

UNCORRECTED PROOF
GENERAL PURPOSE STANDING COMMITTEE NO. 3

Tuesday 25 October 2011

Examination of proposed expenditure for the portfolio area

REGIONAL INFRASTRUCTURE AND SERVICES

The Committee met at 9.00 a.m.

MEMBERS

The Hon. N. Maclaren-Jones (Chair)

The Hon. J. Ajaka
The Hon. N. Blair
The Hon. C. M. Faehrmann

The Hon. P. Green
The Hon. P. G. Sharpe
The Hon. M. Veitch

PRESENT

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

Regional Infrastructure and Services

Mr Mark Paterson, AO, *Director General, Department of Trade and Investment*

State Regional Development and Tourism

Mr Barry Buffier, *Deputy Director General*

Small Business and Regional Development

Mr Michael Cullen, *Executive Director, Enterprise*

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**

DEPUTY-CHAIR (The Hon. Niall Blair): Welcome to the budget estimates hearing examining the Regional Infrastructure and Services portfolio. I declare the hearing open to the public. I welcome Minister Stoner and accompanying officials to the hearing. Today the Committee will examine the proposed expenditure for the portfolio of Regional Infrastructure and Services. In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only committee members or 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, media representatives must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door.

Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or 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 while at the table. Transcripts of this hearing will be available on the web from tomorrow morning. 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 swear an oath or make an affirmation prior to giving evidence. Minister, I remind you that you do not need to be sworn because you have already sworn an oath to your office as a member of Parliament. I ask that all other witnesses state their full name, job title and agency and swear either an oath or an affirmation.

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

MICHAEL CULLEN, Executive Director, Enterprise, Department of Trade and Investment, Regional Infrastructure and Services, affirmed and examined:

BARRY DESMOND BUFFIER, Deputy Director General, Department of Trade and Investment, Regional Infrastructure and Services, sworn and examined:

DEPUTY-CHAIR: I declare the proposed expenditure for the portfolio of 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 the Opposition.

The Hon. MICK VEITCH: Minister, yesterday the Hon. Walt Secord asked you about the Independent Commission Against Corruption referral and you indicated that the Premier had engaged Mr Keith Mason to conduct an inquiry. When did you know about that inquiry?

Mr ANDREW STONER: I have made extensive statements to the House about this matter, which I think is not within the bounds of these budget estimates committee hearings.

The Hon. MICK VEITCH: You answered the question yesterday.

Mr ANDREW STONER: These hearings are about expenditure within my portfolio.

The Hon. PENNY SHARPE: And your ministerial responsibilities.

The Hon. JOHN AJAKA: Point of order: The Minister is attempting—

The Hon. PENNY SHARPE: Not to answer the question.

The Hon. JOHN AJAKA: —to provide an answer. He should not be continually interrupted by not only one but two members of the Opposition at the same time. Mr Deputy-Chair, I ask that the Deputy Premier be permitted to answer the question.

The Hon. MICK VEITCH: He is not.

The Hon. JOHN AJAKA: He is giving an answer. The fact that members of the Opposition do not like it is irrelevant. He is still giving an answer.

Mr ANDREW STONER: I simply do not want to encourage this as it was encouraged yesterday. I do not want to pursue a line of questioning that is completely outside the bounds of the budget estimates committee hearings. I have absolutely nothing to hide on this issue. As I have explained to the House, I did absolutely nothing wrong and that is confirmed in the report that was provided to the Premier. The report was arranged before the Opposition, in seeking more media coverage of the issue, referred the matter to the Independent Commission Against Corruption.

The Hon. PENNY SHARPE: What date was that?

Mr ANDREW STONER: I do not have my diary with me, so I cannot give you a date.

The Hon. PENNY SHARPE: Will you take that question on notice and tell the Committee?

Mr ANDREW STONER: No. This line of questioning is completely outside the bounds—

The Hon. PENNY SHARPE: You just said that you wished to put it on the record and that you have nothing to hide. What was the date and was it before or after the media coverage?

Mr ANDREW STONER: I do not have the date in front of me.

The Hon. PENNY SHARPE: Will you provide it to the Committee?

Mr ANDREW STONER: It was before the Opposition referred the matter to the Independent Commission Against Corruption.

The Hon. MICK VEITCH: Who appointed Mr Mason to conduct the inquiry? Was that your suggestion or the Premier's?

Mr ANDREW STONER: Again, I will not pursue this line of questioning with you. This is not a matter for a budget estimates committee hearing.

The Hon. MICK VEITCH: Surely you want to clear up the record.

Mr ANDREW STONER: If you want to ask a question on the floor of the House, go for your life. If you want to ask the Premier, go for your life.

The Hon. PENNY SHARPE: We want to ask you today.

Mr ANDREW STONER: I have nothing to hide.

The Hon. MICK VEITCH: Surely you want to clear up the record and this is an opportunity given what happened yesterday.

Mr ANDREW STONER: I do not have the minutiae or the detail. It is also not appropriate for me to direct my department to be involved in these matters in terms of providing an answer to a question on notice.

The Hon. JOHN AJAKA: Point of order—

The Hon. PENNY SHARPE: The staff are right here—

The Hon. JOHN AJAKA: Point or order—

The Hon. PENNY SHARPE: —and they can provide that date right now.

DEPUTY-CHAIR: The Hon. John Ajaka wishes to take a point of order.

The Hon. JOHN AJAKA: First, the usual courtesy when a point of order is called is that members do not talk over the member who wishes to speak.

The Hon. MICK VEITCH: That has never worried you in the past.

The Hon. JOHN AJAKA: First, that courtesy allows me to take the point of order and for the Chair to make a ruling. Secondly, members are continually badgering the Deputy Premier when it is clear that this is outside the scope of the budget estimates. Thirdly, the Deputy Premier has provided an answer and simply repeating the question in a badgering way is not resolving anything.

The Hon. MICK VEITCH: That is outrageous.

The Hon. JOHN AJAKA: Mr Deputy-Chair, I ask you to rule that these questions are out of order and that the Opposition should move on.

The Hon. PENNY SHARPE: To the point of order: Budget estimates are known to be wide-ranging. They involve anything that relates to the ministerial responsibilities of the Minister and Deputy Premier. They are entirely in order. Yesterday, before General Purpose Standing Committee No. 1, the Deputy Premier clearly answered the questions and was happy to do so. We do not understand why he would not want to be doing that right now. However, it is entirely in order for this Committee to question him about his activities in relation to this matter.

The Hon. MICK VEITCH: To the point of order: I understand that the rules have changed under this new Government, which has changed the way committees run and the way that Chair arrangements take place. I understand that the Deputy Premier does not want to answer this question. I would have thought that this is an opportunity for him to clear up matters, in light of the fact that he answered the question yesterday.

The Hon. JOHN AJAKA: To the point of order: First, it is not for the Opposition to take this opportunity to make self-serving statements or attacks. Secondly, the Deputy Premier is before us today as the Minister for Trade and Investment, and Minister for Regional Infrastructure and Services.

DEPUTY-CHAIR: On the point of order raised by the Hon. John Ajaka, questioning in relation to this Committee is to examine the proposed expenditure contained in the portfolio that the Minister represents. The Minister should have every opportunity to answer the question without interruption. The original question asked by the Hon. Mick Veitch has been answered by the Minister and the Opposition should move to the next question.

The Hon. MICK VEITCH: Deputy Premier, how many times were you interviewed for the Mason inquiry into the Independent Commission Against Corruption referral?

Mr ANDREW STONER: Again, this question is out of order in respect of budget estimates committees.

The Hon. JOHN AJAKA: Point of order—

The Hon. MICK VEITCH: It is a separate question. The Deputy-Chair suggested I should move to the next question, and I did.

The Hon. JOHN AJAKA: The honourable member is simply flouting the Deputy-Chair's ruling by asking another question regarding exactly the same area.

The Hon. MICK VEITCH: The Deputy-Chair suggested that I go to the next question, and I did. The Deputy Premier has an opportunity to clear matters up.

DEPUTY-CHAIR: I would encourage the Hon. Mick Veitch to move to another line of questioning. Re-asking a question is getting close to what I have ruled on previously.

