

GENERAL PURPOSE STANDING COMMITTEE NO. 3

Tuesday 9 October 2012

Examination of proposed expenditure for the portfolio areas

CORRECTED PROOF TRADE AND INVESTMENT, REGIONAL INFRASTRUCTURE AND SERVICES

The Committee met at 9.00 a.m.

MEMBERS

The Hon. N. Blair (Acting-Chair)

The Hon. J. G. Ajaka
The Hon. J. Buckingham
The Hon. P. Green
The Hon. S. Mitchell

The Hon. P. G. Sharpe
The Hon. M. S. Veitch
The Hon. S. Whan

PRESENT

The Hon. Andrew Stoner, *Deputy Premier, Minister for Trade and Investment, and Minister for Regional Infrastructure and Services*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

ACTING-CHAIR: I declare this hearing of the inquiry into the budget estimates 2012-13 open to the public. I welcome Minister Stoner and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Trade and Investment, and Regional Infrastructure and Services. Before we commence, I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee, you must take responsibility for what you publish or any interpretation you place on anything said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door.

Any messages from advisers or members' staff seated in the public gallery should be delivered through the Chamber or support staff or the Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning. Minister, the House has resolved that answers to questions on notice must be provided within 21 days. I remind everyone to turn off their mobile phones. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

MARK IAN PATERSON, Director General, Department of Trade and Investment, Regional Infrastructure and Services, affirmed and examined; and

RENATA BROOKS, Deputy Director General, Catchment and Lands, Department of Primary Industries, Department of Trade and Investment,

MARK DUFFY, Deputy Director General, Resources and Energy, and Acting Director General, Industry Innovation and Investment, Department of Trade and Investment, and

JEANNINE BIVIANO, Deputy Director General, Finance Strategy and Operations, Department of Trade and Investment, Regional Infrastructure and Services, sworn and examined:

ACTING-CHAIR: Minister, I inform you that the Committee has resolved that the questioning pattern will be 20 minutes for Opposition members, 20 minutes for crossbench members and 20 minutes for Government members, then continuing for as long as time permits. I declare the proposed expenditure for the portfolios of Trade and Investment, and Regional Infrastructure and Services open for examination. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from Opposition members.

The Hon. MICK VEITCH: Deputy Premier, you would have to agree that there has been a poor take-up of the Regional Relocation Grant. As I understand, as at 30 June 2012 only 862 grants of the budgeted 7,000 had been taken up. Can you explain what happens with the unspent funds from the Regional Relocation Grant allocation, which I understand was around \$49 million in total?

Mr ANDREW STONER: The take-up of the Regional Relocation Grant has been under expectations. I am advised that as at 30 September this year some 1,232 grants had been provided under the scheme. Before I expound on the reasons why, I would indicate that the scheme is actually administered by the Office of State Revenue, so that questions regarding funds would be better directed to the Minister for Finance and Services, the Hon. Greg Pearce. However, my view is that the lower than expected take-up of grants under the scheme is due to a couple of factors. One is that the marketing campaign, which was the responsibility of my department, only kicked in at the beginning of this year.

We have had very good feedback about that marketing campaign; it has been reasonably effective. The take-up prior to the campaign was much lower than expectations, but it did improve once that campaign kicked in. However, in view of economic conditions at the moment, it is probably not the best of times to be talking to people about moving house. We know that consumer confidence is down, as reflected in GST revenue, and we know that business confidence also is down. Global economic uncertainty I think is a factor in families making a decision about whether they should sell the house and purchase a house somewhere else.

The Hon. MICK VEITCH: Would you be looking at changing the criteria to expand it to include other opportunities?

Mr ANDREW STONER: We have changed the criteria to allow the purchase of land and construction of a house in the regional area to do a couple of things. One is to widen the net a little and, secondly, to stimulate construction, employment and activity in the regional area.

The Hon. MICK VEITCH: So these funds were really about stimulating regional economies? It is about creating an economic boost for regional economies?

Mr ANDREW STONER: That is certainly part of it. The policy initially was derived from the fact that we had imbalanced population forecasts for the State. We had the Sydney metropolitan area forecast to grow by 31 per cent over 25 years and regional New South Wales forecast to grow by less than half that—about 15 per cent over a 25-year period. If you looked at particular regions within the State the forecasts were even lower—in fact, in some cases there was negative population growth. So rather than putting all the stress on the metropolitan area, all the infrastructure needs et cetera, we decided to spread that population growth through a range of policy measures, which include the regional relocation grants.

The Hon. MICK VEITCH: Do you think it should be opened to renters in Sydney? Is that one aspect of the criteria that could be looked at?

Mr ANDREW STONER: All policy measures are refined over time and we get feedback. We are getting feedback from groups like local government, the Evocities partners—which includes local government—and the Foundation for Regional Development. They are providing feedback to us about the successes of the scheme and suggestions for improvements to it. We initially stayed away from renters because we wanted to encourage people who have the assets to purchase a property in a regional community. The other reason is that if somebody makes a purchase they are making a commitment to the regional community. It is not going to be a case of people contriving a move—a bit of a sabbatical in a regional area funded by a \$7,000 regional relocation grant. That was why it was tied to property sale and purchase.

The Hon. PENNY SHARPE: You have indicated that people can purchase land now and they will get the grant. What are the requirements to build in terms of time frame?

Mr ANDREW STONER: I will have to take that question on notice—it may be one for the Minister for Finance and Services to respond to. As I say, his agency processes those claims.

The Hon. PENNY SHARPE: Who would monitor whether the land has been built on then?

Mr ANDREW STONER: Again, the Office of State Revenue would have to provide the answer to that question.

The Hon. MICK VEITCH: There were significant unspent funds from the allocation—\$49 million with only 800 and something people at 30 June. What has happened with the unspent funds? Have they been reallocated?

Mr ANDREW STONER: Again, that is a question that needs to be answered by the Minister for Finance and Services. There is a process in place in the Government for establishing and monitoring the budget.

The Hon. MICK VEITCH: Is it the Expenditure Review Committee [ERC]?

Mr ANDREW STONER: At the ERC.

The Hon. MICK VEITCH: Of which you are a member?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: You said earlier these are funds that have been tailored for economic stimulation of regional communities. If I were to tell you that \$8.5 million of the unspent funds have been allocated towards GST for The Star casino, would you be happy about that?

Mr ANDREW STONER: That would certainly be news to me.

The Hon. MICK VEITCH: It is in the budget document. It is actually in Treasury documents.

Mr ANDREW STONER: Again, that is something I would have to—

The Hon. MICK VEITCH: It did not go to ERC?

Mr ANDREW STONER: As I said, what you are saying is news to me.

The Hon. MICK VEITCH: Would you be happy about that happening—funds that were originally budgeted to go to regional New South Wales now being used in some way to offset The Star casino?

Mr ANDREW STONER: Across the government sector if there are underspends in particular programs it is up to the Government, through the ERC, to decide the priorities within the budget. I do not think personally there is any direct link between unspent funds from the regional relocation grants and GST in relation to the casino, but you have made that assertion—

The Hon. MICK VEITCH: It is in the Treasury documents.

Mr ANDREW STONER: I will have to take the question on notice.

The Hon. MICK VEITCH: In light of the fact that you said earlier this money was allocated in the budget for the stimulation of regional economies, upon finding out that that has happened what undertaking would you give to this Committee that you will overturn the \$8.5 million that is being used for GST offsets for The Star?

Mr ANDREW STONER: You have made an assertion that I was unaware of and I have undertaken to come back with a response to that issue. I need to check the veracity of the assertion you are making.

The Hon. MICK VEITCH: So would you say it is inappropriate?

Mr ANDREW STONER: What I would say is that if there are underspent or unspent funds across the Government budget then the ERC needs to consider what to do in relation to those funds. You are probably aware that before 2012-13 the Government was running a deficit of over a billion dollars and that revenues to government via GST have dropped in the order of \$2.5 billion. So the Government is not going to be in a position in any case where there is an underspend in any program across any portfolio to say we should spend that. It should go towards reducing the deficit.

The Hon. MICK VEITCH: But this is money allocated for economic stimulation of regional communities. You are the leader of The Nationals in New South Wales; surely you agree that money must stay for that purpose. It does not matter if unspent funds are allocated for some other purpose as long as it is for the economic stimulation of regional communities. Surely you must agree with that.

Mr ANDREW STONER: Again, the Minister for Finance and Services is the Minister responsible for the administration of those funds; he needs to answer the question for you. I have undertaken to get some information about the assertion that you have made, which is news to me.

The Hon. MICK VEITCH: You spoke about your agency being responsible for the advertising campaign, which kicked in, I think, in the last week of January or something like that. What was the original budget allocation for that advertising campaign?

Mr ANDREW STONER: I will have to—

The Hon. MICK VEITCH: If you do not know I am happy for you to take it on notice.

Mr ANDREW STONER: We will have to take that on notice. It was in the order of \$750,000, from memory.

The Hon. MICK VEITCH: But you will take it on notice to get the exact numbers?

Mr ANDREW STONER: We will get the exact figure back to you.

The Hon. MICK VEITCH: You may also want to take on notice whether there were any unspent funds in that allocation as well. Were those funds that were allocated in the budget for the advertising campaign fully expended in the advertising campaign or were there some unspent funds?

Mr ANDREW STONER: We will take that on notice also.

The Hon. MICK VEITCH: Who was responsible for putting together the advertising campaign? If you are not sure I am happy for you to defer to one of the—

Mr ANDREW STONER: Certainly the department administered the campaign. My director general has just advised me that Ogilvy was the agency responsible for the campaign. The budget was, in fact, \$750,000 and there was no underspend for that campaign.

The Hon. MICK VEITCH: So Ogilvy got the work?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: What was the process for allocating the work to Ogilvy? Was it a select invitation, was there a public tender? What was the process that created the opportunity for Ogilvy to do the work? Again, if you are not sure I am happy for you to defer to the—

Mr ANDREW STONER: Again, this was something administered by the department so I need to check whether that information is to hand.

Mr PATERSON: I do not have the information to hand. My recollection is that it was a selective tender. I will take that element of detail on notice.

The Hon. MICK VEITCH: I am happy for you to take that on notice, and also the process that was taken to appoint them, so we understand how the work was allocated. Deputy Premier, in a recent request made under the Government Information (Public Access) Act [GIPA] on ministerial travel it was revealed that you had undertaken more international travel than any other Minister. That was as at around 30 June this year. Have you undertaken any other international travel since 30 June?

Mr ANDREW STONER: No, I have not.

The Hon. MICK VEITCH: How many international flights have you undertaken since becoming Deputy Premier?

Mr ANDREW STONER: I have undertaken travel to the United States in June of last year, to the United States, Japan and Hong Kong in January of this year, and to the Republic of Korea and mainland China in June of this year. Three trade missions.

The Hon. MICK VEITCH: How many domestic flights have you taken west of the Great Dividing Range?

Mr ANDREW STONER: I would have to take that one on notice.

The Hon. MICK VEITCH: That is in the GIPA. It is public information. It would appear you are flying out of the country more than you are going west of the Great Dividing Range on flights.

Mr ANDREW STONER: I personally doubt that. For example, I have been to—

The Hon. MICK VEITCH: Unless you have been west of the Great Dividing Range on a flight since 30 June.

Mr ANDREW STONER: I am fairly certain I have been to both Orange and Bathurst since 30 June. I sometimes drive to Tamworth and Armidale, so again that is an assertion that is incorrect.

The Hon. MICK VEITCH: On 30 June 2010 in the *Daily Telegraph* you are quoted as saying about the then Treasurer Eric Roozendaal, "As the Treasurer, Eric Roozendaal is supposed to concentrate on good financial management, not fine dining." How was Mr Chow in Los Angeles?

Mr ANDREW STONER: That is a fairly flippant question.

The Hon. MICK VEITCH: You did make the comment back in June.

Mr ANDREW STONER: I would not classify it as fine dining; it is a Chinese restaurant. You have got to eat. But in relation to your earlier question, since the last estimates I have undertaken 21 regional visits including to Grafton, Casino, Queanbeyan, to Jindabyne, Cooma, Ballina, Tweed Heads, to Griffith and Wagga Wagga, to Dubbo, to Orange, to Wellington, to Bathurst, to Blayney, to Bowral, to Coffs Harbour, to Port Macquarie and Lake Cathie, to Lismore, to Queanbeyan and again to Bathurst. I do not think your earlier statement was quite correct.

The Hon. MICK VEITCH: In accordance with the GIPA, at the time we received it that was correct and that was why I asked you whether you had flown since 30 June. Can I ask you another question about which you may have to defer to the Director General. During a select committee inquiry into the closure of the Cronulla Fisheries Research Centre of Excellence Mr Paterson advised that committee that there were currently

32 change management plans underway within the department. How many of those change management plans are you responsible for?

