

## GENERAL PURPOSE STANDING COMMITTEE No. 4

Monday 22 October 2007

Examination of proposed expenditure for the portfolio areas

### SMALL BUSINESS, REGULATORY REFORM, PORTS AND WATERWAYS

The Committee met at 1.30 p.m.

#### MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. D. J. Gay  
Dr J. Kaye  
The Hon. E. M. Obeid  
Ms L. Rhiannon

The Hon. R. A. Smith  
The Hon. H. S. Tsang  
The Hon. L. J. Voltz

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#### PRESENT

**The Hon. J. G. Tripodi**, *Minister for Small Business, Minister for Regulatory Reform, and Minister for Ports and Waterways*

**NSW Maritime Authority**

**Mr C. Oxenbould**, *Chief Executive Officer*

**Mr S. Dunn**, *Deputy Chief Executive Officer*

**Mr A. Middleton**, *General Manager, Shipping Security and Environment*

**Department of State and Regional Development**

**Mr M. Cullen**, *Acting Director General*

**Ms J. Scott**, *Executive Director, Small Business Development Division*

**Better Regulation Office**

**Ms L. Ashpole**, *Director*

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CORRECTED

**CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

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

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

**CHAIR:** I declare this hearing open to the public and welcome Minister Tripodi and his accompanying officials to the hearing. At this hearing the Committee will examine the proposed expenditure for the portfolios of Small Business, Regulatory Reform and Ports and Waterways. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council's guidelines for the broadcasting 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 photographs. In recording the proceedings of this Committee, members of the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. The guidelines for the broadcasting of proceedings are available at the table by the door.

Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Minister, you and the officers accompanying you are reminded that you are free to pass notes and refer directly to your advisers while at the table. The Committee has agreed to the following format: the sequence of questioning will alternate between crossbench members and Opposition and Government members, with 15 minutes for each batch of questions. We will have a 10-minute break at 3 o'clock. In relation to the return of questions on notice, the Committee has resolved that answers to questions are to be provided within 21 calendar days of the date on which they are sent to the Minister's office. Minister, I hope that you are able to meet that deadline. We have decided to commence with Ports and Waterways.

**ANTHONY MIDDLETON**, General Manager, Shipping, Security and Environment, NSW Maritime Authority,

**CHRISTOPHER OXENBOULD**, Chief Executive Officer, NSW Maritime Authority, sworn, and

**STEPHEN DUNN**, Deputy Chief Executive Officer, NSW Maritime Authority, affirmed and examined:

**CHAIR:** I declare the proposed expenditure for the portfolios of Small Business, Regulatory Reform and Ports and Waterways open for examination. Minister, do you have a brief opening statement?

**Mr JOSEPH TRIPODI:** Yes, I do.

**CHAIR:** This Committee has resolved that ministerial opening statements shall be limited to five minutes. You may proceed.

**Mr JOSEPH TRIPODI:** Thank you. On the issue of questions on notice, I commit to my best endeavours to provide those answers as soon as possible. New South Wales is a growth economy. Our State's economy is vibrant, diverse, successful and prosperous. The hardworking families of New South Wales and sound economic management by the Iemma Government have ensured that our State's wealth continues to grow strongly. New South Wales is also a major trading economy. As an economy with such strong trade links to the world, a key component of our ongoing economic strength is the role that is played by our ports. New South Wales ports—Port Botany, the ports of Newcastle and Port Kembla, along with the ports of Eden and Yamba—are major undertakings that require significant management and expertise.

The ports handle over \$60 billion worth of trade each year, delivering real jobs and real prosperity to New South Wales. In the 2006-07 financial year containerised trade at Port Botany alone grew by over 12 per cent—a massive expansion that illustrates the importance of sound management and strategic planning when it comes to our ports. The Iemma Government understands this need for long-term strategic thinking. The Iemma Government also understands the needs for large-scale investment in our State's infrastructure. The New South Wales ports growth plan, announced in October 2003, provides a strategic direction to industry and to the community. As part of our strategic plan, massive investment is under way in our ports to ensure that future capacity needs are met and that our State continues to grow and prosper.

I turn, first, to activities in metropolitan Sydney. We are undertaking the biggest expansion of Port Botany since the port was first built. This massive investment will see the delivery of a new container terminal of approximately 63 hectares of land, 1,850 metres of new quay line, and five new shipping berths. If done right, large-scale infrastructure, such as this expansion, can have significant expansionary effects on our already robust economy. The Port Botany expansion project will do just that. It will deliver 9,000 new jobs to New South Wales and boost the State's economy by \$16 billion over the next 20 years—that is, an average of \$800 million per annum—but the impact of strong trade continues well past the gate of the port.

The Iemma Government's management of strong trade and strong growth goes to the entire logistics chain. As part of its commitment in September this year, the Government approved plans for the \$150 million Enfield intermodal logistics centre. Once this intermodal centre is complete it will remove up to 300 truck movements in suburbs around Port Botany each day and help to achieve the Government's target of increasing cargo transported by rail to 40 per cent. We have also commissioned the Independent Pricing and Regulatory Tribunal [IPART] to undertake a comprehensive review of the interface between landside operations and the stevedores. IPART is looking at a range of issues that include operator methods, hours of operation and fairness of access.

The strength of the interface between landside operations and the stevedores is one of the key drivers determining the effectiveness of Port Botany. This Government is committed to ensuring that this part of the chain works as efficiently as possible. Industry has responded well to the issues paper that has been released and submissions have been received reflecting the views of a number of

organisations. I am advised that a draft paper will be released shortly. Unlike some in this Parliament, this Government's focus does not start and end in Sydney. A trade-based economy is a major feature of all of New South Wales, in particular, the key regions of the Illawarra and the Hunter, to which I will now turn.

This Government understands the importance of solid infrastructure investment for our regions. In the Illawarra we have already started a massive program of port expansion. Port Kembla is undergoing a \$167 million expansion to accommodate the car trade after it is relocated from Sydney's Glebe Island, creating more than 1,000 direct and indirect jobs and contributing more than \$345 million to the Illawarra's economy. Stage one of the massive expansion is complete and includes the construction of general cargo and container facilities with terminal operations having already commenced in May this year. Stage two was completed on 5 October 2007, which will enable the transfer of roll-on-roll-off vessels from east Darling Harbour to Port Kembla. Stage three will see the construction of a fourth berth to accommodate break bulk and bulk cargo. Construction is expected to be completed by late 2008. These are major steps in ensuring strong growth for the Illawarra, a diverse economy and excellent prospects for the future.

Now turning to the Hunter. The Newcastle and Hunter region also is critical to our State's economic lifeblood. Whether it is coal, wine or any of the other major products of the region, the Hunter plays a critical and, indeed, iconic role within our economy. The Port of Newcastle is the world's second largest coal exporter of port and growth in 2006-07 again hit a record level, despite the impact of horrific floods and storms. In the first three-quarters of 2007, excluding the month of June when heavy storms disrupted port and chain operations, the Hunter Valley coal chain and port of Newcastle has operated at a rate equivalent to 86 million tonnes per annum. This is the highest ever rate of coal exports over a sustained period from Newcastle, and an increase of more than 6 per cent on last year.

**CHAIR:** Order! I think that was five minutes, Minister. We will proceed to questions.

**The Hon. DUNCAN GAY:** Minister, as you would be aware, there was a tragic accident at Sans Souci on Saturday night when a woman was killed after a boat struck a pylon on the Captain Cook Bridge. Media reports are claiming that a lack of lighting on the bridge may have been a contributing factor to the accident. What, if any, lighting was available on this bridge? Would you explain to the Committee what regulations determine where the lights are placed between bridge pylons?

**Mr JOSEPH TRIPODI:** This Government has always taken safety very seriously and we continue to work hard to improve the safety of the people of New South Wales without unduly impacting on our way of life. A large part of what we do is education. Preventing the occurrence of accidents is a key focus, which is strengthened by sanctions where appropriate. New South Wales Maritime is delivering a new boating safety course via seminars, the internet and DVD throughout New South Wales for those seeking a boat licence. This follows customer surveys and feedback that prompted a review and changes to the boat licensing system. The first changes occurred in 2005 when revamped boat licence tests were implemented.

Further changes were introduced in October 2006 requiring people to undertake a mandatory safe boating course before they can sit for a licence. Boat driver's licences are compulsory for any person operating a mechanically propelled vessel at speeds of 10 knots or more, or a personal water craft, such as jet skis, at any speed. They were first introduced in 1962. The Navigation Collision Regulations 1983 require that all vessels must proceed at a safe speed, determine if a risk of collision exists and avoid collisions. This means all masters of vessels have an obligation under the law to keep a proper lookout and travel at a safe speed at all times in order to avoid collision or running aground.

In fulfilling this obligation they must take into account the prevailing circumstances in which they are operating, like visibility, weather, state of the waterway and boating congestion. Waterways are not like roads; different conditions can apply on the same stretch of water, depending on factors like the ones I have just mentioned. New South Wales Maritime applies specific speed limits to particular stretches of water that are considered hazardous due to factors like navigation constrictions, traffic congestion or other activities such as swimming, which can take place in the relevant area. These limits operate in addition to the general obligation to navigate at a safe speed.

New South Wales Maritime also conducts targeted campaigns to raise awareness of safety issues ranging from speed to alcohol. The current campaign called "You're the Skipper, You're Responsible" is designed to reinforce the need for the skipper to ensure his or her own safety as well as that of anyone on the vessel. Boating service officers conduct random safety checks on vessels. Last year they conducted some 40,000 subjects day and night. Boating service officers are empowered to issue on-the-spot warnings and penalties to reinforce safety on the water. More serious offences can be referred to court.

**The Hon. DUNCAN GAY:** Thank you, Minister, for the answer to the question I did not ask you. Now to the question I did ask you about lighting on the bridge. Minister, can I warn you, we are going to be fair about this, but if we ask you questions and you do not answer them, and you take up a huge amount of time, we have an ability to invite you back here. Now, I have been fair on this; it was a specific question about lighting. Will you answer my question?

**Mr JOSEPH TRIPODI:** The advice I have received is that navigational markers do exist. It is a navigation channel and the navigational markers that exist there are consistent with those that are required around the State.

**The Hon. DUNCAN GAY:** Will you be looking at providing better lighting and looking at the pylons at other bridges for a safety issue in an attempt to avoid further tragedies such as this?

**Mr JOSEPH TRIPODI:** We are continually doing that. We have boating service officers all around New South Wales who actively seek out opportunities to improve safety on the waterways and, obviously, they report up the line. The agency is continually involved in seeking out opportunities to improve waterways. Navigational markers are always under continual assessment and examination to make sure that they are maximising the safety outcome for the boating community.

**The Hon. DUNCAN GAY:** I note on the New South Wales Maritime web site that the occupier of the senior executive service position of General Manager Policy for New South Wales Maritime since 2006 is a Mr Patrick Low. I also note that this web page says that Mr Low has senior policy and communications experience within the New South Wales Government in education, the Premier's office, public works and services, telecommunications and health. Are you aware if this Mr Patrick Low is the same Patrick Low that was press secretary for the former Minister for Education John Aquilina?

**Mr JOSEPH TRIPODI:** Yes.

**The Hon. DUNCAN GAY:** In employing this person were adverse reports made by the Independent Commission against Corruption on 10 August 2001 and that of the Privacy Commission on 7 May 2000 taken into account?

**Mr JOSEPH TRIPODI:** All I can say in relation to that is that the proper processes of recruitment were undertaken.

**The Hon. DUNCAN GAY:** The position of General Manager Policy at New South Wales Maritime appears not to have existed prior to late 2006?

**Mr JOSEPH TRIPODI:** Which one?

**The Hon. DUNCAN GAY:** The position we were just talking about. It does not appear on the 2005-06 report in the management structure, yet now it is on the web site. Was this position created for Mr Low?

**Mr OXENBOULD:** I will respond to that. The position was established because there was seen to be a need for that position to assist us in getting approval for the various policies that we were developing with the New South Wales Maritime, and to assist with the changes of legislation, which were necessary to be sought. So, a need was identified for a General Manager Policy and that position was created. Approval was obtained from the Premier's department for an extra senior executive

service position. Then the position was advertised and Mr Low won that position on a merit-based assessment.

**The Hon. DUNCAN GAY:** Minister, there are many who think that Mr Low may have taken the fall to cover up for his Minister, John Aquilina, and Bob Carr's, but now Kevin O'Connell's spin doctor, Walt Secord, the Cecil Hills High School affair.

**The Hon. HENRY TSANG:** That is ridiculous.

**The Hon. DUNCAN GAY:** Does your employment of Mr Low in this senior, sensitive position, give weight to that theory, or is it just another case of looking after mates?

**The Hon. EDDIE OBEID:** He has just told you it was decided on merit.

**The Hon. HENRY TSANG:** You are fishing again, Duncan.

**Mr JOSEPH TRIPODI:** Mr Gay, I am advised that a selection process was undertaken. As is the practice of all New South Wales Government positions, it was based on merit.

**The Hon. DUNCAN GAY:** Minister, was the Deputy Chief Executive position, that has gone to that always-colourful former Fisheries director general, a new position as well?

