. PETER PRIMROSE: To be fair, if any of us were doing this you would say, "Look, you have asked the question a couple of times. The Minister has answered it the way he wanted to. Let us move on."

CHAIR: Perhaps with the reference you have there you would like to add to that answer, Minister, if not, I will let it go. You have any further comment?

Mr JOSEPH TRIPODI: No, I have provided that answer.

CHAIR: Will you give a commitment that there will be no new coal-fired power stations built in New South Wales under your Government?

Mr JOSEPH TRIPODI: New South Wales, the State with the largest population, is also the State with the highest capacity of installed generation and with the highest use of electricity. New South Wales has over 16,500 megawatts of generation capacity installed, utilising a range of fuel sources, including black coal, natural gas, waste gas and biomass products, wind and water. There are currently 11,860 megawatts of coal-fired power stations in New South Wales. These range from the newest plant at Mount Piper near Lithgow to the older plants in the Hunter Valley, Central Coast and

at Wallerawang, also near Lithgow. New South Wales has the largest power stations in Australia and we are working to increase their capacity and efficiency, and reduce the emission levels of those plants.

Our large coal plants are also able to generate from alternative fuel sources. Liddell, Mount Piper, Vales Point and Wallerawang power stations combine wood waste with black coal fuel stocks to produce electricity. These power stations are also now capable of combining municipal solid waste with their coal fuel source to generate electricity. New South Wales also has 185 megawatts of natural gas-fired generation installed. The largest natural gas power station is the Smithfield energy facility, opened in 1997. New South Wales also hosts a number of smaller facilities across the State. A wealth of hydro generation is installed in New South Wales, the largest of course being the Snowy Mountains Hydro-Electric Scheme. In addition to the Snowy scheme, New South Wales has a 240-megawatt station in the Kangaroo Valley, and other smaller hydro facilities located on lakes and dams across the State. New South Wales also has wind farms operating at Crookwell, Hampton and Blayney, as well as a single turbine on Kooragang Island at Newcastle.

CHAIR: Thank you, Minister. I did ask the question: Will you give a commitment that there will be no new coal-fired power stations built in New South Wales under your Government?

Mr JOSEPH TRIPODI: To ensure that our enviable record of reliable generation supply continues, this Government has undertaken a number of initiatives over the past five years to further increase the generation capacity in New South Wales. Announcements were recently made in relation to the construction of two new gas-fired power plants to be built in New South Wales. Together these two gas-fired power plans will ultimately provide an extra 1,000 megawatts of generation capacity in New South Wales. One of these plants will be a 600-megawatt peaking power plant to be constructed at Lake Munmorah on the New South Wales Central Coast. The Development of Another 400-megawatt gas-fired power station was announced by True Energy

These new gas-fired power plans are energy-efficient and environmentally friendly, and based on best available technology. They will produce approximately 40 per cent to 50 per cent less greenhouse gas emissions than existing coal-fired power plans. Wambo Power Ventures also has development approval to construct a first-stage 300-megawatt natural gas-fired plant at Wagga Wagga, with a further 300-megawatts to be added in stage two. A number of other gas-fired proposals are being progressed by Delta Electricity—separate from the Munmorah project, Macquarie Generation and Eraring Energy, as well as Wambo Power Ventures and AGL. In total, more than 3,700 megawatts of natural gas-fired generation capacity is proposed for development across the State.

This Government also has approved the development of near a wind farms at Crookwell and Taralga to provide an additional 140 megawatts. Another 60-megawatt wind farm at Gunning has local council approval. A further 1,200 megawatts of new wind-generation proposals are at various stages of development. This Government will continue to work with the proponents of new generation and proposals to ensure that adequate new generation plant is made available for the benefit of the people of New South Wales. The New South Wales Government is committed to ensuring that the residents of this great State have a safe and reliable electricity system based on a range of generation sources.

CHAIR: I take it from your answer that you cannot give a commitment that no new coal-fired power stations will be built in New South Wales by your Government?

Mr JOSEPH TRIPODI: What I can say is that the Government's view is that a market-based carbon emission trading system should inform any decision about the kind of fuel a future new base load generator will use. The scheme currently in place is the greenhouse gas abatement scheme, although it is the New South Wales Government's preference that this be replaced by a national emissions trading scheme. The greenhouse gas abatement scheme has created the economic incentives for the already announced gas-fired power stations. That greenhouse gas abatement scheme will continue to create those signals, and decisions that have been made to date have been all gas-fired power stations. As a consequence of the economic incentives that the greenhouse gas abatement scheme provides.

CHAIR: They are gas-fired power stations to date, but that does not preclude the possibility of a coal-fired power station in the future.

Mr JOSEPH TRIPODI: The greenhouse gas abatement scheme which operates, and we will continue to roll out that system, creates economic incentives for gas-fired power stations. They are the signals and the private sector decisions that have been made to date. That is what is currently happening.

CHAIR: I thank you for your answer. I take it you are telling the Committee that there is no commitment in relation to a new coal-fired power station.

Mr JOSEPH TRIPODI: What I am saying is that the greenhouse gas abatement scheme operates.

CHAIR: You only had to answer "yes" or "no". I appreciate all the detail but you are not giving any commitment regarding future coal-fired power stations.

Mr JOSEPH TRIPODI: All I can say is that the current operating environment creates an incentive for environmentally friendly gas-powered power stations.

CHAIR: As I understand it—please correct me if I am wrong—the aluminium industry, which is based mainly in the Hunter, uses more than 20 per cent of New South Wales's power generation. It has subsidised electricity. Is this fair to other consumers and do you support continuing the subsidy to the aluminium industry, which uses more than 20 per cent of the State's power generation capacity?

Mr JOSEPH TRIPODI: I understand that the energy sources to which you have referred for the aluminium operations that you have detailed are contracts that currently exist. They are locked in and obviously have a binding effect.

CHAIR: How long are they locked in for?

Mr JOSEPH TRIPODI: I will take that question on notice.

CHAIR: Thank you. On 6 April 2005 the then Minister for Energy and Utilities, Frank Sartor, outlined the promised benefits of water and energy savings funds. Mr Sartor told the Legislative Assembly:

By 2010-11 the expected benefits from initiatives supported by the funds include: savings of between 30 and 80 billion litres of water per annum ... a saving of 900,000 megawatt hours per year in electricity consumption; a gross saving in consumer energy bills of \$370 million in net present value terms; and reducing greenhouse gas emissions by 800,000 tonnes of carbon dioxide per year by 2010-11, equivalent to removing 170,000 cars from the road.

I think you have quoted those figures. Mr Sartor further said:

The Energy Savings Fund could pay for measures such as specific energy-saving projects submitted by industry and commercial enterprises, determined on a contestable basis; specific energy-saving projects submitted by local councils and State government agencies, determined on a contestable basis; joint water and energy retrofit programs for residents; and accelerating investment in energy-efficient appliances.

How much money has been paid into the Energy Savings Fund?

Mr JOSEPH TRIPODI: The New South Wales Energy Savings Fund was established in May 2005 as part of a legislative package—

CHAIR: I know. I am asking specifically how much money has been paid into the Energy Savings Fund and how many contracts have been finalised for selected projects. They are two very specific questions.

Mr JOSEPH TRIPODI: If you give me the opportunity, Mr Chairman, I will be able to answer those questions.

CHAIR: Time is limited and I am trying to avoid a call-back of this inquiry. I would prefer not to do that but if I cannot get questions answered—and they are very specific questions—unfortunately it will lead to a call-back.

Mr JOSEPH TRIPODI: They are very specific questions but the answers need to be provided in the context of the program. I will answer your questions but I have to do so in the context of the program. Is that okay?

CHAIR: If it takes too much time to get answers we will call back the inquiry. I make it very clear that, from my perspective, we need to get through a certain number of questions. Time is very valuable to us all.

Mr JOSEPH TRIPODI: I will address every issue that you have raised. The New South Wales Energy Savings Fund was established in May 2005 as part of a legislative package to encourage energy savings and reduce related greenhouse gas emissions and peak electricity demand. The fund will disburse \$40 million per year for five years. The first round of the Energy Savings Fund closed late last year, with more than 100 applications received. Successful projects were announced on 21 March 2006. More than \$19 million was allocated to 28 projects in the first round, including energy efficiency initiatives, alternative power generation projects and the installation of power factor correction equipment. Outcomes from the projects will save an estimated 1.4 million tonnes of greenhouse gas emissions over 10 years and 1.3 million megawatt hours of electricity. That will lead to an estimated average annual saving in peak demand of 60 megawatts—the equivalent to the peak power of 30,000 homes.

A second funding round will be held shortly. Changes to the criteria for this round will allow even better targeting of projects. Higher oil prices are adding to the operating costs of many New South Wales businesses and our work with them to save energy is helping to improve efficiency, save costs and reduce greenhouse gas emissions. By working with business to manage demand, we are making the most of our existing infrastructure, including network reliability and opening new opportunities for them to cut operating costs.

The Energy Savings Fund is available for projects that will save energy in homes, factories and offices across New South Wales. It provides the extra backing needed to get new energy savings projects off the ground. It addresses the main barrier for business investment in energy savings, which is that if the investment is not financially beneficial it will not be made even when the environmental benefits of making energy savings are recognised and desired. The Energy Savings Fund makes investment in efficiency, emission reduction and demand management worthwhile. With financial support, the investment can meet the company's internal rate of return and deliver upgrades to achieve the desired energy savings and efficiency improvements. The Energy Savings Fund is supporting new technologies and new ideas and is providing an incentive to invest in energy savings.

