

CORRECTED COPY

GENERAL PURPOSE STANDING COMMITTEE No. 5

Friday 18 September 2009

Examination of proposed expenditure for the portfolio area

STATE DEVELOPMENT

The Committee met at 11.45 a.m.

MEMBERS

Mr I. Cohen (Chair)

The Hon. R. L. Brown
The Hon. T. J. Khan
The Hon. E. M. Obeid

The Hon. M. J. Pavey
The Hon. L. J. Voltz
The Hon. I. W. West

PRESENT

The Hon. I. M. Macdonald, *Minister for Primary Industries, Minister for Mineral Resources, and Minister for State Development*

Industry and Investment NSW

Dr R. Sheldrake, *Director General*

Mr B. Buffier, *Deputy Director General, State and Regional Development and Tourism*

Mr W. Glenn, *Executive Director, Investment Division*

Mr B. Hardman, *Chief Executive Officer, Homebush Motor Racing Authority*

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 for the inquiry into budget estimates 2009-10 open to the public and welcome Minister Macdonald and accompanying officials. The Committee will examine the proposed expenditure for the portfolio of State Development. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members or witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting 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 broadcast of the proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers while at the table. I remind everyone to turn off their mobile phones. Answers to questions on notice must be returned within 21 days.

RICHARD SHELDRAKE, Director General, Industry and Investment NSW, on former oath, and

BARRY BUFFIER, Deputy Director General, Industry and Investment NSW,

WARWICK GLENN, Executive Director, State and Regional Development, Industry and Investment NSW, and

BRYAN HARMAN, Chief Executive Officer, Homebush Motor Racing Authority, Industry and Investment NSW, sworn and examined:

CHAIR: As it has been agreed that ministerial statements will not be made, we will proceed to questions.

The Hon. TREVOR KHAN: Minister, could we start with the establishment of international offices. Is it correct that in about July this year you went to China to open two of those offices?

The Hon. IAN MACDONALD: I went to China to launch the two offices. We had one in Guangzhou and one in Shanghai. We had functions with the consular staff in both cities, as well as with leading business entities at a function in which we launched the offices, which then received publicity in the local media. Basically that was the commencement of it. During that process we were still interviewing the candidates for the position of the representative in each office. That had not been concluded. On 1 July I issued a media release that covered the details about the offices.

The Hon. TREVOR KHAN: They are two of four offices to be established, is that correct?

The Hon. IAN MACDONALD: Correct.

The Hon. TREVOR KHAN: An office is to be established also in Mumbai and in Abu Dhabi, is that right?

The Hon. IAN MACDONALD: Correct.

The Hon. TREVOR KHAN: Is there a similar footprint with regard to staffing and the like to be applied in each of those offices?

The Hon. IAN MACDONALD: Correct.

The Hon. TREVOR KHAN: Is that four staff members in each office?

The Hon. IAN MACDONALD: I would not necessarily say that there are four. The base will be three.

The Hon. TREVOR KHAN: In essence, that is a receptionist and people performing slightly more skilled roles in the exercise?

The Hon. IAN MACDONALD: Chief representative, yes, someone doing administrative work, and a business development manager.

The Hon. TREVOR KHAN: Are these offices located with the Australian consular facilities in each location?

The Hon. IAN MACDONALD: Yes, that is correct.

The Hon. TREVOR KHAN: Does that mean they share various facilities?

The Hon. IAN MACDONALD: No. The four offices are stand-alone. They are representative offices for New South Wales. They are not, in that sense, a shared office if you like, other than being located there. They are fully independent offices. But on occasions, when we need to hold bigger meetings, we will use some of their space.

The Hon. TREVOR KHAN: You used the term "chief representative", which I had not heard, the head position in those offices, and said that interviews were being undertaken. Is that the case?

The Hon. IAN MACDONALD: Yes. At that time, yes.

The Hon. TREVOR KHAN: Have the interviews now been completed for the two Chinese locations?

The Hon. IAN MACDONALD: Correct.

The Hon. TREVOR KHAN: Were the positions advertised?

The Hon. IAN MACDONALD: Yes.

The Hon. TREVOR KHAN: Where were they advertised?

The Hon. IAN MACDONALD: Internationally. We can give you a list.

The Hon. TREVOR KHAN: For instance, were they advertised in Australia in the newspapers? If so, which newspapers, and when?

Mr BUFFIER: I do not think they were advertised in Australian newspapers, but we used a recruitment agency so it was search plus advertising. I cannot tell you exactly what those advertisements were, but we can give you a list of places where they were advertised. Our focus on China was making sure the Chinese people were aware of what was going on because we were trying to recruit under local conditions.

The Hon. TREVOR KHAN: I suppose that probably half answers the question. Is it anticipated that the senior representative in those offices will be an Australian national, or are you anticipating that they will be a Chinese national? What is your expectation?

Mr BUFFIER: It varies according to the calibre of person. Basically we have chosen people who we think can best do the job—that is, people who have a good understanding of China, in this case, and Australia.

The Hon. TREVOR KHAN: Have the successful candidates been identified in respect of the two Chinese offices?

Mr BUFFIER: Yes, they have, and they have been offered positions. They will be taking up those positions—one at the end of September and one in mid October.

The Hon. TREVOR KHAN: Do I take it that neither of them—I will be quite plain—presently has a position in Parliament, for instance?

Mr BUFFIER: No. You can take it at that.

The Hon. IAN MACDONALD: I had better answer this. Old Trevor is on an exploration—Trevor the Explorer!

The Hon. EDDIE OBEID: Do you want a job, Trevor?

The Hon. TREVOR KHAN: We actually discussed that!

The Hon. IAN MACDONALD: No current or former members of State Parliament or Federal Parliament have been appointed.

CHAIR: He is interested in Kabul.

The Hon. IAN MACDONALD: Keep going. We will get to Abu Dhabi, and then we will talk about it.

The Hon. TREVOR KHAN: Let us talk about Abu Dhabi and Mumbai. What is the time frame in respect of those two locations?

The Hon. IAN MACDONALD: That is getting fairly close. We have had an application process and we have appointed a person, a former official with Austrade based in Dubai, who is a very capable person, James Wyndham. He starts fairly soon.

Mr BUFFIER: On 28 September.

The Hon. TREVOR KHAN: In terms of the rationale behind this, there is a fairly extensive network of Austrade offices throughout the world, certainly throughout Asia.

The Hon. IAN MACDONALD: Yes.

The Hon. TREVOR KHAN: What is the rationale for expending the money on establishment of these offices?