The Hon. PENNY SHARPE: Deputy-Chair, the issue that we have is that we believe that this line of questioning is entirely in order within the terms of reference of the Committee. You have ruled that it is out of order. Unless we are able to ask the questions and the Deputy Premier is able to answer the questions along this line, we will have to move dissent in the Chair.

Mr ANDREW STONER: This line of questioning is out of order for a number of reasons. Firstly, it is well outside the bounds of responsibility of budget estimates committees. Secondly, the incident to which this

whole matter pertains occurred last year, prior to me becoming a Minister. I am here as a Minister to talk about the portfolio issues relevant to my responsibilities as a Minister. That said, I have made extensive statements to the House about this line of questioning in the past. I have referred members to the *Hansard* of the Legislative Assembly on the many occasions that I have been questioned on this matter. I understand that the report that has been referred to by the member has been made available to the media by the Premier—

The Hon. MICK VEITCH: Only because of Mr Secord's questions.

Mr ANDREW STONER: If you have particular questions regarding that report, you are free to pursue those questions in other fora, but if you abuse the forms of this Committee, frankly, you are wasting the Committee's time and setting a very bad precedent for other budget estimates hearings.

The Hon. PENNY SHARPE: There is no abuse here. If you want to talk about abuse of the Committee, having regard to the fact that the Government is in the Chair and the way in which supplementary hearings have been cut off, we can start talking about abuse of these committees. It is entirely in order to ask these questions. Deputy Premier, whose idea was it to start the investigation?

DEPUTY-CHAIR: Now that the Chair has arrived, I will hand over to the Hon. Natasha Maclaren-Jones.

CHAIR: Next question.

The Hon. PENNY SHARPE: Deputy Premier, I repeat: whose idea was it to establish the investigation—the Premier's?

The Hon. JOHN AJAKA: Point of order: The member is clearly aware of the previous ruling made by the Deputy-Chair. These questions are out of order. I do not want to take up the members' time of 20 minutes, but if they are going to continually re-ask the question, I will continually call points of order. I ask that the Chair now direct that no such further question be asked.

CHAIR: The point of order is upheld. Next question.

The Hon. PENNY SHARPE: Deputy Premier, was it your intention to try to clear your name before the Independent Commission Against Corruption was able to investigate this matter?

The Hon. JOHN AJAKA: Point of order: My point of order is on the same line. These questions do not come within the ambit of this Minister's appearance before us today on budget estimates in relation to his portfolio.

The Hon. PENNY SHARPE: To the point of order: We have had a different Chair this morning. Now that you have arrived, I ask that you rule on this matter. I draw the Chair's attention to the standing orders in relation to estimates committees. I put to you that it is absolutely in order for us to be asking these questions. These committees have the power to ask questions of any Minister about anything to do with their responsibilities.

The Hon. NIAL BLAIR: To the point of order: The questioning of this Committee needs to be looking at the proposed expenditure of the Minister's portfolio, and I believe that the line of questioning goes well beyond the boundaries of the Minister's portfolio and the examination of expenditure in that area.

The Hon. PENNY SHARPE: If it was okay yesterday to be talking about this matter in a general purpose standing committee, why is it not okay now? Is it just because you guys have the numbers on the Committee and you are going to try to shut it down?

The Hon. JOHN AJAKA: To the point of order: The comment of the honourable member is outrageous, to say the least. The Minister is before us today in relation to Regional Infrastructure and Services. On what basis he appeared before another committee in relation to another aspect is completely irrelevant. Furthermore, a ruling was made by the Deputy-Chair, and the continual re-asking of the question is flouting that ruling. I ask that you rule that these questions are out of order and will not be permitted any further. If the honourable members want to continue this exercise and have their 20 minutes run so that they can jump up and say, "We were not allowed to ask questions", that is a matter for them. They should cease playing games, move

on and ask real questions of this Minister in relation to the matters on which he is before us, as per the standing orders on budget estimates.

CHAIR: I uphold the point of order. I ask that the member move on to the next line of questioning.

The Hon. PENNY SHARPE: No way.

The Hon. MICK VEITCH: No way. I move:

That the Committee dissent from the ruling of the Chair.

CHAIR: There is dissent in the ruling of the Chair. I ask that the room be cleared.

The Committee proceeded to deliberate.

CHAIR: I advise the Minister that the motion was not upheld. As the time for Opposition questions has expired, we will move on to questions from the crossbench.

The Hon. JEREMY BUCKINGHAM: I will defer to my colleague the Hon. Penny Sharpe. I think she has one more question.

The Hon. PENNY SHARPE: What is your relationship with solar panel installer Jamie Harrison?

Mr ANDREW STONER: In the interests of trying to move on to matters that relate to Regional Infrastructure and Services, I will attempt to answer this question because I am keen that the Committee get to the issue at hand, which is about the administration of my portfolio. It seems that Opposition members do not want to move on. I have dealt with this matter on many occasions in the Legislative Assembly and in the media. Nevertheless, for the purpose of the record I want to restate the sequence of events leading to my participation in the solar bonus scheme. In September last year, over a month before—

The Hon. PENNY SHARPE: Excuse me, that is not the question.

CHAIR: Order! The Hon. Penny Sharpe will let the Minister answer the question.

The Hon. PENNY SHARPE: I am interested to know whether the Minister knows solar panel installer Jamie Harrison.

CHAIR: Order!

Mr ANDREW STONER: If you will allow me to finish my answer—

The Hon. NIAL BLAIR: Point of order: The Minister is being generally relevant to the question but he has not had a chance to acknowledge or address the part of the question that has been asked by the Hon. Penny Sharpe. I believe the Minister is being generally relevant.

The Hon. PENNY SHARPE: To the point order: One minute ago the question was outside the ambit and the Minister could not answer it. Now he is answering it but basically reading from a script that he has used previously. It is either in or out, and it is good that Government members managed to crunch through the dissent so that it apparently was out but now it is in. I do not think there is anything wrong with the Minister trying to answer my question, rather than restating things that he has said previously. We are trying to get to the bottom of this issue.

CHAIR: Order! I uphold the point of order. The Minister has not had enough time to answer the question adequately. At this stage he is being generally relevant. I ask the Minister to continue.

Mr ANDREW STONER: In September last year, over a month before the then Government announced the closure of the solar bonus scheme, my family sought to install solar panels and obtained a quote to do so. On 15 October 2010, almost two weeks before the then Government's announcement, I accepted a quote from a local business—a prominent local solar panel installer; the biggest one in my area on the mid North Coast—and entered into an agreement with them to install solar panels on my residence.

The Hon. PENNY SHARPE: How long have you known that solar panel installer?

Mr ANDREW STONER: The installer did not request a deposit at this time.

CHAIR: Order! The Hon. Penny Sharpe will let the Minister answer the question.

Mr ANDREW STONER: Jamie Harrison is not a friend of mine, as has been alleged in some sections of the media. He joined The Nationals approximately two years ago.

The Hon. PENNY SHARPE: Have you known him since that time?

Mr ANDREW STONER: He was a councillor for some years on the Port Macquarie-Hastings Council. At no stage did I speak to Mr Harrison about this. My family had communication with the installer or staff of the installer, and it was done at that level. At the installer's request I completed a grid connect form on 18 October 2010. On 27 October 2010 I was contacted by the installer and asked for a deposit, which I made online that afternoon. After the issue was raised by members of the media, I learned that my household was reportedly one of 237 contacted by the installer on that day regarding deposits. The situation in which my family and many other New South Wales families found themselves was the result of the boom and bust management of the scheme by the former New South Wales Labor Government. My bank statement and a receipt from the installer both show the date of the deposit as 27 October 2010.

The first I became aware that the deposit may not have been received in the installer's bank account until the following day was when a journalist alleged this on Monday 22 August 2011. When I became aware of this element of doubt I sought advice and was advised that for the purposes of the Electricity Supply (General) Regulation 2001 the applicable date for my entry into the scheme is the date on which I entered into a binding agreement with the installer, that is, 15 October 2010. I refer to section 101I (1) (c). Contrary to false claims by the Leader of the Opposition, the man responsible for the mismanagement of the solar bonus scheme, I did not rush to participate in the scheme and did not leave Parliament to make the deposit. I was paired for one vote on 27 October 2010 at the request of the then Labor Government.