**Mr JOSEPH TRIPODI:** Yes, it is.

**The Hon. DUNCAN GAY:** Minister, in relation to the key General Manager—Policy, New South Wales Maritime—

**Mr JOSEPH TRIPODI:** Mr Gay, I would just clarify that it is a combined position of Director General—Property and Deputy Chief Executive officer.

**The Hon. DUNCAN GAY:** Minister, in relation to the position that Mr Low won, how many people applied for that position?

**Mr OXENBOULD:** I was involved in the selection panel and chaired the selection panel. I cannot recall the exact number. I think we had about 15 applicants. There were three or four whom we interviewed. Mr Low was clearly the best candidate and won the position on merit.

**The Hon. DUNCAN GAY:** Minister, I turn to the Nora Head rescue boat and boat ramp. You are aware that the new rescue boat up there can be launched and retrieved only on a total high tide? They cannot be launched or retrieved at half tide or below. Are you aware that emergencies do not always wait for high tide, nor should the volunteers who man this boat have to wait for high tide to retrieve this rescue boat?

**Mr JOSEPH TRIPODI:** My understanding is that that particular boat ramp is owned by the local council. The dredging responsibilities for that program also rest with either the council or the Department of Lands. Each case is different.

**The Hon. DUNCAN GAY:** Minister, have you completed the *Pasha Bulker* report? If so, why have you not released it?

**Mr JOSEPH TRIPODI:** Mr Gay, it has not been completed.

**The Hon. DUNCAN GAY:** Why not?

**Mr JOSEPH TRIPODI:** It is at draft stage.

**The Hon. DUNCAN GAY:** Minister, do you recall that you told the media at the end of July that the *Pasha Bulker* report would be complete? Given that it is not complete now toward the end of October, why did you tell the media in July that the report would be complete by the end of July and finished at the end of August? Why is the report still outstanding?

**Mr JOSEPH TRIPODI:** New South Wales Maritime is conducting an investigation under the Marine Safety Act into the grounding of the *Pasha Bulker*. In the time since the incident, New South Wales Maritime has been undertaking a comprehensive investigation involving interviews with crews from the *Pasha Bulker*, the *Sea Confidence* and the *Betis*, as well as interviews with a substantial number of other agencies and individuals, and an examination of all other relevant issues. A total of at least 45 witnesses have been interviewed. The New South Wales Government has always been open in providing the public with information about the *Pasha Bulker* incident.

**The Hon. DUNCAN GAY:** But no report.

**Mr JOSEPH TRIPODI:** On 21 June I advised the Parliament of the risks involved in the refloating attempt. Consistent with this approach, the Government will release the findings of the inquiry. Throughout these events, the Government has taken the word of the experts involved and given them the time and space they have needed to do their work. The value of the report will be greater as a result of it being more comprehensive.

Members of the Opposition, including yourself, Mr Gay, have been roving around, trying to make political hay out of the timing of the report. They have presented no real reason for the campaign to pressure the independent investigation. Their muddled and ham-fisted approach to this issue just goes to show how big a risk that you and your colleagues are to the State of New South Wales. You have no plan, no leadership—only political stunts. It is in the interests of New South Wales citizens that this report be done competently, and that no-one from the Opposition jeopardises that process.

**The Hon. DUNCAN GAY:** Why did you not release the interim report, given the length of time and the importance of having this report out to the agencies that use the Newcastle Harbour on a daily basis?

**Mr JOSEPH TRIPODI:** Mr Gay, under section 109 of the Marine Safety Act 1998, any investigation report that materially affects a person's affairs must, if it is reasonable to do so, be served on the affected person so that that person has 14 days in which to make comment on the report to the investigator before the final version is submitted to the Minister. I am advised that New South Wales Maritime is currently fulfilling its obligations under that provision of that Act.

**The Hon. DUNCAN GAY:** Minister, how would you describe your role in the refloating of the *Pasha Bulker*? What did you do during your forced four-day stay at Newcastle during the refloating, apart from media interviews?

**The Hon. EDDIE OBEID:** You hated that.

**CHAIR:** Order!

**Mr JOSEPH TRIPODI:** Mr Gay, you actually were very helpful by remaining quiet during the whole *Pasha Bulker* incident.

**The Hon. DUNCAN GAY:** So I should have been. The people from the department were doing a good job.

**Mr JOSEPH TRIPODI:** It was only afterwards that you ruined it. On 26 July 2007 the *Pasha Bulker* left Newcastle to undertake major repairs in Asia.

**The Hon. DUNCAN GAY:** No, what did you do, not what it did. It was a specific question.

**The Hon. HENRY TSANG:** Give him a chance, Duncan.

**The Hon. LYNDA VOLTZ:** Come on, Duncan. He is answering the question.

**Mr JOSEPH TRIPODI:** Following a successful refloating operation, the success of the refloating is a tribute to the skill and professionalism of the salvage team and the staff of the



Newcastle Port Corporation. The successful refloat was carried out by the experienced salvage team from Svitzer's United Salvage unit. This is not to understate the importance of a team that is prepared to respond to any spill or pollution. Resources and equipment from New South Wales and around Australia were mobilised to enable a swift response to be mounted in the event of a spill. Fortunately, this was not necessary.

Newcastle Port Corporation and New South Wales Maritime were supported by other State agencies as part of the State's emergency and management arrangements, including the Sydney Ports Corporation, the Port Kembla Port Corporation, the Department of Environment and Climate Change and the Department of Primary Industries. Mr Gay, I thank you for the question because I want to take this opportunity to thank all those involved in the response to this incident for their hard work and dedication in what were extremely difficult times.

**The Hon. ROY SMITH:** Minister, regarding the Port Botany expansion project, I know the department has been approached by South Sydney Amateur Fishing Association about the proposed recreational facilities and the impact the expansion project will have on recreational anglers in Botany Bay. They have raised concerns about what they say is the lack of vision and practical design of the boat ramp and the adjoining foreshore boat ramp, in particular they are concerned about the inadequate number of car parking spaces for both owners and other users who use the ramp facility and the adjoining amenities. The current facility has only 15 fewer car spaces than has the site that the Sydney Ports Corporation is proposing. Are you aware that in summer it is already taking up to an hour to launch and retrieve boats? Combined with the efforts to attract more people to the area by the ports authority, the ports corporation, and the fact that Foreshore Drive should be a no parking zone—all of which is likely to cause chaos—is there no room to have extra parking bays near Foreshore Drive or in near Sir Joseph Banks Park, to get around some of these problems? What if anything is being done to address the issues and the seemingly legitimate concerns in this regard?

**Mr JOSEPH TRIPODI:** As part of the Port Botany expansion project, the Sydney Ports Corporation is investing \$20 million to upgrade Foreshore Beach and the Penrhyn Estuary, including the provision of a replacement boat ramp. The existing boat ramp provides only two lanes for boat launching and has a single dilapidated timber jetty with a floating pontoon for boarding up to two boats at a time. Access from the existing program to Botany Bay is through the Penrhyn Estuary and is restricted at low tide due to siltation of the estuary. Parking is limited to 117 car and trailer spaces with only basic public toilets and rudimentary fish-cleaning facilities available.

As part of the Port Botany expansion, Sydney Ports is replacing this boat ramp with a new boat ramp and with improvements including four boat ramp lanes, two pontoons with tie-up capacity for 20 boats, 130 car-trailer spaces, improved public amenities and an enclosed fish-cleaning facility. I am advised a walkway and viewing platform have been designed to act as protection for the boat ramp from wind and waves. The boat ramp will also have security lighting and engine-washing facilities.

The New South Wales public works guidelines for boat ramps recommend 25 to 30 spaces per ramp lane. The boat ramp to be constructed on Foreshore Road will provide 32 spaces per ramp lane, providing the recommended number of car spaces and more. A pedestrian bridge will also be constructed linking Sir Joseph Banks Park with the beach. The pedestrian bridge will also provide pedestrian access from Fremlin Street and Tupia Street to public car parks, with more than 60 additional car spaces to the boat ramp and foreshore area. The design of the boat ramp was prepared taking into account the outcomes of extensive consultations undertaken by the Sydney Ports Corporation as part of the environmental impact statement. Consultations with the local community covered issues including the proposed beach restoration, the location and size of the new boat ramp, pedestrian and cycling facilities, and requirements for parking.

**The Hon. ROY SMITH:** You would be aware that recreational anglers paid \$4.2 million to buy a commercial fishery in Botany Bay in 2000. According to the Government's own figures, recreational fishers now stand to lose approximately 60 hectares of statutory fishing rights as a result of the Port Botany expansion. Can the Minister inform the Committee what coordination has taken place between the department overseeing the Port Botany expansion project and New South Wales Fisheries and what plan is in place to compensate recreational anglers who as part of this expansion will now lose statutory fishing rights that they have paid for?

**Mr JOSEPH TRIPODI:** More than 100 planning conditions have been imposed on the Port Botany expansion to protect the bay's environmental health and the amenity of local residents. For example, I understand that the salt marsh habitat will be expanded to around 3.5 hectares and the existing intertidal sand and mud flats will be expanded to approximately 14 hectares. These areas will provide additional bird habitat and help attract migratory birds. The seagrass habitat will also be increased to approximately 6.5 hectares to attract additional fish and marine life. As part of the consent conditions a comprehensive estuary-flushing plan will be developed. This will include specific design measures that will be applied to the development. Water-channelling devices will ensure enhanced flushing and a program will monitor water quality and the flushing characteristics of the estuary both pre and post construction. The Department of Primary Industries is responsible for managing recreational fishing and aquatic habitats. As such, this question is better directed to my colleague the Minister for Primary Industries, the Hon. Ian Macdonald.

**Ms LEE RHIANNON:** Minister, I understand that in about the first five years of the Labor Government—from about 1995 to 2000 or 2001—there was a moratorium on marina developments. I appreciate that you were not the responsible Minister then but you would have obviously acquainted yourself with the background to your portfolio when you came to it. Why was there a change from this moratorium to allowing private marina developments?

**Mr JOSEPH TRIPODI:** I understand that that is the responsibility of the Minister for Planning so I suggest that that question is better directed to him.

**Ms LEE RHIANNON:** I am also interested in the private marina development at Rose Bay. It excludes public boating, fishing and paddling craft and represents about a ninefold increase in the footprint of the existing marine. Do you think that is a good use of Sydney Harbour?

**Mr JOSEPH TRIPODI:** Woollahra Municipal Council is the consent authority for the proposed redevelopments of Rose Bay and Point Piper marinas. The determination of any development application for this project is a matter for Woollahra council. NSW Maritime has given landowners consent to the project under the New South Wales Maritime Landowners Consent Manual, July 1998. That consent is not a development consent. Proposals must also be assessed against strict environmental and public benefit standards by the development consent authority. It is up to Woollahra council to explore the local community's perspective on this marina proposal, consider a comprehensive environmental assessment and satisfy itself in relation to all aspects of the planning requirements for any development.

**Ms LEE RHIANNON:** Are you saying that you have had no input in the decision?

**Mr JOSEPH TRIPODI:** I am saying that all the issues you have raised are issues that Woollahra council will need to consider in making its assessment.

**Ms LEE RHIANNON:** Considering this is a major development for the Port of Sydney and you are the Minister for Ports and Waterways, can you outline what input you have had in this proposal?

**Mr OXENBOULD:** We granted the landowners consent, which was the consent for a development application to be lodged. That was under the arrangements that existed prior to the new permission to lodge policy, which was put in place only a few months ago. It was a fairly detailed assessment and, at the request of Woollahra council, we have been asked to provide some information with regard to the impact of the proposed facility on the waterway and its impact on the use of the waterway. We think the impact will be neutral. There are some large areas that are being opened up—in fact, they will be cleared—

**Ms LEE RHIANNON:** How do you claim that the impact is neutral when it is a ninefold increase?

**Mr OXENBOULD:** I do not understand the statement that it is a ninefold increase—a ninefold increase on what?

**Ms LEE RHIANNON:** The present marina is 0.45 hectares and the new proposed marina will be 4.4 hectares. It will also be much higher so we will lose a lot of views across the harbour. I do not understand how you can argue that the impact will be neutral.

**Mr OXENBOULD:** There will be a reduction in the area that is covered with commercial moorings, private moorings or marina facilities as a result of this project. There will be more open water space in the area between the Point Piper Marina and the Rose Bay Marina.

**Ms LEE RHIANNON:** Surely you agree that the proposed marina will be higher and I do not imagine you are saying that it will be smaller than 4.4 hectares, are you?

**Mr JOSEPH TRIPODI:** The answer to that question is that that is a matter to be determined by Woollahra council as to the building design. It is all part of the planning consent that will be issued. NSW Maritime has issued only a landowners consent—that is permission to lodge. As Mr Oxenbould said, the affected area will probably be reduced as a consequence of this—it will be reduced in all likelihood.

**Ms LEE RHIANNON:** Sydney Harbour is largely no longer a working harbour and its visual beauty is much promoted by the Government. Why did NSW Maritime not consider the visual impact on Rose Bay Promenade of the Rose Bay marina development? Three-storey floating unit blocks will be built there. I appreciate that you have said that it is the responsibility of Woollahra council, but NSW Maritime has had an involvement and you have signed off on something that goes against what the Government promotes constantly.