The Hon. IAN MACDONALD: This is a very good question. Just by way of background, over a period of time, as you would be aware, we wound back our representation overseas to just a few tourist-related offices. We had representative offices in a number of places, including London and the West Coast of the United States. But, to put it bluntly, we were coming under a lot of criticism at a national level for not having representation in some key markets—for us, for Australia. For instance, in both Japan and China, the ambassadors in both those nations made it clear to me that they felt that we needed representation; that other States had considerable representation—in fact, Victoria, Queensland, Western Australia, and South Australia has a number of overseas offices. They felt that they had to cover the work of New South Wales and that we needed to pull our weight. To be blunt, that was the position they put to me and to others who were on various visits.

With the growth of trade—and it has been astronomical with north Asia over the last three or four years: our China trade has gone from probably \$30 billion or \$40 billion to just on \$68 billion in the previous year and is expected to go above that even further in the current year—Queensland, Victoria and Western Australia in particular had an interface with business. Because of that they were able to attract more investment. For instance, some leading companies from China set up in Brisbane. It is those issues that have motivated us to revisit and then to reaffirm that we should get back into key international markets. We have chosen them very strategically. At this point we are not contemplating setting up a whole range of offices around the world. We have gone into the China market, the Indian market and the Middle East at this point, three areas of great potential—current potential, but even more potential in the future. They are ones that are well placed to take off even further. The budget for it is around \$3 million a year, which we think is a pretty good and modest but effective contribution.

The Hon. TREVOR KHAN: That is \$3 million per office?

The Hon. IAN MACDONALD: No, for all of the offices.

The Hon. TREVOR KHAN: You have identified China as the lead two offices.

The Hon. IAN MACDONALD: Yes.

The Hon. TREVOR KHAN: I will ask two related questions. First, why did you choose Shanghai and Beijing as opposed to other locations?

The Hon. IAN MACDONALD: No, I am sorry, Guangzhou.

The Hon. TREVOR KHAN: Secondly, why did you choose China, for instance, as opposed to Japan, which is still larger trade and greater investment with us than China has?

The Hon. IAN MACDONALD: That is a good question. Taking the Japan part of the question first, we believe the market in Japan is far more mature and advanced than is China at this point. Its standard of living, its infrastructure and its business development would be very much sufficient and probably ahead of China at this point. China's ability to provide for trade opportunity to us at this point, we believe, is quite phenomenal. The reason we chose Guangzhou is that it is our sister city, and Guangdong is our sister State. Shanghai is really the entrepot of China—the rapidly expanding market. It is one of the world's largest cities. It is dynamic and has its own business culture.

Over a period of time we came down to those two. We could have gone with Beijing, which is the city of China's government. But we have chosen the two major cities that have huge trade potential. For southern China, it is Guangzhou; for the centre of China it is Shanghai. It was those factors that led us to come to that conclusion.

The Hon. MELINDA PAVEY: In relation to a review announced by Premier Rees on 15 July 2009 to review all government committees following revelations of \$150,000 spent by the New South Wales Wine Industry Research Development Advisory Council, of which you are a member—

The Hon. IAN MACDONALD: I am not a member.

The Hon. MELINDA PAVEY: You are part of—

The Hon. IAN MACDONALD: No.

The Hon. MELINDA PAVEY: You supported it.

The Hon. IAN MACDONALD: Absolutely.

The Hon. MELINDA PAVEY: You are an instigator of it.

The Hon. IAN MACDONALD: Absolutely.

The Hon. MELINDA PAVEY: How is that review progressing in terms of the committees in areas of your portfolio?

The Hon. IAN MACDONALD: In terms of the wine industry council, we are dealing with something that should have been asked of me in the Primary Industries council.

The Hon. MELINDA PAVEY: Do you mean the budget estimates?

The Hon. IAN MACDONALD: Yes, sorry, estimates committee.

The Hon. MELINDA PAVEY: So you do not want to talk about it?

The Hon. IAN MACDONALD: No, I am happy to talk about it because the wine industry is a \$2 billion contributor to this State in a very real and direct sense. The wine industry advisory council—this gives me an opportunity, for the first time, because I have not been asked this question in the House, to state a few facts about it—

The Hon. MELINDA PAVEY: My question relates to a review of the number of committees as announced by your Premier, Nathan Rees, and how that review is progressing.

The Hon. IAN MACDONALD: You raised this as the example so I will deal with both aspects of your question.

CHAIR: The Minister has the right to answer as he sees fit. Perhaps the Hon. Melinda Pavey has a follow-up question.

The Hon. IAN MACDONALD: I have not answered the question I was asked. In relation to the wine industry council, the figure that was mentioned—

The Hon. MELINDA PAVEY: I have seven minutes left if you want to talk it out.

The Hon. IAN MACDONALD: I do not want to talk it out. I will give you a fair go. The \$144,000 that was spent on the wine industry advisory council is over a six-year period, not a one-year period. The council has a budget of \$22,000 to \$24,000 a year. The council consists of some of the leading winemakers in Australia and in New South Wales—Bruce Tyrrell, Doug McWilliams, Darren Bertoli, Ron Hilder, David Lowey, Peter Robson; the list is endless—as well as some of the leading—

The Hon. MELINDA PAVEY: Captains of the wine industry.

The Hon. IAN MACDONALD: Captains of the wine industry plus a number of leading persons from the business sector. Over those six years the committee has spent a modest amount, in the order of \$20,000 to \$24,000 a year, in the conduct of its activities. The committee meeting at Mildura—the meeting referred to in the media—was held at the request of the industry. The committee met with the national research body based in Adelaide to present the New South Wales case because New South Wales had been duded at a Federal level on research funds over previous decades. At that stage New South Wales was receiving only \$720,000 per annum of national research funds.

The Hon. MELINDA PAVEY: That is a sad reflection on New South Wales.

The Hon. LYNDA VOLTZ: It is a sad reflection on the Howard Government.

The Hon. IAN MACDONALD: It is a sad reflection on lots of things, but I did something about it. A strong and forceful case was put at that meeting. We entered into a better futures program for the industry, which ended up with New South Wales securing \$27 million in funding over four or five years. So it was a massive win for New South Wales and value for the State, well in advance of some of the more cruel comments that have been made about this important committee by members of the media.

The Hon. EDDIE OBEID: David Lowey needs a handout.

The Hon. MELINDA PAVEY: Can we make sure that the Hon. Eddie Obeid's comment is recorded in *Hansard*?

The Hon. EDDIE OBEID: That is what you are referring to.

The Hon. MELINDA PAVEY: No, I am not.

The Hon. EDDIE OBEID: That is your argument.

The Hon. MELINDA PAVEY: No, it is not.

CHAIR: You are dealing with a Minister, so let us not have any side comments.

The Hon. IAN MACDONALD: Let us deal with the committee issue. I inherited most of the 58 committees from the past. In fact, a lot of them—

The Hon. MELINDA PAVEY: What do you mean "the past"?