At no stage have I done anything wrong in relation to my household's participation in the solar bonus scheme. Unlike members of the then Labor Government, I had no insider information about the future of the scheme. In yesterday's General Purpose Standing Committee No. 1 I referred to a review by the Hon. Keith Mason, QC, into this matter. This was an internal review conducted by the Department of Premier and Cabinet to ensure that due process was followed at all times. I understand that this advice indicates that there was a binding purchase agreement in place almost two weeks before changes to the scheme were announced. Further questions on this should be directed to the Premier.

I think it is sad that the Labor Party has not learned the lessons of 26 March this year—the public is concerned about issues such as Regional Infrastructure and Services, which we are all here to answer. I do not know how long we should waste time on an issue that does not have anything to do with my ministerial responsibility, which occurred before I was elected to Government and on which I have been absolutely crystal clear time and again.

The Hon. PENNY SHARPE: Now that you have put that on the record we can clearly ask questions about it.

The Hon. JOHN AJAKA: Point of order: We are clearly in the time of the Hon. Jeremy Buckingham. He forwent one question. Technically, it is not for him to forgo his time for the Opposition. This Committee has already voted 20 minutes, 20 minutes and 20 minutes. I ask that no further questions be asked by Opposition members. They will have another opportunity later.

The Hon. PENNY SHARPE: To the point of order: There is absolutely no point of order around the allocation of time. If the Hon. Jeremy Buckingham chooses to allow Opposition members to ask questions in his time, that is entirely appropriate and he is allowed to do so. It is not for the Government to dictate whether Opposition members and crossbench members will or will not ask their questions.

CHAIR: Order! It is time for crossbench questions. If the crossbench chooses to forgo its time we will move on to Government, then back to the Opposition and then back to the crossbench.

The Hon. JEREMY BUCKINGHAM: I do not choose to forgo my time. I have some questions I would like to ask. How is Infrastructure NSW able to transport about 100 million tonnes of coal to Newcastle for export but the community's call for two more trains for Singleton or return of the Casino to Murwillumbah line continue to go unanswered?

Mr ANDREW STONER: I will explain the Regional Infrastructure and Services portfolio to members. The portfolio has direct line responsibility for issues around regional development, including the administration of Regional Development Australia committees and the Regional Development Advisory Committee. It has direct line responsibility in relation to regional development funds, including the Regional Industry and Investment Fund. In relation to other matters—for example, transport, roads, health, et cetera—it has a strategic and coordinating role. It does not have a direct line responsibility role. Hence the member's question in relation to particular train services around the State would be better directed to the Minister for Transport.

The Hon. JEREMY BUCKINGHAM: So the department has no strategic plan for two more trains for Singleton or a return of the Casino to Murwillumbah line?

Mr ANDREW STONER: I understand that these issues are being looked at by Infrastructure NSW, which is a body with a board that has been established by this Government to advise the Government on the State's key infrastructure needs. The line Minister responsible would be the Minister for Planning and Infrastructure, Mr Hazzard.

The Hon. JEREMY BUCKINGHAM: Thank you, Mr Deputy Premier. With regard to key infrastructure needs the Scone community is crying out for a rail overpass. Trains going through there stop the traffic and emergency vehicles can be caught on the other side of the rail line for some minutes. Is there any strategic plan from your department to advance the rail overpass in Scone?

Mr ANDREW STONER: Again, this issue is being considered, as we speak, by Infrastructure NSW. However, I will advise the Committee of a fund that we have established called Resources for the Regions. This fund will be directed towards specific infrastructure needs associated with mining activity in particular regions of the State. We understand that these regions make a substantial contribution to State revenue by way of mining royalties but in many cases significant demands are placed on local infrastructure by those mining activities. It may be that the particular project referred to by the member could be funded as part of that Resources for the Regions fund. However, at this stage we are undertaking a process of auditing mining-affected communities. We need to know which communities are contributing that additional revenue to the State and we need to know what their pressing infrastructure needs are. That process is underway as we speak.

The Hon. JEREMY BUCKINGHAM: Thank you, Deputy Premier. Are you aware of the recent approval of the Majors Creek gold mine?

Mr ANDREW STONER: No, I am sorry, I am not aware of that. Perhaps the Minister for Resources and Energy, Mr Hartcher, can answer that.

The Hon. JEREMY BUCKINGHAM: One of the key elements of the Majors Creek gold mine is that it involves 38 heavy truck movements between Majors Creek in southern New South Wales, near Braidwood, all the way to Parkes—370 kilometres. What do you know about the regional infrastructure demands that will result from this project being approved?

Mr ANDREW STONER: Again I would refer to the Resources for the Regions program and funding that our Government has put in place. This may be one of those projects: if there is a pressing infrastructure need in relation to that particular mining activity, that may qualify.

The Hon. JEREMY BUCKINGHAM: It concerns me that you do not know about that. It is a very big issue in the central west of New South Wales, those trucks travelling so far. When was the last time you visited—

The Hon. NIAL BLAIR: Point of order. The question related to Majors Creek and was about the mine in Braidwood. The Minister has already pointed out it is not in his portfolio. To suggest that the Minister

has not been to western New South Wales is not only inaccurate, it is misleading, because the actual direct line of questioning was related to Braidwood, not Dubbo or Parkes or anywhere else.

The Hon. JEREMY BUCKINGHAM: To the point of order. The question related to a movement of trucks between Braidwood and Parkes.

The Hon. NIALL BLAIR: That is right, so 38 extra truck movements on the Newell Highway.

The Hon. JEREMY BUCKINGHAM: It is not the Newell Highway. Obviously the honourable member needs to get out to western New South Wales occasionally. And that is what I was going to ask—

The Hon. NIALL BLAIR: We are talking about the Majors Creek part of the development—that is what the question originally asked of the Minister, who said it was not in his portfolio.

The Hon. JEREMY BUCKINGHAM: To the point of order. There is no point of order.

CHAIR: I ask that you repeat your question.

The Hon. JEREMY BUCKINGHAM: I think I will move on. The question was when was the last time—

Mr ANDREW STONER: I would like to answer the question. I have not had an opportunity because of all the points of order.

The Hon. JEREMY BUCKINGHAM: I am quite prepared to move on.

Mr ANDREW STONER: You do not want an answer?

The Hon. JEREMY BUCKINGHAM: I am not getting one from you, so I will move on.

The Hon. NIALL BLAIR: Point of order. The Minister is offering up an answer and for the member to suggest—

The Hon. JEREMY BUCKINGHAM: You tried to stop him.

The Hon. NIALL BLAIR: For the member to suggest that he is not giving one is inaccurate.

CHAIR: The Minister has a right to respond to the question.

Mr ANDREW STONER: As I said, the New South Wales Government recognises that mining regions face particular challenges and we are committed to supporting these communities through the program to which I referred, Resources for the Regions. Through this program the Government will spend up to \$160 million extra over four years, from Restart New South Wales funds, on infrastructure projects in mining-affected communities, perhaps including the one to which the member referred.

The first phase of implementation now underway involves an economic assessment of mining-affected communities to establish the amount of mining royalties generated by these communities and the funding being returned to them through infrastructure and service provision. This is being undertaken by a working group comprising representatives of the Division of Minerals and Energy in New South Wales Trade and Investment, the Department of Premier and Cabinet, the Department of Planning and Infrastructure, New South Wales Treasury, the Department of Finance and Services and the Roads and Traffic Authority.

The Hon. JEREMY BUCKINGHAM: To the point of order. The point of order is relevance. My question was specifically about the Majors Creek project and the truck movements between Braidwood and Parkes. I am not interested in a policy statement. I am interested in an answer to the specific question.

CHAIR: The Minister is being generally relevant.

Mr ANDREW STONER: I am explaining the process by which this particular development to which the member refers may have its needs addressed, so I think it is quite relevant. The working group met on

11 July and a process was put in place for agencies to generate local revenue and expenditure data relating to mining-affected communities by the end of August this year. New South Wales Trade and Investment collated the data for consideration by the working group at its next meeting which happened on 16 September, after which a public consultation plan is being developed.