**Mr JOSEPH TRIPODI:** As I said earlier, those issues will be determined by Woollahra council.

**Ms LEE RHIANNON:** In the past 12 months has Alan Jones raised an issue about the behaviour of a particular staff member of yours?

**Mr JOSEPH TRIPODI:** A staff member of mine?

**Ms LEE RHIANNON:** Or a department person.

**Mr JOSEPH TRIPODI:** I cannot recall. I will take the question on notice.

**Ms LEE RHIANNON:** You have a large number of staff present. I am happy to wait while you have a chat with them to find out whether that statement is accurate. I imagine it is not something you would forget.

**Mr JOSEPH TRIPODI:** There are 350 employees in NSW Maritime. I will have to take the question on notice.

**Ms LEE RHIANNON:** I am not asking for the name of the person; I am asking whether Alan Jones raised with you an issue about somebody. I find it surprising that you would have to take the question on notice; I would have thought it would be in your memory banks.

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

**The Hon. HENRY TSANG:** Point of order: Would it not be easier for Ms Lee Rhiannon to ask the Minister a straightforward question? If she is concerned about an issue she should ask the Minister directly rather than asking him to search the record for some comments by Alan Jones.

**CHAIR:** Order! There is no point of order.

**Ms LEE RHIANNON:** Just on Port Botany, you have made a recent announcement about doubling the Port Botany containers transported by freight rail from the current 20 per cent to 40 per cent.

**Mr JOSEPH TRIPODI:** Yes.

**Ms LEE RHIANNON:** What will be the estimated number of containers being transported by diesel-powered semi-trailers and B-doubles and what infrastructure is being proposed to cater for this increase?

**Mr JOSEPH TRIPODI:** You are asking me to give you a figure on how many containers are going to be going through Port Botany in the future. That obviously requires a crystal ball. It will depend on the strength of the economy and what else is occurring around New South Wales in terms of container freight.

**Ms LEE RHIANNON:** I imagine you must have done some forward modelling on the number of trucks, B-doubles and semi-trailers that will be on the road, so I am interested in what work has been done in that area.

**Mr JOSEPH TRIPODI:** As I referred to in my opening statement we estimate that the reduction in the number of truck movements around Port Botany as a consequence of the operation of the Enfield Intermodal Logistics Centre is approximately 300. I hope that goes some way to answering your question.

**Ms LEE RHIANNON:** There has been a lot of controversy around the third terminal. Do you acknowledge that there is a possibility that you could build a third terminal and have no one to develop and operate it as a reasonable return for the investment?

**Mr JOSEPH TRIPODI:** That is exactly opposite to the whole experience that all of us in the port business have been led to believe. There have been a lot of expressions of interest in what is occurring at Port Botany and taking up the opportunity to run the third terminal.

**Ms LEE RHIANNON:** Has your Government and/or the Sydney Ports Corporation resolved the commercial situation with Patricks or Toll Holdings in regard to the deal where Patricks was given an 18-hectare option on an expansion of Port Botany for it to vacate Darling Harbour prior to 2000?

**Mr JOSEPH TRIPODI:** What exactly is the issue? You are stating that there is an issue and I do not know what the issue is.

**Ms LEE RHIANNON:** I am just trying to see, considering the deal was made with Patricks to move out of Darling Harbour, how that has played out in terms of how it was originally set out?

**Mr JOSEPH TRIPODI:** Since I do not know exactly what your question means, what we could do is take it on notice and maybe I can work out what you mean by your question later and give you an answer.

**Ms LEE RHIANNON:** Thank you, I will come back to it.

**The Hon. LYNDA VOLTZ:** Are there any plans to expand Newcastle ports?

**Mr JOSEPH TRIPODI:** The port of Newcastle is the world's second largest coal export port and growth in 2006-07 again hit a record level despite the impact of horrific floods and storms. In the first three-quarters of 2007, excluding the month of June when there were heavy storms that disrupted port and coal chain operations, the Hunter Valley coal chain and port of Newcastle have operated at a rate equivalent to 86 million tonnes per annum. This is the highest ever rate of coal exports over a sustained period from Newcastle and an increase of more than 6 per cent from last year. Coal exports through the port of Newcastle brought over \$6 billion into the State's economy in 2006 alone and the number of people working in the Hunter mining industry has more than doubled over the past five years rising from 4,800 people in 2002 to almost 11,000 people in 2006.

Newcastle has pulled through a very tough year and done so in a way that should make all Novocastrians and indeed all citizens of our State very proud, but strong economic performance is only possible when backed-up by equally strong levels of infrastructure investment and sound strategic management. The Iemma Government is contributing significantly to the expansion of capacity in the Hunter Valley coal chain. Since 2000 this Government has invested \$300 million in

Hunter Valley rail upgrades and we have ensured that the Government's plans to upgrade the Hunter Valley rail network are continued by the Australian Rail Track Corporation, which has committed to spending \$375 million on enhancing the Hunter Valley network to 2011.

Major expansions are now also underway at the Port of Newcastle itself. Expanding facilities at the port will create more than 3,000 jobs and includes the completion in February this year of the \$170 million expansion works at the Port Waratah Coal Services coal loader terminal, which increased the capacity of its Kooragang Island terminal from 64 million tonnes to the current 77 million tonnes per annum. In April this year the Minister for Planning approved the further expansion project at the Kooragang terminal at a cost of \$78 million, increasing its nominal capacity from 77 million to 120 million tonnes per annum and the total nominal capacity of Port Waratah Coal Services to 145 million tonnes per annum.

The Iemma Government also approved a new \$922 million coal export facility to be developed by the Newcastle Coal Infrastructure Group. This occurred in April this year, six months ago. It is interesting to note the recent palse attempt by the Federal Liberal Treasurer to claim responsibility for this project when he put out a press statement claiming that he had "approved" the project. All he had actually done is grant a foreign investment approval for one of the investors in the group: Peabody, a US based coal company. Unlike the Federal fantasies and political stunts of the Howard Government, the Iemma Government is taking real decisions and making real progress. But we have an even bigger strategic mission for Newcastle.

The Ports Growth Plan identifies Newcastle as the next major container port for New South Wales once Port Botany reaches its capacity and the former BHP steelworks land, which is now known as the Intertrade Industrial Park, is the next strategic site for that growth. In January 2007 the Government announced a \$22 million wharf, an infrastructure project to be carried out by Newcastle Port Corporation at the Intertrade Industrial Park. Works will begin in 2008 on projects including a wastewater transfer station and road and rail upgrades. I am pleased to announce today a further \$2.8 million investment in the Port of Newcastle. This investment will see the extension of the Kooragang number two berth expanding capacity for bulk trade, providing key infrastructure for trade diversification and reaffirming the Government's commitment to providing infrastructure for the Hunter. The Port of Newcastle has been experiencing increased demand for berth space for non-coal bulk trade, such as fertiliser, vegetable oils and woodchips. This expansion project will provide additional capacity to support this growth in demand. Newcastle Port Corporation has investigated options to provide additional berth capacity as part of its port master planning process.

The solution identified is to extend the operational length of the existing Kooragang number two berth by constructing a new mooring dolphin at each end of the existing 182-metre long wharf. These mooring dolphins will allow two small-length vessels to berth at Kooragang 2 simultaneously for loading or unloading, increase berth capacity and also reduce waiting times for small vessels. A mooring block will also be constructed at the berth along with additional dredging as part of the works. These works are all part of the plan to increase capacity for bulk trade and diversify trade at the port of Newcastle. It is all good news for the port and also good news for the Newcastle economy.

**The Hon. HENRY TSANG:** Could you please elucidate your answer on the question asked by the Hon. Duncan Gay by outlining events associated with the *Pasha Bulker* and related matters?

**Mr JOSEPH TRIPODI:** The storm that struck the Hunter and Central Coast on Friday 8 June was a natural disaster of enormous magnitude, gale force winds and devastating flooding, which caused enormous damage to homes and businesses. Just before 10 a.m. on Friday 8 June, during gale force winds and high seas, the *Pasha Bulker* grounded on Nobbys Beach in Newcastle. The ship was empty and waiting to pick up cargo. The 22 crew members of the *Pasha Bulker* were airlifted to safety thanks to the courage and skills of the Westpac helicopter team. The ship was carrying 700 tonnes of fuel oil, 35 tonnes of diesel and 16.5 tonnes of lube oil.

A breach in the ship's outer hull was discovered and frequent aerial surveillance flights over the vessel were conducted to monitor the condition of the vessel and to look for any sign of visible pollution near the ship or Nobbys Beach. In preparation for any potential oil spill, resources and equipment from around Australia were mobilised to enable a swift response to be mounted. The

Newcastle Port Corporation has incident response equipment on standby, including about 3.4 kilometres of floating boom to contain an oil spill.

Contingency arrangements were put in place should any shore line clean-up have been necessary and to prevent any pollution from entering the harbour. The successful refloat was carried out by the experienced salvage team from Svitzer's United Salvage Service. The team carried out a detailed assessment of the vessel and developed a plan to safely attempt to float the vessel off the beach.

Two of Svitzer's large salvage tugs, the *Woonaa* and the *Keera*, were relocated to Newcastle to assist in the operation, along with the anchor handling vessel *Pacific Responder* from Cairns. Newcastle Port Corporation and New South Wales Maritime continued to monitor the situation throughout the salvage and refloat operation, and remained prepared to respond to any incident. Contingency plans were developed to deal with the situation of oil entering the Hunter River or being deposited on Stockton Beach. The oil spill response vessel *Shirley Smith* was brought into Newcastle, where it remained on call during the refloat attempts. Oil response and salvage equipment was also gathered from across the country and moved to the forward staging area ready to be deployed. This equipment included five different types of the boom totalling more than 4,000 metres along with mechanical skimmers, dispersants and pumps.

Computer modelling was also carried out to prepare various spill drift patterns as part of the contingency planning. The *Pasha Bulker* was successfully floated off Nobbys beach on the evening of Monday 2 July. The successful refloat is a tribute to the skill and professionalism of the salvage team, and also to the staff of Newcastle Port Corporation. On 26 July 2007 the *Pasha Bulker* left Newcastle under tow of the Japanese tug vessel *Koyo Maru*, to be taken for major repairs in Asia following the successful refloat operation and temporary repairs to the vessel carried out by Svitzer after the *Pasha Bulker* was brought into the port of Newcastle. Resources and equipment from New South Wales and around Australia were mobilised to enable a swift response to be mounted in the event of a spill. Fortunately, this was not necessary.

Newcastle Port Corporation and New South Wales Maritime were supported by other State agencies as part of the State's emergency management arrangements, including the Sea Power Centre, the Port Kembla Port Corporation, the Department of Environment and Climate Change and the Department of Primary Industries. I thank all those who were involved in responding to this incident for their hard work and dedication in what were very difficult circumstances. Quite properly, the Government's focus during the grounding and refloat of the *Pasha Bulker* was on safety and protecting the marine environment. We have always made it clear that the New South Wales Government expects to recover its response costs from the *Pasha Bulker's* insurance company. This is in line with the commitment from the vessel's owners that the incident would not cost the taxpayers of New South Wales. On 4 July 2007 the Japanese company, Fukujin Kisen, publicly announced that Australian taxpayers will not pay for the exercise that freed the ship at Nobbys Beach. New South Wales Maritime is conducting an investigation under section 103 of the Marine Safety Act 1998 into the grounding of the *Pasha Bulker*. In the time since the incident New South Wales Maritime has been undertaking a comprehensive investigation involving interviews of the three ships involved.

**The Hon. HENRY TSANG:** Can you update the Committee on initiatives to improve freight performance at Port Botany?

**Mr JOSEPH TRIPODI:** Port Botany handles about one-third of Australia's container traffic and generates about \$1.5 billion a year in economic activity. In 2006-07 a record 1.62 million 20-foot equivalent containers were handled at the port. That is a massive increase of 12.1 per cent on the previous year. Container trade growth is forecast to grow at 5 per cent to 7 per cent per annum for the next 20 years. At this rate the port would reach optimum capacity by the 2010-11 financial year. In addition to the \$1 billion Port Botany expansion project being undertaken by the New South Wales Government, a number of initiatives are underway to improve the efficiencies of the land side component of the freight logistics chain.

In May of this year the New South Wales Government released its response to the 2005 Freight Infrastructure Advisory board report "Railing Port Botany's Containers: Proposals to Ease Congestion on Sydney's Roads". The New South Wales Government's response endorses plans to

achieve a target of 40 per cent of freight on rail by facilitating the provision of appropriate infrastructure. Moving freight to rail will allow us to cater for the growth in trade experienced in New South Wales, reducing pressure on the road network by moving freight by rail to facilities located close to major road and rail links. The initiative will deliver real and practical outcomes for the community, the economy and the environment: moving 40 per cent of all container freight on to rail transport, slashing the growth in truck movements by up to 300 movements a day around Port Botany, the airport and Marrickville, relieving road congestion and reducing carbon dioxide emissions by 1,000 tonnes a year.