The Hon. IAN MACDONALD: From previous—

The Hon. MELINDA PAVEY: Like 16 years ago?

The Hon. IAN MACDONALD: Previous Ministers and previous governments. For instance, many of them had been established by Coalition governments and are statutory based. A large percentage of them are in Acts of Parliament and I am obliged—

The Hon. MELINDA PAVEY: How many of them? Can you take that on notice?

The Hon. IAN MACDONALD: Absolutely. I have it all. If you want me to take your seven minutes I will.

The Hon. MELINDA PAVEY: You are doing good—there are only three minutes left.

The Hon. IAN MACDONALD: The vast majority of those committees were established by previous Parliaments under Coalition governments. I have a responsibility as Minister to enact what the law provides, and that is that these committees continue in operation.

The Hon. MELINDA PAVEY: So you do not know how many of them are statutory committees replete with legislation?

The Hon. IAN MACDONALD: Quite a considerable amount of them. I will get you the breakdown but I do not want to take any more of your time. A large number of them.

The Hon. MELINDA PAVEY: The majority?

The Hon. IAN MACDONALD: Over the period of my incumbency in this area I have reduced the number of committees by 36 and I have created only 18.

The Hon. MELINDA PAVEY: So that is a net increase of 18?

The Hon. IAN MACDONALD: No, a net reduction of 18. You will have to be taught more maths if you are to be elevated in the future. A lot of these committees were created by previous Coalition governments. I stand by the committees. I will discuss with whoever is conducting the review the outcome of it but most of the committees serve a good function. For instance, do you want to do away with some of the committees in the livestock area? Do you want me to—

The Hon. MELINDA PAVEY: Is this not a budget estimates hearing where I ask you questions?

The Hon. IAN MACDONALD: I am just giving you a bit of food for thought.

The Hon. MELINDA PAVEY: Food—your favourite thing.

The Hon. IAN MACDONALD: No, not quite.

The Hon. MELINDA PAVEY: How many of those committees are you a member of?

The Hon. IAN MACDONALD: I cannot think I am a member of any.

The Hon. MELINDA PAVEY: So you are not a member of any?

The Hon. IAN MACDONALD: No, I do not think so.

The Hon. MELINDA PAVEY: So you will check?

The Hon. IAN MACDONALD: I am not chair of any.

The Hon. MELINDA PAVEY: No, will you check?

The Hon. IAN MACDONALD: I will check but I am not on any.

The Hon. MELINDA PAVEY: So you will take that on notice?

The Hon. IAN MACDONALD: I will take it on notice but I am 99.999 per cent sure that I am not on any of them.

The Hon. MELINDA PAVEY: How did you feel when Nathan Rees, responding to the media pressure, said that he wanted a review of all the committees? Did he put you in an awkward position?

The Hon. IAN MACDONALD: No, not at all. I think Premiers, on many occasions, are happy to look at committees and to look at public policy. I thought, "Good on him." It gives me an opportunity to be able to explain the necessity of those 58 committees, many of which were established by your predecessors in the National Party.

The Hon. MELINDA PAVEY: So you do not expect it to come down?

The Hon. IAN MACDONALD: Sorry?

The Hon. MELINDA PAVEY: You do not expect that 58 to come down.

The Hon. IAN MACDONALD: I do not know. The Parliament may not agree, for instance, for some of these statutory committees into cactoblastis or something—

The Hon. MELINDA PAVEY: That was a bit facetious.

The Hon. IAN MACDONALD: —being absolutely taken apart by a change to the Act. I welcome any inquiry. It is right across government.

The Hon. MELINDA PAVEY: But you will take it on notice in terms of where you are at with the review process?

The Hon. IAN MACDONALD: No, you should address this question to the Premier because—

The Hon. MELINDA PAVEY: He started it.

The Hon. IAN MACDONALD: It was his announcement and I do not ever presume to be able to speak on behalf of people so worthy as Premiers.

CHAIR: Were you not ever critical of the largesse and extravagance of The Nationals-inspired committees when they were in office?

The Hon. IAN MACDONALD: It is good to see that the Greens and The Nationals are working in coordination.

The Hon. MELINDA PAVEY: I would not say that is coordination.

The Hon. IAN MACDONALD: I do not see that the expenditure on this committee has been extravagant.

CHAIR: No, that is not the question I asked. I said were you not ever critical of The Nationals or Coalition committees during their period in office? In particular, were you critical of undue largesse directed to these overseas representations?

The Hon. IAN MACDONALD: I thought you were talking about committees but you are referring to overseas posts.

CHAIR: Yes. I remember you were quite critical of them.

The Hon. IAN MACDONALD: I do not think I was actually. I am more of an internationalist than some people who have a more narrow focus in life.

The Hon. LYNDIA VOLTZ: An internationalist socialist?

The Hon. MELINDA PAVEY: Can that be recorded on *Hansard*?

CHAIR: Did you agree with these overseas postings that The Nationals put in place during their time of Coalition Government?

The Hon. IAN MACDONALD: No, I do not recall them ever putting new positions in place. There were a number of offices which were staffed at the time. I think there was some criticism of a former member of the Coalition who had been given a posting. I do not recall me actually making any critique of that, just as I would not make any critique of the wonderful appointments made by Mr Rudd of Dr Nelson and Mr Beasley to very important diplomatic postings. I believe that the amount of money that we are spending on the overseas engagement program is a modest one—\$3 million per annum—and to get so much, we believe, real benefit is great for the State.

CHAIR: Is there a duplication of the New South Wales and Austrade offices?

The Hon. IAN MACDONALD: No.

CHAIR: Is there a doubling up of effort?

The Hon. IAN MACDONALD: No, we do not believe there will be any doubling up because our representatives will pursue business on behalf of New South Wales and chase investment in order to develop jobs and trade opportunities on behalf of our State, and that is what is important. For instance, Queensland probably has more than double the number of offices. Victoria and Western Australia have a significant number of offices. South Australia has offices overseas. They are chasing the business. We are in a very competitive era now. We cannot just rely on Sydney having a harbour bridge and a wonderful Opera House and a very active, engaging, supportive Government to get business. We have to chase business. It is a very competitive market out there now. We have been very successful, for instance, in being able to get Geely to take over the facilities down at Albury to continue the employment of 133 people in the transmission industry, something that we pursued. That is the sort of thing we have to do these days. We cannot just rely on the fact that Sydney is Australia's only global city, we have to be there and pursue industry.

CHAIR: How many overseas trips have you taken in the past financial year as Minister for State Development?

The Hon. IAN MACDONALD: The last financial year, I think two.

CHAIR: How many as Minister for Primary Industries?

The Hon. IAN MACDONALD: It was both, just two trips.

CHAIR: Where did you go on those trips?

