

# GENERAL PURPOSE STANDING COMMITTEE No. 3

Thursday 21 June 2001

## Examination of proposed expenditure for the portfolio areas

### FAIR TRADING, CORRECTIVE SERVICES, AND SPORT AND RECREATION

The Committee met at 6.30 p.m.

#### MEMBERS

The Hon. Helen Sham-Ho (Chair)

The Hon. M. J. Gallacher  
The Hon. J. Hatzistergos  
The Hon. J. R. Johnson  
The Hon. P. T. Primrose

The Hon. G. S. Pearce  
Ms Lee Rhiannon  
The Hon. J. F. Ryan

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#### PRESENT

**The Hon. J. A. Watkins**, *Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation*

#### Department of Fair Trading

**Mr D. O'Connor**, *Director-General*

#### Department of Corrective Services

**Dr L. Keliher**, *Commissioner of Corrective Services*

#### Department of Sport and Recreation

**Mr J. Cuthbert**, *Manager, Finance*

**Mr B. O'Reilly**, *Director-General*

#### Minister's Staff

**Miss J. Fitzgerald**, *Chief of Staff*

**Ms H. Noyes**, *Policy Adviser*

**Ms A. Taylor**, *Parliamentary Liaison Officer*

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**CHAIR:** I declare the meeting open. I welcome the Minister and his staff to this public hearing of General Purpose Standing Committee No. 3. I thank the Minister and the departmental officers for attending tonight's hearing. At this meeting the Committee will examine the proposed expenditure for the portfolio areas of Fair Trading, Sport and Recreation, and Corrective Services. Before questions commence, some procedural matters need to be dealt with. Part 4 of the resolution referring the budget estimates to the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of this public meeting. Copies of the guidelines are available from the attendants. I point out that in accordance with the Legislative Council guidelines for the broadcast of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee, you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee.

There is no provision for members to refer directly to their staff while at the table. Witnesses, members and their staff are advised that any messages should be delivered through the attendants on duty or the Committee clerks. For the benefit of members and Hansard, I ask departmental officials to identify themselves by name, position and department or agency before answering any question referred to them. To ensure that an accurate record is made of tonight's proceedings, I ask the Minister to provide to Hansard copies of any notes or other written material referred to when answering questions. Where a member is seeking information in relation to a particular aspect of a program or a subprogram, it would be helpful if the program or subprogram were identified. The Committee in its deliberative meeting has agreed to the following format for the hearing: half an hour for Sport and Recreation, and 45 minutes each for Fair Trading and Corrective Services.

**The Hon. JOHN JOHNSON:** Was that half hour moved by the Opposition?

**The Hon. PETER PRIMROSE:** Yes.

**CHAIR:** The Committee will proceed first with Sport and Recreation, second with Fair Trading, and then with Corrective Services.

**Mr WATKINS:** Madam Chair, in my memo to you I requested that the Committee apportion 40 minutes to each of my portfolios and that the order be Sport and Recreation first—thank you, I have no argument with that—Corrective Services second and Fair Trading third.

**CHAIR:** Minister, I understand that. I respect your request. The Committee members are aware of the request. It was discussed in our meeting.

**Mr WATKINS:** Was that just prior to this hearing?

**CHAIR:** Yes, prior to this hearing. The Committee has resolved to have this format. As Chair, I am clarifying the resolution of the Committee.

**Mr WATKINS:** Okay.

**CHAIR:** Do you anticipate that your officials will have any difficulty with the format?

**Mr WATKINS:** No, they have no problems.

**CHAIR:** I know that the lower House is sitting. Will you need to attend divisions?

**Mr WATKINS:** Yes, I will.

**CHAIR:** So you do not have a pair?

**Mr WATKINS:** No.

**CHAIR:** Would you want the Committee to question an official while you were not here?

**Mr WATKINS:** No. I would appreciate it if the Committee adjourned when I left the room and resumed when I returned.

**CHAIR:** That will not be a problem.

**Mr WATKINS:** Good.

**CHAIR:** I declare the proposed expenditure open for examination. Does the Minister have an opening statement?

**Mr WATKINS:** Yes. First, legislation is before Parliament that covers some of the issues that will come up in the Fair Trading area. The Home Building Legislation Amendment Bill is currently before Parliament. Despite that, I am willing to accept questions about it, otherwise it would preclude a large number of questions being asked about home building matters. Madam Chair, if you are willing to accept that, I am willing to answer questions about home building.

**CHAIR:** I have no problem with that.

**The Hon. PETER PRIMROSE:** With due deference, provided we do not transgress in relation to anticipation of the bill.

**Mr WATKINS:** Fine. Second, an upper House committee is currently inquiring into Corrective Services issues. I understand that, strictly speaking, that may also limit what this Committee can consider. Again, I am happy to answer questions about Corrective Services across the board, despite that upper House committee, which is very broad ranging. If I did not, it would be a short meeting tonight! I again trust that that is suitable to the Committee. Third, I ask that questions from Committee members come to me. I am the relevant Minister, and I am happy to answer them. If I wish to seek further information from my directors-general, I will do so. Finally, I am thrilled to be here!

**CHAIR:** Thank you, Minister. We will deal first with Sport and Recreation. The Committee has decided not to apportion time to Government members, Opposition members or Independents as such but to ask questions on an issues basis. Therefore, members can ask you questions as issues arise. I would like to ask you the first question.

**Mr WATKINS:** Are there going to be questions from the Government side?

**CHAIR:** It is up to you to direct your Government members.

**Ms LEE RHIANNON:** They are not sure. They were a little bit confused earlier.

**The Hon. GREG PEARCE:** They did not have their instructions.

**Mr WATKINS:** I will give them: I will only hear questions from the Government!

**CHAIR:** In some estimates committees Government members do not ask questions.

**The Hon. JOHN JOHNSON:** Madam Chair, we have been sitting for 16 minutes already, and you have been talking for 10 minutes. Can we have the questions?

**CHAIR:** We have separate rules if you want Government members to ask questions.

**Mr WATKINS:** I do not care.

**The Hon. PETER PRIMROSE:** Government members are satisfied with the budget and the performance of the Minister. However, if issues arise that we believe need clarification, we most certainly will ask questions.

**Mr WATKINS:** That is very clear. Thank you.

**CHAIR:** That is why we will ask questions on an issues basis. Minister, Budget Paper No. 3, Volume 1, page 7-10, states:

Major priorities for 2001-02 are:

Encouraging capacity building with the community and improving outcomes for disadvantaged groups.

Will the Minister inform the Committee which groups in the community are included in the term "disadvantaged"? What strategies is the department undertaking to improve outcomes for these disadvantaged groups?