Turning to the selection process—which you covered in your question, Mr Chairman—in terms of assessing the applications to the funds, an independent evaluation panel consisting of members with relevant business, technical and energy expertise assesses the proposals and makes recommendations on appropriate levels of funding. In the first round applications were ranked against the key selection criteria of energy savings and cost effectiveness. The other selection criteria are then taken into account, including the certainty of savings, whether the project is repeatable and will lead to sustained changes in energy consumption behaviours, and whether the project involves collaboration. The assessment also takes into account whether the project will lead to other benefits beyond energy, such as saving water; whether it co-ordinates with and complements other programs; and whether it demonstrates or trials new technologies.

The successful projects under round one of the Energy Savings Fund were approved by the former Minister. I am advised that all projects recommended to the Minister for funding offers were approved and that no projects recommended to the Minister did not receive funding offers. As to progress on the successful round one applicants, I can advise that, of the 28 funding offers made in round one, there are 11 signed funding agreements. I understand that three funding offers have been rejected by the applicants. The remaining offers have been the subject of complex negotiations in relation to the terms and conditions of the funding agreements to ensure that funding is paid only on performance and the definite delivery of savings. In several cases the independent evaluation panel

recommended levels of funding below what was initially sought in applications once the application had been assessed against the funding criteria. This has required a fair amount of work in revising project plans and recasting budgets.

In addition, I am aware that some organisations had difficulty in obtaining internal approval to allocate their funding contributions to projects. Also, internal company restructures and reorganisations have in some instances impacted on the feasibility of the proposals. As can be appreciated, where revised proposals have been submitted this has necessitated detailed analysis by the energy savings specialists in the Department of Energy, Utilities and Sustainability to ensure satisfactory savings levels are maintained. Preparations for round two of the Energy Savings Fund have been under way since the announcement of round one funding offers. Staff of the Department of Energy, Utilities and Sustainability and the members of the evaluation panel have been assessing the lessons learnt from round one. Feedback and consultation sessions have been held with successful and unsuccessful applicants to understand what improvements and changes to the application process may be needed. In addition, extensive work has been carried out on defining the broad directions and specific criteria for round two. I can advise that preparations for round two are almost complete, and I expect to be in a position to call for applications to round two in the very near future.

On the energy savings action plan, which is a complementary program, going hand-in-hand with the fund is the requirement for New South Wales high-energy users to prepare energy savings action plans. There are 170 businesses and government agencies across New South Wales that THEY prepare an energy savings action plan for each site that they have which uses more than 10 gigawatt hours of electricity a year. There are also 46 councils in New South Wales with populations of more than 50,000 that must also prepare plans. All of those organisations are required to investigate their current energy use, and review their operations so that they can identify ways to save.

The Government provides technical advice and support to them to do this through its savings specialists at the Department of Energy, Utilities and Sustainability. The plans identify cost-effective savings. These are savings for which a sound business case can be made because they will save more money on the bills than they will cost to do. They also identify potentially cost effective savings. These are actions the organisation could take to save even more energy but they have a longer return on investment and may not meet the company's hurdle rate of return. This is where the Energy Savings Fund comes in. It provides \$40 million a year for five years to back major energy savings ideas identified by New South Wales business.

Through these initiatives the Government is encouraging energy efficiency in business and government operations. It is building the capacity of businesses in New South Wales to understand energy use in their operations, and it is stimulating investment in new technologies to save. In the process it is delivering environmental and cost benefits for everyone in New South Wales.

Ms SYLVIA HALE: Does the Government have any plan to place all powerlines in the north-west and south-west Sydney growth centres underground?

Mr JOSEPH TRIPODI: No. It is a planning issue. It is a matter for the Minister for Planning.

Ms SYLVIA HALE: I put precisely that question to the Minister for Planning in May 2006 and received the answer, "These questions are more appropriately directed to the Minister for Energy". Does the Government have any plan at all to place all powerlines in the north-west and south-west Sydney growth centres underground?

Mr JOSEPH TRIPODI: The Government does not have such a plan.

Ms SYLVIA HALE: Will you explain why Integral Energy has resisted calls to install underground high-transmission lines in north-west Sydney, despite opposition from Landcom and local residents?

Mr JOSEPH TRIPODI: Will you repeat the question?

Ms SYLVIA HALE: Will you explain why Integral Energy has resisted calls to install underground high-transmission lines in north-west Sydney, in the face of opposition from Landcom and local residents?

The Hon. JAN BURNSWOODS: That means everyone is against it? Your question does not make sense.

Ms SYLVIA HALE: I am saying that Landcom and local residents are opposed to the failure of the Government—

The Hon. PETER PRIMROSE: It is pejorative double negative—

Ms SYLVIA HALE: to oblige Integral Energy to install underground high-transmission lines in the north-west and south-west Sydney. Why is that so?

Mr JOSEPH TRIPODI: You are going to have to simplify the question because it is full of double negatives.

Ms SYLVIA HALE: Despite Landcom and local residents wanting high-transmission lines to be underground, why has Integral Energy opposed that?

Mr JOSEPH TRIPODI: Sydney's north-west region? Are you referring to the 9 JA transmission line?

Ms SYLVIA HALE: I am referring to the transmission line that goes around Vineyard.

Mr JOSEPH TRIPODI: Rouse Hill?

Ms SYLVIA HALE: Yes.

Mr JOSEPH TRIPODI: Sydney's north-west region is growing very quickly. The Government plans to invest \$17 million upgrading the power supply in this expanding area to continue to provide a safe and reliable power supply. I have been advised that Integral Energy has been conducting extensive community consultation on this project, and that consultation will continue. The application for the particular line to which you refer is currently before the Minister for Planning for approval.

Ms SYLVIA HALE: Was underground cabling considered for areas north of Schofields?

Mr JOSEPH TRIPODI: I will take that question on notice.

Ms SYLVIA HALE: If it was considered has it been rejected? If so, why? Will you inform the Committee as to the expected life span for aboveground transmission lines as compared to the life span for underground transmission lines?

Mr JOSEPH TRIPODI: I will take that question on notice.

Ms SYLVIA HALE: Will you provide the Committee with a comparison of the maintenance costs of overhead lines compared to underground lines over their expected lifespan?

Mr JOSEPH TRIPODI: I will take that on notice. I believe that issue has been covered by the Independent Pricing and Regulatory Tribunal [IPART] report on that matter. You may find some of the answers in that IPART report but I am happy to take that on notice and provide you with more information.

Ms SYLVIA HALE: I am sure that issues of ministerial probity, integrity and honesty are of the utmost importance to you and the Government, particularly public perception of those matters?

The Hon. GREG PEARCE: Was that a "yes"?

Ms SYLVIA HALE: I will ask you again, have any functions that you have attended at Doltone House ever been provided to you, your staff or to the Australian Labor Party on a concessional basis—functions such as your wedding reception?

The Hon. PETER PRIMROSE: Point of order: How can the Minister answer on behalf of the Australian Labor Party?

The Hon. JAN BURNSWOODS: Or indeed on behalf of his wife and himself?

Mr JOSEPH TRIPODI: I have already provided you an answer to that question.

The Hon. MELINDA PAVEY: No, you didn't.

Mr JOSEPH TRIPODI: Yes, I have.

[Interruption]

The Hon. GREG DONNELLY: It seems to me we are covering ground that has already been covered. The Minister is here to answer questions that go to the issue of the administration of his portfolio responsibilities.

The Hon. JAN BURNSWOODS: Has the 30 minutes for the Greens expired?

CHAIR: No, it has not expired. You will hear a sound when it does.

The Hon. JAN BURNSWOODS: How long have we got to go?

The Hon. GREG PEARCE: The Greens have 15 minutes to go and then we have another hour.

Ms SYLVIA HALE: Recently the administrator of Warringah Council achieved a significant increase in rent from a commercial licensed club, Long Reef Golf Club, that is engaged in the hospitality business. In that case an independent valuer recommended the rent be 5 per cent of turnover. What is the effective percentage of turnover achieved from licensed clubs leasing property from NSW Maritime on Sydney Harbour or at other venues such as Doltone at St George?

Mr JOSEPH TRIPODI: I will take that question on notice.

Ms SYLVIA HALE: Will you provide the Committee with a list of memberships of clubs on waterways for yourself, the chief executive officer of NSW Maritime, the executive director of NSW Maritime and the general managers of NSW Maritime?

Mr JOSEPH TRIPODI: Yes, I will take that on notice.

Ms SYLVIA HALE: Will you provide the Committee with details as to how many of those clubs have been subject to rent increases? How do those rent increases compare with the recommendations of independent valuers?

Mr JOSEPH TRIPODI: I will take that one on notice also.

Ms SYLVIA HALE: I understand that you have directed NSW Maritime to improve the investment return on the State's waterway. Do you expect the investment return on New South Wales waterway leases to increase in the coming year?

Mr JOSEPH TRIPODI: My understanding is that NSW Maritime is in the process of implementing the recommendations that came out of the IPART report on this issue.

Ms SYLVIA HALE: I understand the versions of the IPART recommendations that were adopted by the Government said a rate of return from residential lessees of 3.05 per cent compared to

the 6 per cent proposed and previously invoiced for reclaimed land. IPART invited a regular review of that rate. Does the Minister propose to seek a review of that rate for any reason in the near future?

The Hon. JAN BURNSWOODS: Invoiced to whom?

Mr JOSEPH TRIPODI: Is that by the agency?

Ms SYLVIA HALE: By Maritime New South Wales.

Mr JOSEPH TRIPODI: Would you mind repeating that question?

Ms SYLVIA HALE: The IPART recommendations of April 2005, adopted by the Government, set a rate of return from residential lessees of 3.05 per cent, compared to the 6 per cent that was proposed and previously invoiced for reclaimed land. IPART invited regular review of the rate. Does the Minister propose to seek a review of that rate for any reason in the near future?