The freight initiative also endorses plans to establish new freight terminals at Enfield and, subject to discussions with the Commonwealth, Moorebank on a common-user-open-access basis. The New South Wales Government approved plans for the \$150 million Enfield Intermodal Logistics Centre on 6 September 2007. The terminal will provide infrastructure to efficiently move cargo from one mode of transport to another, a critical link in the supply chain that will ensure Sydney retains its reputation for competitiveness and reliability. The Enfield site is on the Port Botany Goods Line, meaning more containers can be moved without impacting on the passenger rail network, and its proximity to the markets will mean further reductions in truck travelling distances.

The proposed facility at Enfield will provide capacity for 300,000 TEUs to be moved from the port by rail and include warehousing and associated industry. Planning approval for the terminal included more than 85 consent conditions, taking into account commercial, community and environmental factors. As a condition of consent, Sydney Ports Corporation will be required to provide \$1 million for community enhancement works in Greenacre and South Strathfield, prepare a local area traffic management scheme, plan road improvements at key intersections, implement restrictions on trucks utilising streets, enhance and manage an ecological area on site to provide habitat for the Green and Golden Bell Frogs, retain heritage structures, and monitor dust and adhere to tough noise standards. At Moorebank the New South Wales Government is seeking an early commitment from the Commonwealth regarding the proposal to develop— [*Time expired.*]

**The Hon. DUNCAN GAY:** Despite the Hon. Henry Tsang's dorothea dixer and your detailed answer on *Pasha Bulker* that certainly had the feel that it had been penned by Nicolas Monserat in stages, there are still questions remaining about the *Pasha Bulker*. Are you aware of a notice that was sent to the *Pasha Bulka*, along with 49 other ships, warning them that as of 7 June this year, the day before the storms which caused the *Pasha Bulker* to run aground on Nobbys Beach, they would no longer be accepted at the Port Waratah Coal Services coal terminal in accordance with modifications to section 5.1 of the Port Waratah Coal Services coal terminal information handbook because of slowness in discharging their ballast of water? This warning was sent to the *Pasha Bulker* and the 49 other listed ships on 25 May 2007, two weeks before the ban came into effect. Do you think this was ample warning for those ships, many of which, including the *Pasha Bulker*, were already at sea on their way to Newcastle? What impact do you think that new ban may have had on the *Pasha Bulker* incident?

**Mr JOSEPH TRIPODI:** All aspects of the grounding are being examined by the independent investigation. We will wait and receive the report from the experts before we engage in speculation.

**The Hon. DUNCAN GAY:** Last July, a freedom of information legislation request revealed that you and two staff spent \$6,683.10 during your four-day stay in Newcastle. Your staff told the press that you mostly ate pies and pizza. Minister, is that correct? If so, how many pies and pizzas did you eat that lead you to spending, on average, \$400 per person per day?

**Mr JOSEPH TRIPODI:** Where did you go to school, Duncan?

**The Hon. DUNCAN GAY:** Under the public education system.

**Mr JOSEPH TRIPODI:** It must have been under a Liberal government. We have always made it clear that the New South Wales Government expects to recover its response costs from the *Pasha Bulker's* insurance company. That is in line with the commitment from the vessel's owners that the incident would not cost the taxpayers of New South Wales.

**The Hon. DUNCAN GAY:** Minister, earlier you indicated that the Japanese company would pay for the exercise to free the *Pasha Bulker*. Your sojourn in Newcastle could hardly be described as the exercise to free the *Pusha Bulka*.

**Mr JOSEPH TRIPODI:** That is your opinion, Duncan.

**The Hon. DUNCAN GAY:** Have you had an undertaking from the Japanese owners that they will pay for your sojourn in Newcastle?

**Mr JOSEPH TRIPODI:** Quite properly the Government focus during the grounding and refloat attempts for the *Pasha Bulker* was in safety and protecting the marine environment.

**The Hon. DUNCAN GAY:** Yes or no, Minister?

**Mr JOSEPH TRIPODI:** I am getting to it. On 4 July 2007, Fukujin Kisen publicly announced that Australian taxpayers will not pay for the exercise that freed the ship at Nobbys Beach.

**The Hon. DUNCAN GAY:** So, it is "No".

**Mr JOSEPH TRIPODI:** No, it is quite the opposite, Duncan.

**The Hon. DUNCAN GAY:** During the storms of 8 June, which, as you remember, was the same weekend that the *Pasha Bulker* ran aground at Nobbys Beach, the Cremorne wharf sank into Sydney Harbour. Do you agree that it was fortunate that no-one was standing at the time?

**Mr JOSEPH TRIPODI:** Yes.

**The Hon. DUNCAN GAY:** Because, frankly, that wharf, as it turned out, was unsafe for people to be standing on at that time. How did that wharf get to the state that storms at sea were able to come up the harbour and create this circumstance is to think it? Why did normal checks not reveal the structural problems with that wharf?

**Mr JOSEPH TRIPODI:** Cremorne wharf underwent a full safety and structural audit in April this year. As a result, Sydney Ferries began upgrade works in May. These works were ongoing when the gale force weather hit Sydney Harbour on Friday 8 June 2007. Unfortunately, as a result of the storm, the pontoon sank between the inspection times of 10.30 p.m. Friday 8 June and 6.00 a.m. Saturday 9 June. The pontoon has been refurbished at a cost of \$1.5 million. On Saturday 15 September 2007 the refurbished pontoon was installed by NSW Maritime's contractors and ferry services recommenced.

The Government has in place a comprehensive and ongoing program to maintain and improve commuter ferry wharves to improve reliability and certainty for ferry passengers. We have already spent in excess of \$15 million on this program and ferry commuters can be assured that the Government is committed to the safety and amenity. That commitment is reaffirmed in this year's budget.

**The Hon. DUNCAN GAY:** Why should they believe you, Minister, when you did not realise that that wharf was in that condition?

**Mr JOSEPH TRIPODI:** I refer you to my previous answer.

**The Hon. DUNCAN GAY:** Has the design and construction contractor been appointed for the Port Botany expansion?

**Mr JOSEPH TRIPODI:** No.

**The Hon. DUNCAN GAY:** How many design and construction applications are on the short list? When will the contractors be appointed?



**Mr JOSEPH TRIPODI:** I am advised that there are two consortia currently being assessed for the design and construction contract. I am further advised that Sydney Ports Corporation expects to award the contract this year.

**The Hon. DUNCAN GAY:** The Department of Planning says that Port Botany is likely to reach capacity by 2009, but the expansion of Port Botany is not due for completion until 2007. That means that for two years Port Botany—

**The Hon. EDDIE OBEID:** You got that wrong, you are going backwards.

**The Hon. DUNCAN GAY:** It is important; there is a bottleneck between 2009 and 2011.

**The Hon. EDDIE OBEID:** You said 2007.

**The Hon. DUNCAN GAY:** I am sorry, it should have been 2011. In fact, Minister, this is the same question that you were asked last year in budget estimates.

**Mr JOSEPH TRIPODI:** Well, I refer to my previous answer.

**The Hon. DUNCAN GAY:** You were asked it last time, but you did not answer it. I note there are no stevedore representatives on the Port Botany Logistics Taskforce. Why is that?

**Mr JOSEPH TRIPODI:** That has been raised with me by the stevedore businesses. I have made very clear to them that the task force consists primarily of government agencies focusing on providing improvements in the logistics chain that exist across Sydney that are spread out from the port. Obviously, stevedore businesses would benefit from that. At the same time I have made it very clear that if the task force wants to focus on any issues that would affect the stevedoring business, they would be welcome to attend and that if they have any agenda that they would like the task force to consider we would not only accept and look at those issues but would also invite them to attend the logistics task force meetings. I expect that they will be coming along to the next logistics task force meeting because the Independent Pricing and Regulatory Tribunal [IPART] report on the interface issues would have been released by that time and they will be able to participate in that meeting.

**The Hon. DUNCAN GAY:** The Road Freight Advisory Council also does not have any stevedore representatives. Do you agree that the different areas of industry should work together on safety and productivity for the transport that is vital in those areas?

**Mr JOSEPH TRIPODI:** Do you want to read that again, because it does not make any sense. Are you saying that the trucking industry does not have any representation with the stevedores?

**The Hon. DUNCAN GAY:** Yes.

**Mr JOSEPH TRIPODI:** Do you mean the task force?

**The Hon. DUNCAN GAY:** Yes.

**Mr JOSEPH TRIPODI:** Yes, the truck industry does not have representation on the task force. The same also applies to the trucking industry and that is that they have been welcome to attend the meetings when there are issues that directly affect them. We also actively engage in consulting them. Last week I met with trucking industry representatives to discuss issues of concern. Likewise, if the task force focuses on issues where they believe that they would be able to make a contribution we are more than happy to have them come along. Likewise, if they had issues they would like us to examine they are welcome to write to us so that we will consider those issues and then invite them to be involved in any task force meetings that relate to those issues.

**The Hon. DUNCAN GAY:** The cruise ship industry is a major growth centre. I note from the Sydney Ports Corporation website that it has grown 35 per cent in the past two years. What plans are in place to meet the demand for parking for passengers embarking on the ships, given that long-term parking will be necessary, particularly for people from interstate who are taking short-term cruises?

**Mr JOSEPH TRIPODI:** Which terminal are you referring to?

**The Hon. DUNCAN GAY:** Minister, I am referring to cruise ships in general.

**Mr JOSEPH TRIPODI:** They need to go to a terminal and you are asking about parking issues around the terminal. So which terminal?

**The Hon. DUNCAN GAY:** What are you putting in place for the future for parking for people who are going on cruise ships?

**The Hon. EDDIE OBEID:** For three weeks?

**The Hon. DUNCAN GAY:** Yes.

**The Hon. EDDIE OBEID:** They can go and park in a parking station or come by public transport.

**The Hon. DUNCAN GAY:** People who get on a cruise ship have to leave their cars somewhere. Not everyone who goes on a cruise ship comes from Sydney.

**Mr JOSEPH TRIPODI:** I am happy to answer the Hon. Duncan Gay's question, but he needs to tell me what terminal he is referring to.

**CHAIR:** It is up to the Hon. Duncan Gay, but I imagine any terminal where a large number of people need to park their cars.

**Mr JOSEPH TRIPODI:** He asked specifically about one terminal.

**The Hon. DUNCAN GAY:** Cruise ships leave from wharf 8, Darling Harbour, the overseas passenger terminal and White Bay. The Minister can take his pick. Where is parking currently provided for people who are travelling on these cruise ships and what do you intend to do about the provision of parking in the future? It is a very simple question. If you want to ask me questions I am more than happy to swap jobs.

**Mr JOSEPH TRIPODI:** I require clarification, as it is clear that the Hon. Duncan Gay does not know what terminal he is talking about. The overseas passenger terminal, which has been there for a long time, is probably older than the Hon. Duncan Gay.

**The Hon. EDDIE OBEID:** Not quite.

**Mr JOSEPH TRIPODI:** I dare say that parking arrangements and the management of parking issues are well established around that terminal.

**The Hon. DUNCAN GAY:** That is no answer. With the opening of Port Kembla's new car import terminal also comes an issue involving the transporting of goods up and down Mount Ousley. Are you aware that fully laden coal trucks using the truck lane on Mount Ousley are currently travelling in low gear? With the movement of cars to Port Kembla empty car carriers will be travelling down to Port Kembla at high speeds. What work has been done with the Department of Roads to address the differing speeds of trucks and competing trucks going up and down?

**Mr JOSEPH TRIPODI:** An independent environmental assessment by engineering consultants Sinclair Knight Merz [SKM] found that Mount Ousley would have to carry more than 500 additional vehicles every day. SKM predicted a peak of 386 truck movements a day, based on the highest projected cargo through the site. By 2016 an additional 698 equal journeys would be logged, or a 1 per cent increase in overall traffic. An assessment by the Roads and Traffic Authority [RTA], based on information provided by Port Kembla Port Corporation, is that major routes into and out of Port Kembla, including Mount Ousley Road and the F6, have adequate capacity for at least the next 10 years.

**The Hon. DUNCAN GAY:** Going back to Sydney Harbour and to cruise ships, do you believe that two berths are sufficient to receive the increased number of cruise ships coming into the harbour and also considering the increase and the size of some of the ships coming in from the Northern Hemisphere in their off season?

**The Hon. LYNDA VOLTZ:** Point of order—

**The Hon. EDDIE OBEID:** You cannot let the member finish his question. You did not allow the Minister to do so.

**CHAIR:** Order! It is up to the Minister.

**Mr JOSEPH TRIPODI:** Sydney is to host around 100 cruise vessels every financial year—a mix of domestic and international cruise ships—with around 60 visits to Sydney by domestic ships, those based in Sydney, such as the *Pacific Sun*, and the balance are international ships visiting Sydney in the cruise season from October to April. Sydney is the only Australian city with two world-class cruise terminals—Wharf 8 at Darling Harbour and the Overseas Passenger Terminal at Circular Quay. The berth capacity at these two terminals is more than sufficient to meet the demands of the 100 or so cruise vessel visits to Sydney each year.