It is anticipated that the economic assessment will be completed by 31 December 2011. It is important we consider the whole State in this, not just one road or one mining-affected community. We are looking across all the mining-affected communities to make sure we are investing taxpayer dollars where they are most needed. Specifically, to the member's question, we do understand the impacts of mining activity, and after 16 years of no consideration of that, we are finally seeing it under this Government.

The Hon. JEREMY BUCKINGHAM: Thank you for your answer, Deputy Premier. What is this regional development fund doing, if anything, about regional towns like Walla Walla and Bulga, which are disappearing due to ever-encroaching coalmines?

Mr ANDREW STONER: Is the member's question about the Resources for the Regions funds specifically?

The Hon. JEREMY BUCKINGHAM: Yes. Is this fund targeting those communities which are being decimated by ever-encroaching coalmines, such as Walla Walla in the western coalfields, or Bulga in the Hunter coalfields?

Mr ANDREW STONER: This program is specifically targeting infrastructure in mining-affected communities and I imagine Walla Walla and Bulga would definitely be mining-affected communities. Local governments will have a chance to put their requests for infrastructure to be funded by this program. We do have another program, though, which may assist those communities. It is called Regional Kick-Start and there are three elements to this: First, there is a program of payroll tax rebates for country employers to enable country employers to employ more people; secondly, 30 per cent of the Restart NSW infrastructure fund is to be directed to regional infrastructure—this is as well as the Resources for the Regions program that I mentioned—and thirdly, there is a Regional Relocation Grant Scheme of \$7,000 for individuals or families to move to country communities, which may include those the member has mentioned.

The Hon. JEREMY BUCKINGHAM: Will that Regional Relocation Grant be available to people in towns like Walla Walla and Bulga, who are leaving because their communities have been decimated and their communities are now unliveable because of coalmining?

Mr ANDREW STONER: The Regional Relocation Grant is aimed at people from the greater Sydney metropolitan area—

The Hon. JEREMY BUCKINGHAM: So that is a no, then?

Mr ANDREW STONER:—to encourage people to move into regional communities.

The Hon. JEREMY BUCKINGHAM: So someone in Bulga will not be able to move to another region, or someone from Walla Walla?

Mr ANDREW STONER: It is not for people to move out of country towns; it is for people to move from the city into country towns.

The Hon. JEREMY BUCKINGHAM: Regarding the Resources for the Regions program, I note that the Government has—I believe, cynically—moved to increase mining royalties to cover the highly dubious cost assessment by the Government in relation to the carbon tax. Given that the Liberal-National parties across Australia have criticised the carbon tax because of its potential impact on coalmines, and particularly regional employment, why did you decide to target the very business you believe would be the most greatly impacted?

Mr ANDREW STONER: The Government faced a considerable challenge on coming to office in March this year. To balance the budget, because there was a very substantial black hole in the budget which had not been revealed prior to 26 March, we looked at a number of expenditure reduction measures as well as some revenue measures. One of the revenue measures that we considered was to re-examine mining royalties, particularly given that other States moved to lift their mining royalties, but also given moves by the Federal

Government in relation to its mineral resources rent tax. We thought it appropriate that, as the mining wealth is coming out of the State, the State should have some of that revenue.

In relation to the carbon tax, the Liberal-Nationals Government opposes a carbon tax, which a New South Wales Treasury review has found will hit New South Wales harder than any other mainland State, particularly in regional areas. The review expects that about 1,850 jobs will be lost in the Hunter region and 1,000 would be lost in the Central West.

The Hon. JEREMY BUCKINGHAM: Minister, do you not think therefore that raising royalties will only compound that impact?

Mr ANDREW STONER: The advice that I have had is in relation to our proposal to increase mining royalties in New South Wales. There would be a zero-sum game as far as the actual mining companies are concerned.

The Hon. JEREMY BUCKINGHAM: What does a zero-sum game mean?

Mr ANDREW STONER: Well, it means there is no impact on the tax paid by the mining companies, given the Federal Government's proposed mineral resources rent tax. It is not going to impact the mining companies anymore. It will simply transfer a greater share of the mining revenue to the New South Wales Government and less to Canberra.

CHAIR: The crossbench time has expired. We will move to questions from the Government.

The Hon. JOHN AJAKA: Deputy Premier, how does the New South Wales Government plan to grow regional New South Wales? What is it doing to improve infrastructure and services in regional areas?

The Hon. PENNY SHARPE: Oh! You can rewrite them.

The Hon. JOHN AJAKA: You are not asking any proper questions, so someone has to.

The Hon. PENNY SHARPE: Your staff writes some pretty dud questions. Sometimes you should rewrite them.

The Hon. JEREMY BUCKINGHAM: That is why you want to shut us down.

CHAIR: Order! Please allow the Minister to answer the question.

Mr ANDREW STONER: It is refreshing to be asked a question from a member who is actually interested in regional infrastructure and services.

The Hon. JOHN AJAKA: Very much so.

Mr ANDREW STONER: Prior to the election we made a commitment to return quality infrastructure and services to regional areas. I am pleased to report that we are making good on this commitment by delivering record spending for regional communities in our first budget. The budget took action to deliver key transport projects for regional New South Wales, including a \$4.2 billion investment in the regional and rural road network and the upgrade of the Pacific and Princes highways. As we have previously announced, more than \$2 billion will be spent on critical highways, including the Pacific Highway, the Princes Highway, the Hume Highway, the Great Western Highway and the Hunter Expressway. We have also made a \$362 million investment in rural and regional bus services across the State, \$159 million has been committed to rail improvements in the country regional network and \$17 million has been committed for community transport services.

The New South Wales Government has also cut red tape on wool bale transportation by increasing the concessional width from 2.5 to 2.7 metres. This is a safe and sensible reform that has been welcomed by truckies and farmers alike. Recently my colleague Duncan Gay announced 24/7 grain truck access to Port Kembla until the end of the year to deal with the expected bumper summer crop, which has the potential to boost grain sales by \$60 million—another sign that common sense has returned to the Roads and Traffic Authority. A move to make this access permanent is now being considered. In addition, we assisted cotton

farmers by granting exemptions for the haulage of cotton pickers on the road network. A similarly sensible approach was taken in regard to that. In recognition of the dry conditions that developed in the Far West, from the first week of August baled hay loads were able to be transported at a width of 2.7 metres. These practical solutions show that this Government is focused on delivering for regional New South Wales.

The New South Wales Government is also committed to delivering record infrastructure spending to address the building backlog left by Labor, including spending over \$1 billion on hospitals across the State. In our budget we have invested more than \$210 million in health infrastructure in rural and regional New South Wales, including the commencement of major projects at an estimated total cost of \$1 billion. We are delivering on our election commitments to upgrade hospitals in regional New South Wales, including \$48 million to commence construction of the Wagga Wagga Base Hospital redevelopment, \$16 million to expand services at the Port Macquarie Base Hospital, \$4 million towards planning for stages one and two developments at the Dubbo Base Hospital, \$3 million towards planning for the Lachlan Health Service, which administers the Parkes and Forbes hospitals.

We have also allocated \$3 million for planning at the Tamworth Hospital, \$4 million for planning of a south-eastern regional hospital at Bega, \$4 million to commence the multipurpose service at Gulgong and \$1 million for the upgrade of a renal dialysis unit at Cooma. The New South Wales Government is also delivering on our promise to return better services to regional areas with our budget including more police and teachers as well as more than \$27 million on 400 extra nurses in regional New South Wales. We have also introduced local health districts with their boards of local representatives to allow decision-making and local resource allocation to occur in regional communities rather than in Sydney office towers. On top of this, \$4.6 million has been set aside to increase the number of planned surgical procedures and improved waiting times for people in regional New South Wales, \$1.2 billion has been committed to ageing and disability services in rural and regional New South Wales, and mental health services will be enhanced in the regions with \$500,000 additional funding.