Mr ANDREW STONER: I would have to defer to Mr Paterson in relation to the Cronulla Fisheries change, the decentralisation. That was overseen by Minister Hodgkinson.

The Hon. MICK VEITCH: I understand that but at the time he said there were 32 change management plans currently underway within the department. I want to know how many of those change management plans fall within your area of responsibility.

Mr ANDREW STONER: As a cluster Minister, as a senior Minister in the Government, they all fall within my cluster. Direct responsibility—that is, outside the areas overseen by Ministers Hodgkinson, Souris and Hartcher—it would particularly be the Trade and Investment and the Regional Infrastructure and Services elements. I am advised that there are seven relevant change management plans in those areas.

The Hon. MICK VEITCH: Directly for you?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: Is it possible to have those plans tabled, or are they publicly available?

Mr PATERSON: They are not publicly available. Some of those plans are in the process of implementation so they are not public documents.

The Hon. MICK VEITCH: Are you able to advise the Committee of the areas?

The Hon. PENNY SHARPE: Can you just tell us what the seven involve?

Mr PATERSON: I am happy to tell you what the seven involve. One is Crown lands. There are four in finance, strategy and operations, including the legal service, our finance and accounting service, human resources and information technology. There are two in the innovation and investment part of the portfolio. There is a question on notice that we are in the process of responding to at the present time in relation to the change management plans that flowed out of the Cronulla inquiry which made reference to the evidence that I gave. There is a request in that to supply the detail in relation to the change management plans. We are working on that at the present time. The time for a response to that is not yet concluded, but to the extent that they are available for release we can do so as part of that request.

The Hon. MICK VEITCH: Yes, if that is possible. Are you able to tell us how many staff are involved in total with the change management plans? That may be a bit difficult.

Mr PATERSON: It is. The breadth of the change management plans means that there is almost no area within the department that is unaffected, which means that the overwhelming majority of employees—which exceed 4,200 within the department—are impacted in some way or other by the change management plans. That does not mean to say that every job changes but there are reforms being undertaken in each of the key areas of activity that we undertake. The majority of staff within the organisation are affected in some way or other by the change management plans.

The Hon. STEVE WHAN: How many redundancies in total are you seeking to achieve out of those plans?

Mr PATERSON: We have not identified a final number across the whole of the portfolio at this stage. We identified an expectation of redundancies for the immediately concluded financial year into this year end, and that was 248.

The Hon. STEVE WHAN: From the whole department?

Mr PATERSON: That was the cluster number for the period of last financial year through to the end of this calendar year.

The Hon. STEVE WHAN: Do you have an indicative number for the next financial year?

Mr PATERSON: Not at this stage.

The Hon. STEVE WHAN: How many unfilled positions, for example, would be going as opposed to redundancies?

Mr PATERSON: We are endeavouring to manage all of the changes to meet our budget expectations with non-renewal of part-time temporary arrangements. I think a traditional view might have seen vacancies as establishment-funded positions. I do not view it in the same way, but reducing the financial impact of staffing is what we are obligated to do. We do not make people redundant if there is a vacant job that we do not fill, unless that vacant job is an essential element of a particular activity in an area where we have to fill that role for specialist skills that are not available to us from somewhere else inside the organisation. It is difficult to be precise. I have identified the target that we have for the current calendar year and the first half of the last financial year.

The Hon. PAUL GREEN: Minister, on 3 October a media comment was made that the New South Wales infrastructure authority has snubbed the idea of Canberra as Sydney's second airport. We note that the Premier is very much in favour of a very fast train. Given the tourism target for 2020 is to double the visitor expenditure, which equates to around 7 per cent per year, what are your plans to ferry around these tourists either through Sydney or Canberra in terms of the air or very fast train?

Mr ANDREW STONER: This was an issue that certainly was considered by Infrastructure NSW and therefore is being considered by the Government in terms of its response to the recommendations in the infrastructure strategic plan produced by Infrastructure NSW. In the early response from the Government there is going to be a significant commitment towards transport infrastructure around Sydney airport. I refer particularly to WestConnex. That is an indication that the airport precinct and the transport of people and goods are quite critical to our economy. We are indeed going to be putting significant resources towards that. The other relevant document in all of this about planning for the future and achieving those visitor-nights targets set out in 2020 is the Visitor Economy Taskforce, which is one of the industry task forces that we have commissioned. It has produced some recommendations, which I think have already been released.

Mr PATERSON: Yes.

Mr ANDREW STONER: The Government is to respond to that. That task force made some recommendations as well. As I say the Government will respond to that. It includes some suggestions around the airport rail line. I recommend that the Committee have a look at that. As I say, the Government is yet to respond to it. In relation to Sydney Kingsford-Smith Airport, I am advised by the Sydney Airports Corporation that it is developing a master plan that will increase productivity at the airport and extend the life of Mascot as an airport. As Leader of The Nationals I am very keen to see that happen because people from regional communities want to land close to the city. They want good transport to and from the city. They do not particularly want to be put out at Bankstown or an airport in western Sydney, let alone Canberra, and then try to get a fast train into Sydney.

I am keen to see the life of Sydney Kingsford-Smith Airport extended as far as possible. The master plan put forward by Sydney Airports partially addresses that, but there are other issues around caps and curfews that are the domain of the Federal Government. If there was some movement with the potential to further extend the life of the Sydney Kingsford-Smith Airport, I am advised that for three or four decades ahead, there would be no immediate need for a second airport in Sydney, or in Canberra connected by a high-speed train.

The Hon. PAUL GREEN: Could you update the Committee on what the Government is doing to secure Defence contracts for New South Wales?

Mr ANDREW STONER: Thank you for the question. The defence industry is absolutely vitally important to the New South Wales economy. Just under 25 per cent of the national defence industry workforce is employed in New South Wales. We have engaged a specialist adviser in the defence industry space, Lieutenant General (Retired) Ken Gillespie. As I say, he is the New South Wales Government's special defence adviser. He has been working with the Government since January this year. During that time, Mr Gillespie has organised high-profile meetings between the New South Wales Government and heads of the Department of Defence—the chiefs of the Army, Air Force and Navy—as well as with key industry representatives.

New South Wales Trade and Investment is of course the lead agency engaged with the defence industry in trying to promote more employment and investment in New South Wales. The department retains a strong regional presence with staff located in defence hubs, including Nowra, Tamworth, the Hunter and Sydney. We have a team that is actively engaged in supporting local firms involved in the defence sector. Those firms include Forgacs, Varley, Partech Systems, Quickstep and Thales. We have regular engagement with industry associations in that defence space, including the Australian Industry and Defence Network [AIDN], the Sydney Aerospace and Defence Industry Group [SADIG], Hunternet, which involves funding to encourage business growth in the strategically important Hunter defence precinct, and the Shoalhaven Defence Industry Group, which is focused on supporting naval helicopters at HMAS Albatross.

Trade and Investment employs six full-time export advisers plus five international officers. The staff in those areas regularly facilitate investment activities from overseas companies that are interested in engineering and defence related projects. The staff maintains strong relationships with Defence primes, including Thales, Raytheon, BAE Systems and Lockheed Martin. I am sure the Hon. Paul Green would be interested in information of relevance, such as the Commonwealth's Force Posture review, which will determine the strategic placement of Defence assets around the nation. The New South Wales Government has submitted a response to the Force Posture review. In our submission we reaffirmed that the New South Wales Government values the presence of existing Defence bases and assets in our State.

Additionally, we recognise the need for Defence to review Force Posture to ensure that future challenges can be met. We also confirmed our commitment to working with Defence in relation to basing issues and asked that when making strategic decisions Defence engages with the New South Wales Government early to ensure that Defence can address its strategic challenges. Preparations for the New South Wales Government contribution to the 2013 Commonwealth Defence white paper, which of course follows the Force Posture review, are well underway with Deloitte's to complete the assessment of Defence bases as that relates to the New South Wales economy. The next stage will be to develop the document into a complete New South Wales Government strategy.

Just a little bit of an update in relation to Forgacs: Just last month I was pleased to announce that it had reached a major milestone in its role as lead contractor for the \$8 billion Air Warfare Destroyer ship project with the first transport of three Air Warfare Destroyer blocks taking place. In 2009 New South Wales Trade and Investment assistance enabled Forgacs to secure contracts from the Air Warfare Destroyer alliance to build 29 Air Warfare Destroyer blocks. Since this Government came to office, assistance from the Government has enabled Forgacs to secure contracts for a further 15 Air Warfare Destroyer blocks, making 44 in total. In relation to Thales, in January this year I also was pleased to announce that the Government had helped to secure Thales Australia's commitment to Sydney with assistance from New South Wales Trade and Investment. Thales Australia's long-term lease at the Navy's Garden Island facility in Sydney expires in 2013. We were determined to ensure that this important Defence company, and close to 500 jobs, were retained in New South Wales.

The Hon. PAUL GREEN: Thank you. I do not wish to burn all my time on this topic. Having been closely associated with the Shoalhaven and Defence contracts, I am concerned to ensure that New South Wales can do better in lobbying for better contracts. I am really trying to put the message across that New South Wales needs to be on the front foot and eager to take away any contracts of the Australian Government from South Australia and Queensland to create jobs in New South Wales. I just want to be sure that you are confident that is the position we are either in, or are heading for.

Mr ANDREW STONER: Paul, it is a point well made. It is a priority to the New South Wales Government. I have met with the relevant Commonwealth Ministers, Mr Smith and Mr Jason Clare, on a number of occasions. I also have been personally engaged with a number of major players in the defence industry. We have taken on Ken Gillespie to help us be strategic about things. He is very well networked within the defence industry nationally and internationally. He is a very well-respected guy. He has made a number of recommendations that we are following through on to grow our defence industry in New South Wales, including the Shoalhaven.

But can I say that the Force Posture review and the subsequent white paper next year are the critical documents in relation to this. It is why we are putting a lot of effort into preparing a strong strategic submission on behalf of New South Wales. The risk is that the Federal Government will seek to move Defence assets to the north and the west of Australia, unless we present a compelling case.

The Hon. JEREMY BUCKINGHAM: As it relates to your portfolio of Trade, do you know the current yield estimates for the New South Wales winter cereal wholesome oilseed crops and how are these estimates being affected by the season?

Mr ANDREW STONER: That question would fall within the purview of the Minister for Primary Industries. I am sure Minister Hodgkinson would be across all that level of detail. We do not have the Director General of Primary Industries with us today. I would ask that you refer the question to Minister Hodgkinson.

The Hon. JEREMY BUCKINGHAM: It was in relation to the portfolio of Trade. Do you know the current price for a tonne of Australian wheat?

Mr ANDREW STONER: I would have to take that on notice. I understand it is trending up as a result of global shortages elsewhere.

The Hon. JEREMY BUCKINGHAM: That was to be my next question. What is your explanation for those trends and increasing soft commodity prices for cereal crops?

Mr ANDREW STONER: The international commodity prices are determined by supply and demand. Demand is growing, including in Asia, which we are looking to as a critical export market for foodstuffs as the increasing affluence of some of those economies dictates their taste in food and they become more interested in a Western diet. Demand increases from time to time. Supply decreases as a result of weather conditions and I understand weather conditions in other major grain-growing nations globally have not been as kind as we have seen in Australia in recent seasons. As a result, the global supply has decreased. What are you shaking your head about?

The Hon. JEREMY BUCKINGHAM: That is not true, but anyway—

Mr ANDREW STONER: That is my understanding. Supply is not as strong globally, demand is up and prices go up. If you have a better explanation, tell me.

The Hon. JEREMY BUCKINGHAM: I will. I will do that later. Your media release two weeks ago in relation to the upgrade of the Orange airport made clear that a major reason for the project and the State Government's funding was to:

... help support new activities by Newcrest Mining in the region by enabling the company to increase its fly-in fly-out operations based out of Orange and train interstate employees at the Orange TAFE mining simulator.

Are these interstate workers from Newcrest Telfer operations in Western Australia?

Mr ANDREW STONER: As I understand it, there was a contribution to the expansion of Orange City Airport by the Commonwealth Government, the State Government, the Orange City Council and Newcrest. Newcrest is already using Orange as a base, including for, as I understand it, mining operations in Western Australia. If we have fly-in fly-out workforces coming in and out of regional New South Wales, I think that is a good thing. If we have a greater demand for TAFE services out of Orange, I think that is also a good thing. Certainly Orange City Council is very keen as part of its economic development strategy to grow the capacity of the airport to enable the landing of larger aircraft, including the larger jets. While I was there recently I observed a couple of smaller jets chartered by Newcrest landing at Orange airport. As to individual mine sites, I am not aware of that level of detail, but I understand Newcrest is seeking to use Orange as a hub for other mining operations, including in western and northern Australia.

The Hon. JEREMY BUCKINGHAM: Why is the New South Wales Government investing money to support a private mine's training system for interstate workers and why is there not a focus on training the unemployed or people from New South Wales?