**Mr WATKINS:** Who are the disadvantaged that we seek to assist through the Department of Sport and Recreation? Clearly, we are speaking of disadvantaged in the broader social sense. We are speaking about the disadvantaged in relation to access to sport and recreational facilities. There is a range of groups—I could spend half an hour on this answer, but I will not. The Department of Sport and Recreation has a proud record of dealing with people with a disability and supporting them in their sport and recreational endeavours. We are committed to ensuring that a full range of services is available. We were pleased to have established a centre of excellence at Narrabeen for athletes with a disability.

Narrabeen, as most of you would know, is a centre for sports people with a disability. Such people also have access to programs at the New South Wales Institute of Sport. We are caring for elite athletes with a disability by providing them with an opportunity to work, through the academies of sport and the institute, so they may have Paralympic and other championship success. The Share-a-Chair program, for example, provides chairs for people with disabilities. I know there are people with disabilities other than people in wheelchairs. The Share-a-Chair program provides 30 chairs across New South Wales in particular areas so that people, especially young people, with a disability can access those special wheelchair sports.

**CHAIR:** What about severely disadvantaged indigenous people in New South Wales?

**Mr WATKINS:** There is a wide range of programs to deal with indigenous people across New South Wales. For example—and I cannot deal with the whole gamut of them—the north-west strategy is being implemented following an Aboriginal sports forum. For people with a disability living in remote communities of this State, that disadvantage increases markedly. The north-west strategy arose after my initial visit to Wilcannia 18 months ago, where I realised the lack of opportunities for young indigenous people. We, in association with the Aboriginal communities, sought to provide a range of opportunities for Aboriginal people in the north-west. One example of that was shown last Saturday night at Redfern Oval, where the mighty Rabbitos took on the Warriors, a team of indigenous players from Murdipaaki. They got walloped by Souths, but they still played well.

The Warriors were down from the Barwon-Darling Rugby League, which was established through the Department of Sport and Recreation. Unfortunately, rugby league has died in some communities in western New South Wales—there is a whole range of reasons for that. After discussions with Country Rugby League, the National Rugby League and the Australian Rugby League, the Department of Sport and Recreation stepped into that vacuum and established the Barwon-Darling Rugby League. Games have been played throughout New South Wales and they have chosen representative sides. The Murdipaaki team was down last week and played at Redfern, which was a great thing for those players. Several of those players will go on to selection in higher rugby league sides.

**The Hon. GREG PEARCE:** Minister, could you tell us what progress is being made under the Gold Medal program that was announced in October? I understand that it going to feature Olympic medallists encouraging involvement in sports.

**Mr WATKINS:** I will come to that in a moment. I want to finish my previous answer. We have allocated \$20,000 per year to the Aboriginal community grants scheme, \$60,000 to implement sports libraries in remote areas of New South Wales, and \$20,000 to the far west regional academy of sport, which will provide assistance to indigenous and non-indigenous people in the far west.

**CHAIR:** I was going to ask you a question relating to rural areas, but go ahead.

**Mr WATKINS:** Sorry?

**CHAIR:** I was going to ask you a question following that.

**Mr WATKINS:** Those academies of sport, as most members would know, are throughout the State of New South Wales. I am very pleased with the work we are doing with indigenous communities. We also have a 10,000 co-operative program with the Aboriginal and Torres Strait Islander Commission to provide for sport infrastructure in remote communities around New South Wales. That was on top of the capital assistance program and the regional sports facilities program specifically targeted to indigenous communities. The Gold Medal program is not run from my department; it is run out of the Premier's Department. I was involved in the initial discussions between the Premier and Herb Elliot about the establishment of that program. We listened to his ideas about how Olympic Games success could be used to encourage athletes in New South Wales. The department is certainly assisting in that, but that program is being run from the Premier's Department. The New South Wales Institute of Sport is also involved in that, but the Premier may be the more appropriate Minister to ask.

**The Hon. GREG PEARCE:** Are you aware that Perth lost its right to host the Junior Commonwealth Games in 2004 and that Canberra is now the host? Did New South Wales put in a bid for those games? What is the sporting legacy of the Olympics? For example, why are you not encouraging sporting championships to be held at the Homebush Bay facilities? One example is diving, which is still held at Warringah instead of at the Sydney Aquatic Centre because of the prohibitive cost.

**Mr WATKINS:** There is probably two hours of questions and answers on what the future of Homebush Bay is and will be. I think you are right to identify one of the real challenges facing New South Wales: How do we make the most of the Olympic legacy? Partly, that is by encouraging championships to be held here. Other States have always been more aggressive in marketing—buying is probably too brutal a description—events for their cities. New South Wales has tended not to do that for a range of reasons; we have generally been quite successful in attracting major sporting events to our State without doing that.

**The Hon. GREG PEARCE:** Minister, you have set up the Major Events Board. What has it done?

**Mr WATKINS:** Yes, I am coming to that. Actually, I am not going to tell you a lot about the Major Events Board because it does not report to me.

**The Hon. GREG PEARCE:** There is not much to tell, from what I can see.

**Mr WATKINS:** Again, I am sure the Premier would go into detail about that. The other question you raised was: How is Homebush Bay going to attract sporting championships?

**The Hon. GREG PEARCE:** Yes.

**Mr WATKINS:** That is the responsibility of Minister Egan. Cabinet discussions are imminent in regard to some of those aspects. Perhaps Treasurer Egan or Premier Carr would be the more appropriate Ministers to ask about that.

**The Hon. MICHAEL GALLACHER:** Is the Minister aware of a survey conducted over the past month by Sport New South Wales of sporting organisations affected by the HIH Insurance collapse? Will the Minister table the survey?

**Mr WATKINS:** I am aware of the work that it is doing.

**The Hon. MICHAEL GALLACHER:** Will you table the survey?

**Mr WATKINS:** I will just check whether that has come to me. I have just been advised that it has not come to me. I am aware that it is doing that. I certainly support the work that it is doing, but it has not forwarded—

**The Hon. MICHAEL GALLACHER:** Do you have a time or date when it is supposed to arrive, Minister?

**Mr WATKINS:** No, it has not forwarded that to me as yet.

**The Hon. MICHAEL GALLACHER:** Would you give an undertaking to the Committee that upon receipt of it you will table it?

**Mr WATKINS:** To whom?

**The Hon. MICHAEL GALLACHER:** To the Committee.

**Mr WATKINS:** I would like to see what is in the report before I would give that consideration.

**The Hon. MICHAEL GALLACHER:** Would you take it on notice, then, to report back to the Committee upon receipt of the survey?