The Government will also increase the size of the Police Force to record levels as part of a blitz on crime with \$214 million over four years to employ an additional 550 police officers across the State. In addition \$12 million has been allocated to start the Literacy and Numeracy Action Plan, which will see 900 extra teachers employed across the State over five years. Many of those of course will be employed in regional schools. The budget took action to rebuild the regional economy, ensuring regional New South Wales plays a central role in regaining control of the State's finances. We are delivering on our plan to kick-start regional New South Wales with payroll tax rebates encouraging employers to create new jobs in the regions, a \$7,000 regional relocation grant and also considerable investment in regional infrastructure.

We understand that a strong regional New South Wales makes for a strong State overall, with more than \$53 million set aside for the Regional Industries Investment Fund, which will drive economic growth in our regions. We realise that regional tourism is the lifeblood of many small country and coastal towns throughout New South Wales. That is why we have invested \$15.6 million in regional tourism, including a new Regional Product Development Fund and ongoing funding for regional tourism organisations. The Government will protect strategic regional land from mining operations with \$2.4 million being allocated to deliver regional land use plans for the New England, north west and the upper Hunter regions. We have allocated \$5.1 million in funding to support the Government's strategic regional land use plans, which will see greater caution in the granting of new mining exploration leases.

The Government is also passionate about improving national parks, with an additional \$40 million set aside over four years to improve fire, weeds and pest management and to improve visitor access to our national parks with funding for 70 new National Parks and Wildlife Service regional firefighting staff. The Government is committed to improving infrastructure and services in regional New South Wales. I am pleased to report that we have already started the task of delivering key projects and services to regional areas. With this in mind, there is no doubt that regional New South Wales is critical to this Government's plans to rebuild New South Wales.

The Hon. MICK VEITCH: That was the opening statement we did not have at the start.

The Hon. JOHN AJAKA: You had your chance to ask good questions, and you did not, so please let me ask mine. What is the Government doing as part of its decade of decentralisation?

Mr ANDREW STONER: The potential of businesses and communities in regional and rural New South Wales to make a greater contribution to the future of our State has for far too long been overlooked. We are committed to reversing the trend of 16 years under Labor and will ensure that regional economies are given a better opportunity to grow, prosper and deliver improved quality of life in those communities and the State as a whole. We are determined to stimulate regional development and deliver greater opportunities to our regional communities, and that is why we have committed to a decade of decentralisation starting from this year. This involves the Government working with councils, shires and communities around the State to ensure that regional New South Wales plays an even bigger part than ever before in the future of our State, and managing predicted population, the area would have grown at 31 per cent, making life in Sydney pretty well unbearable.

Already the transport infrastructure is groaning and there are planning issues around future residential development. Contrast that with the forecast growth rate in regional New South Wales—it is forecast to be less than half that at just 15 per cent. That includes the rapidly growing coastal areas. In fact, the average indicates that many western shires have reducing populations. It does not make sense and that is why we have got a proactive strategy to try to achieve balanced population growth across the State. It is appropriate the city grows at a sustainable level but it is also appropriate that our regional communities, many of which have got the available infrastructure and plenty of land, and of course a high-quality life for residents in those areas, share in population and economic growth in the State.

We are changing the way that the Government approaches the opportunities that regional communities present. This reflects the make-up of the Government and particularly the Cabinet. The Cabinet has seven The Nationals and four country-based Liberals. So 11 members of the Cabinet, half, represent regional areas. So there is a very strong representation for the regions at the heart of government. That is why we are putting in place a number of strategies and initiatives designed to stimulate and manage the impacts of economic growth, particularly in regional New South Wales.

We have introduced an overarching strategy for the State, NSW 2021, to guide policy and budget decisions. It is our 10 Year Plan to direct the future prosperity and growth of the State. It includes specific targets for economic growth in regional New South Wales and across the State as a whole for delivering quality services to the communities throughout New South Wales. Are they always this rude?

The Hon. JOHN AJAKA: They cannot help mumbling and moaning, Deputy Premier. I would just ignore them.

Mr ANDREW STONER: Under our Jobs Action Plan the Government has committed to creating 100,000 new jobs, of which 40,000 will be in regional New South Wales. The NSW 2021 plan contains a clear strategy relating to industry action plans which are being developed to support high-growth innovative sectors, including in the regions. Those plans are complemented by regional action plans to be developed next year which will identify specific opportunities and challenges in each region across the State. We have placed a new emphasis on infrastructure provision to support economic growth. Additional funding allocated under Restart NSW is being dedicated to infrastructure development, with 30 per cent of that fund dedicated to regional New South Wales.

A key aspect of our decentralisation agenda is focused on identifying more public sector job opportunities in regional New South Wales, the Hunter, Illawarra, Central Coast and western Sydney. We have already announced our decision in the 2011-12 budget to relocate New South Wales Fisheries headquarters from Cronulla to regional coastal areas including Coffs Harbour, Nowra and Port Stephens. Past relocations of government agencies, including the relocation of the Department of Agriculture to Orange when the Liberal-Nationals were last in government, have yielded significant benefits to rural and regional communities. Decentralisation can provide a significant boost to regional communities, and that is why we are looking for further opportunities for decentralisation in New South Wales. With those and other strategies the Government is demonstrating its commitment to supporting decentralisation.

Our decade for decentralisation policies specifically promote steady and strategic growth in regional New South Wales. We are implementing a broad strategy to increase population in regional New South Wales and support balanced population growth across the State. Specific elements include increasing the regional New South Wales population by a target of 470,000 people by 2036. We are providing those \$7,000 regional relocation grants to encourage city people to relocate to regional New South Wales. We are providing investment attraction for residential development in regional centres experiencing growth due to mining. We are

actively promoting regional locations through the State Migration Plan to skilled migrants and business migrants.

In addition to those initiatives the Government is implementing measures to ensure the services people need to make regional living attractive and viable are available and of high quality. I outlined some of those in my earlier answer. We are giving back to local communities at all levels as much local decision-making and participation as possible, along with appropriate accountability and responsibility. We are inviting local communities to help identify more ways to devolve decision-making to regions, cities, towns, neighbourhoods, schools and, as I outlined earlier, local health services. We are about managing the State's predicted population growth with a careful balance between greenfields, urban infill and regional housing growth.

We are deploying Infrastructure NSW to assist in planning for the provision of major regional infrastructure and we are working with local councils and shires to deliver the right priorities and the best value for local areas from the roads budget for New South Wales. This renewed and reinvigorated focus on delivering more and providing more opportunities for communities and businesses in regional New South Wales is long overdue. We recognise the vital need to engage with and to enable regional New South Wales to ensure these communities can reach their full potential to the benefit of our State as a whole.

The Hon. NIAL BLAIR: What is the Government doing to resolve issues faced by cross-border communities?

Mr ANDREW STONER: As the Hon. Niall Blair is aware, our State is surrounded by other States. In fact, we surround a territory in the middle of our State, and to the north, south, west we have State and Territory borders and different rules and regulations ranging from daylight saving in the north—Queensland does not have it—through to issues such as protocols around presentations at hospitals and other health services, and even police pursuits where the cross-border protocols and working arrangements need to be ironed out.

There is also a frustration that has been expressed to us by residents of cross-border communities and, I have to say, interstate road transport operators that the rules, regulations, taxes, fees, charges and standards differ between the States. There is a whole lot of what are called cross-border anomalies which do need to be resolved. They are a hangover from our colonial backgrounds. I guess the best one is the different rail gauges between the States when the colonial governments ran things pretty much their own way. No Federal Government was in place to coordinate things through the current ministerial arrangements—for example, the Council of Australian Governments. These hangovers are still in place and are a source of frustration for regional communities and people whose businesses operate on both sides of the border, whether that is a small business on the border or a road transport operator whose trucks cross States.

This Government has made it clear that it will not allow that to continue. There needs to be a greater effort towards working with the governments in the other jurisdictions to resolve those cross-border issues. Families and businesses in place such as Tweed Heads, Queanbeyan, Albury, Tenterfield and Broken Hill face these cross-border issues as a part of their daily lives, and it does make life more difficult, particularly in terms of, I have got to say, the ability of a local business to grow and provide jobs when sometimes there is unfair competition caused by these anomalies right across the border.