Mr ANDREW STONER: As I say, we have supported a project that has had a contribution from the Federal Government, from local government and from Newcrest. As I understand it, there will be major economic benefits to the Orange region. I do not think it involves interstate workers coming in to Orange. I think it is rather the other way around: workers will be going out of Orange into those mines in Western Australia. That will stimulate employment in New South Wales rather than the other way around. We partnered with those other levels of government and the private business to stimulate the economy in Orange and grow jobs.

The Hon. JEREMY BUCKINGHAM: What was Newcrest's contribution to the total project?

Mr ANDREW STONER: I am advised that the council was successful under round two of the Federal Government's Regional Development Australia Fund and it secured \$4.9 million towards the expansion of Orange airport. The New South Wales Government contributed \$1.27 million towards the overall project. I am not aware of the level of contribution from Newcrest.

The Hon. JEREMY BUCKINGHAM: What can you tell me about the Nimmie Caira water buyback plan? Has the proposal to buy back water in the Nimmie Caira irrigation district been before Cabinet?

Mr ANDREW STONER: I understand this question was asked of the relevant Minister, Minister Hodgkinson, who is the Minister for Water, in the estimates hearings yesterday. I refer you to her answer.

The Hon. JEREMY BUCKINGHAM: The Nimmie Caira irrigation district is one of the most productive irrigation districts in Australia and one of the largest producers of organic wheat in the world. As it relates to trade and agricultural productivity, do you support the Nimmie Caira water buybacks, which are the largest water buybacks in the history of this nation, or are you unaware of it?

Mr ANDREW STONER: I would have to take that on notice. I am not aware of Nimmie Caira water buybacks. I would have to take that on notice. However, I have made public statements on a number of occasions that the process of securing more environmental water ought to be pursued through infrastructure works, through the minimisation of waste of water, evaporation, seepage and so on, rather than through buybacks from farmers.

The Hon. JEREMY BUCKINGHAM: So you do not support the buyback plan? Yesterday the Minister said she supported the buyback plan. Estimates are that it will cost more than \$150 million and will be the largest water buyback in history. It is being supported by the State Government. You do not support it?

Mr ANDREW STONER: I told you I was unaware of this particular proposal and I would have to take that on notice. I also said the Minister for Water answered these questions yesterday.

The Hon. JEREMY BUCKINGHAM: That is an assertion. You may well know that the community in the Southern Highlands is currently blockading Hume Coal, which is majority-owned by Korean steelmaker POSCO. They are blockading that company from conducting exploration drilling on private land. Have you met with representatives of Hume Coal, Cockatoo Coal or POSCO or their lobbyists to discuss this project?

Mr ANDREW STONER: I met with a number of companies during my trade mission to the Republic of Korea in June this year. Those meetings included POSCO.

The Hon. JEREMY BUCKINGHAM: Have you also met with the local community about this project and understand their point of view with regard to the agricultural and water risks?

Mr ANDREW STONER: I have spoken to some people in the Southern Highlands during the course of The Nationals annual conference there in June this year also. Those issues were raised with me.

The Hon. JEREMY BUCKINGHAM: How many times have you met with Standard Iron, which holds exploration tenements for iron ore in the Lockhart region?

Mr ANDREW STONER: To my recollection, I have not met with those people.

The Hon. JEREMY BUCKINGHAM: In the regional interstate transport section of the Infrastructure NSW plan released last week the vast majority of the focus is on rail infrastructure to support additional coal transport and iron ore transport, including through the Liverpool Ranges and the Maldon to Dombarton rail line and to facilitate future iron ore exports from the Lockhart area by increasing the capacity of the Moss Vale to Unanderra line. Are you disappointed that the plan does not put more attention into diversifying the New South Wales economy and on supporting passenger services and non-mining infrastructure?

Mr ANDREW STONER: The Government is committing to a very large investment in infrastructure across the State. The investment is being done on the basis of economic benefit to the State, involving some

significant public transport projects including the north-west and south-west rail lines. The investment is quite broad in relation to regional New South Wales. It includes a \$135 million commitment to a program called Bridges for the Bush, which is about improving transport productivity of regional produce, not mining produce. The investment includes a \$430 million commitment to the Pacific Highway and \$170 million to the Princes Highway. It includes investment on rail, which we believe is the most efficient way to move bulk goods like coal. Certainly, industry groups and business have been calling out for investment on that Hunter line for many years.

The Hon. JOHN AJAKA: In answer to a question by the Hon. Mick Veitch you indicated that you undertook three overseas trade missions compared with more than 20 regional visits. The vast majority of those regional visits were not by plane but in fact were by car—you drove—and that is why they do not appear on the Government Information (Public Access) report, is that right?

Mr ANDREW STONER: That is the case. I did outline the regional communities I had visited since the last estimates hearings this time last year. I can do it again, but it would probably bore you.

The Hon. JOHN AJAKA: They are already on record.

Mr ANDREW STONER: Many of those have been by car and many have been in coastal regions to places like Lismore and Casino, which Mr Veitch may not regard as being regional.

The Hon. MICK VEITCH: I do. I go there.

Mr ANDREW STONER: Grafton et cetera.

The Hon. JOHN AJAKA: You travel by car instead of plane for a number of reasons but, obviously, one reason would be that it allows you an opportunity not just simply to visit the regional centre but also to see, study and survey what is occurring in the entire surrounding areas.

Mr ANDREW STONER: Correct. Being the Minister responsible for regional infrastructure and services, it is good to actually drive on country roads.

The Hon. JOHN AJAKA: Test the infrastructure?

Mr ANDREW STONER: This is one reason why our initial response to Infrastructure NSW's infrastructure strategy document has been to commit some very substantial money to regional roads. Just a couple of years ago I drove the length of the Princes Highway and I came away converted. I met with the mayor at the time. We are putting our money where our mouth is on that road. The Pacific Highway between Sydney and Port Macquarie is pretty good. I happen to live near Port Macquarie. But the rest of it north of Coffs Harbour through to Ballina is very poor. I recommend that all members of this place ought to drive it because it really opens your eyes.

The Hon. JOHN AJAKA: How is the Government rebuilding regional infrastructure?

Mr ANDREW STONER: I thank the member for the question. As I am sure all members of this Committee are aware, the Liberal-Nationals Government came to power promising to renovate the infrastructure that makes a difference to both our economy and to people's lives. It is why we are currently delivering a \$61.8 billion infrastructure investment program over the forward estimates, the four-year period moving forward. On average, that investment is \$1 billion more per annum than in the previous four years, and represents a 17 per cent increase compared with the previous four years, excluding Commonwealth stimulus spending. Unlike the previous Government, we also committed to using an evidence-based approach to the allocation of scarce infrastructure funds.

That is why we established the independent body Infrastructure NSW to develop a State infrastructure strategy to identify the projects that will generate the largest benefits for our State and economy, and for the jobs that families desperately need. That document will inform future budgets. I am pleased to report to the Committee that regional New South Wales has secured its fair share of funding following the release last week of Infrastructure NSW's State Infrastructure Strategy. Delivering on our election commitment, regional New South Wales has secured 30 per cent of the funding available through the special infrastructure fund, which we have called Restart NSW. Commitments to infrastructure in regional New South Wales to be funded from

Restart include \$403 million for the Pacific Highway, \$170 million for the Princes Highway and \$135 million for the new Bridges for the Bush program.

These funding announcements come on top of current infrastructure programs, including \$3.8 billion for our rural and regional road network, and \$1.73 billion for health-related infrastructure projects at regional hospitals across New South Wales, including major works at Tamworth, Dubbo, Parkes, Forbes, Wagga Wagga, Port Macquarie and Bega, and also regional cancer centres at Tamworth, the Illawarra and the Central Coast. The State Infrastructure Strategy identifies Bridges for the Bush as a critical priority for the State. In fact, we are told that that program for the five major bridges that we are going to replace has the potential to remove 8,000 trucks per year from regional roads, which we think is a good thing, and to generate about \$200 million annually in economic benefit for the State through greater productivity. Instead of two trucks, you are going to have one truck.

The Hon. JOHN AJAKA: One big truck?

Mr ANDREW STONER: Correct, but it is all about productivity. This is one of the challenges facing the nation and it is why Infrastructure NSW has got behind a program, Bridges for the Bush, which delivers five key priority higher mass limit deficient bridges on State managed roads and 12 timber truss bridges on State regional and local roads. Obviously, this involves the replacing or upgrading of those bridges. The program will create, we believe, thousands of construction jobs across regional New South Wales and it will be a real boost to communities around regional New South Wales, including Wagga Wagga, Gunnedah, Wee Waa, Cooma and Echuca, which is where the five key priority bridges are located. Just on Gunnedah, with which I know the Hon. Sarah Mitchell is intimately familiar, there are approximately 30,000 truck movements across the railway bridge.

Replacing this bridge will open up an additional 660 kilometres for heavy vehicles operating at higher mass limit and meet demand from the agricultural sector, including the issue referred to by the Hon. Jeremy Buckingham a little earlier with the bumper grain crops we are hopeful of getting this season. Bridges for the Bush includes also the replacement of timber truss bridges on the Bruxner Highway over the Clarence River, on Nanama Road at Gooloogong over the Lachlan River, on Bridge Street at Lawrence over Sportsmans Creek, on the Mallee Highway at Tooleybuc over the Murray River, on the Swan Hill-Barham Road over the Wakool River and on Binda Road at James Park Road over the Crookwell River.

I know the Hon. Duncan Gay will be very pleased about that. Other timber truss bridges to be replaced or upgraded under Bridges for the Bush are located in Woodville, Clarence Town, Carrathool, Middle Falbrook, Warroo and near Lithgow. That is a good spread around regional New South Wales to enhance freight productivity into and out of country New South Wales. This is an investment in critical infrastructure to remove a number of significant freight pinch points or bottlenecks on the State road network and will improve the safety and reliability of some pretty old bridge structures.

Furthermore, Roads and Maritime Services anticipates that once these bridges have been replaced or upgraded we will see a significant reduction in annual maintenance costs across the network in regional New South Wales. A project plan is being developed to deliver the priority one and two programs in the next five years. We are getting on with the job. Project development has already commenced on the 17 bridges that I mentioned and is in various stages of progress, including preliminary and concept design, detailed design, environmental assessment and commencement of construction works. I was pleased to see that the NRMA motoring services welcomed this initiative. Can I have the tolerance of the Committee to give the NRMA assessment of the program? The NRMA states:

For years the NRMA has fought hard to get bridges upgraded across the State because we know how important this infrastructure is to regional communities and the State's economy. Currently many trucks can't take the most direct routes because they are too heavy for neglected and ageing bridges, but once these are replaced or upgraded it will make it easier for producers to get their goods to their destination as quickly and efficiently as possible. When you consider the number of trucks are set to double on our roads by 2020—

this is why the Government is investing in rail as well—

... this project will go a long way to support increasing freight movements across the State. After years of neglect it is great to see that the State Government is fast-tracking this vital infrastructure that will improve road safety for local communities.

Can I advise the Hon. John Ajaka that the other area that will see further investment in the regions includes our Resources for the Regions program, which is about mining-affected communities getting their share of the investment in infrastructure to cope with the additional pressure placed on local infrastructure.

The Hon. SARAH MITCHELL: I know the Bridges to the Bush program in Gunnedah, that second rail overpass, has been very well received by the local community. Would you provide an update to the Committee about what the Government is doing to encourage jobs and investment in regional New South Wales?

Mr ANDREW STONER: I was pleased to launch in September last year the Regional Industries Investment Fund [RIIF] as part of our first budget on coming to office. The Regional Industries Investment Fund is available on a case-by-case basis for projects outside the greater Sydney metropolitan area. It provides assistance to support growing populations in regional locations through the creation or retention of existing jobs and preparing submissions to major business restructuring and downsizing in regional New South Wales. It also helps to build capacity in local regional industry and regional economic development organisations and it supports local infrastructure projects linked with employment-generating investment that have the potential to benefit more than one firm. It also helps to build local business capacity, create local industry opportunities and enhance the attractiveness of regional areas.

Since April last year some \$10,242,842.95 in funds has been committed under the Regional Industries Investment Fund. Why the 95¢? We should have rounded it up to the buck. Support has been provided to a number of projects, and if I can have the forbearance of the Committee again it is worth going through some of these to see where the support and assistance is going across regional New South Wales. A new heavy vehicle bypass at Broken Hill will deliver economic, environmental and community benefits. It will help make a mine development a little more viable; the establishment of Southern Cotton Pty Limited's cotton ginning facility at Whitton; and the expansion of National Engineering Pty Limited's steel fabrication operations in Young. We mentioned earlier the expansion of the apron at Orange airport and a \$1.27 million commitment from the New South Wales Government to that—also done under the RIIF.