**Mr WATKINS:** I will need to discuss with the Chair of Sport New South Wales what it wishes to do with the document because it is not my document; it is its document.

**The Hon. MICHAEL GALLACHER:** That is understandable, Minister. Will you take it on notice, therefore, to report back to the General Purpose Standing Committee upon receiving the survey?

**Mr WATKINS:** I suggest that you, as you well can, or the shadow Minister for Sport and Recreation—whom I saw earlier—could contact Sport New South Wales direct. I am sure that it would be very forthcoming on the outcome of that research. It is not government research—it is its research. I think it would share that information with anyone who is interested. That is probably the most appropriate way to go.

**The Hon. MICHAEL GALLACHER:** But if it does not, would you take it on notice to report back to the Committee?

**Mr WATKINS:** No.

**The Hon. MICHAEL GALLACHER:** So you will not report back to the Committee when you receive the survey?

**Mr WATKINS:** Next time I am before this Committee to discuss Sport and Recreation issues, I am sure—

**The Hon. MICHAEL GALLACHER:** Minister, you said no. That is fine. We will continue, Minister. There are other questions, and we are running out of time.

**Mr WATKINS:** But I will answer that question.

**The Hon. MICHAEL GALLACHER:** Minister, why is there a minimal sporting legacy in New South Wales post the Olympics? Why, for example, is there no Sydney marathon?

**Mr WATKINS:** I will answer the question I was asked first. When that information comes to me from Sport New South Wales and when I am before this Committee next, if the Committee members wish to ask me about that, I will then answer those questions. Now, your next question was?

**The Hon. MICHAEL GALLACHER:** Why is there a minimal sporting legacy in New South Wales post the Olympics? Why, for example, is there no Sydney marathon?

**Mr WATKINS:** I would disagree that there is a minimal sporting legacy post the Olympics.

**The Hon. MICHAEL GALLACHER:** Is there a sporting legacy? Is there a Sydney marathon?

**Mr WATKINS:** I would disagree with your description of there being a minimal sporting legacy from the Games.

**The Hon. MICHAEL GALLACHER:** Is there a Sydney marathon, Minister?

**Mr WATKINS:** I think most people who recognise what a wonderful celebration of sport the Sydney Olympics were are satisfied with what the New South Wales Government did at that time. In fact, I do not know anyone in New

South Wales who was not—there were probably some, but I do not know them—especially pleased with the status of sport and the excitement provided by the Olympic Games.

**CHAIR:** Minister, in relation to the question—

**The Hon. MICHAEL GALLACHER:** He was asked a specific question.

**CHAIR:** Does the Government have a post-Olympics strategy to continue the spirit, as you were saying, and the activities?

**Mr WATKINS:** As I explained earlier, Madam Chair, and I will come back to your question—

**CHAIR:** It is more or less the same question, really.

**Mr WATKINS:** It is slightly different.

**CHAIR:** It is slightly different because I want the actual outline of it.

**The Hon. GREG PEARCE:** Madam Chair, the Minister also did not answer my question as to whether New South Wales bid for the Junior Commonwealth Games and, if not, why not? So I think you should round up all these unanswered questions.

**Mr WATKINS:** I think there are three questions currently before me. I will try to answer the three of them. Which would you like me to answer first?

**CHAIR:** I think the question was Mr Gallacher's.

**The Hon. PETER PRIMROSE:** Point of order: The Opposition members succeeded in restricting the amount of time available to Sport and Recreation. Now they are badgering the Minister because he is trying to answer their questions, but they keep asking him additional questions.

**The Hon. MICHAEL GALLACHER:** No, he does not answer the questions. We have this year after year with this Minister.

**CHAIR:** Order!

**The Hon. PETER PRIMROSE:** You do not regard sport as a priority. You have restricted the amount of time available. Now you are badgering the Minister when he is trying to give you information.

**CHAIR:** Order! There is no point of order. You should give the Minister the time to answer the question. I gather that the Minister has answered the question about the minimal legacy. My question is more or less the same, but not quite the same, as the Minister said.

**The Hon. JOHN HATZISTERGOS:** Mr Pearce has got the other one.

**The Hon. PETER PRIMROSE:** I think asking questions is more important to Opposition members than getting answers.

**The Hon. MICHAEL GALLACHER:** You know you are never going to get answers here, don't you?

**CHAIR:** Order! I ask the Minister to go back to my question first, and then we will deal with the question that has not been answered as alleged by the Opposition member.

**Mr WATKINS:** And what was your question?

**CHAIR:** My question followed the question of the Hon. Michael Gallacher about post the Olympics. You disagreed with him that in the post-Olympic period the Government does not have a minimal legacy. I would like you to tell the Committee what the post-Olympic strategies are, if you have any.

**Mr WATKINS:** The New South Wales Department of Sport and Recreation has developed a five-point plan for capitalising on the interest generated by the Olympics and the Paralympics, Madam Chair. The strategy aims to get more people involved in sport and recreation activities and to provide better sporting facilities. The five priority areas of that plan are: first, increasing awareness of the benefits of sport and physical activity; second, improving access to information—for example, where to find facilities and providers, which is always a problem for people wanting to take up sports, such as Greco-Roman wrestling; third, increasing opportunities—this will focus particularly on disadvantaged groups and environments where physical activity occurs; fourth, developing skills by focusing on volunteers within the Sport and Recreation sector; and, fifth, supporting organisations and assisting them to establish and further develop good management practices.

Madam Chair, increasing the community's awareness of the benefits of sport and physical activity is being implemented by the Active Australia public education campaign that the New South Wales Department of Sport and Recreation is intimately involved with through the Australian Sports Commission, and both are contributing funds to that program. That will cover a range of the five points that I outlined to encourage people's participation, and that surely will be the real legacy of the Olympic Games. Television advertising is under way from Active Australia. Regional New South Wales will also see those advertisements. There will be a multicultural component using ethnic media and radio, including print advertisements in regional papers and radio community service announcements. There is a whole range of other issues here. I do not know if you want me to continue.

**CHAIR:** No. It is interesting that you mentioned an ethnic and multicultural component. In the budget papers for 2001-02 there is no mention of any funding for ethnic communities. Does the department have any policies or programs involving ethnic communities in sports?

**Mr WATKINS:** A number of initiatives have been undertaken by the Government over the past year, and there is a plan for next year about the availability of sport and physical activities for people from culturally and linguistically diverse backgrounds. An additional \$1 million has been allocated to water safety initiatives across New South Wales, and part of that will specifically target people from those backgrounds. Even though we have had a marked decline in the number of drownings in New South Wales—it went from 113 to 69, I think, in a year; that is still 69 avoidable deaths from drowning—that still should concern all of us. I have discussed with the Royal Life Saving Society its statistic gathering and whether it can identify from which ethnic background the people who are drowning come from. In the last conversation I had with the society, it indicated that its record-keeping is not able to identify that. Anecdotally, there is a sense that perhaps certain ethnic groups may be more subject than others to certain types of problems with water sports.