Before the March State election the Government made a commitment to appoint a cross-border commissioner to ensure a fair go for border communities on that full range of matters. I am happy to report to the Committee that we are close to satisfying that commitment. Because it is such an important role we recognised the need to undertake a thorough recruitment process to find the best candidate for the job. We cast the net wide and placed advertisements calling for expressions of interest in key newspapers, including the *Sydney Morning Herald*, the *Australian*, *The Land* and major newspapers in cross-border communities such as Albury, Tweed and Broken Hill. To date we have received applications from a strong field of candidates and we will begin interviewing a short list of candidates this week. We hope to finalise the recruitment process and appoint a cross-border commissioner before the end of this year.

When appointed, the commissioner will act as a powerful communication and engagement channel for local issues. The appointee will be a new advocate for border communities around the State and will play an important role in strengthening cross-border arrangements and improving services for families and businesses in border regions of New South Wales. A recent issue has arisen in relation to Jervis Bay, which is in a pocket of the Australian Capital Territory in the middle of southern coastal New South Wales. The Australian Capital Territory Government has raised an issue that will now be addressed by the new commissioner.

The commissioner will be appointed initially for two years and will be tasked with providing advocacy for the concerns of cross-border communities and reviewing existing cross-border governance and management arrangements. Some of those processes have been reviewed and are operating quite well. I understand that some of the health service arrangements, for example, for people in Queanbeyan and other parts of the Monaro electorate who must access Canberra health facilities, are working well, so we do not need to reinvent the wheel. Of course, there are many other issues that do need to be resolved.

The commissioner will also develop strategies to optimise the delivery of services to border communities. The issues include police chases, standards for heavy vehicles travelling across borders and different taxation rates and time zones. Of course, we must also address container deposit legislation, which South Australia has but New South Wales does not. The role will be hosted in my department and the commissioner will work closely with border communities and stakeholders at the local level and, where relevant, State-wide and across the States and Territories. The commissioner will provide specialist advice to the Deputy Premier, the Government and the director general of the Department of Trade and Investment. The Government will ensure that border communities throughout our State have a dedicated advocate to act on their behalf and in their interests. The legitimacy of the concerns of border communities in New South Wales has never been in question, but this Government is taking real action now to respond to them.

CHAIR: The time for Government questions has expired.

The Hon. MICK VEITCH: Opposition members will defer to the crossbench for the first few minutes of the time allocated to us. However, we reserve the right to ask questions after the crossbench questions have concluded.

The Hon. JEREMY BUCKINGHAM: Thank you very much. I am interested in the comments about people relocating to regional New South Wales. Obviously services are the key to attracting people to the regions. Does the Government support calls from the Orange community for a 24-hour helicopter emergency retrieval service? A petition containing 30,000 signatures about this issue was recently presented to Parliament. Does the Government support the provision of this essential service in the central west of New South Wales?

The Hon. MICK VEITCH: Glen Taylor worked hard on that.

Mr ANDREW STONER: I refer to my initial comments about the role and responsibilities of the Regional Infrastructure and Services portfolio. The member's question would be best directed to the Minister for Health, who has direct line responsibility for health services, including emergency helicopter retrieval services in the Central West and other parts of the State. That said, I am aware that the Labor Government reviewed the contractual arrangements for helicopter retrieval services across the State and that those contracts will be in place until at least next year. I understand that the Minister for Health will review the arrangements for medical retrievals by helicopter across the State at that time.

The Hon. JEREMY BUCKINGHAM: Another issue of concern to the residents of the Central West, Orange and the surrounding district is the proposed Macquarie pipeline. Is the Government committed to funding that project as opposed to other water infrastructure projects in Orange?

Mr ANDREW STONER: I refer the member to the relevant Minister responsible for water matters, the Minister for Primary Industries. That said, during the recent drought existing water supply sources for the city of Orange and associated industrial areas were stretched to a critical level. As I am sure the member is aware, a review of alternative sources of water supplied to augment the existing supply was conducted. The Orange City Council implemented successful stormwater harvesting and demand management initiatives, but further augmentation was considered necessary.

A taskforce comprising Orange City Council, appropriate New South Wales agencies and other relevant stakeholders was established to consider the construction of a pipeline from the Macquarie River. The council has been successful in obtaining Commonwealth funding for the construction of the pipeline and the taskforce is currently confirming the appropriateness, environmental suitability and effective economic return of the proposed pipeline. While no decision to construct a pipeline has been made, the council will shortly undertake widespread stakeholder consultation to explain the need for the proposed pipeline, the cost to ratepayers and the construction process. As I said, further questions should be directed to the relevant Minister, the Hon. Katrina Hodgkinson.

The Hon. JEREMY BUCKINGHAM: I refer to the Resources for the Regions Program and the royalties that will fund it. Noting that there is no royalty holiday in Queensland for the coal seam gas industry, has the Government considered removing the five-year royalty-free holiday provided to coal seam gas projects in this State to ensure that infrastructure and services demands being imposed on communities by the industry can be met?

Mr ANDREW STONER: This Government has not approved any coal seam gas extraction to this point. However, we have put in place a moratorium on fracking and imposed a ban on the use of the BTEX group of chemicals, which are used in fracking. The Government also now requires an impact statement to be prepared dealing with the suitability of that activity in agricultural areas and is drafting aquifer interference regulations. I would have to seek the advice of both the Treasurer and the Minister for Energy and Resources about royalties.

CHAIR: I advise the Opposition that half of its allocated time for questions has been used. Do members want the cross bench to continue?

The Hon. MICK VEITCH: Thank you, Madam Chair, for that advice. Minister, in your detailed response to a question about the Independent Commission Against Corruption referral you provided a chronology. When was the Mason inquiry commenced, before or after the story broke in the media?

Mr ANDREW STONER: I refer the member to my previous answer in which I concluded that further questions ought to be directed to the Premier.

The Hon. MICK VEITCH: You spoke about the installer Jamie Harrison and said that he had been a member of The Nationals for a couple of years. When was the last time you spoke to Mr Harrison?

Mr ANDREW STONER: I indicated to the Committee that in relation to the solar panels issue I had not spoken at any stage to Mr Harrison. I bumped into Mr Harrison recently—in fact, it was at The Nationals conference at Port Macquarie approximately three weeks ago—at which stage I did not have a conversation with him about that or, from memory, any other issue other than to say hello.

The Hon. MICK VEITCH: How often do members of your staff speak to Mr Harrison?

The Hon. JOHN AJAKA: Point of order: We are well and truly going back to an area that the Chair has ruled on. The Deputy Premier has been good enough to answer the question, although he was not required to. He made it clear at the end of his answer that any further question should be directed to the Premier. Now we are going into when was the last time his staff members spoke to X. This is clearly outside the ambit of the Minister's portfolio.

The Hon. MICK VEITCH: To the point of order: To be fair, the Deputy Premier is actually answering the questions and, if I were the Deputy Premier, I would not appreciate the Hon. John Ajaka cutting across, as he has done. He is quite fairly answering the questions and I think the member is running interference where he does not need to run interference.

Mr ANDREW STONER: I have not budged on my in-principle position, which is that this estimates hearing is in relation to the Regional Infrastructure and Services portfolio and my role as Minister in relation to that. I answered an earlier question and read a statement in the hope that that would budge you to get you on to an issue that is actually important to the people of New South Wales. I have indicated that there are alternative fora available if you want to pursue this line of questioning, but it is not appropriate that you waste this Committee's time in pursuing that line of questioning here.

CHAIR: The point of order is upheld.

The Hon. PENNY SHARPE: We are still asking questions.

CHAIR: Do you have another question to move on to?

The Hon. PENNY SHARPE: We do, thank you. Has Mr Harrison or his company ever donated to your or any other National Party campaign?

The Hon. NIALL BLAIR: Point of order: I believe that the Opposition is flouting the Chair's earlier ruling and the ruling made at the start of this hearing. The ruling was in relation to questioning, not in relation to answers provided by the Deputy Premier. I now believe that the Opposition is straying well beyond the questioning in relation to the Deputy Premier's portfolio and that the Chair's earlier ruling is being flouted.