In relation to the first of these projects—the Broken Hill bypass road—the funding will support the construction of a 10.8 kilometre two-lane sealed road from the Barrier Highway to Silver City Highway. The project will enhance driver and community safety in the city by enabling heavy vehicles to bypass Broken Hill to the eastern, southern and western side. You will not have laden mining trucks rumbling through the middle of Broken Hill. The project will also reduce costs for local businesses and encourage economic growth in that region. Existing and future mining operations in the region will also be made more attractive for sustained investment through the construction of that heavy vehicle bypass. The State Government funds, which I understand was \$1 million towards that, again in partnership with Broken Hill City Council—

The Hon. STEVE WHAN: And the Federal Government.

Mr ANDREW STONER: I was about to say that: the Federal Government and the mining company Perilya. It is a partnership to get the road up and running. In relation to the second of the examples I gave, the Government, with the assistance of Southern Cotton Pty Limited, was able to secure the creation of 63 new jobs with the potential for an additional 15 jobs. The Government provided support to complete electricity infrastructure works vital to the establishment of a new cotton ginning facility at Whitton. Southern Cotton Pty Limited applied for financial assistance after an unexpected increase in cost for the establishment of electricity infrastructure to support the new facility. The company was under pressure to raise the extra funds required by a blowout in the cost of electricity connection to the plant. The Government's financial support through the Regional Industries Investment Fund means that the electricity infrastructure can be put in place at the project site to enable that cotton gin to be commissioned in time for the 2012 harvest, which starts next month—and hopefully it will be a bumper cotton crop this year.

This state-of-the-art cotton ginning facility will service the increasing number of cotton growers in the Murrumbidgee Valley and contracts are already in place with the Murrumbidgee Valley cotton growers to have their cotton ginned at that Whitton facility. The company has indicated that the establishment of the cotton gin has required significant capital investment on their part. Initially 63 new jobs are expected to be created, which will increase to 78 jobs by the third year of operation. In a country town like Whitton, that is huge. Another example of success was the saving of more than 40 jobs and the creation of an additional 56 jobs in Young. I am sure the Hon. Mick Veitch would be very happy about this.

The Hon. MICK VEITCH: The iconic National Engineering.

Mr ANDREW STONER: That is it. It is a 120-year-old business, which was given a new lease of life by the Government, by its new owners and the local council. Unfortunately, Young's National Engineering had come close to closing its doors following economic challenges, including the high Australian dollar, the global financial crisis and outdated equipment. National Engineering—iconic, as the Hon. Mick Veitch reminds us—has a long and noble history, after starting out as a blacksmith business in 1890, and going on to becoming a notable steel manufacturer involved in prestigious projects, including steel fabrication for the Sydney Olympic Stadium. This is a great country business. The Government was able to provide assistance that enabled the company to buy modern equipment, such as a beam line and an automated plate processor. Young Shire Council did its bit, donating land to the business as part of a package of assistance measures.

The final example I mentioned was the more than \$1.27 million for the upgrade of Orange airport, which we think, based on information provided by bodies including Orange City Council, will create more than 200 jobs and generate more than \$177 million in investment over the next five years. We think the upgrade will also help to boost tourism in the Central West by increasing the capacity for aircraft and passenger movements in and out of Orange airport. In fact, when I was out there the locals were very keen to see more than one operator coming in and providing a bit of competition in that major regional airport, and hopefully this investment will enable that.

It will also support new activities in the region by Newcrest Mining by enabling the company to increase its fly-in, fly-out operations based out of Orange, and to train interstate employees at the Orange TAFE mining simulator. So it is actually bringing business from other States into New South Wales and, pleasingly, regional New South Wales, in Orange. As with the Broken Hill haulage road, the New South Wales Government's funding means the project has now secured funding support from the Commonwealth as well as from Orange City Council and Newcrest Mining. I thank the Committee for its forbearance in the giving of that answer. The Regional Infrastructure Funding Program, along with the Government's Jobs Action Plan—which of course is the payroll tax rebate program—and the regional relocation grants represent a powerful suite of policy and program tools to help rebuild regional New South Wales.

The Hon. MICK VEITCH: Minister, I would like to continue on with the change management plan. You may have to defer to the director general to respond to this question, but how many of those plans are actually being put together or worked through using consultants? If possible, could we have a list of the consultants?

Mr ANDREW STONER: Before deferring to the director general, because I do not have that level of detail, can I say that the change management plans for the cluster are necessary because of the financial circumstances in which the Government finds itself. In our first budget we had a gap over the forward estimates, in relation to revenue versus expenditure, of more than \$5 billion. This year, prior to the State budget, the Commonwealth advised us that its estimates for GST revenue for New South Wales were down by more than \$5 billion over the forward estimates. So we essentially face a challenge over five years of trimming more than \$10 billion in expenditure from the budget. This has affected every portfolio and every Minister. Savings have been established for each Minister.

The Hon. MICK VEITCH: Do these plans go before the Expenditure Review Committee?

Mr ANDREW STONER: Correct. Very significant savings have been required to ensure that we live within our means; and this includes that reduction in revenue from GST. Every agency and department is going through change. It is painful, we know, but these are tough decisions that we have to take to make sure that the New South Wales budget remains in good shape.

The Hon. MICK VEITCH: How many of those are being put together or worked on by consultants? If that detail is not available, I am happy for you to take the question on notice and provide the response at a later date.

Mr ANDREW STONER: I am advised by my director general that in fact no consultants are involved in change management plans within the tourist cluster.

The Hon. MICK VEITCH: You have mentioned in your answer that the cuts you are putting in place are going through the Expenditure Review Committee. Are these cuts, or savings that they need to find, built into the performance agreements of the respective directors general of departments?

Mr ANDREW STONER: I will ask Mr Paterson to respond.

Mr PATERSON: The expectation of directors general is that they live within their budgets; so targets in relation to individual change management plans, or individual targets in relation to changes in employee numbers are not part of the expectations imposed upon us. The very clear expectation is that we are obligated to live within the budgets that are provided to us, and that we have to manage the business to ensure that we remain within the budget. Whatever that budget allocation might be, we are obligated to remain within that budget allocation.

The Hon. MICK VEITCH: So it is not specifically in your performance agreement, but it is an inherent expectation?

Mr PATERSON: There is an expectation in the performance agreements of directors general that they live within the budget; so they must meet budget.

The Hon. MICK VEITCH: I want to put another question on change management plans. This morning there was an article in one of the Sydney newspapers about asset sales, and in particular building sell-offs. Minister, do any of those buildings relate to your direct responsibilities?

Mr ANDREW STONER: To my knowledge, they do not. But can I say that asset sales are intended to fund capital expenditure, which includes the infrastructure commitment that I outlined; they are not relevant to recurrent funding, which is the major funding challenge we have in terms of positions and change management plans and the like.

The Hon. MICK VEITCH: So there is no way that staff cuts or reductions in staffing would be associated with the asset sales mentioned in today's newspapers?

Mr ANDREW STONER: No. The asset sales will produce funds for capital expenditure, which is particularly around infrastructure commitments that we have made. The recurrent challenge is one between ongoing expenditure and estimates of revenue that we have moving forward. In terms of the recurrent challenge that we have, we can only hope that the economy, globally and nationally, rebounds; and that consumer confidence returns and people start spending money. Perhaps the recent reduction in interest rates will encourage them to do that, because when they spend that flows through into GST, and probably also stamp duty if we see a recovery in the housing market.

The Hon. MICK VEITCH: It would be nice if the banks passed on those interest cuts straight away.

Mr ANDREW STONER: Yes, it would be nice if the banks did that. That would give consumers encouragement to start digging into their wallets again, and that flows through and helps the Government fund its recurrent commitments.

The Hon. STEVE WHAN: Mr Paterson, you mentioned before that there are 248 redundancies across the department this calendar year. With the 32 change management plans across the department—I would assume that the change management plan is not just a calendar year document; I assume that the plans run to whatever their conclusion date is—are you saying that within those change management plans there is no overall target for a number of redundancies, or is there an overall target for cost savings? And at what stage in those plans do you turn that target for cost savings into positions that need to be eliminated?

Mr PATERSON: Each of the plans is different because they are tailored to meet the particular needs of the organisations. Part of the change management plan is decentralising activity from the metropolitan area into regional areas. In some of those we are consolidating our regional presence, so reducing the number of instances of the department in those particular areas across regional areas, so that we are consolidating processing centres in particular locations. We touched yesterday, I think, at the Primary Industries estimates hearing, on changes that were being made in Orange as a result of some of those changes. So it depends very much on the area we are looking at.

The Hon. STEVE WHAN: Presumably for each plan there must be a structure of jobs which you aim to get from that plan and, therefore, you should be able to identify for us what the net change of jobs overall is.

Mr PATERSON: There are changes in relation to employee numbers that differ between the plans. Not all of the plans have reached conclusion yet. I have indicated previously, as I did at the fisheries inquiry, that those plans are at various stages of development and that the first place that we undertake a discussion in relation to the impact on employees is with the employees and the representatives of those affected employees before we make any observations in a public sense in relation to—

The Hon. STEVE WHAN: When you answered my question earlier that you could only identify the 248 redundancies, does that mean you do not know the total number or that you feel that you cannot tell us the number overall resulting from these changed plans?

Mr PATERSON: The 248 is a number that we have formally already committed to for the first half of the last financial year and for this calendar year. So we have committed to that. I am not in a position at this stage to articulate what the further staff reductions would be from the other changed management plans that we are in the process of implementing.

The Hon. MICK VEITCH: Deputy Premier, in response to a question I think from the Hon. Sarah Mitchell you spoke about the Resources for Regions policy. I think around September you were publicly quoted as saying that the criteria would be up for review, that there would be a review of the Resources for Regions policy, is that correct?

Mr ANDREW STONER: Not quite. What I said was that there would be an annual audit of mining-affected communities to ensure that the regions that need the funding get the funding. The audit involves assessing both the contribution of particular regions in terms of royalties that flow through to the State from mining and related activities and also the quantum of infrastructure investment in those regions. So if, let us say, we had a particular regional community—

The Hon. MICK VEITCH: Cessnock.

Mr ANDREW STONER: Okay—that had contributed a substantial amount by way of royalties but had not received a commensurate investment in local infrastructure, that would come up high in our audit of mining-affected communities. Of course, it is an annual proposition because obviously the production and royalties from those mining-related activities will change year on year, but also too you will see the expenditure on local infrastructure change year on year. You tend to have, quite often, spikes in infrastructure investment within a region. Last year we did the assessment and we found that Singleton and Muswellbrook local government areas did meet those criteria; they had contributed significantly in terms of royalties—

The Hon. MICK VEITCH: So what you are saying is that the original document, the assessment into the impacts on mining-affected communities, is not a static document?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: Who will conduct the audit? Is that going to be an internal audit or is it the same committee that was established for the initial paper?

Mr ANDREW STONER: We actually had some independent assistance in the first audit. I cannot quite remember—

The Hon. MICK VEITCH: I am happy for you to take that on notice and get back to us.

Mr ANDREW STONER: We obviously sourced data from the Office of Resources and Energy regarding royalties, also the Treasury regarding both royalties and infrastructure investment, but we had some independent oversight of the process to make sure that it was a fair process. What I do not want to do is have a program in place that is simply a pork-barrelling exercise, for me to make it up on the spot in an election campaign or whatever and go pork-barrelling for particular seats.

The Hon. MICK VEITCH: Would you take the question on notice and provide an answer as to what the independent review was and how much they were paid to undertake that role?

Mr ANDREW STONER: Yes.

The Hon. MICK VEITCH: So there are now going to be annual audits?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: Will they be conducted at the same time each year? Is that the plan?

Mr ANDREW STONER: It is the plan. As the data becomes available, which will generally be around a financial year basis, we will have data around both investment and contribution to revenue out of the regions.

The Hon. MICK VEITCH: When is the optimum time to conduct that audit? Is it from about now through until December? Is that when the data becomes available?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: So now is the optimum time?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: Those communities who have heard your comments and are now waiting for that audit to commence and be completed could expect it to be finished by December?

Mr ANDREW STONER: It would be towards the end of the year, the beginning of next year that we would be in a position to make some announcements around which communities qualify.

The Hon. MICK VEITCH: For subsequent audits will you utilise the same people who conducted the independent oversight of the initial report or will you in some way rotate or involve others?

Mr ANDREW STONER: I will ask the Director General to answer that.

Mr PATERSON: If I could clarify something, I was struggling to identify the name. The independent oversight was an independent scrutiny in relation to the numbers, so it was an accounting firm that was engaged to provide us with the independent oversight in relation to the dollar amounts. In the documents I have with us I cannot identify the name.

The Hon. MICK VEITCH: I am happy for you to take it on notice.