The Hon. IAN MACDONALD: I would have gone to China, Hong Kong.

CHAIR: Would you take on notice and provide the committee with costs for staff and costs that were incurred on those trips?

The Hon. IAN MACDONALD: Yes, absolutely.

CHAIR: In relation to State Development you spoke at length on the wine industry—we are well aware of your other areas of interest, motor racing and such like in terms of State Development, which I will come to in a minute. Would you detail other areas in which you have actively pursued success within New South Wales under State Development?

The Hon. IAN MACDONALD: There are heaps. I will deal with the film industry, for instance. I spent considerable time working on getting *Green Lantern*, a big budget production worth about \$150 million, into this State. Next Thursday night I am going out with an international producer and director to try to secure another project for this State. I have been pursuing a number of other areas under the Major Investment Attraction Scheme. We have announced several of those where companies have been assisted in setting up in New South Wales. For instance, we helped win a contract at Newcastle for the new destroyer program and Forgas will be building significant components of it. We put in a substantial amount of support behind that.

The two aviation wins with V Australia and bringing to Sydney Virgin Blue's Embraer program—Delta. We worked also on getting Etihad to New South Wales. I have a couple more I am following up sometime soon. Geely Automobiles I have mentioned. Volgren Australia, a bus manufacturing plant we have been working on. We have been working with Knauf. I could go on but I will provide the Committee with a full list of achievements in due course.

CHAIR: Is there anything in that list that is directly—

The Hon. IAN MACDONALD: Solar energy and renewables, yes. I have been working with Ausra and its proposals with Macquarie Generation [MACGEN]. I have met with Ausra on a couple of occasions.

CHAIR: You have met with Ausra, but what has actually happened? What have you achieved?

The Hon. IAN MACDONALD: I have worked with MACGEN to try to get them to agree to the expansion there, stage three of the project. We are working on that and hopefully we will get some good outcomes.

CHAIR: Do you have any outcomes in that area?

The Hon. IAN MACDONALD: On the solar flagship program, I have been working with solar systems until, unfortunately, two weeks ago True Energy in Victoria wrote down its \$53 million investment and collapsed the company. After they set up I had agreed to go to Bridgewater to look at its research facility. It was planning to do the Robinvale 159 megawatt power station using solar concentrators. We were gearing up to try to get it to go under the national solar flagship program to have it bid for a part of that in New South Wales. I have been working with a number of companies in this area. I have been talking to wind companies. When I was in Shanghai I met with the very famous Dr Shi Zhengrong who runs the largest solar company in China. He was a graduate and worked out of the University of New South Wales.

CHAIR: You have just extolled the virtue of that, but was it not a great loss to the Australian economy that he had to export his technology to such an economy as China and we are now dealing with a situation of importing something that should have been produced potentially through your administration in New South Wales, or Australia, at least? Is it not one of the greatest losses that we have economically suffered?

The Hon. IAN MACDONALD: I am a globalist, and China—

The Hon. MELINDA PAVEY: International socialist.

The Hon. IAN MACDONALD: No, they are Linda Voltz's words.

CHAIR: So you support the success in China more than the success in New South Wales?

The Hon. IAN MACDONALD: No, leave that aside for a second, because we have to recognise that if we are to make a significant impact on global emissions we have to reduce, in a global sense, emissions in China, which are going to increase dramatically over the next few years.

CHAIR: I can understand that.

The Hon. IAN MACDONALD: So the development of the solar industry in China is good.

CHAIR: You are not answering my question. How come you exported—

The Hon. IAN MACDONALD: We didn't export.

CHAIR: How come you lost the expertise of someone who I understand has become the third most wealthy in China? Australia lost that expertise. How can you possibly see that as a positive situation for New South Wales?

The Hon. IAN MACDONALD: I don't see it as a positive situation, but I do recognise that China needs to develop its solar energy. Just continuing with that—

CHAIR: No-one is arguing with that, but I am asking—

The Hon. IAN MACDONALD: Let me just answer it.

The Hon. LYNDIA VOLTZ: Point of order: can the Minister be allowed to answer the question?

The Hon. IAN MACDONALD: What I was going to say—because you are going to be embarrassed when you read *Hansard* later—the point is he went over there well before I came on the scene.

CHAIR: I do not get embarrassed any more.

The Hon. IAN MACDONALD: We are bringing him back, because he is investing in Suntech here, in the Maroubra area, developing a plant for production of solar panels. We are bringing him back. You have made me announce it well ahead of the time I wanted to, but anyway—

CHAIR: That is fine, you are to be congratulated on that, but how much was developed in China?

The Hon. IAN MACDONALD: The point is China has 1.3 billion people.

CHAIR: Are you saying to me that it was a positive move that he went to China?

The Hon. IAN MACDONALD: No, it is a positive move for China to enhance its level of solar development. You must concede that.

CHAIR: I agree.

The Hon. IAN MACDONALD: If he can operate that in China, that is great, but he is bringing technology and investment back into Australia. I have just told you that.

CHAIR: Thank you. Wonderful.

The Hon. IAN MACDONALD: Did Hansard get that? Wonderful!

CHAIR: Of course I support expansion in that industry, but you have twisted the reality of the situation.

The Hon. IAN MACDONALD: Get on to the World Rally.

CHAIR: I will, if you insist.

The Hon. EDDIE OBEID: We want evidence of the native animals killed.

The Hon. ROBERT BROWN: The python didn't die.

CHAIR: We are not sure yet. I had to save one, and I am not a very proficient snake handler. Before I turn to the World Rally, Minister, I am wondering if you could enlighten the Committee of other great profits in your portfolio, particularly as the Hon. Trevor Khan asked you questions about World Youth Day in last year's estimates—

The Hon. IAN MACDONALD: I was not in charge of World Youth Day.

CHAIR: He asked:

The Hon. TREVOR KHAN: I will put this to you: We were told in terms of World Youth Day originally that it was going to cost \$20 million and it ended up costing something in excess of \$100 million.

Do you have any similar circumstances with your projects?

The Hon. IAN MACDONALD: No, not to my knowledge.

CHAIR: You said at the time that it was a good question.

The Hon. IAN MACDONALD: Well, it is a good question. Why are you repeating it?

CHAIR: I am interested to know if you have any other major losses in your portfolio, similar to what occurred with World Youth Day in terms of the costs escalating beyond your expectations?

The Hon. IAN MACDONALD: I will have to be guarded because I do not think there are any great losses in our portfolio.

CHAIR: None at all?

The Hon. IAN MACDONALD: No.

CHAIR: So every activity that you have undertaken has been a major financial injection?

The Hon. IAN MACDONALD: I have had the portfolio for three years. I do not think we have had any major disasters in that period of time—quite the contrary. We have had some very successful investment. I will take the question on notice because I think we need to let you know of some of the great successes that we have, other than what I have already rendered to you.