**CHAIR:** I am more interested, Minister, to know whether you are encouraging the ethnic community to participate in sports.

**Mr WATKINS:** Yes, we do—we do that across the board. Within that, we specifically target through translated material a range of different language groups.

**CHAIR:** What are the different language groups and how do you determine which language groups you will encourage?

**Mr WATKINS:** It depends a bit on the program. With swimming, it is what we believe the groups most at risk to be. It also is guided, obviously, by the percentage of different ethnic groups in the Australian community, so you will find that Chinese and Arabic are well represented in that material, as are Spanish and Turkish. It is dependent upon the ethnic make-up of the New South Wales community, and also if we believe that there are specific groups at risk. The director-general has reminded me that the New South Wales Multicultural Health Communication Service is contracted to develop campaign strategies in Arabic, Chinese, Spanish and Turkish, and an ethnospecific directory of sport and recreation clubs has been developed. The marathon negotiations and whether or not a campaign was put together, and the Perth Junior Commonwealth Games are matters for the Major Events Board. It is not within my portfolio responsibility.



**The Hon. GREG PEARCE:** We were handed a sheet of paper that indicated the departmental representatives here as witnesses are Mr Brendan O'Reilly, Dr Leo Kelihier and Mr David O'Connor. I am not sure whether they are the people sitting at the table with the Minister. If other people are here, I would like to know who they are as we might want to direct questions to them.

**Mr WATKINS:** On my right is the Director-General, Brendan O'Reilly, and on my left is Ms Jane Fitzgerald, my Chief of Staff.

**Ms LEE RHIANNON:** What is the total expenditure for shooting clubs under this year's budget? Does this all come under the Shooting Facility Development Program?

**Mr WATKINS:** There is a \$517,000 allocation this year, which I understand is under that program. It was announced yesterday and it is successful.

**Ms LEE RHIANNON:** So that is the total amount?

**Mr WATKINS:** I am reminded that shooting organisations and clubs can apply under other sports facilities funding programs such as the Capital Assistance Program, but most of the applications tend to come through the shooting program.

**Ms LEE RHIANNON:** I understand that in your media release you said there was \$200,000 funding for country athletes and \$517,000 for shooting clubs.

**Mr WATKINS:** And \$200,000 for the country athletics scheme.

**Ms LEE RHIANNON:** Do you think it is fair that shooting gets 2½ times more funding than all the other sports under your portfolio put together?

**Mr WATKINS:** Other sports have access to funding from other sources, so the Regional Sports Facility program—which I announced earlier this year—has a \$2.2 million total to it.

**Ms LEE RHIANNON:** When you say “regional”, do you mean rural as well?

**Mr WATKINS:** No.

**Ms LEE RHIANNON:** What is happening in country areas?

**Mr WATKINS:** Under the Regional Sports Facilities program applications are for sporting facilities that have regional importance. Those applications can come from country or city areas. This year there were 20 successful applications for that \$2.2 million. Seventeen of those were successful outside Sydney, Wollongong and Newcastle—in the last two years of funding, which I have been responsible for, the emphasis of funding under the Regional Sports Facilities program has been the country. The year before that I think 15 out of 19 were in the country.

There is one other program I should tell you about, the Capital Assistance program, where every electorate around New South Wales receives on average \$50,000 for sports facilities. There is \$4 million in that program, and that is spread right across New South Wales. There is about \$47,000 average in the city and higher in the country areas because of the need for facilities in those areas. Over the past two years, for example, the North Coast has received \$1.5 million in sports facilities funding. Shooting, which I think started this, is an important sport for a lot of communities—country or city—throughout New South Wales, and shooting is not unfairly advantaged by this Government. I make the point that we support responsible shooters and especially safe shooting facilities. A lot of that \$517,000 that I announced yesterday is directed towards making shooting facilities safe for those who take part.

**Ms LEE RHIANNON:** Yesterday you announced grants totalling \$195,220 to 276 junior country athletes, representing 46 different sports under this scheme. The average is just over \$700 per athlete—obviously a very low and quite token figure. The grants you announced yesterday to 16 shooting clubs average more than \$32,000 per club. I have heard you say how that funding is going to be used, but surely these are excessive handouts. Should you not be providing more money to country athletes across a range of sports?

**Mr WATKINS:** We are committed to regional and rural communities, and the department continues to provide a broad range of services. More than 43 per cent of the annual allocation of country assistance was allocated to rural and regional areas of the State. As I said, the Government funds regional sports facilities for \$2.2 million, and it also provides \$30,000 to assist athletes' travel costs through the remote area travel assistance scheme and the country athletes scheme—there are two schemes. Under the country athletes scheme, the applications are for up to \$1,000, but there is also the remote area travel assistance scheme.

The scheme applies to any part of New South Wales west of Dubbo. We recognise that travel in those areas is a major problem. The country athletes scheme is also limited to providing assistance to athletes under 19 years of age. It is a tailored program and there is a substantial amount of money in it. Having said that, I want to put more money into country facilities, which is why I have made sure that regional sports are going to the bush and are in those programs. A young person living in Ryde who wants to play sport has every choice possible within half an hour of his or her home, including probably two or three swimming pools. People living west of the Divide might have to travel four or five hours to play a game of football. That is a real difficulty.

[Short adjournment]

**CHAIR:** I call the meeting to order now that the Minister has returned. The Committee has agreed that it will proceed to the next portfolio, which is Fair Trading.

**Mr WATKINS:** My Director-General is David O'Connor.

**CHAIR:** The members of the Committee have decided that the Opposition and the Independents will each take a turn in asking three questions.

**Mr WATKINS:** Fine.

**The Hon. MICHAEL GALLACHER:** Minister, there are so many people in New South Wales and, indeed, here tonight who have been long-suffering victims of bad builders. Will you direct your Government members in the upper House to support the Opposition and conduct a full-blown parliamentary inquiry into the Home Warranty Insurance Scheme?

**Mr WATKINS:** Madam Chair, I acknowledge the people in the gallery from many areas of Sydney who have been faced, over some time, with real difficulties with respect to building problems. I have especially had their concerns brought to my attention by Mrs Irene Onorati and the Building Action Review Group. I want to acknowledge publicly the fine work that Irene Onorati has done on behalf of many people throughout Sydney. Irene has been involved with that for probably more than a decade. Often when people have not been providing support, Irene has been there for many people. As all of us here know, when building goes bad it is not just a building issue; it becomes a financial issue. It often becomes a family crisis because it puts enormous pressure on families when things are not right.