The Hon. PENNY SHARPE: Further to the point of order: The Deputy Premier cannot have it both ways. He cannot say that this is out of order and then provide an answer, and then not allow us to follow-up with questions in relation to that matter. If he thought there was no reason for him to answer the question he did not have to do that. He cannot say, "I am being very generous to the Committee", and refuse to answer any further questions when he has opened up the issue himself. It is perfectly in order given the amount of information that the Deputy Premier has already put on the record. We are simply trying to get to the bottom of the matter as a result of his statements.

CHAIR: Your questioning is outside the parameters of budget estimates and I ask that you move on to another line of questioning.

The Hon. PENNY SHARPE: Deputy Premier, has Harelec Services ever donated money to the National Party's or your campaigns?

The Hon. JOHN AJAKA: Point of order.

Mr ANDREW STONER: This issue has been trawled over by the member's colleagues in the lower House. All the answers in relation to this are in *Hansard* and/or in the media from the time that this was trawled over. It is not appropriate that these questions be asked in this forum.

The Hon. JOHN AJAKA: In addition, your ruling is clearly being flouted. It is just wrong.

The Hon. NIALL BLAIR: Further to the point of order: I am sure the people of regional New South Wales are very interested in hearing what the Minister has to offer them in relation to the portfolio. I believe that this line of questioning is removing that opportunity for those people and it is outside the scope of the Minister's availability this morning.

CHAIR: I uphold the point of order and I ask that the Opposition move on to another line of questioning.

The Hon. MICK VEITCH: Before the regional relocation grant was implemented how many households were already migrating from Sydney to country New South Wales? It would be fair to say that there were people already moving from Sydney to country New South Wales, would it not?

Mr ANDREW STONER: Absolutely. People move all the time from the city to regional areas. I am advised by the deputy director general that we do not have those figures at this point.

The Hon. PENNY SHARPE: Will you provide those on notice?

Mr ANDREW STONER: I am sure that those figures would be available from the Parliamentary Library or the Australian Bureau of Statistics.

The Hon. PENNY SHARPE: Your department does not have those?

Mr ANDREW STONER: They could research them, the same as you could.

The Hon. MICK VEITCH: There must have been some methodology for the creation of 7,000 places. Surely there was some sort of modelling? You did not pluck a number from the air.

Mr ANDREW STONER: I can advise the member that this was a pre-election commitment and the Government is determined to meet all of its pre-election commitments. The rationale for the policy was that the metropolitan area was forecast to grow at 31 per cent over a 25-year period. The rest of regional New South Wales was set to grow at less than half that rate. We put together a three-pronged strategy, one part of which was the relocation grants; however, the other prongs included big new investment in regional infrastructure and

also 40,000 payroll tax rebates for jobs in regions. They all work together. It is about building the infrastructure, creating the jobs and bringing the people. That is the rationale behind the policy. We were not prepared to sit back and allow Sydney's population to continue to burgeon at an unsustainable rate whilst our regions were somewhat neglected and, in many cases, going backwards in population and economic growth.

The Hon. MICK VEITCH: In an email dated 8 September 2011 Michael Clark-Lewis at Treasury NSW said that there are currently 10,545 households that migrate intrastate. If you work that down to the total number of house ownerships, that is 7,382 households that already migrate from Sydney to country New South Wales and, of those, 6,053 already meet eligibility for the regional relocation grant. The grants were \$7,000, so in effect \$49 million—\$50 million with the \$1 million marketing campaign—is actually to attract 900 households, not 7,000, because 6,053 were already going before you put the program in place. Would you agree with that?

Mr ANDREW STONER: Those are your calculations; they are not mine.

The Hon. MICK VEITCH: No, they are Treasury's calculations.

Mr ANDREW STONER: What I can advise the Committee is that this was a pre-election commitment which is part of a package. Six months into government the other elements of the package have not fully rolled out. You would appreciate that six months into a four-year term is not a long time—

The Hon. MICK VEITCH: So you are denying the Treasury figures?

Mr ANDREW STONER: However, the regional relocation grant has been endorsed by numerous groups and stakeholders, including the mayor of the Upper Hunter Shire, who said that the regional relocation scheme will provide further impetus for the metropolitan population to relocate and make a home for themselves in places like the Upper Hunter. The mayor of the Albury City Council said that \$7,000 is a good inducement that will help people to move. It might very well be the tipping point. The member for Northern Tablelands, Richard Torbay, said that an incentive-based approach for regional, rural and remote parts of New South Wales is a positive policy initiative and deserves to be commended.

The Hon. MICK VEITCH: So you would dispute the Treasury figures?

Mr ANDREW STONER: I have not seen the figures to this point.

CHAIR: Opposition time has expired. Would the crossbench now like to ask questions?

The Hon. JEREMY BUCKINGHAM: Yes. Deputy Premier, where was the community west of the great divide that you last visited in your capacity as Minister for Regional Infrastructure and Services, and what did you do there?

Mr ANDREW STONER: I would have to look at my diary for the last time that I visited a western community, but I frequently do.

The Hon. JEREMY BUCKINGHAM: In your capacity as Minister for Regional Infrastructure and Services?

Mr ANDREW STONER: I was in Broken Hill in that capacity approximately three months ago. I have been to Tamworth, I have been to Bathurst, I have been to Dubbo and I have been to Queanbeyan. If the member wants details on all of those I am happy to take the question on notice.

The Hon. JEREMY BUCKINGHAM: Have you or representatives of your department met with coal seam gas companies to discuss opportunities and infrastructure issues related to export liquefied natural gas terminals in New South Wales?

Mr ANDREW STONER: I refer you to the answer I gave yesterday when you asked me the same question.

The Hon. JEREMY BUCKINGHAM: And that was?

Mr ANDREW STONER: The answer was no. I have had one meeting with a coal seam gas company whilst in government: Santos. Santos gave me a briefing about its proposed takeover of Eastern Star Gas. It did not put forward any proposal for liquefied natural gas—

The Hon. JEREMY BUCKINGHAM: So there have been no meetings between any member of the Department of Trade and Investment and coal seam gas companies discussing infrastructure and opportunities for export liquefied natural gas in New South Wales?

The Hon. JOHN AJAKA: Point of order: The first question asked by Hon. Jeremy Buckingham was whether the Deputy Premier had asked anyone.

The Hon. JEREMY BUCKINGHAM: No, it was not.

The Hon. JOHN AJAKA: The question now being asked is: "Does that mean that nobody from your department ..." That should be a separate question.

The Hon. JEREMY BUCKINGHAM: To the point of order. The first question I asked was whether the Deputy Premier in his role as the responsible Minister for the portfolio or representatives of his department met. There is no point of order.

CHAIR: I ask Hansard to clarify what the original question was.

Question read.

The Hon. JOHN AJAKA: I apologise.

The Hon. JEREMY BUCKINGHAM: The question stands. Have you or representatives of your department met with coal seam companies to discuss infrastructure, planning or any other matters related to the establishment of export liquefied natural gas terminals in New South Wales?

Mr ANDREW STONER: I am sure the member would appreciate that I simply do not know every occasion on which—

The Hon. JEREMY BUCKINGHAM: You answered no before.

Mr ANDREW STONER: If the member will let me finish my answer, I was talking about myself. No, I have not. As to staff members of my department, I am simply not aware of every meeting they have with every business. It is their role to discuss matters with various businesses to try to grow the State's economy and jobs in New South Wales. I will have to ask the department to review that and provide an answer. I will take that question on notice.

The Hon. JEREMY BUCKINGHAM: Have you or members of your department had discussions with coal mining companies, for example with Shenhua or any other entity, in regard to infrastructure expansion related to coal exports from Port Kembla?

Mr ANDREW STONER: I personally have not had any such meetings regarding the expansion of Port Kembla with any coalmining interests. But, again, I am not aware of every meeting had by every staff member in my department. I will have to ask the department to take that as a question on notice.

The Hon. JEREMY BUCKINGHAM: Moving to another issue, will you explain the Government's position on the national broadband network? Everywhere I have been in regional New South Wales people have spoken to me about the great opportunities that the national broadband network will give up in terms of health, education and employment opportunities. I would have thought that the Government would have been more supportive of it. Does the Government still remain opposed to the national broadband network as it stands?