Mr JOSEPH TRIPODI: New South Wales Maritime administers the wetland leases, which include jetties, ramps and pontoons around Sydney Harbour and Botany Bay. In 2003 the Independent Pricing and Regulatory Tribunal was engaged by the Government to review wetland rentals and introduce rates that reflect current valuations of foreshore land.

In April 2004, IPART recommended an increase in rentals for waterfront tenancies in New South Wales. Before that, rents had not been increased since 1989. The IPART review recognised that waterfront land is a valuable community asset, and from December 2004 wetland lease rents have been based on the latest statutory land values available from the Valuer General. However, in recognition of the significant differences between the IPART rates and those that had applied for some years, New South Wales Maritime is implementing the increases through a staged process of two, four or six years, depending on the amount of that increase. This will alleviate undue financial hardship to individuals. No rental increase will exceed \$2,500 this year. Licensees who are entitled to an eligible concession card are charged either a minimum rental of \$350 or 50 per cent of the calculated rent, whichever is the greater.

Ms SYLVIA HALE: When the currently invoiced rent for commercial sites is analysed on the basis of the precinct land valuation method of IPART, what rates of return on harbour land have been achieved from commercial tenants?

Mr JOSEPH TRIPODI: On the commercial tenants themselves?

Ms SYLVIA HALE: From commercial tenants. You may take the question on notice, if you like.

Mr JOSEPH TRIPODI: I might be able to give you an answer now.

Ms SYLVIA HALE: Because I would also like the rate of return from—

The Hon. MELINDA PAVEY: Mr Moore wants you to repeat the question.

Mr MOORE: I am sorry, Ms Hale, but could I have the question again, please?

Ms SYLVIA HALE: When the currently invoiced rents for commercial sites are analysed on the basis of the precinct land valuation method of IPART, what rates of return on harbour land have been achieved from commercial tenants?

Mr JOSEPH TRIPODI: From the commercial tenants themselves?

Ms SYLVIA HALE: Yes.

Mr JOSEPH TRIPODI: Obviously, only the commercial tenants would be able to tell you that.

The Hon. GREG PEARCE: No. They pay you the rentals.

Mr JOSEPH TRIPODI: But you want to know what the return of the commercial tenants are.

The Hon. GREG PEARCE: The return to the owner of the land.

Ms SYLVIA HALE: The rate of return.

Mr JOSEPH TRIPODI: That was not the question.

The Hon. MELINDA PAVEY: Yes, it was.

Mr JOSEPH TRIPODI: So the question is: What is the commercial return to the landlord, or to the tenants, because I understand the question to be: What is the commercial return to the tenants?

Ms SYLVIA HALE: No. What is the commercial return to Maritime New South Wales?

Mr JOSEPH TRIPODI: So you would like an aggregated average figure?

Ms SYLVIA HALE: Yes, that will do.

Mr JOSEPH TRIPODI: I will take that on notice and get that to you.

Ms SYLVIA HALE: Are you satisfied with the rate of return that has been achieved? If you are not satisfied, what are you doing to increase commercial rents?

Mr JOSEPH TRIPODI: The State Government is in the process of implementing the IPART recommendations. We obviously have accepted those recommendations and are in the process of implementing them. We are happy to work to achieve the recommendations that have come out of that IPART report.

Ms SYLVIA HALE: Have any lessees and/or their representatives approached you or any of your staff regarding an increase in the area of land leases and/or to argue for lower rents? If so, who has approached you, and when?

Mr JOSEPH TRIPODI: Sorry. Would you repeat the question?

Ms SYLVIA HALE: Have any lessees and/or their representatives approached you or any of your staff regarding an increase in the area of land leased and/or to argue for lower rents? If so, who has approached you, and when?

Mr JOSEPH TRIPODI: I meet with people all the time to make representations on specific points of view about what they believe is a desirable outcome. So I receive representations all the time.

Ms SYLVIA HALE: So you would be able to provide the Committee with details of who has approached you, and when?

Mr JOSEPH TRIPODI: Well, that—

Ms SYLVIA HALE: Or are you refusing to provide that detail?

Mr JOSEPH TRIPODI: That is the answer I am giving you now.

Ms SYLVIA HALE: So you are refusing to provide that detail. Minister, are your discussions with senior staff members of Maritime New South Wales purely confined to matters of policy, or do you discuss commercial issues with them, such as the leases to specific groups?

Mr JOSEPH TRIPODI: Obviously, it would be in the context of the discussion that I would be able to answer that question—unless you refer to something specific.

Ms SYLVIA HALE: I am asking you, as a general policy, do you confine your discussion with senior staff of Maritime New South Wales purely to policy matters, or do you engage in discussion with them about leases to specific groups of people or organisations?

Mr JOSEPH TRIPODI: I would need to know exactly what your question is.

Ms SYLVIA HALE: I am just asking you. It is a general question.

Mr JOSEPH TRIPODI: It would depend on the context of the question.

Ms SYLVIA HALE: Minister, given your failure to answer so many questions today and to provide any details, do you think there is a risk of corruption or perceived corruption with you as Minister failing to provide details?

The Hon. GREG DONNELLY: Point of order: The allegation by Ms Hale is that the Minister has failed to answer a number of questions over the course of the day. It is simply a value judgment on her part. The Minister has taken a number of matters on notice and he will come back with a response. That sort of allegation does not wash.

CHAIR: I am sorry, Mr Donnelly, but there—

The Hon. JAN BURNSWOODS: To the point of order: The question was actually asked after the bell had sounded for the termination of Ms Hale's questions.

CHAIR: The question was asked, and I think it is reasonable. The Minister can choose to answer it as he will. I will allow the question. Minister, you may answer or not answer as is your wont, but that is the question.

Mr JOSEPH TRIPODI: I believe I have provided the answer.

CHAIR: We will leave it at that and move on to the Opposition.

The Hon. GREG PEARCE: I have indicated that we have not finished our Ports and Waterways questions. But, rather than change direction, we will ask some Energy questions now and return to Ports and Waterways later. Minister, after your stirring opening statement, will you guarantee that there will be no blackouts in New South Wales as a result of demand exceeding supply during the next six months?

Mr JOSEPH TRIPODI: The Government places a high priority on ensuring that New South Wales electricity customers receive a safe and reliable electricity supply. Reliability of the New South Wales electricity system is between 99.94 per cent and 99.98 per cent.

The Hon. GREG PEARCE: So no guarantee?

Mr JOSEPH TRIPODI: Those are world-class statistics. In August 2005 the Government strengthened licence conditions on New South Wales electricity distributors, requiring them to meet mandatory standards for the planning and reliability of new and existing infrastructure. On any occasion when reliability is unsatisfactory, electricity distributors are required to promptly rectify the situation.

For the first time in New South Wales when individual customers receive unsatisfactory reliability they are now able to apply for compensation from their local electricity distributor. Non-metropolitan customers who experience supply interruptions exceeding 18 hours duration or four interruptions exceeding five hours each are entitled to compensation payments of \$80, providing interruptions are not due to external causes. For metropolitan customers the thresholds are 12 hours and four interruptions exceeding four hours each. These thresholds are lower to reflect the generally shorter time needed to find and rectify faults in metropolitan areas, largely due to shorter network

feeders and shorter travelling times for repair crews. Interruptions caused by the following circumstances are not subject to compensation payments as they are not a reflection of poor service by the distributor: generation or transmission failure, natural disasters or severe weather, third party actions such as vehicles and vandals, directions by emergency service organisations, and planned outages. The introduction of these new licence conditions for reliability is driving greatly increased levels of capital expenditure on electricity distribution networks. The Lemma Government, through its electricity distributors and transmission companies, is investing \$9.1 billion in upgrading and expanding the State's electricity network over the next four years. This has more than doubled the capital expenditure on distribution and transmission networks in the four years preceding introduction of the licence conditions.

The Hon. MELINDA PAVEY: That is excellent. Can we go on?

Mr JOSEPH TRIPODI: Almost \$1.7 billion will be spent by the electricity distributors on their capital programs for 2006-07. Again, double that spent on electricity networks in the year prior to the introduction of the reliability licence conditions, ensuring reliable supply to the homes and businesses of New South Wales and minimising the chance of unplanned disruptions to service. All up, including the transmission networks and the State-owned generators we are spending \$2.3 billion on enhancing the State's electricity infrastructure in this financial year alone. The Government's new reliability licence conditions establish new levels of industry performance, transparency and accountability for reliability performance. These improvements, in conjunction with the greatly increased levels of investment in the New South Wales electricity networks, are expected to deliver real and increasing performance dividends to New South Wales customers over at least the next five years.

The Hon. GREG PEARCE: Going back to something Mr Cohen introduced, the Energy Directions green paper issued by your Government in December 2004, have you actually read that document?

Mr JOSEPH TRIPODI: The green paper?

The Hon. GREG PEARCE: Yes.

Mr JOSEPH TRIPODI: Yes, I have.

The Hon. GREG PEARCE: You have read it?

Mr JOSEPH TRIPODI: Yes.

The Hon. GREG PEARCE: So you would be able to tell us what the purpose of the document was?

Mr JOSEPH TRIPODI: As I have said already, I anticipate that the Government will release further policy papers as we continue to make decisions on the State's energy issues.

The Hon. MELINDA PAVEY: That was not the question.

Mr JOSEPH TRIPODI: Sorry, can you repeat your question?

The Hon. GREG PEARCE: My question was, can you tell us the purpose of the green paper?

The Hon. JAN BURNSWOODS: I guess the purpose of most green papers. How long are we going to go around this? We have spent 30 minutes on this.

Mr JOSEPH TRIPODI: The purpose of the green paper is the same as the purpose of all green papers, which is—

CHAIR: Mr Pearce has asked what is a very reasonable question.