I have been especially concerned about the state of home building in New South Wales. Since becoming Minister for Fair Trading I have met with Mrs Onorati on numerous occasions to discuss her concerns about the residential building industry and the individual concerns of people that she has represented. I have especially met with them in consultation about the home building reform package which I have brought forward, and Mrs Onorati, even though she at one stage felt that she did not want to comment on the proposals, kindly did so. I pay tribute also to Mr Sal Russo, a solicitor who has been assisting Mrs Onorati and many of the people she is representing. I have been very impressed by Mr Sal Russo, and I have appointed him to the Home Building Advisory Council. I believe that Mr Russo's experience in dealing with matters relating to the residential building industry will be invaluable to the council in formulating policies.

Over quite a long period, we have been ensuring that the organisation of the department is appropriate towards getting rid of people from the industry who do not deserve to be in it and protecting consumers. We have proposed a detailed series of reforms to the Home Building Act which, as I said earlier, will be debated before the upper House probably this week or next week. I understand that the Hon. John Ryan has also provided helpful assistance in that process. I believe that there is a real chance to do something about the problems in the home building area of New South Wales. There are three things that we need to do. First, we need to make sure that the department is properly

organised to address consumers' concerns. We have been doing that in a creative way over quite a few months now, and I believe that the department is well focused to do that.

Second, we need to make sure that the home building legislation is appropriate. The current reforms—and I think there are probably about 50 reforms before the Parliament at the moment—will do that. Third, we need to ensure that the Fair Trading Tribunal, which is often brought into home building disputes, appropriately addresses the needs of people who take matters before it. There is certainly a review occurring currently of the Fair Trading Tribunal. Some reforms are alluded to in the Home Building Act and there is also a more general review of the status of the Fair Trading Tribunal. Regarding the specific issue of an upper House inquiry, I do not believe that that is warranted at this stage because of those three areas of reform that I have pointed out.

**The Hon. MICHAEL GALLACHER:** Minister, I have one quick question before I hand over to the Hon. John Ryan—

**Mr WATKINS:** Sorry, but I am not finished with the Home Building Act and with the problems it will address. What we are doing will not solve all the problems in home building.

**The Hon. MICHAEL GALLACHER:** But you will not support us in a call for an inquiry into the Home Warranty Insurance Scheme?

**Mr WATKINS:** Let me finish. We will keep coming back to this, as we should in any legislation, to ensure that what we do as a Government properly protects the consumers in New South Wales and ensures a viable building industry in this State.

**The Hon. MICHAEL GALLACHER:** Just so I understand that, Minister, you refuse to support our call for an inquiry into the Home Warranty Insurance Scheme?

**Mr WATKINS:** Yes. I understand that that matter has been discussed in the upper House for some time.

**The Hon. MICHAEL GALLACHER:** No, it has not.

**Mr WATKINS:** Well, it has been put on notice.

**The Hon. MICHAEL GALLACHER:** It is on the notice paper.

**Mr WATKINS:** But, as I have said, I believe that because of the changes that we have made and that are in train, the very real concerns of the people in this room and outside it will be addressed. I believe that we need to allow those reforms to occur, then come back to it and see how it is going.

**The Hon. MICHAEL GALLACHER:** Is it the case that approval of another insurer in relation to the Home Warranty Insurance Scheme has been sitting on your desk for more than three weeks for your signature?

**Mr WATKINS:** I will come to that in just one moment. As most people in the room would know—they may not—there were three approved insurers under the home warranty scheme: HIH, what used to be called HOW and Dexter. After the collapse of HIH—a major tragedy in corporate Australia because of the impact it has had not just on home building but, as we know, on almost every aspect of Australian life—there are only two left. I can advise the honourable member that another insurer has recently applied to provide home warranty insurance. I am awaiting a sign-off from the Australian Prudential Regulatory Authority [APRA] prior to approving that new player as an approved home warranty insurer.

I am afraid that APRA has not as yet approved the new potential insurer. In fact, my department has received two interim responses from APRA that state that it is still undertaking inquiries about that application, and I have also encouraged my director-general to go out into the marketplace to see whether there are any other insurers prepared to come on board. If APRA comes back to the Government and says that the new insurer should be approved, is okay and fulfils the prudential regulatory requirements, I will approve that insurer as a matter of urgency. Because with more insurers in the scheme there is more competition, and we should get a better outcome for both builders and consumers.

So, it is not sitting on my desk. As soon as APRA signs off on it—if APRA signs off on it—I will approve that insurer coming into New South Wales.

**The Hon. JOHN RYAN:** Minister, could you inform the Committee—if not yourself, perhaps one of your departmental officers might help us out—what were the terms of the undertaking sought and given by the company known as Henley Properties Limited in the Supreme Court yesterday?

**Mr WATKINS:** Yes, I might field that.

**The Hon. JOHN RYAN:** Thank you. It would be helpful if you could give us a copy of the order, Minister.

**Mr WATKINS:** We will get that and I will come back to you on that.

**The Hon. JOHN RYAN:** Minister, could you explain what happens to the revenue that is collected from builders' licensing? I think it is in the order of \$30 million a year, but you might correct me if I am wrong. What is that money used for?

**Mr WATKINS:** Could you repeat that?

**The Hon. JOHN RYAN:** The revenue collected from builders' licensing, the money you collect from your licensed builders.

**Mr O'CONNOR:** Building licensing fees amount to almost \$20 million. Because it is a licence fee, it is regarded, I understand, as a tax and it is required to be remitted to Treasury so it then becomes a Treasury issue. Then the Treasury, in its allocation to the department through the Consolidated Fund, grants back to the department a certain amount of money for the administration of all Acts administered by the department.

**The Hon. JOHN RYAN:** Do you know how much we collect in builders' licensing fees?

**Mr O'CONNOR:** As I just mentioned, Madam Chair, it is about \$19.9 million.

**The Hon. JOHN RYAN:** How much does the department get back?

**Mr O'CONNOR:** We get back a block amount from Treasury. The Consolidated Fund is some \$60 million, but there are other things that add up to the \$130 million, which is the appropriation for the department.

**The Hon. JOHN RYAN:** I refer to a company called Better Building Group Pty Limited—I think it is the company operated by Malik Drif. Could someone explain to us how that builder was suspended? I understand that on the occasion when the Minister was describing it as, I think, the worst building incident in years, in the same newspaper article there was a report that the builder had been suspended. How was he suspended? And then how was he able to get his licence?