International ships generally berth at Circular Quay's Overseas Passenger Terminal, due to its premium location and the fact that they may not be able to fit under Sydney Harbour Bridge. Domestic ships predominantly call at Darling Harbour because of the practical capabilities of the terminal in handling large passenger exchanges. The Government is working together with industry to ensure that there is an interim facility to cater for ships and passengers during the redevelopment of Barangaroo. The Overseas Passenger Terminal will continue to meet the needs of the international cruise industry.

**The Hon. LYNDA VOLTZ:** Point of order: When a Government member asked a question and the Minister was in the process of answering that question he was not allowed to finish his answer. In this instance the Minister was instructed to finish his question when the time allocated for Opposition questions and answers had expired. I would like some consistency in the answering of questions.

**CHAIR:** Order! It is up to the Minister.

**The Hon. EDDIE OBEID:** It is up to you.

**Ms LEE RHIANNON:** I refer to Patricks and to its 18-hectare option on the expansion of Port Botany. As Patricks has just completed an upgrade that will double its current capacity will you confirm that if it exercises its 18-hectare option it will use the additional area and not just sterilise it from other stevedores?

**Mr JOSEPH TRIPODI:** Details of options and leases between private companies and the Sydney Ports Corporation are commercial matters managed by the Sydney Ports Corporation. The details of any such arrangements are commercial in confidence between the private company and the Sydney Ports Corporation.

**Ms LEE RHIANNON:** So if Patricks does not exercise its 18-hectare option and there are financial implications for New South Wales, with taxpayers obviously having to provide compensation for Patricks, does that mean we will not hear anything about it? Is that what you are saying?

**Mr JOSEPH TRIPODI:** I am saying that any issue involving the issuing or exercise of options by the Sydney Ports Corporation or by a private company is a commercial in-confidence matter.

**Ms LEE RHIANNON:** One scenario that we could face if Patricks does not exercise its option is compensation, and the public would not hear about it.

**The Hon. EDDIE OBEID:** There is no compensation if it does not exercise its option.

**Ms LEE RHIANNON:** Does the Minister have any comment?

**Mr JOSEPH TRIPODI:** The member's question does not make any sense.

**Ms LEE RHIANNON:** It definitely makes sense. If Patricks does not exercise its option compensation could be involved. Are you saying that that could not happen?

**The Hon. LYNDA VOLTZ:** It could not.

**Ms LEE RHIANNON:** An arrangement is already in place. I want a clear answer from the Minister.

**Mr JOSEPH TRIPODI:** You have already been given an answer.

**Ms LEE RHIANNON:** I want an answer from you.

**Mr JOSEPH TRIPODI:** This is the first time I have ever heard of an option to compensate someone for not exercising an option. What you are saying makes no commercial sense. You will have to get someone to rewrite your question.

**Ms LEE RHIANNON:** The Minister should not be smart.

**Mr JOSEPH TRIPODI:** I am not being smart.

**Ms LEE RHIANNON:** I am trying to get an answer from you. You are saying that no compensation would be involved if Patricks did not proceed.

**Mr JOSEPH TRIPODI:** It is a commercial in-confidence matter. Generally speaking, when people do not exercise options, they are not compensated for not exercising options. I am not speaking specifically, I am speaking generally about a commercial in-confidence matter.

**Ms LEE RHIANNON:** When you were talking earlier about the *Pasha Bulker* exercise you said that all response costs would be covered. Does that mean that you sat down and itemised all the police hours, your trips, and the money spent on food for all those people working at Nobbys Beach for all that time? How did you work all this out?

**Mr JOSEPH TRIPODI:** Quite properly, the Government's focus during the grounding and refloat attempts of the *Pasha Bulker* was on the safety of the marine environment and the individuals involved. On 4 July 2007 the Japanese company, Fukujin Kisen, publicly announced that Australian taxpayers would not pay for the exercise that freed the ship at Nobby's Beach.

**Ms LEE RHIANNON:** It stated publicly that there would be no costs for freeing the boat, but you are still not answering the question. Hundreds and thousands of people were involved in this exercise. Their accommodation and food had to be paid for. Equipment had to be made available in the event of an oil spill. Has this huge exercise been itemised? A lot of these costs have already been paid for. It is not as though the restaurants in that area are waiting to be paid for any pizzas that were supplied; they have all been paid for. How did you proceed to ensure that all costs were covered?

**Mr JOSEPH TRIPODI:** Newcastle Port Corporation is in the process of preparing or compiling a list of the costs involved. The agencies that have been involved in the exercise have been asked to submit their invoices for that activity. The statement made by the Japanese shipping company is that the whole exercise will come at no expense to Australian taxpayers.

**Ms LEE RHIANNON:** Where are you up to with the class one powerboat world championships on Sydney Harbour—one of your favourite projects?

**Mr JOSEPH TRIPODI:** It is continuing to progress quite well. Latest indications are that that is occurring. Class one world powerboat championships future planning includes a proposal for

holding international rounds each year in new locations, including Sydney. The Sydney leg, which will occur in March, will commence in 2009. A trial event is being proposed as part of Sydney Harbour Week over the weekend of 8 and 9 March 2008. Both the trial and the class one championship legs are proposed for Sydney Harbour. Discussions between the event proponent and New South Wales Maritime regarding a course on Sydney Harbour are continuing.

**Ms LEE RHIANNON:** Have you visited any of the powerboat races to assess how worthy this would be for Sydney Harbour?

**Mr JOSEPH TRIPODI:** No.

**Ms LEE RHIANNON:** Considering these races are conducted at 250 kilometres per hour, do you see there is any conflict with the recently imposed speed limit in parts of Sydney Harbour of 15 knots?

**Mr JOSEPH TRIPODI:** The event will be subject to a special aquatic licence that would include a full risk assessment. If conditions are considered appropriate as a result of the risk assessment, then these will be implemented as licence conditions.

**Ms LEE RHIANNON:** What part of that risk assessment involved looking at habitat disturbance and shore line erosion that is associated when there are vessels travelling at such high speeds?

**Mr JOSEPH TRIPODI:** The event will be subject to a special aquatic licence that will include an assessment of potential environmental impact, such as noise, and the impact on harbour wildlife.

**Ms LEE RHIANNON:** And the shore line?

**Mr JOSEPH TRIPODI:** That is part of the environmental impacts.

**Ms LEE RHIANNON:** So again, Minister, have you looked also at the issue of public safety considering 48 per cent of boat-related deaths in Australia are from powerboats? Is this something you have brought into your assessment of the worthiness of going ahead with this project?

**Mr JOSEPH TRIPODI:** Public safety is always at the top of the priorities of New South Wales Maritime and it will clearly be the subject of consideration in determining the licence conditions and how the event will run.

**Ms LEE RHIANNON:** You are saying that it is important, but you already are off and running with this project. So, does that mean to date that has not been considered, considering that figure of 48 per cent of boating-related deaths in Australia are related to powerboat racing?

**Mr JOSEPH TRIPODI:** I made it very clear at every stage that this is a work in progress. There is work going on at the moment in relation to this event. Obviously the details of that have not been finalised. We are continuing to work on it, including public safety. It will be the single most important issue in the minds of the Maritime people as they prepare and progress the project.

**Ms LEE RHIANNON:** So is the issue of public safety part of the environmental impact study or is that a test in some other way?

**Mr OXENBOULD:** The detailed planning into this event is taking place at the moment and we are looking at all of those aspects that you mentioned, particularly with regard to public safety, where the course will actually be set so that it is safe, where you might have an opportunity for people on the harbour to observe the race, and there will be some areas where it would be unsafe to have people on the water in close proximity to where the course would be. But all these aspects will be taken into account and also in identifying where the best vantage points will be on the shore and selecting the course as well so it can be observed from there.

**Ms LEE RHIANNON:** My question was the issue of public safety; is that part of the environmental impact statement? Is there an actual formal process?

**Mr OXENBOULD:** There is a formal process to go through to issue the special aquatic licence and there will be an environmental impact and there will be a safety impact and a safety assessment and a risk assessment carried out of the event. The environmental impact will be separate from the safety risk assessment that will be conducted.

**Ms LEE RHIANNON:** What venues have you been looking at for this event, Minister?

**Mr JOSEPH TRIPODI:** Sydney Harbour.

**Ms LEE RHIANNON:** What parts of Sydney Harbour?

**Mr JOSEPH TRIPODI:** At the time it was announced it would be east of the harbour bridge, but the work is ongoing and a final decision has not been made in relation to the course.

**Ms LEE RHIANNON:** I imagine it is a standard route, this powerboat race?

**Mr JOSEPH TRIPODI:** It is not a standard route because the event has not been set.

**Ms LEE RHIANNON:** When I say "standard", I imagine a standard distance?

**Mr JOSEPH TRIPODI:** No. My understanding is that the distance can vary, depending on how many loops there are.

**Ms LEE RHIANNON:** So what is the approximate full distance of one of these races?

**Mr OXENBOULD:** I am not sure of the exact distance. I understand that the event will take about an hour. The race will take about an hour and that there will be a number of laps of the course, which will be set within the harbour.

**Mr JOSEPH TRIPODI:** But we are happy to take that question on notice and get you the details.

**Ms LEE RHIANNON:** Okay, but just to continue with it for a moment so that we have a clear understanding, the race actually goes for only an hour, you say, but clearly set-up—

**Mr OXENBOULD:** I am not sure of that time.

**Ms LEE RHIANNON:** So if you could take that on notice, how long the race takes and also, you may need to take this on notice, the set-up time and dismantle time, because you would imagine that it is a substantial part of the day for the whole thing to be put in place. Then part of that question also—hopefully you can answer it now—would it require closing down that part of the harbour? Our harbour is not that wide, as we all know.

**Mr OXENBOULD:** Yes. I understand the race will take between one to two hours, I am informed. With regards to setting up the course on the harbour and placing the marker buoys, we do that for major events now anyhow. We pre-position those buoys and the main harbour activities of commercial shipping, ferry operations and recreational use of the harbour can still take place around those buoys. They will not prevent it once the course is set up.

**Ms LEE RHIANNON:** So you are envisaging that people could still be out sailing boats, on ferries, all that could continue while a powerboat race is—

**Mr OXENBOULD:** No, I am not suggesting that at all. I am suggesting that once the race is running for that period of one to two hours there will be restrictions on the use of the harbour. That is what we will be looking at, and where people could position themselves on the harbour so that they could use it as a vantage point, and what disruptions it may have to the use of the harbour at that time.

**Ms LEE RHIANNON:** So if you can get back to us about those other details.

**Mr JOSEPH TRIPODI:** The other detail simply is that period of time of the event?

**Ms LEE RHIANNON:** Yes. I am interested in the overall period. So, if it is correct that it is one to two hours for the race, set-up time and shutdown time.

**Mr JOSEPH TRIPODI:** We are happy to take that question on notice and give the answer provided that the answer to that question has been established with the work that has been done to date. As I said earlier, it is a work in progress; we have not finalised all the details. So, to the degree that we finalise those details, we are happy to answer that question.

**Ms LEE RHIANNON:** Okay. If you could take on notice also the venues within the harbour that you are looking at and how many loops there will be for each of those venues because I imagine the number of loops would depend on which venue you go with?

**Mr OXENBOULD:** The venue would just be a section on the harbour.

**Ms LEE RHIANNON:** Yes, like if it is Camp Cope?

**Mr OXENBOULD:** It will be using a large part of the harbour.

**Ms LEE RHIANNON:** If you could take that on notice?

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

**Ms LEE RHIANNON:** About a month ago there was a revised draft land owners consent document prepared?

**Mr JOSEPH TRIPODI:** Yes.

**Ms LEE RHIANNON:** Can you tell us where that is up to?

**Mr JOSEPH TRIPODI:** Yes. The sea beds of Sydney Harbour, Botany Bay, Newcastle Harbour and Port Kembla are public land vested in New South Wales Maritime. As landowner, New South Wales Maritime permission is required before development applications may be lodged for water-based development proposals on these harbours, like jetties, slipways, boat ramps and boardwalks. In August 2007, following an extensive public consultation process New South Wales Maritime adopted a new policy to determine whether to grant permission for the lodgment of a development application. The policy focuses on—

**Ms LEE RHIANNON:** Minister, because I consider this is going to be lengthy, could I just ask you one thing and then you can go into your answer?

**Mr JOSEPH TRIPODI:** Yes.

**Ms LEE RHIANNON:** I am interested between the first draft and second draft, so, the changes that were developed. If you could also expand on that when you are giving your answer, I would appreciate it?

**Mr JOSEPH TRIPODI:** In August 2007 following an extensive public consultation process New South Wales Maritime adopted a new policy for determining whether to grant permission for the lodgment of a development application.

**Ms LEE RHIANNON:** Is this the second draft you are now referring to? It is not the original one you released? You would remember because there was such a big outcry about it. Are you talking about the second one or the first one?

**Mr JOSEPH TRIPODI:** Well, there is no second draft, as far as I know.

**Ms LEE RHIANNON:** But it was revised?

**Mr JOSEPH TRIPODI:** Well, there was the first draft. There was a public consultation document.

**Ms LEE RHIANNON:** Yes.

**Mr JOSEPH TRIPODI:** And then there was the final document.

**Ms LEE RHIANNON:** Right. I am interested in those changes?

**Mr JOSEPH TRIPODI:** Well, if you get the first document and compare it to the second document, the changes are obvious.