The Hon. JAN BURNSWOODS: That is true. But then the Minister was not the Minister at the time.

Mr JOSEPH TRIPODI: —to define issues and engage in consultation.

The Hon. GREG PEARCE: So you would be aware that the green paper invited submissions by 25 February 2005?

The Hon. JAN BURNSWOODS: He was not the Minister at the time, and the questions were supposed to be about this year's estimates.

CHAIR: You are defending the indefensible.

The Hon. JAN BURNSWOODS: I suppose I am taking a point of order, although I did not use the words.

The Hon. MELINDA PAVEY: Have some respect for Hansard, who have been here all week.

The Hon. GREG PEARCE: Have you read any of those submissions?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: You have not read the submission by Integral Energy?

Mr JOSEPH TRIPODI: No.

The Hon. JAN BURNSWOODS: I preface this by taking a point of order.

The Hon. GREG PEARCE: And you have not read the submission by the CFMEU either?

The Hon. JAN BURNSWOODS: The Minister was not the Minister in 2004.

The Hon. GREG PEARCE: I am asking whether he has read the submissions.

The Hon. JAN BURNSWOODS: It is not quite as bad as asking questions about different portfolios.

CHAIR: The line of questioning is reasonable, and I think the member has a right to ask them. The Minister is quite capable of answering them.

The Hon. JAN BURNSWOODS: I am not asking you whether you think it is reasonable.

The Hon. GREG PEARCE: He actually answered the question.

The Hon. JAN BURNSWOODS: I am asking you whether it is within the rules of the estimates committee.

The Hon. GREG PEARCE: Stop taking up time.

The Hon. JAN BURNSWOODS: Because you are responsible for the estimates as Chair.

The Hon. GREG PEARCE: Are you also aware that the green paper stated that a white paper outlining—

The Hon. JAN BURNSWOODS: Excuse me. I have taken a point of order.

CHAIR: The member has taken a point of order.

The Hon. GREG PEARCE: Taking time, yes. She usually does.

The Hon. JAN BURNSWOODS: As I said, your opinion as Chair is interesting, but my point of order related to—

The Hon. GREG PEARCE: He has already ruled.

The Hon. JAN BURNSWOODS: —whether or not questions about a period two years ago, when the Minister was not the Minister, are within the rules of the estimates committee.

CHAIR: The Minister has already answered that he is aware of this particular green paper. He has already answered questions on that.

The Hon. JAN BURNSWOODS: But that is not an answer to my point of order.

CHAIR: It is not unreasonable for Mr Pearce to continue. I rule the questions in order.

The Hon. GREG PEARCE: Are you also aware that the green paper stated, "A white paper outlining final policy positions will be released in April 2005"?

The Hon. JAN BURNSWOODS: Again, before the Minister was the Minister.

The Hon. GREG PEARCE: Are you aware of that?

Mr JOSEPH TRIPODI: I do not recall that specific part of it, no.

The Hon. GREG PEARCE: I suppose you do not recall either that it then goes on to say, "The policy positions developed as a result of this process will be implemented through an energy sector planning strategy"?

The Hon. JAN BURNSWOODS: What is your question?

Mr JOSEPH TRIPODI: In fact, what has actually happened is that—

The Hon. GREG PEARCE: What has happened, that will be interesting.

Mr JOSEPH TRIPODI: —the great bulk of the issues raised in the green paper have now been dealt with, including 1,000 megawatts in new gas-powered generation at Tallawarra and Munmorah; up to 400 megawatts in upgrades to existing plant; and additional \$1.6 billion in network reliability improvements; \$200 million for the Energy Savings Fund; energy savings action plans to be prepared by large users; new greenhouse gas targets; an extension of the Greenhouse Gas Abatement Scheme to 2020; development of a national emissions trading scheme; and the 10 per cent that needs to be offered. The wide range of policy decisions made since the green paper was released means that the issues raised in the green paper have largely been dealt with. However, to the extent that any issues still need to be addressed, that will be done as required and this will involve the issue of policy statements.

The Hon. GREG PEARCE: What supervisory activities do you undertake to ensure that the electricity retailers comply with the Independent Pricing and Regulatory Tribunal [IPART] determination? Someone help me.

Mr JOSEPH TRIPODI: IPART monitors that, not me.

The Hon. GREG PEARCE: IPART monitors that?

Mr JOSEPH TRIPODI: Correct, so your question is actually wrong.

The Hon. GREG PEARCE: Trick question, was it?

The Hon. MELINDA PAVEY: No, it was not wrong.

Mr JOSEPH TRIPODI: It was the wrong question.

The Hon. GREG PEARCE: Can you give an assurance that EnergyAustralia and other electricity retailers are complying with IPART's regulated retail tariff determinations for 2004-05 and 2006-07, which required retailers to increase annual domestic electricity bills in one year by no more than \$35, excluding GST, or by the percentage change of CPI plus 5 per cent?

Mr JOSEPH TRIPODI: I understand that IPART regularly monitors all the issues that you have touched on.

The Hon. GREG PEARCE: You are confident that the retailers are complying with that determination?

Mr JOSEPH TRIPODI: The outcome of that monitoring is available on the web site.

The Hon. GREG PEARCE: But are you confident that the retailers are complying?

Mr JOSEPH TRIPODI: I am very confident that IPART is monitoring it, and encouraging it in every way.

The Hon. GREG PEARCE: You do not have any confidence that IPART is doing its job properly?

Mr JOSEPH TRIPODI: No, quite the contrary. My answer indicates quite the contrary to what you have just suggested.

The Hon. GREG PEARCE: You are confident that IPART is regulating the retailers?

Mr JOSEPH TRIPODI: Yes. I am very confident.

The Hon. GREG PEARCE: Thank you. That was not so hard, was it?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: Have you been a guest in EnergyAustralia's corporate boxes at Telstra Stadium or Aussie Stadium?

Mr JOSEPH TRIPODI: No.

The Hon. GREG PEARCE: The demand management and planning project, which commenced in 2003, is a \$10 million project running for five years. Are you aware of that project?

Mr JOSEPH TRIPODI: Yes.

The Hon. GREG PEARCE: Can you explain why to June 2005 expenditure on the project was only \$1.6 million? Are there any demonstrable and measurable benefits achieved by that project?

Mr JOSEPH TRIPODI: I will take that question on notice.

The Hon. MELINDA PAVEY: Minister, who is the chap seated behind you? Is that your chief of staff?

Mr JOSEPH TRIPODI: Yes.

The Hon. MELINDA PAVEY: What is his name?

The Hon. GREG PEARCE: He does not have a name.

Mr JOSEPH TRIPODI: Aaron.

The Hon. MELINDA PAVEY: What is his last name?

Mr JOSEPH TRIPODI: Gadiel.

The Hon. MELINDA PAVEY: I would just like to acknowledge the excellent work that he is doing today.

The Hon. JAN BURNSWOODS: You have run out of questions, have you?

The Hon. MELINDA PAVEY: Because when *Hansard* is read, it will actually be Aaron who deserves the credit.

The Hon. GREG DONNELLY: We have some questions to ask, if you have run out.

CHAIR: Can we have a question?

The Hon. PETER PRIMROSE: On behalf of the Government, can I make the observation that I cannot express the same views about your questions. What an appalling lot of questions!

The Hon. MELINDA PAVEY: It is our time. What is the tender process for the operation and expansion of Port Kembla?

Mr JOSEPH TRIPODI: The tendering process?

The Hon. MELINDA PAVEY: Yes.

Mr JOSEPH TRIPODI: I will have to take that question on notice. It is something that the corporation would be managing.

The Hon. MELINDA PAVEY: There was one?

Mr JOSEPH TRIPODI: Yes, I understand there was, but I am happy to take that on notice and come back to you with more detail.

The Hon. MELINDA PAVEY: I will just read quickly through the questions then. How many companies submitted a tender? Just in relation to your earlier question about wanting three stevedoring companies at Port Botany, why is it acceptable to have only one at Port Kembla?

Mr JOSEPH TRIPODI: Sure.

The Hon. MELINDA PAVEY: Do you have any thoughts on that?

The Hon. JAN BURNSWOODS: Is this still the series that are on notice?

The Hon. GREG PEARCE: Yes, it is a series of questions on notice.

The Hon. JAN BURNSWOODS: If he has said that he is taking them on notice, you said that you would go on and read them out.

CHAIR: Is the Minister capable of deciding whether he wants to take a question or not? I think he has backtracked.

The Hon. JAN BURNSWOODS: But he said that he would and Ms Pavey said that she would go through the rest.

CHAIR: He is choosing to answer, so let him answer.

The Hon. JAN BURNSWOODS: I am only trying to get it clear.

CHAIR: No. You appear to be running the Minister's agenda. I will just say to the Minister that if you choose to answer, feel free to answer. Go ahead.

The Hon. JAN BURNSWOODS: Ms Pavey said she would run through the questions on notice.

CHAIR: He is choosing to answer that question.

The Hon. MELINDA PAVEY: This particular one.

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

Mr JOSEPH TRIPODI: Thank you, yes. My understanding is and from my inspections I can say that there is actually more port capacity available. It requires a stevedore operation or other tenants to come in and make the investment that is necessary to get their operations up and running. At the moment, as it stands, it is a market decision about whether new players want to come in and set up their operations in Port Kembla, but that capacity is available. It is something that the private sector needs to make assessments about before they commit.

The Hon. MELINDA PAVEY: Were port lands adjacent to the multipurpose berth in Port Kembla openly offered to the market, or were there exclusive dealings with Australian Amalgamated Terminals? Was that just given over to them? Will you take that question on notice?