**Mr WATKINS:** Before I start, I thank you, Mr Ryan, for your involvement in the home building reforms to this point. I appreciate the bipartisan way in which you have approached that process. Second, Mr and Mrs Vogel were the victims of Mr Malik Drif, and I do recall that they were real victims because I think most people here probably would have seen—

**The Hon. JOHN RYAN:** They are actually in the gallery.

**Mr WATKINS:** Are they?

**The Hon. JOHN RYAN:** I think so. They are up the back.

**Mr WATKINS:** Yes, we met earlier. One of the worst parts of this job is to see the conditions that people have had to live in because of the totally unacceptable behaviour of a small number of people—they call themselves builders, but they are bandits really—who provide no service and break the dreams of citizens of this State. I was especially disturbed by what the Vogels have lived through. But, as Mrs Onorati reminded me, there are others who are also living

in similar conditions. On 4 May 2001 the director-general of the department issued a notice to suspend the licence held by Mr Malik Drif, the director and nominated qualified supervisor for A1 Renovations. The director-general did that because, he has explained to me, he was satisfied that Mr Drif's conduct was such as to warrant licence suspension because of a number of instances of faulty and incomplete work. On 29 May this matter went to the Administrative Decisions Tribunal. Mr Drif took the matter to the Administrative Decisions Tribunal and that tribunal stayed the licence suspension pending a full hearing of the matter on 16 July.

**The Hon. JOHN RYAN:** Could I just interrupt? Was he suspended under the new compliance powers legislation?

**Mr WATKINS:** Yes.

**The Hon. JOHN RYAN:** I thought his was a licence expiry.

**Mr WATKINS:** No, we moved to suspend his licence. As I said, he was able to have that suspension stayed. That disturbed my departmental officers because I know they believed that the quality of work that he did was abysmal.

**The Hon. JOHN RYAN:** His work speaks for itself.

**Mr WATKINS:** Yes. The department is presently considering other disciplinary action against Mr Drif, which I really should not go into in any detail. Other suspensions have occurred in recent times, and I hope that the Administrative Decisions Tribunal accepts the bona fides—I know that it does—of the department in taking this action. I should just note in closing that Peter Debnam, the Liberal member for Vacluse, wrote to me making representations on behalf of Mr Drif asking me to explain why we had taken this action against him. I would ask you to raise that with your colleague to explain, as I have, why this action against Mr Drif was necessary.

**The Hon. JOHN RYAN:** I had a chance to have a look at his correspondence. I think he has only sent it to you and asked you to comment, Minister. I do not think he has actually made a representation on his behalf. As a lower House member, there must have been plenty of times that you have had some dog constituents whom you have simply passed on to the Minister for the purpose of getting an answer.

**Mr WATKINS:** English is a marvellous language and it can be interpreted in many ways. I should come back to the original question you asked about Henley.

**The Hon. JOHN RYAN:** Yes. What were the conditions?

**Mr WATKINS:** The conditions that Henley has agreed to after long negotiations—and they are enforceable because it was later approved by the Supreme Court on 20 June, yesterday—are to provide the director-general with details of all unresolved complaints in New South Wales, to advise the director-general of all contracts where work has commenced but is not complete, to advise the director-general of all contracts that have been entered into but work has not yet commenced, and to provide all necessary resources to resolve all outstanding complaints in a timely fashion. Henley has also agreed to give the director-general 14 days notice before entering into contracts for any new building work in New South Wales and not to begin any building work until it is able to ensure completion of the work in the time provided by the contract. These are quite extensive and onerous conditions that the department, through a very creative approach, was able to achieve. It is new, it is novel and it is important because it has the backing of the Supreme Court. I need to acknowledge the really excellent work of my departmental officials, especially Mr Chris Hanlon, in achieving this because I know, as especially you do, Mr Ryan, the level of disquiet there is, or has been, across New South Wales over Henley.

**The Hon. JOHN RYAN:** Is any further disciplinary action against Henley possible if the department uncovers other issues that are not resolved? Or is that the limit of the disciplinary action that will be taken against Henley?

**Mr WATKINS:** We currently have a very good understanding of the level and quality of its work, but if new matters come before us—and, indeed, they may when Henley follows these conditions by providing all details of new work—we can take further action against it, if necessary. I hope it is not.

**The Hon. JOHN RYAN:** In the room, Minister, are a number of people who are affected by the building company Westfield Concrete. Some of them have matters in the Fair Trading Tribunal, but the builder has gone into receivership. They are also covered by HIH Insurance. What arrangements can be made for them to promptly and efficiently make an insurance claim? Some of them have been waiting for up to two years for their matters to be resolved. I could take you to the house of Mrs Lucy Trang. Let me tell you that it is at least as good as Mr and Mrs Vogel's house, and it has been in that condition for more than two years.

**Mr WATKINS:** Yes, and I totally accept that it is. The best thing to do—these are real problems affecting people's lives—is for those people to provide, or for you, Mr Ryan, to provide, details of who they are, what the status of their matter is, and we will do all we can. The department is becoming quite good at helping individuals in this situation; it does what it can. I acknowledge problems in the past and unresolved difficulties currently, but there are some very talented and committed people who wish to help some of our citizens. I should just update you on the HIH matter because some people had dealings with Westfield. This is relevant too. They may know about it but, as you know, the Premier and I handed the first cheque under the State Government's \$600 million rescue package to the Laidlaw family of Drummoyne. That was a cheque of more than \$177,000.

The next stage of that rescue package—and that was the package that we had to address after the collapse of HIH—has been finalised by New South Wales Treasury. A claims processor and assessor is currently being appointed, and Freehills, solicitors, are resolving complex legal issues as they arise. These 600 claims—and I am not certain whether these Westfield claims are within that or not—will be processed in an orderly way. The likely order of payment is home owners who have claims already agreed to by HIH before its collapse or by strategic claims solutions, other claims requiring processing and assessment only, and then we will move on to claims that are before the New South Wales Fair Trading Tribunal. Some cases may be finalised without further tribunal proceedings but others may need to be determined after those legal processes are concluded. That is causing real grief to certain people because I think they feel that they are actually parked or trapped in the Fair Trading Tribunal.

We are currently trying to address that legal problem. There are 200 newer claims or very complex older claims that are still with the liquidator, and we need to access those. I introduced legislation into the lower House yesterday which is designed to set up the entity that will be able to process these claims once they are made and assessed. I thank the Treasurer, who has been very energetic in addressing this particular problem. It is extremely complex, as you know, and there are some major legal hurdles, especially when matters are before the Fair Trading Tribunal.

**The Hon. JOHN RYAN:** Minister, would you agree to take some questions on notice because I will not have time to ask them? Apparently we have to ask you if you will take them on notice.