**Ms LEE RHIANNON:** Yes, but you are the Minister. You can explain it very well.

**The Hon. HENRY TSANG:** Point of order. The Minister is not doing research for The Greens.

**Ms LEE RHIANNON:** I am not asking him to do research. I am just asking him a question. We are at an estimates hearing for four hours and he has come along extremely well prepared. I am sure he is keen to explain it to us.

**Mr JOSEPH TRIPODI:** In August 2007 following an extensive public consultation process New South Wales Maritime adopted a new policy for determining when to grant permission for the lodgment of a development application. The policy focuses on core maritime issues such as navigation safety, the relationship between the structure and the adjoining dry land, and leasing agreements. It also reduces duplication and overlap of planning instruments, sets performance indicators for application processing and better defines the land to which the policy applies.

The various environmental and aesthetic controls that applied under the previous policy are preserved in the relevant planning instruments. I am advised that these planning instruments also restrict new domestic facilities to a small number of heavily built-up areas comprising less than 8 per cent of the harbour foreshore and tributaries. Permission to lodge development applications does not imply that the development application is approved or that subsequently it will be supported by New South Wales Maritime. It simply means that a development application may then be considered by a development consent authority, usually a local council or the Department of Planning.

These development consent authorities are required to assess the application against strict environmental and public benefit standards. The policy was on public exhibition until 14 February 2007. Copies were placed on the New South Wales Maritime website and mailed out to stakeholders. Eighty per cent of the public submissions supported the draft policy. We have defined timeframes to improve customer service and provide clear guidelines for the landowner and the consent authority roles. The new policy improves transparency in decision making, streamlines the application process, and reduces red tape.

**(The witnesses withdrew)**

*[Short Adjournment]*

**CHAIR:** By agreement the committee will proceed to examine Small Business and Regulatory Reform together. I note that Dr John Kaye replaces Ms Lee Rhiannon on behalf of the Greens.



**LYNNE ASHPOLE**, Director—Better Regulation Office, Department of Premier and Cabinet, and

**MICHAEL CULLEN**, Acting Director General, Department of State and Regional Development, and

**JULIE SCOTT**, Executive Director—Small Business Development, Department of State and Regional Development, affirmed and examined:

**Mr JOSEPH TRIPODI:** Is it possible to make an opening statement?

**CHAIR:** No. The resolution is that we have five minutes for an opening statement. We are happy for you to table it and it can be incorporated.

**Mr JOSEPH TRIPODI:** It is three portfolios.

**CHAIR:** Yes, but it is not five minutes, plus five minutes, plus five minutes.

**Mr JOSEPH TRIPODI:** It is not?

**CHAIR:** No.

**The Hon. LYNDA VOLTZ:** I was under the impression that we gave the Minister for Housing, and Minister for Tourism the opportunity to make two opening statements.

**CHAIR:** Not this Committee—unless Government members want to give the Minister some of their time.

**Mr JOSEPH TRIPODI:** As long as the Opposition members do not absorb the extra time and we just get through it.

**CHAIR:** We are a very fair Committee.

**The Hon. EDDIE OBEID:** We are happy for you to stay and make a statement afterwards.

**Mr JOSEPH TRIPODI:** At the end? You would give me enough time to do that?

**The Hon. EDDIE OBEID:** Yes.

**Mr JOSEPH TRIPODI:** So when questions are finished, I can make my statement then.

**CHAIR:** But you might have to do it in the corridor.

**The Hon. EDDIE OBEID:** What is the Government doing to help business in rural and regional New South Wales?

**Mr JOSEPH TRIPODI:** The New South Wales Government's goals are to promote economic growth in regional New South Wales through new business investment and to help existing enterprises grow and improve their competitiveness. We look to secure new investment from businesses that are thinking about setting up or expanding into regional and rural New South Wales through business investment programs and facilitation of services. We have some dedicated programs designed to encourage regional growth by attracting firms to establish or expand their operations in regional areas, and they are the Regional Business Development Scheme, the Hunter Advantage Funds and the Illawarra Advantage Fund.

A Kurri Kurri company, Da Gama Industries, is a business that has grown from humble beginnings in a backyard garage. Da Gama Industries has developed a niche market in the manufacture of stainless steel conveyor belt cleaners. The company invested in its own factory and has increased production of its existing products. It has introduced a new range of wear-resistant drills

and picks. It successfully sells its products throughout Australia and overseas, mainly to the coal industry.

The New South Wales Government through the Hunter Advantage Fund, assisted Da Gama Industries to relocate and expand its tungsten carbide brazing business to larger premises at Kurri Kurri. Currently the company employs four full time and two casual staff but is looking to employ three additional staff. It is also looking closely at growth strategies with the Government as well as the Hunter Export Centre and Austrade for new development opportunities. Under the Illawarra Advantage Fund, the New South Wales Government assisted GoJet to launch its new jet charter and management company based at the Illawarra regional airport. GoJet is confident that it will deliver strong sales and service by 2009-10 which could lead to 15 new jobs.

The Payroll Tax Incentive Scheme, which began on 1 July 2006, has helped to bolster business growth in areas of unemployment above the State's average. The New South Wales Payroll Tax Incentive Scheme is helping Watson's Caravans of Coffs Harbour to expand its caravan business and has helped to create five full-time jobs on the mid-North Coast. Watson's Caravans expanded to Coffs Harbour in 1987 and has been a successful Jayco caravan agent since 1990. The company is an industry leader, winning the Caravan and Camping Industry Association New South Wales Award for Best Caravan Retailer two years running, in 2003 and 2004. The New South Wales Government's industry restructuring initiatives are designed to help regional communities and industries respond to economic structural adjustment pressures. For example, the Regional Economic Transition Scheme was designed to assist in the development of more diverse economies and attract new investment and jobs.

New South Wales Government assistance under the Regional Economic Transition Scheme helped fireworks manufacturer Foti Pyrotechnics to move from Leppington to Marulan. The Foti family has been manufacturing fireworks since 1793 and members of the Foti family have been in Australia for 35 years. Foti is Australia's largest fireworks manufacturer and display operator and was responsible for the fireworks for the Sydney 2000 Olympics as well as recent New Year's Eve displays on the Sydney Harbour Bridge. The new premises at Marulan will provide the space Foti needs to continue to manufacture its fireworks and fulfil its contracts. Eighty per cent of the company's output is for domestic markets and 20 per cent that is exported is used for international competitions.

Payroll tax relief provided to non-farm businesses under the Business Drought Assistance Program has helped to retain over 1,800 skilled workers for the duration of the drought. This program helps small and medium enterprises affected by drought with strategies for recovery and improvement to diversify their operations. Assistance is also available through the financial position assessment and mini-diagnostic service, which is an assessment service that diagnoses the health of a business and provides financial guidance. Over 160 offers of assistance have been made to businesses through the small business drought assistance component of the program. This assistance has been extended to help retailers and other small businesses in drought-stricken towns of fewer than 15,000 people.

An important focus for the Government in regional New South Wales is the delivery of programs and services that enhance the competitiveness and growth of regional enterprises. The New Market Expansion Program helps companies pursue new markets beyond their normal horizons by providing assistance for targeted marketing of new opportunities. The Wagga Wagga Restoration Centre recently received assistance from the New South Wales Government under the New Market Expansion Program to implement its marketing strategy and reach trade wholesalers. The centre opened in 1987 and has grown from a small husband-and-wife operation to employing six staff, servicing retail and trade customers and a phone and mail order service. Assistance from the Government will help the centre to market its services more widely and grow its business.

The New South Wales Government's travelling experts program provides regional businesses with access to expert speakers on current business issues. As an example, we are currently running retail skills workshops in the Illawarra region following the success of the 2006 Illawarra retail skills program workshops, which attracted 568 people. These workshops support retailers by providing expert advice on retail selling skills, visual merchandising and displays, customer service, and handling complaints. The workshops are also supported by shop visits so that participants can implement what they have learned from the workshops.

**The Hon. LYNDIA VOLTZ:** What is the Government doing to promote women in business?

**Mr JOSEPH TRIPODI:** In New South Wales women make up 31 per cent of small business owners. When the New South Wales Government started its Women in Business Program, the proportion of women small business owners was only 11 per cent. The New South Wales State Government has offered a comprehensive Women in Business Program since 1995. The Women in Business Program has been offered across New South Wales from Broken Hill to Bondi. The scheme consists of a mentor program, a regional group mentor program and a series of growth strategy workshops designed to develop specific business skills. The program was developed to assist emerging women business owners to get over the early challenges of growing their business. The mentor program particularly targets women in the first six to 24 months of their businesses.

In the 12 years since we introduced the Women in Business Program more than 2,000 women have completed a mentor-based training program with about 1,200 volunteer mentors. About 6,000 women have attended growth strategy workshops. The results from past Women in Business programs show a significant increase in business income and business employment levels as a direct result of what has been learnt through the program. Through the Women in Business Program a Women in Manufacturing Network has been established, as have a number of regional women in business networks across New South Wales. A special Women in Business trade delegation that will travel to the United Arab Emirates later this year is the result of a 2006 Women in Business initiative. This year the Women in Business Program launched its first e-mentoring program to enable the program to be delivered in smaller regional and remote communities. Four mentor programs and five regional programs have also been run.

**The Hon. LYNDIA VOLTZ:** What is the New South Wales Government doing to reduce red tape for small businesses?

**Mr JOSEPH TRIPODI:** Cutting red tape for business is a specific priority in the New South Wales State Plan and a key component in ensuring that New South Wales is open for business. The Government established the Small Business Regulation Review, a program of rolling sector-by-sector reviews, to put the spotlight on specific industries and the unnecessary regulatory issues that businesses in those industries face. To date, the Small Business Regulation Review taskforce has completed three sector reviews of motor vehicle retailing and services; accommodation, food and beverage services; and manufacturing. A review of the business and professional services sector is also being finalised and a review of the rental hiring and real estate sector has recently begun.

The motor vehicle retailing and services sector review included reforms such as simplifying and reducing licence categories and requirements for motor dealers and discontinuing equipment lists for motor repairers. Altogether these reforms will potentially benefit more than 20,000 businesses, 96 per cent of which are small businesses. Amendments being introduced to the Motor Dealers Act 1974, for example, will save motor dealers an estimated \$1.17 million in transaction costs. Implementation of the recommendations from the accommodation, food and beverage services review, including various measures to reduce the compliance burden on accommodation operators and enable more streamlined licence application processes, will potentially benefit 25,000 businesses. The Iemma Government will continue to work with business and other levels of government to identify and reduce the compliance burden on businesses in New South Wales.

**The Hon. EDDIE OBEID:** How is the New South Wales State Government protecting small business owners in dealings with landlords?

**Mr JOSEPH TRIPODI:** The New South Wales Department of State and Regional Development provides advice and dispute resolution services for retail tenants. More than 8,000 callers used the advice service last year. Of the 350 matters that became formal disputes, 80 per cent were resolved during the dispute resolution process and did not proceed to litigation. Callers who use the advice service include retail and commercial tenants, landlords, real estate agents, solicitors, accountants and other advisers in the industry. Many small business owners believe their commercial or retail lease works very much like a residential lease. Having an advice service where they can discuss their rights and obligations assists them in managing their relationship with their landlord.

The advisory service often coaches callers on communicating effectively with their landlord. Discussing negotiation strategies and reality testing alternatives with a mediation officer assists tenants to consider the next step they want to take in dealing with the problems they face. The Government has published the *Retail Tenants Guide*, which landlords must provide to retail tenants at least seven days before the lease begins. The "Commercial Lease Fact Sheet" encourages small business people to consider many possible elements of a lease agreement prior to signing it.

The Retail Leases Act 1994 was recently amended to provide additional protections and disclosure of information by landlords to tenants who are entering a lease. The landlord is required to give detailed disclosure about the tenancy and the costs that the tenants will incur. The Act sets out a minimum standard for disclosure, how the lease may be dealt with during the term, and conduct at the end of a lease. The Government has also established a new retail bond scheme to securely hold the tenant's cash bond during the lease term so that it can be released as directed by the landlord and tenant at the end of the term. This scheme has a free dispute resolution process and has been well received by tenants in the retail leasing industry.

**The Hon. EDDIE OBEID:** On regulatory reform, can you inform the Committee on progress in the shop trading hours review being undertaken by the Better Regulation Office?

**Mr JOSEPH TRIPODI:** The Better Regulation Office has been established as an advocate of good regulatory processes and a gatekeeper of new regulations. These functions will help stop the creation of new red tape in New South Wales. But in order to actively reduce red tape in the existing stock of regulation in New South Wales the Better Regulation Office will also conduct targeted red tape reviews. I will direct the Better Regulation Office to undertake reviews into areas where the potential benefits from regulatory reform are significant and especially in areas where benefits will flow to multiple industries or across New South Wales as a whole. The Better Regulation Office's capacity to undertake targeted reviews is highly important because it means that the Government can respond quickly once red tape is identified. It is a key component of the Government's State Plan commitment to cut red tape and our commitment to ensure that New South Wales has the most efficient regulatory system possible. It is a key element of the Iemma Government's promise to make sure that New South Wales is open for business.