Mr JOSEPH TRIPODI: As you know, that was before I was the Minister. To the best of my recollection, it was before I was the Minister. I will take that on notice and get the port corporation to provide you with an answer.

The Hon. MELINDA PAVEY: Did the Government enter into any arrangements with P&O prior to its departure from White Bay to the effect that no other stevedore would be allowed to operate at the White Bay berths?

Mr JOSEPH TRIPODI: At the White Bay berths?

The Hon. MELINDA PAVEY: Yes.

Mr JOSEPH TRIPODI: My understanding is that that is not the case because there are actually applications in at the moment.

The Hon. MELINDA PAVEY: In relation to the land at White Bay, what are the short and long term plans of the Government?

Mr JOSEPH TRIPODI: I addressed that issue in my opening statement—that it is being earmarked as a maritime precinct.

The Hon. MELINDA PAVEY: So there will be no apartment development or commercial development?

Mr JOSEPH TRIPODI: The Government's position is that it is earmarked as a maritime precinct.

The Hon. MELINDA PAVEY: Back to Energy. Given your answer to Mr Ian Cohen's question in relation to the Government's position on coal-fired power stations and given there is an obvious bias towards gas-fired power stations because of the greenhouse gas policies of the Government, does it sort of take a new coal-fired power station at Lithgow off the Government's agenda?

Mr JOSEPH TRIPODI: The Government's policy is that we are encouraging private sector investment in power generation. As I said earlier, the Greenhouse Gas Abatement Scheme actually supports and encourages and in effect subsidises gas power generation. As a consequence, that is why we have the decision by the private sector to proceed at Tallawarra and that is the current economic or

market environment that exists. That is all as a consequence of the Government's Greenhouse Gas Abatement Scheme.

The Hon. MELINDA PAVEY: So the people at Lithgow should not hold their breath waiting for a new coal-fired power station, basically?

Mr JOSEPH TRIPODI: It will be a private-sector decision about whether there will be any new capacity and whatever form it may take.

The Hon. GREG PEARCE: While we are still on Energy, can you just explain what has happened with the Energy Savings Fund?

Mr JOSEPH TRIPODI: I gave a very comprehensive answer on the Energy Savings Fund. Would you like me to give it again?

The Hon. GREG PEARCE: No. I want you to just explain what has actually happened with the fund. It was supposed to have provided \$200 million over five years but only \$1.9 million has been approved for the first quarter of 2006-07. When will the further commitments be made? When will the money roll out?

Mr JOSEPH TRIPODI: My previous answer covered all of that. I am happy to get it and read it again, if you like.

The Hon. GREG PEARCE: No. When is the money being rolled out?

The Hon. MELINDA PAVEY: Specifically, when is the money being rolled out?

Mr JOSEPH TRIPODI: We are in the middle of the second round offers at the moment, so at the completion of that program, the consultative committee will make recommendations to me as the Minister, and those applications will be processed.

The Hon. GREG PEARCE: Do you have a specific amount that it will be allocated, or how are you handling that? That is what the question is.

Mr JOSEPH TRIPODI: Every year it is \$40 million.

The Hon. GREG PEARCE: Thank you.

Mr JOSEPH TRIPODI: And it accumulates.

The Hon. GREG PEARCE: Yes, that is fine. I wanted you to confirm that it would be \$40 million. Earlier I asked you about the ports growth plan and I asked you what form that takes. You did not have an answer at the time. Can you now tell me what form the ports growth plan actually takes? Is there a document that I can look at on the Web?

The Hon. MELINDA PAVEY: Could you table it with the Committee?

Mr JOSEPH TRIPODI: I have read the document. The reason I was not able to give you a comprehensive answer earlier is because it actually sits on the Ministry of Transport's web site, so it is a document that exists which details the Government's ports growth plan.

The Hon. JAN BURNSWOODS: And Mr Pearce is able to go and look at it?

Mr JOSEPH TRIPODI: Yes.

The Hon. GREG PEARCE: I was just surprised that the Minister did not know where it was when I asked him earlier.

Mr JOSEPH TRIPODI: I have read the document. I can give you directions as to where it is currently located in the system.

The Hon. GREG PEARCE: No. I was just surprised that you did not know when I asked you earlier.

The Hon. PETER PRIMROSE: Just use Google, Greg.

The Hon. JAN BURNSWOODS: Just make a few more things up.

The Hon. MELINDA PAVEY: Back to ports. I am sorry to do this to your brain, swapping between portfolios. Do you have any cost-saving measures to government in relation to the Sydney Ports Corporation, the Port Kembla port authority and the Newcastle port authority? Are there any plans to consolidate those into one single port authority?

Mr JOSEPH TRIPODI: No, not at all.

The Hon. MELINDA PAVEY: You are keeping them separate?

Mr JOSEPH TRIPODI: It is a very integral part of the Government's commitment to having a competitive environment between different port corporations.

The Hon. MELINDA PAVEY: Regarding the NSW Maritime Authority's \$9 million upgrade to ferry wharves across Sydney Harbour, which wharves are being upgraded?

The Hon. JAN BURNSWOODS: We had that before. They have a very short attention span or a very short memory span.

Mr JOSEPH TRIPODI: I gave a comprehensive—actually, I will give you the answer again. The State Government recognises important—

The Hon. MELINDA PAVEY: No, just which ones are being upgraded, Minister. You can just go through the answer and pick out the wharves.

The Hon. JAN BURNSWOODS: But he gave it before.

The Hon. GREG PEARCE: It is our time to ask whatever we want to ask.

Mr JOSEPH TRIPODI: I need to keep it in the context of the answer.

The Hon. MELINDA PAVEY: What I am wanting to know is the upgrade required for each of those wharves. Can you take it on notice, please?

Mr JOSEPH TRIPODI: Are you talking about the ones that have been upgraded?

The Hon. GREG PEARCE: That are going to be upgraded.

Mr JOSEPH TRIPODI: Right.

The Hon. GREG PEARCE: Which ones are they, and can you give us details?

Mr JOSEPH TRIPODI: I will take it on notice.

The Hon. MELINDA PAVEY: Thank you. Who owns the ferry wharves on Sydney Harbour?

Mr JOSEPH TRIPODI: There is a range of different owners, depending on which particular wharf you are referring to.

The Hon. MELINDA PAVEY: Okay, the Circular Quay ones.

Mr JOSEPH TRIPODI: Circular Quay?

Mr MOORE: Maritime.

The Hon. MELINDA PAVEY: Are they mostly under the control of maritime?

Mr JOSEPH TRIPODI: They are mostly being controlled by councils but are in the process of being acquired or transferred to the State Government.

The Hon. MELINDA PAVEY: Therefore you would pay for wharf maintenance.

Mr JOSEPH TRIPODI: That is part of the \$9 million three-year program that was announced.

The Hon. MELINDA PAVEY: Does the NSW Maritime Authority receive any access fees from the use of their wharves by ferry operators?

Mr JOSEPH TRIPODI: Only those used by commercial operators.

The Hon. MELINDA PAVEY: If so, how much does the NSW Maritime Authority charge for each wharf?

Mr MOORE: We will take it on notice.

Mr JOSEPH TRIPODI: We will come back to that.

The Hon. MELINDA PAVEY: How much did you receive in the 2005-06 financial year for those wharves?

Mr JOSEPH TRIPODI: I will take that on notice.

The Hon. MELINDA PAVEY: Given that during the last financial year Sydney Ferries did not pay access fees on time to the City of Canada Bay Council, resulting in Birkenhead Wharf being closed for approximately six months, were all access fees paid on time last financial year to NSW Maritime from Sydney Ferries?

The Hon. JAN BURNSWOODS: That is not why Birkenhead Wharf was closed. The council said it was because hoons were making noise at midnight, and upsetting residents.

CHAIR: Order! The Hon. Jan Burnswoods will allow the Minister to answer.

The Hon. JAN BURNSWOODS: First, the issue is not in his portfolio, and, second, the Hon. Melinda Pavey has misstated the facts.

CHAIR: Order! It is not your turn to ask questions. Minister, will you answer the question?

Mr JOSEPH TRIPODI: Yes. Are you referring to the relationship between Sydney Ferries and council-owned wharves? Which wharves are you referring to?

The Hon. JAN BURNSWOODS: She said Birkenhead Point.

The Hon. MELINDA PAVEY: I was referring to Sydney Ferries not paying their wharf fees to Canada Bay council. On that basis, has NSW Maritime received all its money owed to it from Sydney Ferries?

The Hon. JAN BURNSWOODS: But you asked about Birkenhead Point, now you have changed the question.

Mr JOSEPH TRIPODI: I am happy to take that question on notice and to give you further information. My understanding is that Sydney Ferries are not charged access fees. But I am happy to take that on notice, if the answer is different from that. Before you continue, I wish to—

The Hon. JAN BURNSWOODS: You have based the question on a misstatement that is not in the Minister's portfolio.

The Hon. GREG PEARCE: You did not hear the question, because you were too busy acting like a hoon, and yelling over everybody else.

The Hon. MELINDA PAVEY: She is a disgrace, just ignore her.

The Hon. JAN BURNSWOODS: Hansard would have recorded the question.

CHAIR: Order! The Minister is continuing his answer.

Mr JOSEPH TRIPODI: I return back to an earlier question from the Hon. Melinda Pavey. She asked whether assurances were given to P&O when it vacated White Bay. I would like to take that question on notice and provide an answer later. It is something that occurred before my time.

The Hon. MELINDA PAVEY: Thank you.

The Hon. GREG PEARCE: I turn to the Watsons Bay wharf disabled access provision. Why has there been a delay for a year with that?

Mr JOSEPH TRIPODI: I will take that on notice.

The Hon. GREG PEARCE: In relation to the same project, why was there a blow-out of \$200,000?