CHAIR: Rendered? Torn apart. In terms of the recent Repco rally, for example, there is a process of assessment that you have undertaken.

The Hon. IAN MACDONALD: Yes.

CHAIR: Do you have any information for the Committee at this point in time in terms of increase in tourism figures or any other information outside of the obvious influx of people at the rally at that time?

The Hon. IAN MACDONALD: Obvious influx—mark your words there. I have received information that in the order of 83,000 people attended the rally. I have received a lot of information from local businesses about the incredible business kick they got over that weekend. Kyogle had 4,500 people sitting on a hill watching the mechanical work being done during the luncheon break before the final stage. I mean, no-one has seen 4,500 people in Kyogle—not even the Hon. Ian West—on the best of the festival days. Murwillumbah, as I understand it, had in the order of 10,000 people attending. I went there on the Thursday night, as I have said—

CHAIR: Do you have any idea of the demographics of those people who attended the rally?

The Hon. IAN MACDONALD: They looked pretty young to me.

CHAIR: From where?

The Hon. IAN MACDONALD: No, not at this point.

CHAIR: Perhaps you can provide that at a later stage.

The Hon. IAN MACDONALD: I believe that there was, I was informed, in the order of 1,000 people from overseas. I can get that confirmed for you. Remember, this is quite a popular sport; some people actually do like this sport. Talk to the local businesses. I think it is a hit. I have received so many commendations about the event from businesses and from people who have visited—massive. It was an overwhelming success and a tour de force for the Department of State Development.

CHAIR: Why did Queensland refuse, or not have the rally?

The Hon. IAN MACDONALD: I don't know why. Can you explain to me what Queensland thinks about anything?

CHAIR: Western Australia felt that it was not financially worthwhile.

The Hon. IAN MACDONALD: They might have had something else in their minds.

CHAIR: Would you be able to provide a cost benefit analysis of that event?

The Hon. IAN MACDONALD: We are doing a formal review in the light of the amendments that were moved in our Chamber. That will commence fairly soon and that will canvass those sorts of issues. You will have every opportunity to—

CHAIR: Thanks, but could you let the Committee know, or do you know now, what the initial financial outlay by Events New South Wales was for this event?

The Hon. IAN MACDONALD: It is commercial-in-confidence, and I do not have the details. Events New South Wales comes under the Premier. My role was in guiding the legislation through.

CHAIR: What is the reason for commercial-in-confidence with something like that? Why would there be a need for it? I can understand where there is a competitive tendering situation, but no-one else wanted it.

The Hon. IAN MACDONALD: I do not think that will be the case after this rally, for a start. One tends not to reveal those sorts of figures because it tells competitors exactly what it would cost to take it.

CHAIR: Surely the taxpayers of New South Wales have a right to know what a government instrumentality is spending on setting up an event that has significant costs in the initial start-up and in developing an event like that?

The Hon. IAN MACDONALD: I do not think World Rally was a huge investment.

CHAIR: What were the costs then?

The Hon. IAN MACDONALD: I do not have those costs—you will have to ask the Premier. But it is commercial-in-confidence and the States do not tend to give that sort of information out. It is audited so I presume the Auditor-General, if he found something to be queried, would make some comment on it. But one tends not to hand out such information to competitors. Whether it is other States or international, the event was so successful here that other countries may be keen after the period to take it to their country.

CHAIR: You are obviously going to make significant financial investigation and assessment?

The Hon. IAN MACDONALD: Yes, we are doing a review.

CHAIR: Are there any other factors in this review that you are taking into account—social or environmental factors?

The Hon. IAN MACDONALD: It would be a comprehensive review, yes.

The Hon. MELINDA PAVEY: Who is doing the review, Events NSW or you?

The Hon. IAN MACDONALD: The Homebush Motor Racing Authority, where the expertise to conduct such is held.

The Hon. MELINDA PAVEY: But in the future the event will come under Events NSW through the Premier's office?

The Hon. IAN MACDONALD: I think it will work like this: they have the contract, if you like—

The Hon. MELINDA PAVEY: So the Premier's Department will control the contract?

The Hon. IAN MACDONALD: It will control the contract, through Events NSW, and we will do the operational side of it through the racing authority.

The Hon. MELINDA PAVEY: In terms of Events NSW, you have lost that in the reshuffle?

The Hon. IAN MACDONALD: No. I never had it.

The Hon. MELINDA PAVEY: You never had it?

The Hon. IAN MACDONALD: Never.

The Hon. MELINDA PAVEY: Who did have it? Was it Tourism?

The Hon. IAN MACDONALD: No. It has always been with the Premier since it was founded.

The Hon. MELINDA PAVEY: I go back to the committees and the Premier's announcement of 15 July that he was going to have a review. Can you tell us how that announcement has played out within the departments and how the review will be undertaken?

The Hon. IAN MACDONALD: You will have to direct that question to the Premier. Your colleagues will have ample opportunity to do that in the weeks to come.

The Hon. MELINDA PAVEY: I want to ask some questions about credit card use. Who is with you today, in the capacity of a chief financial officer, and able to deal with that issue? Is it Mr Glenn?

The Hon. IAN MACDONALD: I will take all your questions. Which type of credit card use do you want to talk about? None of my staff have one, nor do I, nor have I ever had one other than when I go overseas.

The Hon. MELINDA PAVEY: When you say none of your staff, what about your departmental liaison officer?

The Hon. IAN MACDONALD: No.

The Hon. MELINDA PAVEY: That officer has never had a credit card?

The Hon. IAN MACDONALD: In the past they have had. These are departmental officers.

The Hon. MELINDA PAVEY: Yes. But they work out of your ministerial office.

The Hon. IAN MACDONALD: Yes, and come and go.

The Hon. MELINDA PAVEY: And have come to lunches.

The Hon. IAN MACDONALD: I do not know. Be specific.

The Hon. MELINDA PAVEY: Have departmental liaison officers attended lunches with you and picked up the bill?

The Hon. IAN MACDONALD: I am not sure. I will take that on notice.

The Hon. MELINDA PAVEY: So it is possible?

The Hon. IAN MACDONALD: Of course it is possible.

The Hon. MELINDA PAVEY: What are the rules and protocols for credit card use by the department?

The Hon. IAN MACDONALD: As per the schedules of the appropriate Acts.

The Hon. MELINDA PAVEY: Is there anything you want to add, Minister? Did anybody within the department ever query some of the expenditure that was going onto the credit card associated with your departmental liaison officer at any time?

The Hon. IAN MACDONALD: Not to my knowledge.

The Hon. MELINDA PAVEY: Mr Buffier?

Mr BUFFIER: If we are talking about the Department of State and Regional Development, which is the area that I was responsible for, we do not have liaison officers with credit cards. So that issue has not arisen.