Mr PATERSON: It is an accounting firm that was engaged to oversight and give the Deputy Premier the assurance in relation to the numbers associated with the programs. We will take that element of it on notice. I think you also asked a question in relation to the amount that was spent on that, which was a modest amount, but we will provide that on notice as well.

The Hon. MICK VEITCH: Deputy Premier, with regard to the audit process for subsequent audits of the assessment, will that be open to submissions from the public or local government, for instance?

Mr ANDREW STONER: That was not part of the process initially. It is a pretty clear-cut, open and transparent process. The data that we are assessing is simply, "Are you a mining-affected community?", that is, "Are there significant royalties coming out of your region?" That is all publicly available data. The other assessment is, "Have you had your fair share of infrastructure investment out of the State?" Again, that is all publicly available through the budget documents. So it is not something that a submission will make any difference to. We have been upfront about the criteria and about the process and we released the findings of the audit. Some people were not happy that they did not get money first time around, but they may well next time around because—

The Hon. MICK VEITCH: Have you spoken to those councils? I have had discussions with a number of them who are unhappy.

Mr ANDREW STONER: I have had discussions with a number of mayors and local government representatives and I have explained the process. I believe the process is a good one because it is a fair process. It is about equity; it is an open and transparent process; and it is help that they had not been getting under the previous Government.

The Hon. MICK VEITCH: You mentioned Singleton and Muswellbrook were identified in the initial assessment, and they did, indeed, receive allocations in the State budget. Can you advise the Committee how the projects for Singleton and Muswellbrook councils were identified? For instance, were the councils asked to make a submission on the projects?

Mr ANDREW STONER: Yes. The initial audit of mining-affected communities identified those two councils as standing out by generating more per capita in royalties to the State and had not had commensurate infrastructure investment. We then contacted both of those councils and they put forward a number of bids for the program.

The Hon. MICK VEITCH: Did they ask to put forward five bids or an unlimited list or dollar amounts? Did the approach come from your office or from the department?

Mr ANDREW STONER: The approach came from the department. Singleton council put forward three projects, Muswellbrook council put forward five projects—

The Hon. MICK VEITCH: Are you able to table the list for both councils?

Mr ANDREW STONER: Yes, I am happy to. Of course, as is usually the case, the ask was greater than the available funds.

The Hon. MICK VEITCH: Some things never change no matter who is in government.

Mr ANDREW STONER: Yes, and the Government had to make a decision around which of those projects to fund.

The Hon. MICK VEITCH: Did Muswellbrook council put in three or five requests?

Mr ANDREW STONER: Five.

The Hon. MICK VEITCH: Was the emergency department at Muswellbrook hospital one of those items?

Mr ANDREW STONER: The process was to talk to the councils about their priorities. The criteria for funding of projects included roads and other local service delivery infrastructure. In conducting the analysis the two councils were consulted, as were other stakeholders. It emerged that the Muswellbrook emergency department was experiencing additional strain as a consequence of the mining boom and subsequent demographic changes in the region. Whilst the long-term effects of this kind of demographic change would normally be captured within service delivery planning conducted by the local health district, the Resources for Regions program was able to bring forward funding for that important project.

The Hon. MICK VEITCH: Did Muswellbrook council include the emergency department at Muswellbrook hospital in its list of projects?

Mr ANDREW STONER: No, this was, I think, given to us by other stakeholders with whom we consulted.

The Hon. MICK VEITCH: Other stakeholders were consulted about—

Mr ANDREW STONER: It was not on the list put forward by Muswellbrook council.

The Hon. MICK VEITCH: This is about mining-affected communities and councils. Singleton and Muswellbrook councils specifically requested projects to be funded under Resources for Regions. You are telling us that Muswellbrook council did not submit that the emergency department at Muswellbrook hospital should be funded and yet it was one of the projects that were funded. Who put it forward?

Mr ANDREW STONER: I take it that the point of your question is that Muswellbrook council was not happy with where the funds were allocated. However, they are not the only stakeholder in the process.

The Hon. PENNY SHARPE: Who put forward Muswellbrook emergency department? Which stakeholder? Can you take that on notice?

Mr ANDREW STONER: What I can say is that while the local council may not have supported the upgrading of the local hospital—

The Hon. PENNY SHARPE: No, the question is who put forward the hospital.

ACTING-CHAIR: Order! We will have another round of questioning.

The Hon. PENNY SHARPE: If the Minister will take it on notice we can move on.

Mr ANDREW STONER: I want to place on the record what the chairwoman of the Local Health Advisory Committee, Jennifer Lecky, said when she learned of the funding for the emergency department. She was quoted in the *Muswellbrook Chronicle* as saying, "I jumped for joy." It is not only local council infrastructure that is funded. I know some of the councils think this is going to be wonderful for their budgets because the State Government is going to take over funding local expenses. It is about government services and infrastructure across the board. Sometimes that is going to be a local road; sometimes it is going to be a State piece of infrastructure. In this case the priority was deemed to be the local hospital.

The Hon. PAUL GREEN: What is the final balance left in the Regional Relocation Grant account for the grants not taken up?

Mr ANDREW STONER: I am not aware of the figure because the fund is administered by the Office of State Revenue. You would have to ask Minister Pearce that question.

The Hon. PAUL GREEN: I take up the Hon. Mick Veitch's comment that it should be ring fenced for relocation to regional areas. I would encourage the Government to consider that if it cannot expend the money through that initiative, then divert that funding to local governments where it can to prop up some of their opportunities to get relocation to their areas. If the Government cannot use the money it should give it to someone who can. Has the Sydney airport master plan been released?

Mr ANDREW STONER: I think it has been released for comment. I am of the view that it is not yet finalised. It involves the reconfiguration of terminals, traffic movements and other facilities on the airport site. I am told it will lead to significant productivity enhancements, greater efficiency and a better experience for passengers. It also will leverage the development in aviation technology, particularly the introduction of larger aircraft. One aircraft movement now has the potential to take many more passengers. This is what the plan is about. It will, if adopted, lead to an extension of the life of Kingsford Smith airport.

The Hon. PAUL GREEN: As the Minister for Trade and Investment, and Minister for Regional Infrastructure and Services, are you finding that red and green tape is affecting the opportunities for investment in New South Wales, particularly in regional and rural areas? If so, what is the Government doing to address that? Also, you probably know that I am very familiar with the motor sport facility in the Shoalhaven. What is the Government doing to address this and to further enhance the opportunity to simulate local investment in regional and rural New South Wales?

Mr ANDREW STONER: I thank the Hon. Paul Green for the question. I think that there is a general view that there is too much red and green tape in New South Wales. It is probably also the case in some of the other States. We have a program of red tape reduction, which involves that for every new regulation or piece of legislation we intend to replace two other pieces of regulation or legislation. We have a program in place to try to reduce red tape across the board. However, we need to be mindful that some of this red or green tape, as the case may be, is about preserving the rights of communities to have input into developments that may affect their way of life and also to preserve our priceless natural resources and environment. In fact, the recent Strategic Regional Land Use Planning Policy has been criticised by some—mainly industry—for introducing more red tape to the process of mining and/or gas extraction. However, we are happy to do that to preserve our farming future and also our water and other environmental resources. It is an issue and we are attempting to reduce the

amount of red and green tape. It is important for the competitiveness of New South Wales as a place in which to invest, to do business and to grow jobs.

In relation to the motor sport facility proposal in the Shoalhaven, I have an update for the Committee if the member would like an update on that. In March last year Shoalhaven City Council approached the Crown Lands Division regarding the possibility of obtaining an area of Crown land at Yerriyong on the South Coast. The proposal put forward by Motorcycling New South Wales involved turning the 75 hectare parcel of Crown land adjacent to the HMAS *Albatross* navy base and an existing off-road motorcycle facility into a new multi-discipline motor sporting complex. Since the receipt of the original proposal staff from Crown lands and other government departments have been working with both the Shoalhaven council and Motorcycling New South Wales to bring the idea to reality.

They have made a great deal of headway on resolving most of the issues but I am advised that some remain. In the interim Shoalhaven council has been issued with a licence for site investigation to secure an interest in the site, and we are closing in on a resolution. At this stage I am not able to give a concrete start date for construction but what I can guarantee is that the facility will be more than just a magnet for revheads. We have just seen over the weekend what a wonderful opportunity for regional New South Wales an event like the Bathurst races provides. That is a real shot in the arm for the local economy.

We believe that this proposed facility will drive economic and tourism growth in the Shoalhaven and, hopefully, attract the type of name recognition and income synonymous with places such as Bathurst, Eastern Creek and Phillip Island. For many years, Motorcycling NSW has wanted a purpose-built facility where participants and spectators can enjoy all nine competition disciplines as well as an education site to develop safe and competent riders, which is an extremely important issue. The organisation has committed between \$12 million and \$15 million towards converting the site from vegetated land to a modern, environmentally efficient and safe facility. It is difficult to estimate the overall value that the proposed facility will provide, but Motorcycling NSW predicts that its 27 days of events each year alone will inject some \$7 million into the local economy, which would be very welcome in the Shoalhaven, I am sure.

Similar facilities in Victoria attract some 36,000 active motorcycling participants each year, with an average of 2.8 spectators for each competitor. Those figures do not take into account the value of television and other media coverage to the area. I am sure that some images of the beautiful Shoalhaven on national and international television sets will leverage increased visitation to the area. I am told that the facility will host not only motorcycling events but also other events, such as go-kart competitions, all levels of car racing, speedway racing and off-street racing activities, which will all go towards making the facility financially independent. In fact, Motorcycling NSW believes that the dearth of similar quality facilities in New South Wales means that the Yerriyong site would be used by a variety of sporting organisations on an average of 363 days of the year.

The Hon. PAUL GREEN: Thank you for that information. My point is that there is absolute frustration over Motorcycling NSW having \$15 million to spend, a tourism Minister saying that we want to increase the New South Wales tourism target and visitor expenditure by 7 per cent a year by 2020, and having places like the Shoalin Temple and the opportunities that all that represents. In other words, there is capacity to make New South Wales number one again, but there is absolute frustration in approving developments that will turn the target of an increase of 7 per cent a year into reality. It is very hard to get investment. What is the New South Wales Government doing to hold the hands of development proponents? There is very little outcry against the motorsport facility. The community is onside with it, yet we are still waiting. The hurdles that have to be jumped are just crazy, given the fact that everyone seems to be on board. What is the Government doing to hold the hands of investors and fast-track opportunities to make New South Wales number one again?

Mr ANDREW STONER: Unfortunately, we inherited a lot of red tape. We are reforming the planning system. Minister Hazzard has produced a green paper relating to the reform of planning, which hopefully will simplify processes. In the interim, I am advised that with the support of NSW Trade and Investment, the council currently is reviewing zoning conditions and other details of the proposed development. We are not too far away from resolving a lot of the issues. From my perspective, it is a priority. Paul, I acknowledge the work you have done in your former role as mayor on Shoalhaven City Council in strongly backing the proposal. I understand your frustration. I think we are pretty close.

The Hon. PAUL GREEN: Minister, with all due respect, it is not about the Shoalhaven. My point is that there are 152 councils. If this scenario is replicated through just 20 per cent of councils in relation to investment in New South Wales, we have a problem. That is the spirit of the question.

The Hon. JEREMY BUCKINGHAM: By value, what do you think is the number one agricultural commodity in New South Wales is?

Mr ANDREW STONER: Again, that is a question that you probably ought to direct to the Minister for Primary Industries.

The Hon. JEREMY BUCKINGHAM: Okay, great. Thanks.

Mr ANDREW STONER: However, I will take a shot in the dark and say wheat.

The Hon. JEREMY BUCKINGHAM: Good shot. That is excellent. But you had to take a shot in the dark to find out what the number one agricultural commodity is? That is great. What do you think the value of agricultural production is to the New South Wales economy in terms of its gross value and its contribution as a percentage to gross State product [GSP]?

Mr ANDREW STONER: Just wheat?

The Hon. JEREMY BUCKINGHAM: No, the value of all agricultural production.

Mr ANDREW STONER: I am advised that the contribution to the State economy of agriculture, forestry and fishing is over \$8.5 billion annually.

The Hon. JEREMY BUCKINGHAM: It was a couple of years ago, but last year it was \$14.5 billion or 3.5 per cent. Do you know what the total production of wheat was in New South Wales last year?

Mr ANDREW STONER: I am sorry, I do not have those numbers with me. I can get the figures for you. If you want that level of detail, I will come back to you.

The Hon. JEREMY BUCKINGHAM: That is okay. You are the Leader of The Nationals and you had to take a shot in the dark about what our number one agricultural production is.

The Hon. JOHN AJAKA: Point of order: This is a ridiculous imputation that is being made and it has nothing to do with this portfolio.

The Hon. JEREMY BUCKINGHAM: To the point of order: I withdraw it.

ACTING-CHAIR: I am sorry?

The Hon. JEREMY BUCKINGHAM: I withdraw it.