Mr JOSEPH TRIPODI: I will take that on notice.

The Hon. GREG PEARCE: In the master plan implementation for Taronga Zoo, again there was a massive blow-out of \$52 million. Can you give an indication of why?

Mr JOSEPH TRIPODI: That is not my portfolio. That is a matter for the Minister for the Environment. I am Ports and Waterways.

The Hon. GREG PEARCE: Yes, I am sorry, I read the wrong line. I refer to the line above that, which is Bank Street, Pyrmont, with a blow-out of two years.

Mr JOSEPH TRIPODI: NSW Maritime, together with four adjacent landowners, has prepared a master plan for the Bank Street, Pyrmont, precinct. The precinct covers a one-acre site underneath the southern pylon of the Anzac Bridge, between the Sydney Fish Market and the old Glebe Island Bridge. The master plan allows for the development of a facility for the launching and storage of dragon boats, yachts, kayaks and rowing boats as well as a park containing active and passive facilities for the local community. The master plan is being reviewed by the Sydney Harbour Foreshore Authority prior to submission to the Minister for Planning. The master plan will provide the development framework for the precinct and for vastly improved commercial and recreational facilities, including public foreshore access.

The Hon. GREG PEARCE: I am so sorry: what was the reason for the two-year delay?

Mr JOSEPH TRIPODI: It is part of the master planning process that is going on and its assessment.

The Hon. GREG PEARCE: How can you say it is still under a master planning process when last year's budget for it was \$828,000, which has increased to \$1.2 million this year?

Mr JOSEPH TRIPODI: Which project are you referring to?

The Hon. GREG PEARCE: The same project; the Bank Street, Pyrmont.

Mr JOSEPH TRIPODI: I will take that on notice about the variation.

The Hon. MELINDA PAVEY: Minister, I refer to Infrastructure Statement, Budget Paper No. 4, page 147, Competitive Government Sector, Program Overview, which details \$2.389 billion in spending. The detail is, basically, one line in the budget papers. Why is that the only amount you put in the budget papers?

Mr JOSEPH TRIPODI: Is that Ports and Waterways?

The Hon. MELINDA PAVEY: No, it is Energy. It is quite a significant amount.

Mr JOSEPH TRIPODI: That is true.

The Hon. MELINDA PAVEY: It states:

The program comprises works undertaken by the electricity generators and distributors, TransGrid and WSN Environmental Solutions. Given the competitive nature of works undertaken by these agencies, individual details are treated as commercial in confidence.

However, in the budget packs provided to the so-called Independent members of Parliament and to the Labor Party members of Parliament, the details of that spending in each electorate is detailed. Why is that not also put in the publicly available budget papers?

Mr JOSEPH TRIPODI: That is a question for the Treasurer, particularly in relation to the formatting.

The Hon. MELINDA PAVEY: You provide the details of what is happening in your agencies to Treasury, do you not?

Mr JOSEPH TRIPODI: I hope so, yes. Yes, of course. However, the formatting issues you are referring to are a matter for Treasury and the Treasurer.

The Hon. MELINDA PAVEY: Where would the decision be made? Do you not think it would be a better idea to include as much information publicly as possible in the budget papers?

Mr JOSEPH TRIPODI: Yes.

The Hon. PETER PRIMROSE: That is a question for the Treasurer, he decides that.

The Hon. MELINDA PAVEY: Would you make the recommendation to the Treasurer that electorate details be given in this part of the budget papers on your behalf?

The Hon. JAN BURNSWOODS: That is not relevant to these budget estimates. Just stop asking questions, if you have run out.

The Hon. MELINDA PAVEY: Be quiet!

CHAIR: The Hon. Melinda Pavey has asked the question, whether it is relevant or not. The Minister can choose to answer it.

Mr JOSEPH TRIPODI: I welcome you to lobby the Treasurer on the formatting of Treasury papers. I encourage you to make that submission to the Treasurer, if you have a specific preference for the way the reports are presented. That is a matter for you.

The Hon. GREG PEARCE: Do you have a list of all the projects covered under that section of the budget? Do you monitor those?

Mr JOSEPH TRIPODI: Which projects are you referring to?

The Hon. GREG PEARCE: That is my point: I cannot tell you, because they are not there.

The Hon. MELINDA PAVEY: The \$2.389 million.

The Hon. GREG PEARCE: Do you have a list of the projects that are covered under that section of the budget?

Mr JOSEPH TRIPODI: This is a Treasury generated document. Those questions should be directed to the Treasurer.

The Hon. GREG PEARCE: Do you monitor the projects that will be paid for and delivered under that section of the budget?

Mr JOSEPH TRIPODI: The implementation and monitoring of infrastructure spending, and assets and liabilities of different State-owned corporations are matters primarily dealt with by the commercial boards of those particular companies. Also, there is an oversight function performed by Treasury.

The Hon. GREG PEARCE: In your role as Minister you do not monitor the delivery of those infrastructure projects?

Mr JOSEPH TRIPODI: I have answered the question.

The Hon. GREG PEARCE: The answer is no, is it?

Mr JOSEPH TRIPODI: The answer is that the commercial boards of those companies monitor most of those arrangements and also there is an oversight function managed by Treasury.

The Hon. GREG PEARCE: Are they any that you do monitor?

Mr JOSEPH TRIPODI: Through the Chair, I refer to my previous answer.

The Hon. GREG DONNELLY: Through the Chair, Minister, could you inform the Committee members what the Government is doing to support electrical apprentices in State-owned corporations?

Mr JOSEPH TRIPODI: Earlier this year I welcomed the latest recruits to join EnergyAustralia's front-line team of electrical workers. Those 144 electrical apprentices were recruited from around the State to help maintain Australia's largest electricity network, a network that spans 49,000 kilometres of aboveground and belowground cables and 29,000 substations. These new workers, young and old, have taken the first step to a secure and rewarding career. At the same time they are helping to fill a nationwide skills gap for electrical workers. They are helping to deliver a record investment in our electricity infrastructure across the Hunter, the Central Coast and Sydney. This massive capital works investment has increased 25 per cent over the past 12 months to a record \$3 billion to 2010.

There is no doubt that this massive investment in electricity infrastructure is creating more opportunities for workers in New South Wales. In 1997 Energy Australia recruited 30 new electrical apprentices. Next year it hopes to recruit 150 electrical apprentices. To meet the growing investment in our poles and wires, it is expected that another 150 electrical apprentices will be recruited the year after that, and each year after that for at least the next three years. That is a fulfilling and secure job for 750 workers over the next five years, and it is on top of the 430 apprentices currently in training at Energy Australia, making Energy Australia the largest employer of apprentices in New South Wales. This includes 12 new apprentices who have recently joined from Qantas. These 12 workers have taken the brave step to change careers and start work as electrical apprentices. They do so knowing that the electricity industry in New South Wales is expanding and offering rewarding and stable careers. To quote one of those former Qantas workers, "You can't move the electricity network offshore."

Energy Australia's Sydney and Central Coast workers currently receive their training at two separate facilities in Matraville and Meadowbank, as well as expert training in the classroom at their local TAFE campus and on-the-job training in the field. Today I am delighted to announce that to train this growing work force a new \$20 million state-of-the-art apprentice training centre will be built in

western Sydney. The purpose-built facility will be located on a 1.4-hectare site in Silverwater. It will include a pole yard to help train electrical line workers, and an electrical substation simulation room and workshops to train electrical mechanics and cable jointers, and general classrooms. It will replace Energy Australia's existing training facilities at Matraville and Meadowbank.

The existing apprenticeship training centres at Muswellbrook and Wallsend will continue to operate for Energy Australia's Hunter apprentices. The existing class of apprentices will help to build and fit-out parts of the new centre where it is an appropriate part of their training. Our electrical apprentices will help with the electrical wiring in the new centre and our apprentice line workers will help to construct and string the pole-training yard. A development application for the permanent facility has been prepared and is expected to be lodged with Auburn Council at the start of next year. The permanent training facility is due to be opened at the start of 2008. It is expected to accommodate more than 130 apprentices at any one time.

This training centre will help to prepare the next generation of front-line electrical workers. They will be working to make sure our electricity network continues to be one of the most reliable networks in the world. They will become part of a highly skilled work force responding to emergencies or major incidents across our electricity network, and they will help to deliver the \$3 billion worth of investment in the electricity network. With the support of Energy Australia this new generation of apprentices is helping to tackle the nationwide shortage of skilled electrical workers. Most importantly, they are taking their first steps to a rewarding and long-term career. I want to place on record the fact that earlier this year Energy Australia electrician, Karen Hourigan, was named Hunter Apprentice of the Year. She deserves our congratulations.

Of course, the good work of training electrical apprentices is not restricted to Energy Australia. Integral Energy is also doing a fantastic job training the workers of the future. In 2005-06 Integral Energy recruited 43 apprentices in the distribution power line and systems electrician trades, bringing the total number of apprentices in training at Integral Energy to 150. During the year Integral Energy decided to relocate its apprentice training facility to a more central location in the franchise at Hoxton Park. A memorandum of understanding was signed between Integral Energy and South West Sydney Institute of TAFE for apprentice training needs to be provided through Miller TAFE. In 2006-07 all technical training facilities will be relocated to Hoxton Park to maximise the advantages of its close proximity to the TAFE.

Three Integral Energy apprentices have been recognised for their achievement throughout 2005-06. Clinton Duffy was the 2005-06 Western Sydney Apprentice of the Year, and Brad Spinks and Chris Srbinovski were category winners in the Illawarra Apprentice of the Year awards. I congratulate them on their achievements, which augur well for a very bright future. The third government-owned energy retailer, Country Energy, is also doing great job training and supporting young workers since its formation in 2001, Country Energy has created more than 500 apprenticeships across regional, coastal and rural New South Wales. Country Energy is currently recruiting for an additional 70 apprenticeships in 54 locations, to commence in January 2007.