The Hon. MELINDA PAVEY: So if there was any expenditure, it has to do with the departmental liaison officer of the Department of Primary Industries?

Mr BUFFIER: Within the old department of State and Regional Development we have about 134 officers who have credit cards. They use them for a variety of purposes.

The Hon. MELINDA PAVEY: You just said to me that there was no departmental liaison officer associated with the Department of State and Regional Development that had a credit card—

Mr BUFFIER: That is right.

The Hon. MELINDA PAVEY: —and was working out of Mr Macdonald's office.

Mr BUFFIER: That is correct.

The Hon. MELINDA PAVEY: So the expenditure would then have been approved to the departmental liaison officer with the Department of Primary Industries working out of your office?

The Hon. IAN MACDONALD: That is a separate matter, and you have missed your boat.

The Hon. TREVOR KHAN: Could I go back to the committee review? I have heard what you have said already. What requests have been received from the Department of Premier and Cabinet in respect of the review?

The Hon. IAN MACDONALD: I have not personally seen anything. I am not 100 per cent certain whether something has been sent. I will ask Dr Sheldrake whether he wants to comment.

Dr SHELDRAKE: In terms of the review of committees, the Premier has asked all agencies, so not just this agency, and we are preparing a list of all the committees that we have in our agency, as are all other directors-general.

The Hon. TREVOR KHAN: Are you able to indicate when that review was sought?

Dr SHELDRAKE: I cannot remember the exact date. But we are working on it now, and we are working within the timeframe that was given to us by Premier and Cabinet.

The Hon. IAN MACDONALD: You want to be careful about this, if I may say. You have got to be careful about the pursuit of this particular line of thinking, because most of these committees consist of people from the major stakeholder groups in rural New South Wales. So, if you are going to be proposing to reduce them, you are reducing stakeholder committees in the bush, whether they be for grains, livestock, sheep and so on. We have chairmen of these committees like Gary West. These committees have a very useful role. Forget the glib—

The Hon. MELINDA PAVEY: Premier's reaction.

The Hon. IAN MACDONALD: No, not the Premier's reaction. Forget the glib article about it in the papers, and the glib comments made by a certain spokesman for the Coalition about it. Many of these committees have key functionality. Are we going to abolish the Rice Marketing Board? Are we going to abolish other bodies in the wine industry in the Riverina, for instance? Are we going to abolish the various grains boards that we have, or the BJD committee that we have, or the OJD committee? These are functional committees. You are going to have to be careful in pursuing this approach in terms of cutting off further the Government from stakeholder consultation. These provide a very strong basis for you to get information from these committees.

I totally disagree with the editorial in the *Sydney Morning Herald* at the time that said governments do not need these committees, that governments should be able a decision without these committees. I totally and fundamentally disagree with that. These stakeholder committees were established by government, over time, to serve a purpose, that is, to gather stakeholder contributions to the major issues affecting a \$10 billion farm gate industry, and that translates into some \$50 billion when you take it on a three-chain basis. These are real committees. We have got to be careful about taking an approach that leads to a wholesale: well, we've got to get rid of them. As I said, I have created 18 and abolished 36 over the years. I just think that we should think twice about this campaign, which obviously is being pursued here today, and consign it to a point where it was useful on the day to embarrass someone. But we have got to move on.

The Hon. TREVOR KHAN: Minister, I note that you have implied certain things. Can we just stick to the question? That is: when was the review sought? Do I take it that can be taken on notice and that an answer will be given?

The Hon. IAN MACDONALD: Yes.

The Hon. TREVOR KHAN: What is the timeframe for a response to that review?

Dr SHELDRAKE: We are working to the timeframe. I cannot recall the exact date that it is due, but we are within the timeframe and we are working on it now.

The Hon. TREVOR KHAN: Dr Sheldrake, I am not being critical.

Dr SHELDRAKE: I will take it on notice.

The Hon. TREVOR KHAN: I am just seeking a date so that we have some reference basis to enable us to work out when things might or might not happen.

The Hon. IAN MACDONALD: But you could address this question to the Premier, because it is a Department of Premier and Cabinet co-ordinated matter.

The Hon. TREVOR KHAN: Yes. But, plainly, Minister, you are involved in the process.

The Hon. EDDIE OBEID: So is every other minister. He told you it is right across the board.

The Hon. TREVOR KHAN: Can we move on to the Supercar race?

The Hon. IAN MACDONALD: Do you want to come along on the final day, or to Cold Chisel, Trevor?

The Hon. TREVOR KHAN: I do not think I will answer that.

The Hon. IAN MACDONALD: Both!

CHAIR: Is that an inducement, Minister?

The Hon. IAN MACDONALD: I did not offer him anything. I just said does he want to come to that.

The Hon. TREVOR KHAN: Yes. And it is a question I chose not to answer. In terms of the decision-making process that led to exclusion of Eastern Creek from the process, are you able to tell us why Easter Creek was deemed unsuitable for the event?

The Hon. IAN MACDONALD: First of all, V8 Supercars made a decision that they were not going to continue out there, as did the A2s. The situation was that to modify the track to bring it up to the standards they wanted—remember it is a bike track that was created to win the MotoGP some years back—

The Hon. ROBERT BROWN: And go-karts.

The Hon. IAN MACDONALD: And go-karts. For some time there has been consideration of what to do with Eastern Creek in terms of modifying it. You will recall that the managers of Eastern Creek made a public statement about mid last year seeking \$90 million, I think, for a track upgrade. On top of that, I was advised of estimates in the order of another \$30 million or \$40 million to do ancillary-type works. Remember that Eastern Creek's transport situation is very difficult. Ask anyone in town who wants to do things there. It is a very difficult environment.

The third aspect is that internationally there is an increasing preference for a number of what they call street races. They seem to be of increasing importance. For example, Singapore secured the F1 with a street race that was conducted a couple of months back, a night race at that, and a number of the major V8 Supercars events are now street races, including the latest one that was held on 19 July in Townsville. The Federal Government and the Queensland State Government put in \$25 million each to conduct the race on the streets of Townsville. They built a very big permanent facility there that will be used by TAFE, as I understand it, most of the year.

Given this, they felt the Homebush site had ticked all the boxes that Eastern Creek did not—transport, street race, and fantastic amenities. Previously their original submission to the Government had been rejected on the basis that it was going to be conducted similarly to the Indy event in Queensland, in which effectively the

Government became an investor and took the risk. South Australia, as I understand it, takes the risk. It was rejected on that basis. They came back to us last year with a proposition that they take the risk. On that basis our Cabinet agreed to support it in principle but then conduct a proper feasibility study. To that end we secured the services of one of Sydney's leading experts and businessmen to conduct an assessment of its feasibility. That was positive about it, so after several months it went back to Cabinet and got approval. From then on it was a matter of securing the appropriate advice to ensure that the Government risk was limited to the outlay that had been requested.