**Mr WATKINS:** Yes, I am happy to take those questions on notice, especially from you, Mr Ryan. You have made very strong representations on behalf of many families in New South Wales who have deserved better. Yes, I will take those questions on notice.

**Ms LEE RHIANNON:** Minister, when you spoke earlier you set out three measures to tighten up the home building industry. I just want to ask for a few more specifics. What measures will you take to ensure that builders who take money from customers but do not carry out the work at all or who carry out atrocious work and make people's lives a misery lose their licence? What do you plan to do for the dozens of victims who have suffered so much because of the unregulated nature of the building industry?

**Mr WATKINS:** It has been regulated but there have been too many instances in the past. We are establishing a new disciplinary process. It is in the bill and it is set out there in great detail. In general terms, one of the initiatives that I hope will assist if there are disciplinary processes is that we have empowered the director-general with greater powers to take action at an earlier stage against these builders. I believe that that will help to an extent. Partly it is a systemic problem in the building industry. We have had, in a sense, unregulated growth in the industry over recent years and too many people coming in as practitioners, as builders, who do not have the wherewithal to do it properly. This, I know, is concerning the Housing Industry Association and the Master Builders Association. They both acknowledge that a percentage of builders in the industry should not be in it, because they are often the ones who are causing this problem.

The bill also has in it new mandatory—we hope it will be mandatory if it gets through—education requirements, especially in financial management of the building company, because that is where a lot of the problems arise. A lot of the people are hurt by rogues, but too many, the majority, are hurt by people who just cannot run a business properly.

They take money, the business collapses and problems build up. So, hopefully, that will help in the long term. We are also slightly—it is a development of your question—reforming the Fair Trading Tribunal so that you do not just go there, wait, eventually get into the tribunal after many weeks, then have the matter adjourned, come back again, and it is adjourned again. It has been a long, drawn-out process for too many people. We are bringing to the front of the process an early intervention, early dispute resolution process that we believe will be able to bring the parties together and resolve it quickly. Just on the reorganisation within the Department of Fair Trading—because it is these generally public reforms which are important—we have had 12 new investigators over the past couple of years in this area. We have upgraded the register and we are outlawing unscrupulous practices. We have taken action against one particularly difficult person called Garry Cohen, who was banned for 10 years. So there is a new regime.

**Ms LEE RHIANNON:** What are you going to do for the victims who have already suffered so much?

**Mr WATKINS:** It depends a bit who we are talking about, but some of the most recent victims—if we can deal with those—will be paid out under the rescue package. Others are in the process of going through the Fair Trading Tribunal, and that is a process that will have to continue, or have current valid insurance claims with other insurers that are on foot. They have redress through that system, and hopefully that is where they will achieve that. As my chief of staff reminds me, we have started to assist individuals as much as we can and we will assist those individuals if they are caught in that. Often it is a long and painful legalistic process at the end of which there will be success, but it is the going through it which causes a lot of the pain and suffering. We will try to assist those people where we can.

**Ms LEE RHIANNON:** Thank you, Minister. I refer to Budget Paper No. 3, Volume 1, page 7-18. Can you explain why the line item "Recurrent grants to non profit organisations", under the subprogram Fair Trading Strategy, has been cut from \$151,000 in 2000-01 to a mere \$50,000 for the current financial year? Do non-profit organisations overall receive less money? That is, do they all have—

**The Hon. JOHN RYAN:** Are you talking about the grants in Fair Trading? They are also listed in the annual report.

**Ms LEE RHIANNON:** I am referring to the subprogram Fair Trading Strategy. If we are going to take up too much time, I will give it to you on notice.

**Mr WATKINS:** We should be able to get a response and come back to you before we finish this section. Was there anything else on Fair Trading?

**Ms LEE RHIANNON:** Yes, I have one more question. Can we go on to—

**Mr WATKINS:** I have just been reminded in general terms that there are three areas of grants—home building, financial counselling and Tenancy Advice and Advocacy Service [TAAS] services, where those grant schemes have all been increased. I do not know whether that answers that question, but we will come back to you.

**Ms LEE RHIANNON:** I want to go on to the no-interest loan schemes. I understand that the Department of Fair Trading has conducted an evaluation of the current status of these schemes with a view to the support that needs to be given in order that they can expand and be solvent.

**Mr WATKINS:** Yes.

**Ms LEE RHIANNON:** I was keen to know the allocation for no-interest loan schemes and whether a development program been set up to assist these projects in the start-up phase. Is the statewide network now in place?

**Mr WATKINS:** No-interest loan schemes have taken on a new significance because of the growth in the last two years of payday lenders. The bill that went through the upper House yesterday, I think—where we have limited the behaviour of payday lenders—is a significant step forward in New South Wales. With respect to payday lenders—and this is associated with the no-interest loan scheme answer—we have brought them under the consumer credit code. People who use a payday lender will receive the same level of information and credit protection as they would from another financial provider. There was a loophole saying that that credit code did not apply for loans of less than 60 days, and that enabled payday lenders to charge an annualised rate of up to 1,300 per cent.

I met a payday lender the other day and he said it is very reasonable to borrow \$100 and pay \$22 for the privilege, even if you pay the money back the next day. He thought there was nothing wrong with that at all. I thought it was outrageous! There was quite a distance between us. The key part of the legislation was to have the upper limit of 48 per cent, which is very high. But that of itself applying to payday lenders will ensure that they cannot function in the way they have been in the past. We are not outlawing payday lenders, but they have to come within the consumer credit code. Now, the no-interest loan scheme may be able to come in and take up some of that market. The payday lenders said, "Well, the only reason we are doing this is that there is a market because the banks have withdrawn", and to some extent that is true. Now that the payday lenders are out of the picture, no-interest loan schemes may be able to be developed across New South Wales.

An amount of \$20,000 has been provided from my department for the establishment of no-interest loan schemes and there is \$50,000 from Minister Refshauge for that. I have also freed one of my officers, and a very capable one, to move across to the Council of Social Service of New South Wales [NCOSS] to assist in the development of this program. NCOSS has got the running of that. The Deputy Premier, Minister Refshauge, made an announcement earlier this year. If you have not seen that, we will send a copy to you. There is, I think, a scheme in Winmalee in the Blue Mountains that is going well and seems to be one of the first. So no-interest loan schemes are quite exciting, if they can take off. It is something the Government should support.

**The Hon. JOHN RYAN:** While we are on the subject of grants, Minister, when the Labor Government took office in 1995 it promised—I do not know whether you are aware of it or not—a building consumers advocacy group. I have to say that people like Irene Onorati and others spend an enormous amount of money servicing building consumers who just want to buy some assistance to type up their submissions to the tribunal and so on. Do you have any funding to implement the promise that your party made in 1995 to do that?