The apprentice program is part of Country Energy's long-term investment to strengthen field crews, improve service levels and meet customers' needs well into the future. Apprenticeships helped to create permanent ongoing work for people within their communities, providing them with the skills and training to establish long-term career prospects. Due to shortage of experienced tradespersons in the electrical supply industry, the prospects for the continued employment of apprentices, both within Country Energy and across the industry, are excellent.

The Hon. GREG DONNELLY: Thank you, Minister, for that detailed answer. Could I take you now to the issue of greenhouse gas emissions? Will you inform Committee what the Government is doing to reduce greenhouse gas emissions resulting from electricity use?

Mr JOSEPH TRIPODI: Energy use is the largest single contributor to the State's greenhouse gas emissions, representing about one third of total emissions. Accordingly, the electrical sector represents one of the best opportunities to reduce the State's greenhouse gas emissions. Compared with alternative policies, emissions trading is widely acknowledged as a practical, flexible and relatively low-cost means of achieving an emissions target for the electricity sector. Most importantly, emissions trading can encourage abatement activities and markets where market signals

are likely to have an influence. The New South Wales Government has long recognised what key sectors of the business community are now saying: To drive greenhouse gas emission reductions requires a market mechanism that sends a clear carbon price signal.

In 2003 the New South Wales Government introduced one of the first mandatory emissions trading schemes for greenhouse gas emissions in the world and the first in Australia, in the form of the New South Wales Greenhouse Gas Abatement Scheme. The New South Wales Greenhouse Gas Abatement Scheme was implemented ahead of the European Union Emissions Trading Scheme, which commenced in 2005. Because of the way it has been established, the New South Wales scheme provides a carbon price signal across the national electricity market, encouraging greenhouse gas abatement by all participating generators. The benefits of the New South Wales scheme in reducing greenhouse gas emissions have been recognised by the Australian Capital Territory Government, which adopted an identical scheme in 2005.

The scheme was designed to create incentives for business to reduce or offset the emissions associated with electricity production. The New South Wales scheme has been operating for more than three years, during which time more than 25 million abatement certificates have been created, each representing the abatement of one tonne of greenhouse gas. On 3 August I released the third report from the Independent Pricing and Regulatory Tribunal on Compliance and Operation of the New South Wales Greenhouse Gas Abatement Scheme for 2005. In 2005 all New South Wales benchmark participants complied with their requirements under the scheme.

During 2005 the total number of accredited offset projects under the scheme grew from 93 to 146. These projects created over 10 million abatement certificates during 2005, a significant increase on the 7.7 million created in 2004. As in previous years, the majority of certificates came from electricity generation projects. These include generators utilising landfill gas, waste coalmine gas and efficiency improvements from existing generators. The creation of certificates from energy efficiency projects more than doubled during 2005 compared with 2004. There has been growth in the number of forest carbon sequestration projects created, and in certificates created, as well as abatement certificates from offsets of industrial emissions.

As honourable members will see, the New South Wales Greenhouse Gas Abatement Scheme continues to go from strength to strength. However, the Government is not resting on its laurels. In November last year the Premier announced that the successful Greenhouse Gas Abatement Scheme would be extended from 2012 to 2020 and beyond, unless or until a national emissions trading scheme is implemented. The Government's intention is that investors in abatement projects in New South Wales will be assured that there will continue to be a carbon signal, either under the New South Wales scheme or under a national scheme. Accordingly, I will be introducing legislation this session to give effect to that commitment.

The New South Wales Greenhouse Gas Abatement Scheme continues to meet the Government's objectives and to reduce or offset greenhouse gas emissions from the New South Wales electricity sector, and to make a significant contribution to meeting the Government's economy-wide greenhouse targets.

The Hon. JAN BURNSWOODS: Minister, can you tell us why the New South Wales Government is pursuing a national emissions trading scheme?

Mr JOSEPH TRIPODI: Yes, I can. Climate change could threaten Australia's economic activity, its communities and ecosystems. Effective international action could prevent the most extreme impacts of climate change. Although we produce only about 2 per cent of the world's greenhouse gas emissions, Australia could be affected by climate change and it is in Australia's national interest to take credible action domestically to support its position in international negotiations. The Australian Greenhouse Office has noted that Australia is vulnerable to changes in temperature and precipitation projected for the next 50 to 100 years because it already has extensive arid and semi-arid areas, relatively high rainfall variability and pressures on water supply in many areas. In addition, vulnerability arises due to higher bushfire risks, more severe storm activity and the likelihood of droughts and floods.

Australia also needs to position itself to compete in a world where effective international action against climate change is taking place. In other words, we must be able to compete in a carbon-constrained world. Emissions trading is recognised as a powerful method of achieving environmental outcomes. Emissions trading is a market-based tool for cutting greenhouse gas emissions, where the environmental outcome is established in the form of a greenhouse target, typically set by government, and the market determines the most economic means of achieving that outcome. In this way emissions trading gives companies the flexibility to choose the most cost-effective way to meet the emissions cap.

A carefully designed emissions trading scheme can help Australia enhance its competitiveness. New South Wales has been operating an emissions trading scheme since 2003 through its groundbreaking Greenhouse Gas Abatement Scheme to set a cap on greenhouse gases from the New South Wales electricity sector. However, the New South Wales Government recognises that a national scheme would be a more efficient and equitable means for Australia to achieve better greenhouse outcomes. In the absence of leadership from the Commonwealth Government, New South Wales has taken the lead on designing a national emissions trading scheme with all other State and Territory governments. The Commonwealth Government has been invited to join the national emissions trading task force at any time but to date has declined to do so.

Premiers and First Ministers released a discussion paper on a possible design for a national greenhouse gas emissions trading scheme on 16 August. The proposed design for a national emissions trading scheme would cover most of the stationary energy sector over time, and in 2004 the stationary energy sector represented about 50 per cent of Australia's total greenhouse gas emissions. The States and Territories propose early commencement with modest caps, allowing a gradual transition for the economy. Traders competing in countries where industry does not face a carbon price signal would be allocated permits to maintain their competitiveness. Activities that are not covered by the scheme cap may be eligible to create offsets. Reductions of industrial process emissions and carbon sequestration activities could be included, thereby creating an incentive for low-cost emissions reductions outside the stationary energy sector.

Modelling of the impacts of the proposed national scheme design shows that Australia's economy will continue to grow strongly, with gross domestic product and consumption levels continuing to grow in line with business as usual but with significant reductions in emissions occurring at the same time. The proposed scheme design will provide investors with greater certainty about when and how the costs of carbon constraints will be applied in the economy. A national emissions trading scheme will also accelerate the deployment of cleaner technologies and complement technology development programs. Submissions on the discussion paper are due by 22 December 2006 and, if States and Territories agree to proceed, legislation, regulations and rules will be drafted, institutions will be established and reporting arrangements will be put in place.

At the same time as supporting a national approach, the New South Wales Government has also committed to extending the Greenhouse Gas Abatement Scheme to ensure that there continues to be a carbon price in the electricity market to drive reductions or offsets of greenhouse gas emissions. I will be introducing legislation to that effect in this parliamentary session to ensure ongoing investment certainty for New South Wales.

The Hon. JAN BURNSWOODS: Thank you. What has the Government done to ensure that New South Wales residents benefit from a reliable electricity supply?

Mr JOSEPH TRIPODI: The New South Wales Government is dedicated to ensuring that the residents of the State continue to have a safe and reliable supply of electricity. Reliability of the New South Wales electricity grid is already higher than 99 per cent—world-class statistics. It is between 99.94 per cent and 99.98 per cent. A safe and reliable supply of electricity is essential to the wellbeing of all New South Wales residents. It underpins our way of life, prosperity, growth in jobs and our economic growth. This is the reason that the Government places such a high priority on ensuring that New South Wales electricity customers receive a safe and reliable electricity supply.

The Government is committed to ensuring that the State continues to have such a high level of reliability. In August 2005 for the first time the Government imposed licence conditions on New South Wales electricity distributors, requiring them to meet mandatory standards for the planning and

reliability of new and existing infrastructure and to compensate customers receiving poor reliability. These standards are driving improvements right now in supply security, network design, asset management and reliability performance. The Government is committed to a major investment plan to deliver this key infrastructure. Capital expenditure on electricity networks will increase by 90 per cent over the current regulatory period as compared with the previous regulatory period.

The Government, through its electricity distributors and transmission companies, is investing \$9.1 billion in upgrading and expanding the State's electricity networks over the next four years. Almost \$1.7 billion will be spent by the electricity distributors on their capital programs for 2006-07, ensuring a reliable supply to the homes and businesses of New South Wales. A further \$260 million will be spent by TransGrid on its capital program for 2006-07, ensuring that the high-voltage network in New South Wales—the backbone of our electricity system—is secure, reliable and has the required capacity. A further \$384 million in capital expenditure is being invested by the State's three generators—Macquarie Generation, Delta Electricity and Eraring Energy—to increase capacity, optimise efficiency and enhance reliability. All up, we are spending \$2.3 billion on enhancing the State's electricity infrastructure in this financial year alone. The Government's regulatory framework ensures greater transparency and accountability in asset management and reliability performance reporting. Each electricity distributor is now required to publish annual network performance reports that have been independently appraised.

All electricity networks throughout the world have interruptions in customer supplies from time to time. Less than 30 per cent of supply interruptions are the result of network faults. Most outages are caused by environmental factors, such as storms, bushfires, vegetation, animals and traffic accidents. In recognition of these customers, the Government introduced mandatory customer service standards for reliability that commenced on 1 July 2006. These standards provide financial compensation to eligible customers who have experienced poor reliability of supply from a distribution network service provider.