The Hon. TREVOR KHAN: What consultation went on with local businesses and leaseholders in the area in the assessment process?

The Hon. IAN MACDONALD: There was considerable stakeholder consultation with Sydney Olympic Park Authority [SOPA] and the business community there, Sydney Olympic Park Business Association. My understanding is that the Business Association supported it. SOPA had some issues initially but has been fully cooperative with the event. I met with two or three businesses that were not happy with the concept. One was a property developer in the area who felt it would have some negative impact on what they wanted to achieve there. One of the banks was a bit concerned about staff arrangements and how it would work through the bump-in period. That was resolved with quite considerable discussion. In relation to the developer, I think we took the view that a four-day event would not greatly affect the conduct of property development there.

Generally the hotels and stadiums want the throughput and the extra business in that area. I think it is getting better out there. Other businesses are locating there. I met with Bicycle NSW yesterday and we have secured a criterium event for the Saturday with Australia's leading criterium participants. There is a world criterium event next year and this will be a lead-up event. Bicycle NSW looked over the track and they are looking forward to the event. We will be doing some more bicycle safety awareness aspects during the event so I think it will have a good impact from that perspective. We also did the economic modelling as well to make sure that we were going to make a significant economic input.

The Hon. ROBERT BROWN: Going back to the discussions on the opening of some of the representative offices in China, I am particularly interested in the office in Guangzhou province. The Minister would be aware of the Australian company that produces a product called Firex, which recently made some inroads into China in a big way. That is a New South Wales development. They are opening a blending plant in Guangzhou. To develop those sorts of Australian products further is it intended that these offices be used to assist existing businesses or are they only for the purpose of finding new business?

The Hon. IAN MACDONALD: No, I would not rule a line under what work they do. It is always important that we develop the overall relationship. The primary focus will be on what we can export and what we can get back in investment and jobs.

CHAIR: Given your past as a champion of community and human rights, which we are all well aware of, would you consider repealing the section of the Act that prevents citizens from making legal challenges to the Repco Rally?

The Hon. IAN MACDONALD: I do not contemplate any particular changes to the legislation. We will have the review. That is rather a loaded way of putting that question by elevating it to that sort of orbit.

CHAIR: I am just reminding you of your roots.

The Hon. IAN MACDONALD: Yes, but I do not see that preventing tireless litigation to stop events from happening is somehow linked with global human rights.

CHAIR: Perhaps in your past you might have seen it as just community rights—right to protest, right to express themselves.

The Hon. IAN MACDONALD: There was a protest. People threw rocks at the vehicles, as I understand it.

CHAIR: Minister, allegations of rock throwing by protesters in the Tweed and Kyogle regions were proved to be false. Garry Connelly of Rally Australia finally stated in the *Sydney Morning Herald* that, "No cars

were struck by rocks on Friday." Why did the Government and Rally Australia let the media frenzy escalate, and you are continuing it now, for nearly a week before the matter was clarified? Do you have evidence?

The Hon. IAN MACDONALD: I have only what has been given to me. The triple-0 vehicle, which had police in it when it was doing its stage check, encountered rocks and boulders on the road of the stage 1.1 kilometres in from the stage start. They removed the rocks. Another 500 metres on they again encountered rocks and boulders on the road of the stage. Again they removed them. For a start, putting rocks on the road when cars are going to be traversing these areas at 200 kilometres an hour is dangerous.

CHAIR: That is avoiding the issue. Your Government supported—

The Hon. IAN MACDONALD: Any of these rocks or boulders would have caused serious damage to the vehicle and potentially could have caused a crash with serious consequences.

CHAIR: Your Government supported accusations of rocks being thrown at vehicles.

The Hon. IAN MACDONALD: About the same time a spectator marshall was advised by some protesters that they intended to throw rocks at the rally competitors' vehicles.

CHAIR: They intended.

The Hon. IAN MACDONALD: This was reported to stage security. Immediately following this a local farmer advised security that he had seen protesters throwing rocks at the rally vehicles, but that they had missed the vehicle. Communication with security and police confirmed that missiles had been thrown at the first three rally cars but had not connected. In the interests of safety of competitors, spectators and the public, rally controllers in consultation with police and security decided to abandon the stage. I am quite happy to take further advice on this, but this is the advice that has been given to me.

CHAIR: No rocks were thrown, yet the Government and the rally organisation used the false information that rocks were thrown at rally cars for several days of a media beat-up before the truth came out. It was admitted by the main organiser that "no cars were struck by rocks on Friday".

The Hon. IAN MACDONALD: Who was the main organiser?

CHAIR: Garry Connelly of Rally Australia, a major organiser.

The Hon. IAN MACDONALD: He says "struck". Read the word carefully. Were they thrown?

CHAIR: No cars were struck by rocks on Friday.

The Hon. IAN MACDONALD: Struck, correct.

CHAIR: And no rocks were thrown on Friday.

The Hon. IAN MACDONALD: What did he say?

CHAIR: You have no proof.

The Hon. IAN MACDONALD: Read what he said.

CHAIR: You have no proof to say that. You also have video cam in all the rally cars and no evidence has been given of any video evidence that rocks were thrown at rally cars.

The Hon. ROBERT BROWN: Video cams point forward, don't they?

The Hon. IAN MACDONALD: Over a 40-kilometre stage.

CHAIR: It records the visuals from the car. They refuse to come forward with any evidence. There is no evidence. It has been a beat-up.

The Hon. IAN MACDONALD: No, no.

CHAIR: Yet your Government—

The Hon. IAN MACDONALD: Read your sentence again.

CHAIR: —has utilised that hysteria to further denigrate—

The Hon. IAN MACDONALD: Read your sentence again.

CHAIR: Minister, I put it to you that your Government—

The Hon. IAN MACDONALD: It said "struck". It did not say "thrown".

CHAIR: —has facilitated the media hysteria to denigrate peaceful protesters on those sites.

The Hon. IAN MACDONALD: I think from the advice that has been given to me, stones were thrown. All you are saying is that nothing was hit.

CHAIR: There is nothing. Where is your proof and where is your police evidence, Minister?

The Hon. IAN MACDONALD: I have been reading it out to you.

CHAIR: Yet you have condemned a whole community of people—

The Hon. IAN MACDONALD: I have not condemned a whole community of people.

CHAIR: Well that is the impact in the media.

The Hon. IAN MACDONALD: No, no, not at all.

The Hon. EDDIE OBEID: What about the 83,000 that attended?

The Hon. IAN MACDONALD: Next?

CHAIR: Okay, next. Just getting on to the super rally.