Mr ANDREW STONER: There is no doubt that increased internet access and speed in regional communities will be a good thing for business and economic growth in those communities. There has been debate, mostly at a Federal level, regarding the means by which that increased access and speed of information communications technology ought to be delivered to regional communities. However, I am not aware of this

Government having taken a public position to oppose the national broadband network. I think most of the debate has been had federally about the costs and management of the program and the waste.

The Hon. JOHN AJAKA: Point of order: Three members are speaking at the same time as the Minister is attempting to answer the question.

CHAIR: I uphold the point of order. Members will allow the Minister to answer the question.

The Hon. JEREMY BUCKINGHAM: I take it from your answer that the Government is not opposing, therefore one could surmise that the Government is supportive of it?

Mr ANDREW STONER: No. What I have said is that we would like to see enhanced internet access and speed of relevant technologies information and data transfer available to regional businesses and communities generally. The management and delivery cost of the Federal Government's model is a matter of debate. The Government has not come out in support of the national broadband network per se. The Government would like to see the most cost-effective solution for regional communities.

The Hon. JEREMY BUCKINGHAM: I note your earlier comments about regional and strategic plans for services as part of resources for regions. Has the Government done any strategic work to assess the impact of fly-in and fly-out and drive-in and drive-out working arrangements for communities in western New South Wales, particularly in the area of demand for services and infrastructure?

Mr ANDREW STONER: I am not aware of a specific review or study undertaken by the department in that regard. However—

The Hon. JEREMY BUCKINGHAM: A Federal inquiry is being conducted at the moment. Given the enormous amount of growth projected in coalmining, goldmining and rare earths in New South Wales—which is having a massive impact in my community of Orange and others—will the Government be making a submission to that Federal inquiry?

Mr ANDREW STONER: As always the Government—with New South Wales a significant part of the nation—would participate in and contribute to any Federal inquiry, including this one.

The Hon. JEREMY BUCKINGHAM: Back to the issue of coal seam gas royalties, one would think that royalties or resources from regions are an important source of revenue in New South Wales. Do you know how much money the coal seam gas industry paid in royalties last year?

The Hon. NIALL BLAIR: Point of order: I believe the Minister has addressed the issue that royalties are a matter for the Treasurer or for the Minister for Energy and Resources. The question is out of order.

The Hon. JEREMY BUCKINGHAM: To the point of order: The issue goes to revenue and revenue is how we fund these programs. The Minister referred earlier to using royalties to fund these programs.

The Hon. JOHN AJAKA: It is a long bow.

The Hon. JEREMY BUCKINGHAM: It may be, but I will move on because it is obvious that the Deputy Premier does not know. It is \$420,000.

The Hon. NIALL BLAIR: Point of order: It is inappropriate to put words into the Deputy Premier's mouth, that he does not know.

The Hon. MICK VEITCH: To the point of order: The issue here is that we are trying to ascertain what the Regional Infrastructure and Services portfolio is. We want to work out what the Deputy Premier does as the Minister for Regional Infrastructure and Services.

CHAIR: I uphold the point of order.

The Hon. JEREMY BUCKINGHAM: Do you know that companies concerned with coal seam gas are structuring their developments to avoid tax by extracting quickly from a small number of wells and then

expanding? Do you not have responsibility for regional New South Wales to ensure that money is available to offset the costs of that industry?

Mr ANDREW STONER: I have spoken about the Government's Resources for the Regions Program, which is about harnessing some of the revenue to the State from the mining industry and ensuring that those regions and communities—

The Hon. JEREMY BUCKINGHAM: Some?

Mr ANDREW STONER: Well, 100 per cent of royalties comes to the State and it gets spent on the taxpayers—

The Hon. JEREMY BUCKINGHAM: But 100 per cent of nothing is still nothing.

Mr ANDREW STONER: —of this State.

The Hon. JEREMY BUCKINGHAM: Does the Government still believe that 40,000 people over four years will take up the Regional Relocation Grant?

Mr ANDREW STONER: As I outlined earlier, this policy is an important part of our overall regional kick-start policy—

The Hon. JEREMY BUCKINGHAM: And it is important. How many people have taken it up so far?

Mr ANDREW STONER: —and is connected to our decentralisation strategy as well.

The Hon. JEREMY BUCKINGHAM: Thank you. The key thing is that we are six months into the term. That is a considerable amount of time. It has been announced and funded. Because it has been well promoted, how many people have taken it up so far? Do you stand by the projection of 40,000 over four years?

Mr ANDREW STONER: The program is administered by my colleague the Minister for Finance and Services, and questions in relation to administrative details should be directed to him. However, I can inform the Committee that for the first quarter of the life of the grant 49 households had been recipients of the \$7,000. I would use this figure with caution, noting that it is too early in the four-year scheme for any meaningful figures to be produced and conclusions to be drawn, particularly as there has been no promotional campaign to date. Regional relocation grants are an attractive incentive, particularly for those families considering a move from metropolitan to regional areas.

The Hon. JEREMY BUCKINGHAM: Do you think it is not only a failure of promotion? Obviously, you could argue that there is not a great awareness of it. Is it conceivable that a lack of regional services and infrastructure acts as a disincentive, that a \$7,000 grant will simply not attract people and overcome their concerns about moving to the region and not having health, transport and education opportunities?

The Hon. NIALL BLAIR: Point of order: I ask that the Hon. Jeremy Buckingham allow the Minister to at least get through his answer before he interrupts and asks another question.

CHAIR: Order! That is not a point of order but it is a general point that the Hon. Jeremy Buckingham is not allowing the Minister to answer his questions sufficiently. I ask the Minister to answer the last two questions.

Mr ANDREW STONER: This Government is aware that services in regional and rural New South Wales need to be improved and enhanced after 16 years of a Labor Government. I outlined in a fairly comprehensive answer to the Hon. John Ajaka earlier in this hearing the measures that were in place to invest in regional health, transport and other front-line services, including police, nurses and teachers. In relation to the regional relocation grant—I mentioned the promotional campaign—a campaign will commence soon. I am advised that the Office of State Revenue had a stall and held a seminar at two expos in Sydney during August in relation to a range of schemes and taxes that the Office of State Revenue administers, including the Jobs Action Plan and the regional relocation grant.

Earlier I mentioned that the regional relocation grant is part of a three-pronged decentralisation initiative. We expect that as the funding for regional infrastructure is rolled out and jobs are created around that, and as regional businesses begin to take up more of the payroll tax rebates that are available to them, we will see more people making the tree change or the sea change and taking up the opportunity of having some government assistance with the costs of moving. It is not inexpensive to move house, particularly from the city to a regional area.

You have the agent's commission and legal fees when you sell your house, and this is one of the qualifications for admission to the scheme. At the other end you have the stamp duty when you buy a property in a regional community, which is also a requirement of the scheme. You also have the cost of a removalist in between. It is absolutely important that we address the quality of services for people who want to make the change. They must have a job to go to, good schools for their kids, decent medical facilities and transport options. They must also have access to the other signs of life that they are used to in the city—

The Hon. JEREMY BUCKINGHAM: Thank you. With regard to jobs—

Mr ANDREW STONER: That may include cultural activities. We are investing in all of these things.

CHAIR: Order! Unfortunately the Hon. Jeremy Buckingham's time has expired.

The Hon. JOHN AJAKA: I will forgo any further questions to eliminate any further groaning or moaning on the part of Opposition members.

The Hon. JEREMY BUCKINGHAM: I am prepared to ask more questions.

The Hon. JOHN AJAKA: Then I will not forgo the time. I will keep going, if the Hon. Jeremy Buckingham wants to do that.

The Hon. JEREMY BUCKINGHAM: I think it is important that we have some questions.

The Hon. JOHN AJAKA: There was a previous ruling. I suggest that we do not go past that previous ruling and deliberative. The Hon. Jeremy Buckingham may not be aware of it as he was not there.

CHAIR: Order! The hearing is concluded. Any questions taken on notice require a response within 21 days.

(The witnesses withdrew)

The Committee proceeded to deliberate.