For all customers of Country Energy and non-metropolitan customers of Energy Australia and Integral Energy, the applicable standards for a single claim are: four interruptions, each of at least five hours duration, within one financial year for a claim under the interruption frequency standard; and a single interruption of more than 18 hours duration for a claim under the interruption duration standard. For metropolitan customers of Energy Australia and Integral Energy, the applicable standards for a single claim are: four interruptions, each of at least four hours duration, within one financial year for a claim under the interruption frequency standard; and a single interruption of more than 12 hours duration for a claim under the interruption duration standard. Some blackouts—those caused by a natural disaster, vehicle accidents, vandalism, severe weather or planned maintenance work—will not attract compensation.

The points that I have outlined will ensure that each year fewer customers will experience unsatisfactory reliability. Those who do will be recognised and given the ability to claim compensation. All these initiatives are aimed at maintaining our world-class levels of reliability and at ensuring that the residents of New South Wales continue to receive the levels of electricity that they deserve.

The Hon. JAN BURNSWOODS: Thank you.

The Hon. PETER PRIMROSE: How will South Wales contribute to the further development of the national electricity market?

The Hon. MELINDA PAVEY: We have extra questions if you want to give us your time.

The Hon. PETER PRIMROSE: You guys have been complaining because the Minister has been giving too much information. I am interested in this and I would like to hear the answer.

CHAIR: Mr Primrose has the call.

The Hon. PETER PRIMROSE: Thank you. I have been listening to the Minister with great interest and I would like to hear the answer to this question.

Mr JOSEPH TRIPODI: I would really love to provide the answer. New South Wales has been well served over several decades by a strong and secure electricity supply system. The access it has provided to reliable and affordable electricity has underpinned our social and economic development. The New South Wales electricity system now forms a centrepiece of the national electricity market and underlying interconnected power system. Our large thermal power stations in the Hunter, Central Coast and western coalfields, together with the Snowy scheme, account for approximately 37 per cent of all installed generating capacity operating in the national market.

The national electricity market allows power stations across the Eastern Seaboard to compete to supply electricity consumers. It also allows for generating capacity to be shared between States. The platform on which this market operates is a national high-voltage electricity transmission system. That system now extends for more than 4,000 kilometres from far north Queensland through New South Wales and Victoria to Port Lincoln in South Australia. The New South Wales Government has been a strong advocate of the national electricity market. The results to date speak for themselves. Electricity prices have declined in real terms over the past decade for all classes of New South Wales electricity users—households, small and large businesses and industry.

At the same time we continue to enjoy world-class reliability and security of supply higher than 99 per cent. Private sector participation in the provision of electricity infrastructure in New South Wales has never been higher. More than 3,000 megawatts of new generating capacity is planned for New South Wales, more than half of which is being advanced by new entrant, privately owned energy businesses. This includes a state-of-the-art Tallawarra gas-fired power station now being constructed by True Energy on Lake Illawarra. New South Wales is contributing to the further development of the national electricity market in three important ways.

Firstly, the Iemma Government, through its electricity distributors and transmission companies, is investing an unprecedented 9.1 billion in upgrading and expanding the State's electricity network over the next four years. Of that, more than \$1 billion is being directed at the high-voltage transmission system which forms the backbone of the electricity system and the national electricity market. Secondly, the Government has the proud record of being the first jurisdiction to allow all gas and electricity customers the freedom to choose their energy supplier. As a result, more than a dozen State and privately owned energy retailers are vying for customers in New South Wales. New South Wales energy users are getting used to the idea.

In the electricity sector there have been 1.4 million churns between electricity retailers. Moreover the volume of electricity supplied under regulated retail prices has progressively fallen from 37 per cent of the total volume in 2001 to approximately 24 per cent in 2005. Thirdly, the Government is looking to improve and streamline national energy market governance and institutional arrangements. This is occurring through its engagement in intergovernmental forums, such as the Council of Australian Governments and the Ministerial Council on Energy. To date this work has resulted in the creation of the Australian Energy Market Commission and the Australian Energy Regulator. Work is now progressing to integrate the national gas industry within the remit of those new bodies to extend their functions to all parts of the energy supply chain, including down to the distribution and retailing of energy.

The Government is pursuing these reforms for a number of key reasons. First, the cost and complexity of regulation must be minimised. This will ensure that businesses operating in the energy supply sector can operate under a largely uniform regulatory framework anywhere in the interconnected system. Second, the Government needs to create and reinforce regulatory structures and processes that are stable, robust and promote the confidence needed to ensure new investment in the industry can occur. Third, the Government must consolidate the drivers that competition has introduced for timely, efficient and innovative solutions to meet our growing demand for electricity. In conclusion, it is fair to say that our electricity industry has never been more efficient. We are served by a system that is delivering internationally competitive electricity prices at remarkably high levels of reliability to households and businesses alike. The national electricity market is the fundamental reason why this success story, and the New South Wales Government, is pursuing the right reforms to fully exploit the benefits it has to offer.

The Hon. PETER PRIMROSE: What is the Government doing to help New South Wales businesses save energy and reduce greenhouse gases?

Mr JOSEPH TRIPODI: The Government has a number of initiatives in place to address this very important issue for New South Wales. Higher oil prices are adding to the operating costs of many New South Wales businesses and now working with them to save energy is helping to improve efficiency, save costs and reduce greenhouse gas emissions. The peak demand for electricity in New South Wales is shifting from winter to summer and growing by 3 per cent a year. By working with business the Government is making the most of its existing infrastructure, improving network reliability and opening new opportunities for them to cut operating costs.

The New South Wales Energy Savings Fund was established last year with the primary purpose of saving energy in New South Wales and reducing peak demand. The first round allocated almost \$20 million to 28 projects. They alone will save an estimated 1.4 million tonnes of greenhouse gas emissions over the next 10 years and 1.3 million megawatt hours of electricity. They will save 60 megawatts in peak electricity demand each year, the equivalent to the peak power demand of 30,000 homes. More than 100 applications were received in the first round. It is anticipated that interest will be even higher when round two opens shortly.

The fund is available for projects which save energy in homes, factories and offices across New South Wales. It provides the extra backing needed to get new energy saving projects off the ground. It addresses the main barrier for business investment in energy savings, which is that if it is not financially beneficial to the Government it will not be made, even when the environmental benefits of making energy savings are recognised and desired. The Energy Savings Fund makes investment in efficiency, emission reduction and demand management worthwhile. With financial support the investment can meet the company's internal rate of return and deliver upgrades to achieve the desired energy savings and efficiency improvements.

The Energy Savings Fund is supporting new technologies and new ideas and it is providing an incentive to invest in energy savings. Going hand-in-hand with the fund is the requirement of New South Wales higher energy users to prepare energy savings action plans. There are 170 businesses and government agencies across New South Wales that must prepare an energy savings action plan for each of their sites that use more than 10 gigawatt hours of electricity a year. There are also 46 councils in New South Wales with populations of more than 50,000 that must also prepare plans. All of those organisations are required to investigate their current energy use, and review their operations so that they can identify ways to save.

The Government provides technical advice and support to them to do this through its savings specialists at the Department of Energy, Utilities and Sustainability. The plans identify cost-effective savings. These are savings for which a sound business case can be made because they will save more money on the bills than they will cost to do. They also identify potentially cost-effective savings. These are actions that organisations could take to save even more energy but they have a longer return on investment and may not meet the companies' hurdle rate of return. This is where the Energy Savings Fund comes in. It provides \$40 million a year for five years to back major energy savings ideas identified by New South Wales business.

Through these initiatives the Government is encouraging energy efficiency in business and government operations. It is building the capacity of businesses in New South Wales to understand energy use in their operations, and it is stimulating investment in new technologies to save. In the process it is delivering environmental and cost benefits for everyone in New South Wales.

The Hon. MELINDA PAVEY: What has been the Government's involvement in the redevelopment of Jack Evans Boat Harbour in Tweed Heads?

Mr MOORE: The Maritime Authority's representative on the North Coast has been consulted on that matter, only from a navigation perspective. We do not have any care, control and management of the Jack Evans Boat Harbour.

The Hon. GREG PEARCE: Minister, earlier I asked about a number of projects which had delays or cost-over runs which you took on notice to provide responses. Will you add to that list the proposed second bulk liquids berth which is one year over on current budget and also the Walsh Bay one seawall restoration which is a year delayed and over budget?

Mr JOSEPH TRIPODI: Yes.

Ms SYLVIA HALE: Following completion of the IPART review, what action did your department take to ensure landholders were aware of and are complying with procedures of lessees? Did the action on the part of the department include supplying a copy of the brochure "Procedure for changing a lessee"? Did it involve distributing that brochure to lessees? If so, when was that done?

Mr JOSEPH TRIPODI: I will take those questions on notice.

CHAIR: Given your detailed answers to an Australian Labor Party member's question on the greenhouse impact on climate change, I think it is reasonable to say that you take the issue seriously.

Mr JOSEPH TRIPODI: Yes, I do.

CHAIR: Is it of concern to you that the Treasurer is on record as saying that he does not accept greenhouse induced climate change as a reality?

Mr JOSEPH TRIPODI: I think the Government's position is made very clear through my statement.

CHAIR: But are you concerned that the Treasurer does not accept greenhouse induced climate change as a reality?

Mr JOSEPH TRIPODI: That is a question for the Treasurer.

CHAIR: You do not have any concern?

Mr JOSEPH TRIPODI: That is a question for the Treasurer. I support the Government's policy position, which was defined in many of my answers.

CHAIR: Minister, I thank you and your advisers for your attendance this afternoon.

(The witnesses withdrew)

The Committee proceeded to deliberate.