Mr ANDREW STONER: I thought this hearing was about budget estimates for the Trade and Investment portfolio, not the minutiae of particular crops. But in response, I will come armed next time, if that is what the Hon. Jeremy Buckingham wants.

The Hon. JEREMY BUCKINGHAM: I thought it was about Trade.

Mr ANDREW STONER: Agricultural production is not all about Trade.

ACTING-CHAIR: Order! Questions should relate to the portfolio and budget for which the Minister is responsible. I remind all members to confine their questions to the Minister's responsibilities and avoid straying into areas that are outside the responsibility of the Minister and his portfolio.

The Hon. JEREMY BUCKINGHAM: In relation to your ruling, Mr Acting-Chair, are you suggesting that questions relating to agricultural production, in particular the production of wheat, do not relate to the Trade portfolio?

ACTING-CHAIR: No. My ruling relates to comments about the Minister's position within his political party, which is outside the scope of his portfolio and outside the scope of this inquiry.

The Hon. PAUL GREEN: Point of order: The Hon. Jeremy Buckingham withdrew the comment. There is no further point of order.

The Hon. JEREMY BUCKINGHAM: Thank you.

ACTING-CHAIR: I acknowledge that the comment was withdrawn. I remind all members that questions should relate to the Minister's portfolio.

The Hon. JEREMY BUCKINGHAM: Thank you. Minister, in the last 12 months, how many times have you met with representatives of Shenhua?

Mr ANDREW STONER: From my recollection, I met a representative of Shenhua in Sydney last year and there was a brief meeting in Shanghai in June of this year.

The Hon. JEREMY BUCKINGHAM: With a representative in Shanghai?

Mr ANDREW STONER: With a representative. Can I say, though, in being asked for details—

The Hon. JEREMY BUCKINGHAM: I am sorry to interrupt, Minister. Was the meeting in June last year with a representative and the meeting in Shanghai with a representative or was it a delegation that you met with?

Mr ANDREW STONER: In Sydney last year it was with a representative. In Shanghai, I think there may have been a couple of people. But can I say that since last year's budget estimates hearings and up to this point this year I have attended 1,435 meetings across the State, including with a number of investors and a number of companies. That does not include electorate office meetings, constituent interviews, meetings associated with my role in The Nationals or Cabinet meetings—1,435.

The Hon. JEREMY BUCKINGHAM: Deputy Premier, how many times in the last 12 months have you met with representatives of the Australian solar industry or representatives of the Australian wind industry?

Mr ANDREW STONER: To the best of my recollection, on at least one occasion for both of those.

The Hon. JEREMY BUCKINGHAM: Would you take that question on notice?

Mr ANDREW STONER: Sure.

The Hon. JEREMY BUCKINGHAM: Do you accept that the New South Wales Liberal-Nationals Coalition has broken its election promise to rule out areas from coal and coal seam gas development?

Mr ANDREW STONER: No, I do not.

The Hon. JEREMY BUCKINGHAM: Why not? Can you identify one area in New South Wales outside of a national park that you can guarantee will not be subject to coal or gas development? Can you identify one area that will not be subject to coal or gas development or exploration?

Mr ANDREW STONER: Our election policy made a specific reference to the capacity for agriculture and mining and gas extraction activity to coexist. What we have done for the first time in the State's history is put in place a policy that will ensure that where there is potential for damage to either our water resources or our prime agricultural land, a mining or gas extraction proposal will not be approved. This is based on science, and it will protect our key resources.

The Hon. JEREMY BUCKINGHAM: Your policy said there are places in New South Wales where mining and gas exploration should not occur. Can you tell me here today one of those places?

Mr ANDREW STONER: That is not possible without an individual case-by-case assessment of every proposal. Our policy is clear that we will allow resources development in areas where it is appropriate. By that I mean where it would not damage the agricultural resources or the water resources of our State. That involves a case-by-case assessment through a new process called the Gateway process. It involves the appointment of a land and water commissioner, which is in train at the moment. It involves the mapping of our key agricultural

resources, our strategic agricultural land across the State. The process will mean that where mining or gas extraction is not appropriate, where it will damage those resources, it will not go ahead. That process was not in place under the previous Government for 16 years. You ought to be applauding the progress that this Government has made in that area—for the first time, protection for our natural resources.

The Hon. JEREMY BUCKINGHAM: What can you tell me about the cost benefit modelling that is a part of or an addendum to the Gateway process?

Mr ANDREW STONER: I understand that the normal planning assessment and approval processes undertaken by the Department of Planning and Infrastructure and/or the Planning Assessment Commission involve some assessment of cost benefit analysis. However, the Gateway process is about the assessment of agricultural impacts and aquifer interference.

The Hon. JEREMY BUCKINGHAM: Can you tell me what input your department had into the cost benefit modelling that was done?

Mr ANDREW STONER: I am not aware of any cost benefit modelling that was done.

The Hon. JEREMY BUCKINGHAM: Do you support the position taken by your Nationals colleague Kevin Humphries who has been reported as telling landholders in the Bellata Gurley region to continue "locking their gate to get around the Government's strategic regional land use policy"? Do you support this strategy to protect agricultural land? Is that not an indication that your policy is an abject failure?

Mr ANDREW STONER: No, it is not. I am advised by Mr Humphries that his comments were taken out of context and had been illegally recorded. I am advised with the new process in place that sees fairer arrangements around access, better compensation, a code of practice for both mining companies and gas companies and assurances in place to ensure that even in terms of exploration activities that properties will not be adversely affected, either the land or water resources associated with those properties. My recommendation would be that people ought to trust in the process, which is a quantum leap over what has existed in the past, which will see landholders treated fairly and potentially see them compensated quite generously. Locking the gate may be a case of them cutting off their nose to spite their face.

The Hon. SARAH MITCHELL: Can you outline a vision for the new Department of Trade and Investment, Regional Infrastructure and Services and also provide the Committee with examples of improved services?

Mr ANDREW STONER: Indeed, the New South Wales Government strategic plan NSW 2021 states unequivocally that the Government's top priority is to restore economic growth and establish New South Wales as the first place in Australia to do business. The Department of Trade and Investment, Regional Infrastructure and Services has a key role to play in creating the conditions and implementing initiatives to bring about that aim. The department was established to develop a competitive and sustainable New South Wales economy that builds resilient communities. Trade and Investment works with a vast range of businesses and industries across the State to advance investment, innovation, productivity and regional growth. Under the NSW 2021 goals, Trade and Investment is primarily responsible for improving the performance of the New South Wales economy; driving economic growth in regional New South Wales; increasing the competitiveness of doing business in our State; securing potable water supplies; enhancing cultural, creative, sporting and recreation opportunities; and increasing opportunities for people to look after their own neighbourhoods and environments.

In relation to economic growth, NSW Trade and Investment promotes trade and investment locally and internationally and provides business support, technical knowledge and science and research capabilities to industries. NSW Trade and Investment works closely with business to strengthen our State's global competitiveness, promote investment and job creation and build business capacity. Members would be aware that we, as a State, compete nationally and internationally to win business and investment for New South Wales. Members may be aware that the New South Wales economy is larger than the economies of jurisdictions like Singapore, Malaysia or New Zealand. Without doubt, it is the largest and most diverse economy in the nation. That is something we not only want to retain but also enhance.

We support the Government's objective to make New South Wales Australia's first State in Australia to visit, study, trade and invest. The department has introduced a new range of initiatives and services to help to achieve its important objectives. These include industry-led task forces, which we have established to develop

action plans to improve the competitiveness of key sectors of the New South Wales economy over the next decade. Those industry task forces include the digital economy, manufacturing, professional services, international education and research, tourism and events, and creative industries.

The Hon. JEREMY BUCKINGHAM: Not agriculture?

Mr ANDREW STONER: These industry action plans are identifying key actions for government—you ought to outline The Greens' policies on agriculture in the past. It is all on record.

The Hon. JEREMY BUCKINGHAM: Do you want me to do that now?

Mr ANDREW STONER: You are a wolf in sheep's clothing.

The Hon. SARAH MITCHELL: Point of order: I have asked a question and I would like the Minister to answer it without interjections from the Hon. Jeremy Buckingham.

ACTING-CHAIR: Yes, the Minister has the call.

Mr ANDREW STONER: These industry action plans are identifying key actions for government and industry to position these sectors for strong growth, resilience, improved innovation and productivity, global competitiveness, and new investment. The Government established the New South Wales Export and Investment Advisory Board to provide expert advice across a broad range of economic development matters, including investment opportunities and international engagement. We recognised the importance of relationships and the value of our culturally diverse community when we established a multicultural business advisory panel. The Export Investment Advisory Board and the Multicultural Business Advisory Panel provide the Government with strategic advice and help leverage international connections and networks to increase business, investment and trade opportunities for our State.

We also appointed the first New South Wales Small Business Commissioner, Yasmin King, to advocate for the State's 650,000 small businesses. We have introduced Small Biz Connect, a comprehensive, high-quality support and advisory service for small businesses across the State, especially those in regional New South Wales. The regions have more than 30 full-time equivalent Small Biz Connect experts delivering practical face-to-face support to small business operators tailored to meet their particular local needs. Funding for Small Biz Connect in regional New South Wales is \$3.5 million, almost twice as much as under the previous Business Advisory Service program. The department is concentrating on ways to help existing and potential high-growth companies to maintain their above average growth rates over several years. For these companies that create jobs and economic growth we have adopted the four Cs approach—connecting, capability building, collaboration, and competing internationally.

We will connect companies to the resources they need, such as research and development, corporate partners, knowledge mentors and business networks, and help them get to market faster. Capability building involves developing skills for high growth, including workforce skills, management skills and entrepreneurial skills. Under collaboration we will connect businesses with customers who can help them understand market needs and partners who can help them scale to meet those needs. In competing internationally we are targeting global growth markets, taking New South Wales innovations to the world and showcasing our best and brightest as ambassadors for our State and our business capabilities.

(Short adjournment)

The Hon. MICK VEITCH: I refer to our earlier line of questioning on resources for regions before time allocated for our questions expired. You talked about an annual audit of the program. My understanding is that the criteria for eligible communities is based on local government boundaries. Is that correct?

Mr ANDREW STONER: Correct.

The Hon. MICK VEITCH: You would have to agree that a number of communities impacted upon by mining activity do not have a coalmine within their boundary areas. In subsequent iterations or audits of this program will you look at the eligibility criteria for places such as Newcastle?

Mr ANDREW STONER: All policies are refined over time and, in consultation with local government or other stakeholders, we are happy to have another look at the definition of a mining-affected community. We have been quite clear and public about what our definition has been to date, but we are happy to take on board suggestions for enhancement of the program. The limiting factor as always will be the availability of funds for the program. The further we have to stretch the money, the less individual councils are likely to get.

The Hon. MICK VEITCH: Some communities in country New South Wales to whom I spoke, of which you would be aware, suggested that people living in smaller villages in a neighbouring shire are travelling into their local government area and, therefore, those neighbouring communities are not eligible under this program with the existing criteria. Are you saying that at some stage there may be an opportunity for dialogue around those criteria?

Mr ANDREW STONER: Sure.

The Hon. MICK VEITCH: With regard to the successful projects for Singleton and Muswellbrook, was any assessment conducted by your department of the projects put forward by councils and other organisations or parties? What was the assessment process to determine which ones got a gig?

Mr ANDREW STONER: I understand that there was an assessment process. It was based on the level of priority of individual proposals put forward as well as availability of funds.

The Hon. MICK VEITCH: You might like to take this question on notice: What were some of the things considered? Was it the benefits to the number of people? Was there a cost-benefit analysis? What criteria determined which projects were successful under this Resources for the Regions program?

Mr ANDREW STONER: I am advised that there is also assessment by Infrastructure NSW regarding the proposals.

The Hon. MICK VEITCH: That was done by INSW prior to the announcement for the 2012-13 projects?

Mr ANDREW STONER: Yes. The Department of Trade and Investment, Regional Infrastructure and Services referred the proposals to Infrastructure NSW for assessment. There was consultation with other stakeholders, as I mentioned earlier, in relation to the proposals. Our feedback is that the projects funded were welcomed in those communities.

The Hon. MICK VEITCH: What was the involvement of the local MP in the process?

Mr ANDREW STONER: Local MPs were amongst the—

The Hon. MICK VEITCH: For Singleton and Muswellbrook there is only one local MP—Mr Souris.

Mr ANDREW STONER: Local MPs are consulted as part of the process. In that particular round, yes, there was one local MP.

The Hon. MICK VEITCH: Was the member for Upper Hunter also called upon to make suggestions on possible projects or to comment on projects?

Mr ANDREW STONER: Yes, he was.

The Hon. MICK VEITCH: Is that available?

Mr ANDREW STONER: I do not—

The Hon. MICK VEITCH: Is there a written submission process?