As the first such review I have asked the Better Regulation Office to examine the regulation of shop trading hours. The regulation of shop trading hours plays an important role in our community. It balances the legitimate business interest of retailers to have flexible opening hours, the community's desire to be able to access shops when it is convenient to them and the capacity of employees to manage their work commitments and their family lives. But the way shop trading hours are regulated continually attracts criticism from business and other stakeholders. This is an area of significant concern to the business community and it has been calling for reform in this area. Retail trading hours seem to be an area where unnecessary administrative burden is placed on business. IPART confirmed this when it found last year that the regulatory regime for retail trading hours is confusing and complex and recommended that simplifications be considered.

Shop trading hours are the subject of the Better Regulation Office's first targeted review because cutting red tape will result in real, practical benefits in a number of areas—less administrative burden and fewer rules for shopkeepers, and more certainty for employees and consumers about when shops will be open. While opening hours for most shops might appear open-ended, there is a pile of unneeded paperwork that goes on behind the scenes to make those hours are legal. Incremental changes made to trading hours legislation through the decades have resulted in a confusing maze of rules and exemptions to rules. For example, while the Shops and Industries Act officially prohibits trading on Sundays, in practice a large proportion of New South Wales businesses gain exemptions from this by applying to the Office of Industrial Relations and paying a \$100 fee. There are also blanket exemptions in place for specific geographical areas and a long list of scheduled shops in the Act that are also exempt.

In the last few years the Government has had to issue ministerial orders to change trading arrangements around Christmas time to bring them into line with the community's expectations. This has restricted retailers' ability to finalise staffing arrangements and correctly inform their customers.

**CHAIR:** Can you wind it up there?

**Mr JOSEPH TRIPODI:** We are seeking to streamline and simplify the regulatory regime—

**The Hon. LYNDA VOLTZ:** It is up to the Minister whether he answers, as you have already made clear.

**CHAIR:** It is fair enough that he gets to the end of his sentence, but not pages and pages.

**The Hon. LYNDA VOLTZ:** Point of order: There was at least one occasion where a question was not finished being answered, it was at least a three-page response that the Minister was allowed to give and at that point you said it was up to the Minister whether he continues his answer. I think it is very unfair that continuously our answers are being cut off when the Minister is halfway through giving them, but on other occasions when other people have asked questions—

**The Hon. DUNCAN GAY:** We would be happy for him to table it if he wants to.

**The Hon. LYNDA VOLTZ:** We have made the point of order that he should not be allowed to continue and you have said that it is up to the Minister whether he continues his answer.

**The Hon. EDDIE OBEID:** It has to be consistent.

**Mr JOSEPH TRIPODI:** It should take about one more minute.

**CHAIR:** You can take it from the Government's side or else—

**The Hon. EDDIE OBEID:** Let him take it from our side.

**CHAIR:** Okay.

**The Hon. LYNDA VOLTZ:** Well, keep answering.

**Mr JOSEPH TRIPODI:** Additional to the compliance and administrative burden, retail trading hours is also an area where the regulation appears to be somewhat out of step with modern expectations. Business says, quite rightly, that the way in which shop trading hours are controlled is outdated. We realise our regulation needs to take into account current social and work patterns, such as the increasing number of dual income households, more flexible and longer working hours and an increase in single parent households family obligations, which have influenced how and when people want to shop. So in this review we are also thinking more broadly about regulation of shop trading hours, looking at the situation in other States and Territories and considering the benefits that might accrue to New South Wales by lifting some of the restrictions around Sundays and public holidays, such as more economic opportunity for retailers, more flexibility and choice for consumers and a boost to the New South Wales economy.

In August this year the Better Regulation Office released an issues paper canvassing potential reforms to the regulation of shop trading hours. It asked for stakeholders' views on a number of questions, such as which public holidays should be the subject of shop trading prohibitions, if any. A number of submissions were received and stakeholders have welcomed the chance to be heard on this issue. We are now closely considering submissions and compiling a final report with recommendations. Our reforms will focus on making the rules that govern trading hours as streamlined, simple and easy to understand as possible while also being reflective of the community's values and benefiting the New South Wales economy.

**The Hon. DUNCAN GAY:** Minister, in your capacity as Minister for Small Business and Regulatory Reform, are you aware of the New South Wales company Lewis Ski Boats, which appears to have been very badly treated by the Minister for Ports and Waterways. I understand that despite this 75-year-old Australian company that employs 22 people on the Central Coast of New South Wales spending \$200,000 to comply with new safety regulations, the waterways Minister has favoured the American competition by not enacting these regulations on several occasions, namely, 1 September 2005, 1 July 2006, 1 August 2006 and 1 October 2007. What have you, as Minister for Small Business and Regulatory Reform, done to overcome the problems caused by the hopeless waterways Minister?

I further draw your attention to the comments of Minister Tripodi in *The Sunday Telegraph* yesterday when he stated the following in relation to Lewis Ski Boats:

In this case Mr Parker was directly involved in this process as a member of the builder group.

Mr Parker informs me that he was not directly involved at all. He wonders why you would say that when you were in discussion with his competitors and not him?

**Mr JOSEPH TRIPODI:** Lewis Ski Boats has a boat manufacturing plant on the Central Coast and employs 23 people. Mr Parker produces boats, which comply with New South Wales survey standards. The advantage of his boats is that owners do not need to make modifications to qualify for exemptions to survey standards. The Government appreciates when policies change there are commercial implications for businesses. For this reason we engage in extensive consultation with industry. I am advised that in this case Mr Parker was involved in the process as a member of the builders group. This is also a small business issue and I can confirm that Mr Parker has benefited from the State Government's assistance in this respect previously. The Department of State and Regional Development offered Mr Parker \$30,000 in 2002 to contribute towards expansion of his business. The expansion represented capital investment of over \$290,000 and 13 new jobs. The monies have been drawn down. The department also offered the company \$5,000 in 2001 for a strategic plan for export development.

**The Hon. DUNCAN GAY:** The Director-General responsible for small business reports not just to you as the Minister for Small Business and Regulatory Reform, but also reports to four other ministers, that is, the Minister for State Development Ian Macdonald, the Minister for Science and Medical Research Verity Firth, the Minister for Regional Development Tony Kelly, and the Minister for Tourism Matt Brown—no wonder he is leaving. One person reporting to five ministers has overtones of *Yes Minister*, or should it be "Yes Ministers"? It would appear that this reporting arrangement is flawed and the organisational structure within these various aspects of government has not been thoroughly thought through. How do you justify these strange current arrangements?

**Mr JOSEPH TRIPODI:** My understanding is that the Opposition's policy is to have even less departments than currently exist.

**The Hon. EDDIE OBEID:** Nine.

**Mr JOSEPH TRIPODI:** Nine departments. So the Department of State and Regional Development at least in the eyes of the Opposition would be a department, or is a testament to the kind of departments that the Opposition would like to see. The acting Director-General and all the directors have done a wonderful job in providing services to their Ministers and I have not received any complaints in relation to the structure and the capacity of the department to service the Ministers. I dare say that this is actually an embodiment of what you would like to see in government, so for that reason I think we might have to review it, but nonetheless it has been performing quite well and I have not received any complaints in relation to the current structure.

**The Hon. DUNCAN GAY:** Perhaps the acting Director-General would be able to tell us what he does differently for you from the other ministers?

**The Hon. EDDIE OBEID:** He has answered the question.

**Mr JOSEPH TRIPODI:** He answers my questions and then he answers the questions of the other Ministers, and he provides the services that we require. There is nothing particularly different other than the content of the information.

**The Hon. DUNCAN GAY:** Last week you announced a review into red tape by setting up a committee to look into it. Given the 25 State taxes as outlined in the Business Council of Australia report, which is a key issue facing small business, why isn't your review of red tape looking at the issue of unnecessary, complex and numerous State taxes?

**Mr JOSEPH TRIPODI:** The New South Wales Government is committed to providing business with a competitive tax environment and we are also seeking to reduce the tax burden on small businesses. Already we have achieved some great outcomes. We have reformed the payroll tax

system so that 90 per cent of businesses in New South Wales do not pay any payroll tax at all. For those who do pay wages above the tax free threshold the rate has been reduced from 7 per cent under the Coalition Government to 6 per cent under the Labor Government. These cuts will save New South Wales businesses \$990 million in 2007-08 alone and much more into the future. Businesses can now take on apprentices and trainees without paying payroll tax.

On top of this, the Government has reduced workers compensation premiums by 25 per cent. These reductions will directly improve the bottom line for businesses in New South Wales with total savings of \$675 million each year. To make it easier for businesses to support young people we introduced a \$74 million package so that apprentices' wages are not used to assess an employer's workers compensation premium, which is forecast to increase the number of apprentices by 5 per cent or an extra 1,000 apprentices a year. This Government is committed to reducing red tape and reducing the tax burden on small business owners.

In August the Premier announced a review of the New South Wales tax system, which will be conducted by the Independent Pricing and Regulatory Tribunal. It will assess the existing tax system on the basis of efficiency, equity, simplicity and transparency, and interstate competitiveness. We have achieved a lot so far and I look forward to working on further reforms to make New South Wales attractive to small businesses and promote entrepreneurship in our State.

**The Hon. DUNCAN GAY:** In light of that answer, do you concede that lifting the payroll tax threshold would allow more employers to employ more people? Why will the Government not consider doing this so that we can be competitive with other States such as Queensland?

**Mr JOSEPH TRIPODI:** Is that a small business question or a red tape question?

**The Hon. DUNCAN GAY:** It is in the light of the answer you just gave about a review of taxes.

**Mr JOSEPH TRIPODI:** I want you to clarify it for me.

**The Hon. DUNCAN GAY:** I am here to ask you questions.

**Mr JOSEPH TRIPODI:** I have to understand the question.

**The Hon. DUNCAN GAY:** That is not my problem; that is your problem.

**Mr JOSEPH TRIPODI:** To help you with your question, taxes are an issue for the Treasurer and red tape reform is an issue for me. If you are asking questions about taxes you will need to direct those questions to the Treasurer.

**The Hon. DUNCAN GAY:** You just gave an answer talking about a review of taxes.

**Mr JOSEPH TRIPODI:** I know. I was remarkably generous in my answer.

**The Hon. DUNCAN GAY:** On 28 September 2007 the Government advertised for the employment of four new public servants to cut red tape. Can you see the irony in advertising to employ more bureaucrats when the business sector wants to see less bureaucracy and less red tape? Surely people within the existing bureaucracy could have been used for this function had you been serious about a lesser bureaucracy and less red tape? How do you justify not using existing bureaucrats to cut red tape?

**Mr JOSEPH TRIPODI:** Since day one the Iemma Government has been committed to boosting the State's economy through cutting red tape, and we are delivering on that commitment. One of the key things we have done, and something that will ensure that cutting red tape remains part of our agenda for the long term, is to establish the Better Regulation Office. This is a dedicated unit which is supporting me as the Minister for Regulatory Reform to achieve the State Plan priority of cutting red tape. The Better Regulation Office was administratively established in the then Cabinet Office in January of this year and began working with agencies across the Government immediately to improve regulatory efficiency, effectiveness and outcomes.

After the completion of the merger of the former Cabinet Office and Premier's Department in the middle of this year, the Better Regulation Office became fully operational. The office now has its leadership team in place: the Director and two Assistant Directors have been appointed, as well as other staff members. Recruitment action is underway for the remaining positions, and the Better Regulation Office is getting on with the job. The Office is already assisting me on a day-to-day basis to champion a best practice approach to regulation making by assessing major regulatory proposals across government. As one of its first tasks, the Better Regulation Office is developing new best practice guides to be followed by policy makers and regulators in the development of all new proposals.

Once the new requirements are fully in place the Better Regulation Office will act as a gatekeeper to ensure that all major regulatory proposals demonstrate compliance with best practice principles, such as effective consultation and examination of various potential policy responses. At my request, the Better Regulation Office will also conduct targeted red tape investigations in specific areas. The first of these reviews on shop trading hours is being finalised. Submissions to this review have now closed and the Better Regulation Office is currently preparing its final report and recommendations. The Lemma Government recognises that an appropriate regulatory environment is critical to ensuring that New South Wales remains an attractive investment location for Australian and international businesses. The Better Regulation Office will be crucial in helping the Government achieve its goals around red tape reduction and in shaping a world's best practice regulatory environment for the future of this State.

**The Hon. DUNCAN GAY:** By your own admission last week, and you just added to it, New South Wales businesses have an excessive amount of red tape to deal with. Will your Government follow Tony Blair's lead, which had a one on, one off policy and insist that new regulations can only be introduced if other regulations are removed?

**Mr JOSEPH TRIPODI:** Our policy in relation to one on, one off is in the State Plan. I refer you to our State Plan policy.

**The Hon. DUNCAN GAY:** While businesses throughout the rest of Australia are experiencing ever-increasing levels of confidence due to the strong Australian economy, New South Wales businesses are going against the trend with decreasing confidence levels experienced over the past three years. What strategies is the Government putting in place to reverse this trend?