The Hon. IAN MACDONALD: The V8 supercars?

CHAIR: Yes. Minister, would you guarantee that no more than \$35 million of taxpayers' money was spent by the Government on holding the race at Sydney Olympic Park?

The Hon. IAN MACDONALD: We have contracts that limit the expenditure.

CHAIR: You will not give the amount?

The Hon. IAN MACDONALD: I will not disclose the amount.

CHAIR: In September 2008 at Sydney Olympic Park Premier Nathan Rees clearly stated, "The V8 race will create 110 full-time jobs and provide 75 apprenticeships in the motorsport and hospitality sectors." He further claimed that the race would inject \$100 million into the New South Wales economy. Do you still stand by these claims?

The Hon. IAN MACDONALD: I stand by our modelling. I believe that the department has done a very good job in giving us the appropriate estimate of the economic output. I might add that only yesterday I was informed that nearly 50,000 tickets have already been sold. I think it is going to be a big crowd, Ian.

CHAIR: When your Government granted approval for this race—

The Hon. IAN MACDONALD: That is 2½ months out.

CHAIR: —was the key person lobbying you for V8 supercars to go ahead Mr Greg Jones?

The Hon. IAN MACDONALD: A lot of people were lobbying me for the event to go ahead, and discussing it with me. Lots of people.

CHAIR: Is it true that Mr Jones is a long-term friend and ex-colleague of yours?

The Hon. IAN MACDONALD: You are repeating questions from last year. I have known Mr Jones for a long time. There are a lot of people putting views to me that this would be a great event. A lot of people.

CHAIR: Is Mr Jones a significant donor to the Labor Party?

The Hon. EDDIE OBEID: Actually he has donated to the Greens.

The Hon. IAN MACDONALD: I think he has donated. Most of the people on the list that was read out last year that I was alleged to have taken into account in terms of this donated to both parties. Not the Greens.

The Hon. ROBERT BROWN: Not the Shooters Party.

CHAIR: How fortunate.

The Hon. IAN MACDONALD: Not the Shooters Party.

CHAIR: You do not need to donate to the Shooters Party. You give them other largesse.

The Hon. IAN MACDONALD: What?

CHAIR: I said you do not need to donate to the Shooters Party.

The Hon. MELINDA PAVEY: Is that commentary from the Chair?

CHAIR: Did you spend considerable time at a wine advisory council meeting discussing and organising the V8 race at Sydney Olympic Park with Mr Jones?

The Hon. IAN MACDONALD: At the meetings? Ian! I cannot even recall ever discussing it at a wine council meeting.

CHAIR: In respect to tree removal, perhaps Mr Hardman or you can answer, Minister. Since the announcement of the V8 supercar race in September 2008 the proponents of the race have been emphatic in their claims and promises that only 140 trees will be removed from Sydney Olympic Park in order to hold this V8 race. Save Olympic Park No V8 Race have counted that 224 trees have been removed since the capital works for this race started. Why have we lost so many trees? Are those figures accurate?

The Hon. IAN MACDONALD: I will read out the official figures if you like. There have been 159 trees removed. The majority were eucalypt trees located in medians of Australia Avenue. For each tree removed the event proponent has agreed to replace them at a ratio of three to one. These include 50 Pennsylvania ash to be planted in Bicentennial Park and 24 Ficus Obliqua to be planted in Kronos Hill along Kevin Coombes Avenue. The remaining trees are being captured in the 2009 Sydney Olympic Park tree planting program. Additionally, 60 Manchurian pear trees have been removed from the roadways of Dawn Fraser, Murray Rose and Australia avenues. Half of the Manchurians have been planted in Bicentennial Park while the others have been stored pending decisions on locations.

CHAIR: Thank you Minister. I think that probably is enough.

The Hon. MELINDA PAVEY: I need some clarification on the events issue. The Homebush Motor Racing Authority is under your department?

The Hon. IAN MACDONALD: It is under State Development, yes.

The Hon. MELINDA PAVEY: Is that not a major event?

The Hon. IAN MACDONALD: No. It is a racing—

The Hon. MELINDA PAVEY: No, it is not a major event?

The Hon. IAN MACDONALD: No, wait a second. In terms of the categories it is—

The Hon. MELINDA PAVEY: It just seems a bit scrappy. You are meeting with Bicycle NSW about a major event but you are not the Minister for it. What is going on? It is a bit confusing.

The Hon. IAN MACDONALD: I am a very active person and I like doing everything.

The Hon. LYNDIA VOLTZ: Horse racing as well.

The Hon. IAN MACDONALD: I am into horse racing too. Ask me about that.

The Hon. MELINDA PAVEY: No, I will not. As the Hon. Trevor Khan has just pointed out, we had only three minutes left, and now I have only probably got two.

The Hon. IAN MACDONALD: You can put it all on notice, Melinda.

The Hon. MELINDA PAVEY: Is it not a slap in the face for regional New South Wales that regional development has now been dropped to a junior Minister and taken away from you?

The Hon. IAN MACDONALD: I have never had regional development. Phil Costa has it and it was Tony before that. However, because it is all part of the wonderful Industry and Investment family, I do some cross-over work with my colleagues in economic development, which could include anything really.

The Hon. MELINDA PAVEY: Returning to Events New South Wales, how is that clarified? How is that decided? Who gets what area? You go and meet with Bicycle NSW, but that would be a major event?

The Hon. IAN MACDONALD: I do not think the criterion is that it will be a major event. It will be a significant event, but it is not a major event.

The Hon. MELINDA PAVEY: So you get the lesser events?

The Hon. IAN MACDONALD: No. I am about making and assisting this event to be truly magnificent in early December. Bicycling Australia knows I am a keen bike rider. For instance, I got myself in the mood for today by riding 20 kilometres around Centennial Park this morning, at a fast pace.

CHAIR: Do you ever ride with Della?

The Hon. IAN MACDONALD: My staff will not let me ride to work.

The Hon. MELINDA PAVEY: Your parliamentary colleagues would probably encourage it.

The Hon. IAN MACDONALD: Maybe one or two. You live with that, do you not, Melinda? The thing is that they wanted to enhance the safety idea of riding and being aware of bike riders. This is a great vehicle for it and can assist. I put the case that there be a bicycle event there, and lo and behold, we have got it. Not only that, the office of Bicycle NSW overlooks the event at a very good point.

The Hon. ROBERT BROWN: It would be exciting, Minister, to hold the two events at the same time. That would be fun.

The Hon. LYNDIA VOLTZ: That would be a challenge.

The Hon. IAN MACDONALD: Now, Robert—don't be mischievous.

CHAIR: I thank the Minister and staff. That concludes the estimates hearing for State Development.

(The witnesses withdrew)

The Committee proceeded to deliberate.