Mr ANDREW STONER: I am not in a position to make available those comments by an individual member.

The Hon. MICK VEITCH: Was there a written submission from the local member? You can take that on notice if you wish.

Mr ANDREW STONER: I will take it on notice. I simply cannot recall. As part of the process, normally local members are consulted about the priority of projects. As I say, we do not want to see simply some cost shifting by local councils as a result of this.

The Hon. PENNY SHARPE: As opposed to cost shifting in health.

The Hon. MICK VEITCH: Cost shifting from the State so that you can build an ED, for instance, as opposed to the State Government bringing forward a project.

Mr ANDREW STONER: Our criteria were around all infrastructure, including service-related infrastructure in those local communities. We were advised that in Muswellbrook there was significant additional pressure placed on the emergency department. From recollection, there was a potential risk to health and safety of patients and staff as a result of an outdated emergency department. That was why it came up as the top priority.

The Hon. MICK VEITCH: I have two quick questions that you may have to take on notice. Have all projects commenced? Secondly, when are they timetabled to be completed?

Mr ANDREW STONER: Funding is made available in the case of Singleton to the council and in the case of Muswellbrook to the local health district, and the project timetables are a matter for them.

The Hon. MICK VEITCH: So you do not know whether they have started?

Mr ANDREW STONER: No, I do not.

The Hon. MICK VEITCH: Can you take the question on notice and find out?

Mr ANDREW STONER: You would need to refer the question to the council. We give the money to the council. It is up to it to get cracking with the work. We have met our obligation in funding them.

The Hon. STEVE WHAN: Ms Biviano, in an email you sent on 2 September 2011 relating to the closure of the Cronulla Fisheries Research Centre you said:

Hi all. Not sure if we should indicate the fact that a proposal went up in May. I'd prefer that it was not included in the correspondence and focus more on the Government's regionalisation strategy.

What proposal were you referring to that went up in May regarding Cronulla fisheries? Did you believe, as indicated in this email, that in fact this was not about the regionalisation strategy as much as some other proposal that went up in May?

Ms BIVIANO: I cannot recall what proposal I was referring to in that email.

The Hon. STEVE WHAN: This has been the subject of numerous questions in another committee in this place. You do not know what the proposal in May was?

Ms BIVIANO: I am finding it difficult to place my response in the right context here. Can I take that on notice?

The Hon. STEVE WHAN: If you could supply us with specifically what proposal you were referring to in your email of 2 September 2012 which was given to the Sutherland Shire Council as part of a freedom of information Government Information (Public Access) [GIPA] request? Minister, what criteria are you going to put in place to measure the success of the decade of decentralisation? What measurements are you putting in place for that?

Mr ANDREW STONER: We have a process underway through the rural and regional subcommittee of Cabinet whereby every agency has been asked to identify suitable parts of their organisation for decentralisation. We are also in the process of considering suitable locations for decentralisation. Obviously, the infrastructure needs to be in place, the workforce needs to be in place and that process is underway. We have not

set a particular target around saying that so much per cent of the public sector has been decentralised. We will report publicly on progress towards decentralising particular agencies. I was recently in Grafton announcing a number of additional public sector jobs being decentralised—

The Hon. STEVE WHAN: From Nowra.

The Hon. MICK VEITCH: Which I believe the former mayor is not happy about.

Mr ANDREW STONER: There were 40 new jobs from Crown Lands which are about accelerating the Crown roads proposal project. There are 25 jobs coming from the renting services section of the Department of Finance and Services. There are five positions to come from the Office of Environment and Heritage dealing with native vegetation issues and 30 jobs—these are new positions—with Roads and Maritime Services to manage a large number of road projects in the Northern Rivers region. In total there are some 100 positions being decentralised to Grafton.

The Hon. STEVE WHAN: With the overall policy for the decade of decentralisation how will you make a judgement at the end of this term as to whether or not it has been successful? What measurement will you apply or what target do you have?

Mr ANDREW STONER: As I said earlier, we do not have a particular target. What we will do at the end of the term of Government, and remembering that the policy relates to a decade not a four-year period—

The Hon. STEVE WHAN: Presumably we will have progress along the way.

Mr ANDREW STONER: I outlined progress in relation to Grafton.

The Hon. STEVE WHAN: I am asking you about measurement. It is obviously easy for you to outline individual things but in terms of measurement will you have a net measure that says this is the net number of jobs that have gone to regional New South Wales, because we know that other offices have closed in other locations?

Mr ANDREW STONER: The measurement of the success will be for us to say, in the case of Orange, associated with a corporate services and information technology restructuring, there are some 39 new positions going into Orange. I just outlined 100 new positions in Grafton. It will be a case of community by community and number by number. In terms of the net number to which you refer, it is a difficult proposition given the financial circumstances of the Government: declining resources, the need to reduce expenditure in line with—

The Hon. STEVE WHAN: It is not difficult to measure, is it, as a whole of Government?

Mr ANDREW STONER: Given the disparate management information systems around human resources, which again we have inherited, it is a very difficult exercise. I have attempted this exercise and it is not going to be easy to achieve.

The Hon. STEVE WHAN: Will you be attempting to achieve it?

Mr ANDREW STONER: I will be attempting to achieve it. It is difficult because of the silo approach of individual agencies in the past. When it comes to the collection of data around the location of employees every agency seemed to have had a different sense of data and different requirements. For example, one agency still has the post code of the pay section as the employee's location. Where the relevant human resources section was located that is where it says the employees are located. I am indicating to you it is a difficult proposition.

The Hon. STEVE WHAN: Measurement of these things is useful though.

Mr ANDREW STONER: Correct.

The Hon. STEVE WHAN: Is there a formal Cabinet approved process for implementing the decade of decentralisation policy and one which takes into account steps that you need to put in place when looking at decentralisation?

Mr ANDREW STONER: As I outlined earlier, it is the principal responsibility of the rural and regional subcommittee of Cabinet. That committee includes the relevant regional Ministers, and it is chaired by me. That subcommittee reports to Cabinet about progress.

The Hon. STEVE WHAN: Does the subcommittee have an actual written policy about the steps that need to be undertaken for a decentralisation?

Mr ANDREW STONER: Could you repeat the question?

The Hon. STEVE WHAN: Does that subcommittee have an actual written policy on the steps that should be undertaken in proceeding with a decentralisation?

Mr ANDREW STONER: The subcommittee regularly has this topic of decentralisation on its agenda. It is regularly updated. It involves the relevant agencies, one of which is Trade and Investment—

The Hon. STEVE WHAN: Is there a best practice model or some such thing?

Mr ANDREW STONER: The nearest to what I think you are getting at is for us to go agency by agency, parts thereof, and location by location and try to establish a fit. You would appreciate from your time in government that the response from agencies quite often is, "We need to be located in the city." Whether that is because they can get a nice coffee down the road or—

The Hon. STEVE WHAN: Has your director general said that about his office?

Mr ANDREW STONER: I have not asked him about his office, but can I say that Trade and Investment, Regional Infrastructure and Services is already the most decentralised agency of government, as you are no doubt aware.

The Hon. STEVE WHAN: So if its headquarters could be at Orange as well that would be terrific. Minister, I was going to ask you about Chinese investment.

ACTING-CHAIR: That might have to be a question on notice.

The Hon. STEVE WHAN: It will be a question on notice. But you would have liked to be able to answer this one.

Mr ANDREW STONER: You suggested recently that I go to China.

The Hon. STEVE WHAN: I know. I strongly advocate it.

The Hon. PAUL GREEN: Minister, I will continue with that line of questioning. Are you able to update the Committee about the Shaolin Temple development in the Shoalhaven, given the potential Chinese investment of \$300 million?

Mr ANDREW STONER: I do not have an update at this time, but I will take the question on notice and report back to the Committee. It may be in Minister Hazzard's agency. If it is a firm development proposal it is probably there. But I am not personally aware of any recent development on that front.

The Hon. PAUL GREEN: In terms of Port Kembla and the Maldon to Dombarton rail, what is the Government's plan there for the future, given the fact that Maldon to Dombarton rail was mentioned in the State development report?

Mr ANDREW STONER: It does have some prominence in the Infrastructure NSW State Infrastructure Strategy document. The Government is yet to respond comprehensively to that document. It has responded quickly on Bridges for the Bush and a couple of other regional infrastructure investments that I mentioned, as well as the WestConnex project. But the balance of the Government's response is due towards the end of this year, and that will include a response in relation to Maldon to Dombarton. Suffice to say the Infrastructure NSW process of assessment has identified that project as having substantial economic benefits for the State.

The Hon. PAUL GREEN: Recently the Government renewed the Lake Illawarra Authority. Could you tell me where that is up to?

Mr ANDREW STONER: Yes. Recently the authority was re-established, and a number of appointments to that authority were renewed. Of course, the lake covers some 36 square kilometres. I know you would be very familiar with it. It is one of the largest estuaries on the New South Wales coast. It also involves a catchment of about 270 square kilometres. The water that flows into the lake is both fresh and salty from the tides. The authority was established in 1988 in response to community concerns about the failing environmental health of the lake, and its charter has been to transform the degraded waters and foreshores into a healthier and attractive recreational and tourist resource. The authority members were reappointed by me in July. The board members represent New South Wales government agencies, local government and members of the community. Continuing in the role of chair is Mr Doug Prosser, who has done some sterling work over many years on behalf of the Illawarra community.

I note there was some concern regarding the gap between the previously approved authority and the current appointments. That was related to reviewing the achievements of the Lake Illawarra Authority and looking at options moving forward for managing the lake. That pause is now out of the way: we have a clear path ahead. I think all would acknowledge that the lake was well maintained and managed by the staff of the authority under the direction of senior Primary Industries managers. Significant results have been achieved; I need not bore the Committee with those. However, we still intend to look at the best way forward for the ongoing management of the lake, and whether the authority is the best way for the future, and a review of this issue will be conducted by the Parliamentary Secretary for Natural Resources, Troy Grant, the member for Dubbo. He will lead the review and make a report and recommendations next year. Of course, part of that review will involve considerable consultation with the local community. But we do acknowledge that the ongoing amenity and health of the lake are an important issue; we just want to find the best way forward to achieve that. We are very hopeful that we will have that way recommended to the Government by the end of the year.

The Hon. PAUL GREEN: In regard to Industry, Innovation and Investment, \$15 million is being set aside for the Responsible Gambling Fund. Minister, can you give me a breakdown of how that funding will be spent?

Mr ANDREW STONER: The question would be more appropriately addressed to the Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts, the Hon. George Souris, who I believe will be appearing before a budget estimates hearing on Friday.

The Hon. PAUL GREEN: I note that New South Wales will contribute \$4.8 million to national biosecurity interjurisdictional arrangements to manage risks posed by pests, weeds, diseases and contaminants. Will any of that money be used to deal with emerging plant diseases in New South Wales such as myrtle weed?

Mr ANDREW STONER: That also is a question for another Minister within the cluster, the Hon. Katrina Hodgkinson, the Minister for Primary Industries.

The Hon. JEREMY BUCKINGHAM: Minister, I am interested in your answers regarding your recent meeting with representatives of Shenhwa in Shanghai. Was that a sanctioned meeting? Can you tell me a little bit more about that meeting? Who were at that meeting? Were there representatives of the Communist Party of China there?

The Hon. STEVE WHAN: The city Greens.

The Hon. JEREMY BUCKINGHAM: I am interested to know because this is the world's largest coalmining company. Minister, could you tell me how long the meeting was for, who was there, et cetera?

The Hon. JOHN AJAKA: Point of order: For the purposes of clarification, the member asked whether the meeting was sanctioned—sanctioned by whom? In what way does he mean sanctioned? I do not think it is fair to ask the Deputy Premier whether the meeting was sanctioned without clarifying what is meant by that and who sanctioned the meeting.

The Hon. JEREMY BUCKINGHAM: To the point of order: The member is debating the question, not taking a point of order.

ACTING-CHAIR: Would you like to clarify what you mean by sanctioned?

The Hon. JEREMY BUCKINGHAM: Was it an official meeting of representatives of the New South Wales Government? In what capacity were you meeting? That is what I meant by sanctioned. Were there any lobbyists or industry representatives there? I would like to know who was at the meeting, how long it went for, and the framework in which it occurred.

ACTING-CHAIR: Thank you for clarifying that. The Deputy Premier may respond.

Mr ANDREW STONER: I do not think it really relates to the budget estimates of the portfolio, however, I will attempt to answer the question as best I can. But I need to also put it into context that I meet with very many businesses, very many potential investors in New South Wales—

The Hon. STEVE WHAN: It is your job.