**Mr JOSEPH TRIPODI:** I do not accept the proposition.

**The Hon. DUNCAN GAY:** New South Wales is behind the other States. If Government members want to live in the dark and pretend it is not happening, no wonder that is the situation.

**Mr JOSEPH TRIPODI:** Each year the Department of State and Regional Development surveys a sample of businesses across different industries which participate in our programs. The 2006 results were very positive. Across the sample, businesses reported that turnover had increased on average by 28 per cent. They also reported that export sales increased by a whopping 35 per cent on average. Businesses also reported an average increase in staff numbers of 17 per cent. In addition to small business support programs, the Government introduced a \$95 million payroll tax incentive scheme to encourage more jobs and business investment in areas with high unemployment. The New South Wales Government has made a concerted effort to reduce the tax burden for businesses.

We abolished vendor duty, taking away a significant expense for business owners selling property. We have reduced workers compensation premium rates, which makes a huge difference to the bottom line for thousands of small businesses and has allowed them to expand their operations, and we lifted the land tax threshold to make the system fair for small investors. We also announced a full rebate for the cost of registering one work vehicle for the first year for small businesses for every new apprentice hired. This can be worth up to \$1,703. Rebates are also available for the second and third year for registration only. The more apprentices a business employs, the more money it gets back. For the first year of registration it is worth \$567 for a small truck of 4.5 tonnes and \$1,703 for a nine-tonne rigid truck.



We formed a Small Business Regulation Review taskforce that is committed to finding areas where we can cut red tape on a sector-by-sector basis. The Government has already endorsed the recommendations of the first two red tape reviews covering the motor vehicle retailing services sector and the accommodation and food and beverage services sector. The motor vehicle retailing services sector review recommendations will potentially benefit more than 20,000 businesses, of which 96 per cent are small businesses employing more than 84,600 people. Amendments to the Motor Dealers Act 1974 will save motor dealers an estimated \$1.17 million in transaction costs and will reduce from 19 to 13 the number of forms they fill in. The accommodation and food and beverage services sector review— [*Time expired.*]

**CHAIR:** Would you like to table the final page?

**The Hon. DUNCAN GAY:** I am happy for you to table that.

**Mr JOSEPH TRIPODI:** It is only one more page.

**The Hon. DUNCAN GAY:** It is taking up time.

**Mr JOSEPH TRIPODI:** I am answering the question.

**The Hon. DUNCAN GAY:** I am happy for you to table it.

**Dr JOHN KAYE:** You spoke about cutting workers compensation premiums to small businesses. Can you tell us what the total annual cut has been?

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

**Dr JOHN KAYE:** I am sorry but you just mentioned it. It is something you were boasting about and then you cannot answer questions on it?

**Mr JOSEPH TRIPODI:** It is a question for the Treasurer.

**Dr JOHN KAYE:** Can you take us to the place in the budget papers where your small business portfolio is outlined?

**Mr JOSEPH TRIPODI:** Yes.

**Dr JOHN KAYE:** Can you give us a page number?

**Mr JOSEPH TRIPODI:** If you pass me that book I can.

**Dr JOHN KAYE:** Will I get it back?

**Mr JOSEPH TRIPODI:** Yes.

**Dr JOHN KAYE:** While you are doing that I might take you to another issue. I understand that your department has targeted programs to support small businesses involving Aboriginal people, women, youth, young people and regional businesses.

**Mr JOSEPH TRIPODI:** That is right.

**Dr JOHN KAYE:** Is that the complete range of targeted programs? They are all excellent and I commend you for supporting those businesses, but is that the complete range?

**Mr CULLEN:** No, there is a whole range, it varies from micro-business to businesses getting into export as well. If you want to go through a list I can do that.

**Dr JOHN KAYE:** No, I am asking about specific ethnic and demographic characteristics of the owners of businesses. I am pointing to programs you have to support Aboriginal people, women, young people and regional people in small business.

**Mr JOSEPH TRIPODI:** Julie Scott will answer that.

**Ms SCOTT:** With the Business Advisory Services we have 18 organisations delivering across 47 locations. They specifically work with various ethnic and non-English speaking background groups across New South Wales. They include running workshops and seminars and working with the business associations of those particular ethnic groups and asking the question, "What can we be doing better in the delivery of programs?"

**Dr JOHN KAYE:** So you do have targeted programs for ethnic groups?

**Ms SCOTT:** What we tend to use are assisting programs and we tailor them to meet that particular group's needs.

**Dr JOHN KAYE:** Therefore, do you have programs that specifically target recently arrived migrants?

**Ms SCOTT:** Not as such.

**Mr JOSEPH TRIPODI:** They are part of an ethnic group so if they want to be involved in small businesses they go to our Business Advisory Service. They would obviously be taught by it and receive the benefit of those services.

**Dr JOHN KAYE:** Minister, would you accept that recently arrived migrants have specific issues and challenges in establishing a small business in Australia?

**The Hon. EDDIE OBEID:** Whom are you referring to?

**Mr JOSEPH TRIPODI:** The biggest challenge they find is the English language. From 1996 onwards the Federal Government has slashed English language services. One of the most satisfying things I used to do as a member of Parliament in Fairfield, which is the most ethnically diverse electorate in Australia, is to go to the Adult Migrant English Service [AMES] graduations where recently arrived immigrants were provided with English language services and lessons. I watched them graduate and go on to lead independent lives and make a contribution. The first thing the Federal Government, which has the prime responsibility for this area—that is, immigration settlement or immigration programming—did, was to slash those services. It has been a great shame.

**Dr JOHN KAYE:** I agree with you.

**Mr JOSEPH TRIPODI:** While I agree with the core part of your proposition, the most important thing you can do is give them English language skills, and the Federal Government has failed them on that.

**Dr JOHN KAYE:** I completely agree with you there, Minister. The slashing of the Adult Migrant English Service has had appalling consequences for recently arrived migrant communities. However, there are other issues associated with recently arrived migrants in terms of developing businesses in Australia, are there not? They are to do with moving from one culture to another culture and different business cultures and so on. Do you have specific material, specific programs, to assist recently arrived migrants wishing to set up a business in Australia?

**Mr CULLEN:** Within the department more broadly we have a business migration program that provides those sorts of services. If there are employees looking to go to regional areas, they vary from sponsorship to services provided by a number of Aboriginal development boards in regional New South Wales to assist that process.

**Dr JOHN KAYE:** Could you provide more details about that? Could you take that on notice?

**Mr JOSEPH TRIPODI:** Yes.

**Dr JOHN KAYE:** Did you find the page in the budget estimates?

**Mr JOSEPH TRIPODI:** Yes, I did. It is Budget Paper No. 3, Volume 3, page 19-48.

**Dr JOHN KAYE:** Thank you, that is very useful. Please return my copy.

**Mr JOSEPH TRIPODI:** Do you want it back?

**Dr JOHN KAYE:** Yes, it has my name on it and it has a homing device. On page 19-48 there is not a lot of information, there is nothing on that to do with what is specific to my question. The words "small business" do not occur on page 19-48, which is probably why I was not able to find it. It refers to "Business clients assisted- Small and medium".

**Mr JOSEPH TRIPODI:** That is it.

**Dr JOHN KAYE:** So the total budgetary information provided to the people of New South Wales about the activities in your portfolio is the number of small and medium business clients assisted. That seems to be it.

**Mr JOSEPH TRIPODI:** Underneath that it says "Micro and startup". I imagine any business that starts up is small, and micro would be small too, so that would be covered by that.

**Dr JOHN KAYE:** I stand corrected, Minister. There are two lines of information, not one.

**Mr JOSEPH TRIPODI:** That is true and it is a matter you should take up with the Treasurer, about the way he publishes his financial statements.

**Dr JOHN KAYE:** Minister, would you be prepared to provide to the Committee a breakdown of the expenditure. I understand your portfolio organisation in Small Business and Regulatory Reform includes innovation services and presumably you have some targeted programs within the department.

**Mr JOSEPH TRIPODI:** Yes.

**Dr JOHN KAYE:** Would you provide to the Committee a more detailed breakdown of what your department does?

**Mr JOSEPH TRIPODI:** I will do that.

**Dr JOHN KAYE:** Given the failure of the Treasurer to do so, as you quite nicely pointed out—

**Mr JOSEPH TRIPODI:** You were referring to specific budget papers. You will find the answer to your question in the annual report.

**Dr JOHN KAYE:** Including a breakdown of money?

**Mr JOSEPH TRIPODI:** There is a whole range of services that are detailed; the services we provide are all in the annual report. At the end of the annual report the financial statements.

**Dr JOHN KAYE:** Minister, I refer to what support your department provides to small businesses that are operating in the area of sustainability or combating climate change. Do you have a specific program for assisting small businesses that are setting up in those areas?

**Mr JOSEPH TRIPODI:** Those programs are provided in other government departments; sustainability objectives are achieved in other government departments.

**Dr JOHN KAYE:** To your knowledge within those other departments is there a specific focus on small businesses?

**Mr JOSEPH TRIPODI:** Small businesses are part of the ambit that is covered by those programs.

**Dr JOHN KAYE:** I take it your answer is no; there is no specific focus on fostering small businesses?

**Mr JOSEPH TRIPODI:** You need to ask the relevant Minister.

**Dr JOHN KAYE:** As the Minister for Small Business, are you aware of any focus on small businesses in those departments?

**Mr JOSEPH TRIPODI:** I am aware of what services are provided in my portfolio. You need to direct your question to the relevant Minister.

**Dr JOHN KAYE:** Have you or your department provided any input to the Department of Energy concerning the potential benefits to small business in New South Wales over the renewable energy target that focused specifically on New South Wales; that is to say, where renewable energy certificates can be issued from generation only within New South Wales?

**Mr JOSEPH TRIPODI:** Did I have any input into that?

**Dr JOHN KAYE:** Yes, did you or your department give any advice?

**Mr JOSEPH TRIPODI:** You are looking at the greenest energy Minister in the history of this State. I wrote that policy, and am very proud of it. You need to direct your question to the relevant Minister.

**Dr JOHN KAYE:** No, my question was straightforward.

**Mr JOSEPH TRIPODI:** Renewable energy policy?

**Dr JOHN KAYE:** No. My question was: Did you or your department provide any advice to the Department of Energy or the Minister for Energy, in relation to legislation of the Mandatory Renewal Energy Target [MRET] programs?

**Mr JOSEPH TRIPODI:** Not specifically, no.

**Dr JOHN KAYE:** I take it that they receive no advice from you or your department on the economic benefits to small business with respect to different designs for that program?

**Mr JOSEPH TRIPODI:** That is correct.

**Dr JOHN KAYE:** Okay. Minister, what do you see as the major challenges facing small businesses in New South Wales over the next decade?

**The Hon. HENRY TSANG:** He just told you.

**Mr JOSEPH TRIPODI:** John Howard.

**Dr JOHN KAYE:** Henry, if I wanted to ask you a question, I would. But as it turns out, I am not. I am asking Minister Tripodi.

**The Hon. HENRY TSANG:** I am just helping the Minister.

**Dr JOHN KAYE:** I do not think the Minister needs help from you. Minister, What do you see as the key challenges facing small businesses over the next 10 years?

**Mr JOSEPH TRIPODI:** The re-election of John Howard would be the biggest challenge confronting small business.

**Dr JOHN KAYE:** Leaving aside John Howard, do you see any other systemic challenges or changes to the small business environment? Let me spell it out for you more carefully. Do you see any systemic changes in the environment in which small business is operating in New South Wales that would threaten or undermine the way in which New South Wales operates, apart from those associated with a continuation of the current Federal Government?

**Mr JOSEPH TRIPODI:** Yes, there are two major issues. The first issue is drought in New South Wales. We are very concerned about drought and the impact it is having on small business. As a consequence, this department and other government departments have put policies in place. The other challenge is the rising exchange rate. Because of anticipated inflation pressures in Australia, interest rates continue to rise. Since John Howard's last election there have been five interest rate rises. Rising interest rates mean a higher exchange rate in Australia. As a consequence, businesses are finding it more and more difficult to remain competitive while exporting and competing with imports. Those are the biggest threats.

**Dr JOHN KAYE:** Except, of course, for importers who do better out of rising exchange rates?

**Mr JOSEPH TRIPODI:** That is right.

**Dr JOHN KAYE:** What policies would you put in place to assist small businesses through the drought?

**The Hon. DUNCAN GAY:** He has already prepared an answer to a Dorothy Dix question.

**Dr JOHN KAYE:** I retract that question and wish to take the Minister somewhere else. I apologise for not being here earlier.

**Mr JOSEPH TRIPODI:** I want to answer the question.

**Dr JOHN KAYE:** I want to take you to another issue which is much more interesting and which will exercise your skills in a more detailed fashion.

**The Hon. LYNDA VOLTZ:** Point of order: It is now 4 o'clock. It is my understanding that the Committee is meant to be sitting only until 4 o'clock.

**CHAIR:** Yes, that is correct. That concludes the public hearing. I thank the Minister and the officers from both portfolios for their attendance here today.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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