Mr ANDREW STONER: It is my job, correct. As I outlined, since last year's estimates hearings to date I have met with 1,435 such parties, of whom Shenhua was one. I did meet, in my capacity as Deputy Premier and Minister for Trade and Investment and Regional Infrastructure and Services, with a representative of Shenhua in Shanghai. I met with representatives from a number of companies, different levels of government and provincial government whilst I was in China as well. I can only assume that the question is either motivated by xenophobia against Chinese investment or your ideological position on fossil fuels. But I am happy to meet with people who want to invest in New South Wales and grow our economy and grow jobs.

The Hon. JEREMY BUCKINGHAM: At that meeting or at any other meeting with representatives of Shenhua or any other coal company or mining interest did you discuss the Maldon to Dumbarton rail line?

Mr ANDREW STONER: Not to my recollection, no.

The Hon. JEREMY BUCKINGHAM: At any time?

Mr ANDREW STONER: Not in relation to Shenhua, which has an interest in the north-west of the State, and I do not think there would be any relevance in discussing the Maldon to Dumbarton rail line with Shenhua given their interest in the north of the State.

The Hon. JEREMY BUCKINGHAM: Of any mining interest in relation to the Maldon to Dumbarton rail line?

Mr ANDREW STONER: To the best of my recollection, no I have not. It is, as Infrastructure NSW has indicated, an important consideration for infrastructure investment in the State, and I thought The Greens would support rail as a relatively efficient form of transport rather than all the trucks on the road. Again, I do not know where this question is coming from.

The Hon. JEREMY BUCKINGHAM: Last year, under a call for papers, a document was tabled that indicated you and your department had met and discussed this infrastructure with representatives of those companies. That is your answer from last year; that is why I am raising it.

Mr ANDREW STONER: You mentioned Shenhua. I cannot recall that I have discussed that particular rail line with any other company. If you have good information to the contrary come forward with it.

The Hon. JEREMY BUCKINGHAM: I will do that. Are you comfortable that the Strategic Regional Land Use Plan will rule out mining on the Liverpool Plains and will you guarantee that there will be no mine—underground or open-cut—in the Carroona area, seeing as BHP has commenced exploration and is proposing an environmental impact statement in that area? Will you guarantee there will be no mine at Carroona?

Mr ANDREW STONER: What I can confidently say is that if any mining or gas extraction proposal on or near prime agricultural land were at any risk of damaging either that agricultural land or the water resources associated it will not get through the gateway process and it will not be approved by the relevant planning authorities.

The Hon. JEREMY BUCKINGHAM: You have just said that if there is any damage to prime agricultural land it will not get through the gateway process.

Mr ANDREW STONER: What I have said is if the prime agricultural land and/or the water resources will be damaged by a proposal they will not get through the gateway process.

The Hon. JEREMY BUCKINGHAM: Are you aware that there is no capacity for the gateway process to stop a project?

Mr ANDREW STONER: I also said earlier that these have to be considered on a case-by-case basis. The proponents have to go through the gateway, they have to meet a much higher standard of proof, it will be based on science, and that is now part of a vastly enhanced process for considering these developments.

The Hon. JEREMY BUCKINGHAM: Do you understand how the gateway process works?

Mr ANDREW STONER: Yes.

The Hon. JEREMY BUCKINGHAM: You have just said it will not get through the gateway process. Under what mechanism in the gateway process can a project be stopped?

Mr ANDREW STONER: If the gateway process sends up a red light in relation to a proposal—

The Hon. JEREMY BUCKINGHAM: What do you mean by a "red light"?

Mr ANDREW STONER: If it says that there is potential harm to the land and/or the water resources, that is a red light, and that document is then a publicly available document which must be considered by the approving authority.

The Hon. JEREMY BUCKINGHAM: There is a red light and then it gets handed on to the approving authority. Under what process—

Mr ANDREW STONER: It would be mad to proceed to the planning authority with a full-blown development application if it has got a red light from the gateway.

The Hon. JEREMY BUCKINGHAM: What does a "red light" mean?

Mr ANDREW STONER: I just told you.

The Hon. JOHN AJAKA: Deputy Premier, if I could move to business and skilled migration. What is the New South Wales Government doing to capitalise on business and a skilled migration opportunities for the State?

Mr ANDREW STONER: What a very good question from the Hon. John Ajaka.

The Hon. STEVE WHAN: It is sort of like the one John Barilaro asked you in the House. Same answer?

Mr ANDREW STONER: No, this is enhanced and improved. We are on a time limit in the House.

The Hon. MICK VEITCH: You brought those time limits in.

Mr ANDREW STONER: I appreciate the opportunity to expand more fully on a very exciting development in policy which will benefit our State economically—I have no doubt about that. We have taken a forward-thinking and proactive approach to capitalise on opportunities provided by high-value migrants. These are, particularly, business migrants and skilled migrants as well as investor migrants. In March 2012 we released the New South Wales Business Skilled and Investor Migration and International Student Attraction Strategy.

That strategy outlines actions to better align the strong migration environment in New South Wales—the most multicultural State in Australia—with our Government's economic priorities, which include increasing our share of State Government-sponsored skilled migrants and business migrants; working with regional

communities to ensure skills gaps are identified in a timely fashion so as to inform operation of the State-sponsored skilled migration program; streamlining visa processing and post-study work rights for a broader pool of overseas students based in New South Wales; and also simplifying current requirements for investor migration to New South Wales.

We inherited the most red-tape bound, moribund State-based system for migration for these high-value migrants in the nation. We had very strong feedback from would-be investor migrants and also migration agents that the clunkiest, the slowest, the worst was New South Wales. It is why, in terms of our share of the skilled migrants, the business migrants, the investor migrants, we were attracting well below our State's population share. Western Australia, for example, was going gangbusters on the skilled migrants; New South Wales was attracting about 7 per cent of the national proportion of skilled migrants, and when we have got 33-odd per cent of the nation's population that is a pretty appalling figure. So we moved quickly to streamline the process and to send a message to would-be high-value migrants that our State was open for business and did value their participation.

We have been working closely with the Federal Government to broaden the range of recognised investment options and to create a new investor visa. I was pleased on 31 August this year to announce that migrant investors coming to Australia will be eligible to invest in Waratah Bonds to secure the new significant investor visa. Our efforts in this space have placed us in a lead position to tap into the opportunity of the new significant investor visa, due to commence on 24 November this year, which was announced by the Federal Government in August. You see, we do get on with them; we work quite well with them on certain things.

The Hon. MICK VEITCH: That is what Duncan says.

Mr ANDREW STONER: It depends with whom. The director general, Mr Paterson, will shortly provide details on the new investor visa and Waratah Bonds and on the opportunities they create for our State. The overarching goal of our business and skilled migration strategy is to boost New South Wales migrant intake in a way that better supports our State's economic needs. Collectively business and investor migrants sponsored by New South Wales in 2011-12 are forecast to inject more than \$112 million into our State's economy and create more than 8,000 jobs across the State.

We know that migration is critical to improving our State's productive capabilities and that migrants can provide many of the skills that we need to build businesses and support sustainable economic growth in Sydney and across regional New South Wales. We have many advantages when it comes to attracting business and skilled migrants. Our cultural diversity, language skills, existing strong trade links with Asian and western nations, stable business environment and global perspective position make Sydney and New South Wales, we believe, the first place in Australia to study, work or do business. We want to leverage that strong position.

Earlier in response to another question I mentioned the Multicultural Advisory Panel and the Export and Investment Advisory Board, which are helping us with expert advice around these matters. We are also working with the New South Wales Consular Corps and bilateral business chambers. Just last night I attended a dinner to mark the fiftieth anniversary of the joint conference of the Japan Australia Business Council and the Australia-Japan Business Cooperation Council. These are the sorts of chambers that are assisting the Government in its endeavours. I will now hand over to Mr Paterson, who will provide some more detail on this exciting New South Wales Waratah Bonds initiative.

Mr PATERSON: The significant investor visa will be part of the Business Innovation and Investment (Provisional) (Subclass 188) visa and the Business Innovation and Investment (Permanent) (Subclass 888) visa. The visa is due to commence on 24 November 2012. The new visa requires applicants to submit an expression of interest in SkillSelect, be nominated by a State or Territory government and make investments of at least \$5 million into complying investments. Migrant investors coming to Australia will be eligible to invest in New South Wales Waratah Bonds as part of the new visa. Waratah Bonds are fully guaranteed by the New South Wales Government and are offered for a term of four years and in amounts to satisfy requirements as specified by the Federal Department of Immigration and Citizenship.

The New South Wales Government has triple-A credit ratings from both Moodys and Standard and Poor's and, as such, Waratah Bonds offer low risk, stable income for investors looking to lock in long-term regular returns and diversify their portfolios. New South Wales sponsored significant investor visa applicants will be required to invest a minimum of 30 per cent, or \$1.5 million, in the New South Wales investor migrant Waratah Bonds. There are two other complying investments under the program: Australian Securities and

Investment Commission regulated managed funds with a mandate for investing in Australia; and direct investment into private Australian companies not listed on the Australian stock exchange. Visa applicants may hold investments in each of the complying investment options and may also change between them, provided they meet specified reinvestment requirements.

Funds from the Waratah Bonds Program are invested through Restart NSW to help with key infrastructure projects such as public transport, road improvements to reduce congestion, water utilities, freight and hospital upgrades. Restart NSW will also see 30 per cent of funds reserved for projects in regional areas. Extending the options available for investor migrants has the potential to make New South Wales a more attractive investment destination and at the same time help to meet infrastructure needs.

The Hon. SARAH MITCHELL: What is the Government doing to speed up the sale of paper roads?

Mr ANDREW STONER: I thank the Hon. Sarah Mitchell for that very good question. Of course this is an issue that is close to the heart of many people in regional New South Wales, particularly farmers, who quite often have these road enclosures within their private property. Very frequently the landholders are keen to purchase rather than lease those parcels of land. All too often these paper roads have no relevance whatsoever as a transport corridor. They go back to the early 1800s in many cases when they were originally mapped out. Frankly it is a bit of a nightmare for the Government to administer the process of renewing leases and chasing up money for the lease of these Crown road enclosures and also for the landowner. If they do not want to lease it they have to fence it and maintain it. Those are the guidelines in place. Of course if you do that generally speaking you are going to have an outbreak of some sort of noxious weeds within the Crown road enclosure.

We needed a way forward. Sadly another one of the problems that we inherited on coming to government was a massive backlog of applications to purchase the Crown roads. Why these were never processed is a bit beyond me. The State could use a little bit of capital to invest in infrastructure. It would also be a good service to the citizens of regional New South Wales in particular if we solved the issue that they have as well. I understand the backlog was in the order of six years worth of applications to purchase Crown roads. It is an issue we had to address. I am happy to say that we have put the resources towards this. It was a question of looking at the benefit to the State. Administering the lease process is a cost to taxpayers, whereas selling these parcels of land returns money for our capital investment program. I can say it more than funds the additional resources required to process the backlog.

We have created a new unit to process the applications for purchase of Crown road enclosures. As I indicated earlier, that unit is largely located in Grafton. There was an opportunity for decentralisation and to put 40 positions into a regional community. I thought that was an absolute win-win but I have just been advised that the Public Service Association [PSA] has lodged a dispute with the Industrial Relations Commission regarding the advertising of those positions in Grafton externally. Why the PSA would not want those positions filled in a regional location dealing with a significant issue is beyond me, but anyway.

I am told that the backlog is of the order of 6,500 applications awaiting processing. That is a lot of landholders affected by this and potentially a reasonable return to the Government to be reinvested into other capital needs. We are trying to get on with this job of staffing those 40 positions. I think there are five still located in the Sydney area.

Ms BROOKS: They are in other parts of the State and regional areas.

Mr ANDREW STONER: They are in regional New South Wales as well? That makes 45 in regional New South Wales. How good is that? Our intention is to process nearly 10,000 road disposals over the next four years, clearing the existing backlog and ensuring the timely processing of further incoming applications. We can accelerate that processing by centralising administration, which we are doing at Grafton, reducing time frames for consultation and objections, and processing applications in batches rather than one at a time. I want to make it clear that this will in no way impede the right of objection by those who feel that they might be disadvantaged by the closure of a paper road, but by clearing the backlog and streamlining the process our Crown Lands Division will become more efficient and responsive to its clients.

I indicate that over the four-year period we will review the demand for the program applications. But we should note that there are approximately 537,000 hectares of Crown paper roads in New South Wales, so it is a huge task. Thirty-one thousand of those roads currently are held under enclosure permit, which represents approximately 50 per cent of paper roads that we are dealing with. It is an overdue initiative. It is good for those

landholders and it is good for the State, and hopefully we can clear up an anachronism, which many paper roads clearly are.

ACTING-CHAIR: Deputy Premier, I thank you and your officers for attending the hearing. I remind you that the responses or answers to questions taken on notice are due 21 days from receipt of those questions. Thank you very much.

Mr ANDREW STONER: I thank you, Mr Acting-Chair, and the other members of the Committee.

(The witnesses withdrew)

The Committee proceeded to deliberate.