**Mr WATKINS:** We do have the home building grants scheme, and I have had several discussions with Mrs Onorati about that. I acknowledge the work she has done, and we have had the discussion. Basically, she does it on the kitchen table. It must be a big kitchen table because of the number of files.

**The Hon. JOHN RYAN:** The phone bill is unbelievable.

**Mr WATKINS:** Yes. And I have asked Mrs Onorati to put in an application for a grant under the Home Building Grants program. She was advised when the program would be advertised and encouraged to seek an application kit, but she did not do so. That is, I understand, because she is so busy. We sent her an application kit for 2001-02, but an application did not come in. I make that offer again to Mrs Onorati.

**The Hon. JOHN RYAN:** I will get a copy and I will give her a hand.

**Mr WATKINS:** There is a fund available for her work, and I am hopeful that if she put in an application it would be successful. If I could just come back to the question, the Utility Consumer Advocacy program was part of a three-year program that concluded in 2000-01. The funding for that program has now been transferred in 2001-02 to Minister Yeadon, who is Minister for Energy, and there is \$50,000 in 2001-02 for other consumer grants.

**CHAIR:** Minister, I go back to the HIH insurance holders question. Is there any campaign or program that the department has taken or will take to tell the HIH home warranty insurance holders that they will be covered by the State Government's rescue package? Many of the victims are from a non-English speaking background. Do you have any community language program to educate these people?

**Mr WATKINS:** That is a good question. We do not have access to the names of HIH building victims, if you like.

**CHAIR:** I understand that. As a general rule?

**Mr WATKINS:** Therefore, it has been difficult to contact them individually. There certainly has been widespread media coverage of the rescue package put together by the State Government, but to this point we have not had a specific or targeted campaign. I will take on board and consider with my department whether that is necessary. It is a good question; I had not thought of that aspect.



**CHAIR:** I am thinking it would be important for the victims of HIH.

**Mr WATKINS:** The other point that is worth making is that we know pretty well who the current victims are because many of them had their claims assessed, so they were in the pack, if you like. We know them. The problem is that home warranty insurance lasts for seven years into the future. So you might have had valid HIH insurance on a home that was built a year ago. The State Government package comes in and stands behind that and picks it up. You may not have a problem for another three years, until the bathroom starts to leak or the boards in the ceiling warp or something.

**The Hon. JOHN RYAN:** The roof trusses warp.

**CHAIR:** I understand perfectly.

**Mr WATKINS:** We become building experts.

**CHAIR:** That is the point. What has happened? People do not understand how it works.

**Mr WATKINS:** A good point, because they will then say, "Well, where do we go?" I take your point. We will consider that and if we can put in an effective scheme to notify additional ethnic groups, we will consider it.

**CHAIR:** I refer to the Fair Trading Tribunal and the Residential Tribunal. You have a total expense of \$19.8 million on page 7-3 of Budget Paper No. 3, Volume 1. How much money is allocated to each tribunal? What kinds of dispute resolution practices are used by these tribunals? How accessible to non-English speaking background people are the practices of these tribunals?

**Mr WATKINS:** I think the last question was—

**CHAIR:** How accessible are the procedures of the tribunals to members of the public who are of non-English speaking background?

**Mr WATKINS:** There are questions there—

**CHAIR:** It was my last question because time is up.

**Mr WATKINS:** The biggest throughput is through the Residential Tribunal, and it is probably there where the most critical need is because, as you would know, the Residential Tribunal deals with the most difficult issue of where you are going to live and if you have been evicted how are you going to live tonight with your family. The renting guide is made available to all tenants in New South Wales when they sign up. It is available in a range of community languages. The Tenancy Advice and Advocacy Service presents material in a range of community languages, so we try as much as possible to make that information available. But you raise an extremely valid point. Any legal action in our community is disconcerting for almost anyone who takes it. Those dangers or problems are increased if you have poor English. It is a daunting process to go to any tribunal, even though the tribunal has been established to be quick and accessible. The tribunals try to make themselves as accessible as possible, but that is always the struggle we are going to have.

**CHAIR:** Minister, we are supposed to finish about this time. I hope you are able to stay until the end of the inquiry.

**Mr WATKINS:** I do have an appointment at the Sydney Cricket Ground, but I will stay because everyone is assembled and I do not want to disappoint anyone. So we now have 45 minutes for Corrective Services?

**CHAIR:** Yes, we will go to Corrective Services now.

**Mr WATKINS:** Through you, Madam Chair, I would like to thank the people in the gallery for coming—the people who have been involved with the Building Action Reform Group and others. I appreciate their time tonight.

**CHAIR:** I also acknowledge the people in the gallery. They were waiting very patiently while you were away.

**Mr WATKINS:** I apologise to those in the gallery that I had to leave. We had divisions tonight in relation to the workers compensation legislation, and that is why I had to go for a while. I apologise for the delay. Irene, if there are any individuals, we will meet soon and you can draw to my attention any of the people here. Thank you, Irene. Dr Leo Keliher is the Commissioner of Corrective Services in New South Wales.

**The Hon. MICHAEL GALLACHER:** Dr Keliher, does your department provide detoxification funding for prison officers, if required?

**Mr WATKINS:** Madam Chair, as we have done quite comfortably and reasonably to this point, I request that questions be directed to me. As Minister, I will attempt to answer them. If there are issues that the commissioner can add to or assist, I will certainly ask him to do so. If there are questions where I am unable to give enough detail, I am certainly happy to ask the commissioner. Questions should be directed to me in the first instance.

**CHAIR:** As a matter of courtesy, I ask the member to address questions to the Minister.

**The Hon. MICHAEL GALLACHER:** The orders in relation to the conduct of the estimates committees provide for us to ask questions of the departmental officers, Madam Chair, if we so desire. I am merely complying with the orders in relation to the conduct of estimates committees.

**Mr WATKINS:** Madam Chair, I do not want to waste the time of the Committee. Just ask the questions and you will get the answers. I will either answer them or the commissioner will, but let us just keep to the same procedures.

**The Hon. PETER PRIMROSE:** Otherwise we will run out of time.

**The Hon. MICHAEL GALLACHER:** That is why I would rather put them to the commissioner.

**CHAIR:** Just address the question that you have to me.

**The Hon. MICHAEL GALLACHER:** I have already asked the question.

**Mr WATKINS:** Sorry, could you repeat it?

**The Hon. MICHAEL GALLACHER:** Does your department provide detoxification funding for prison officers, if required?

**Mr WATKINS:** I will ask the commissioner to answer that question.

**Dr KELIHER:** We assist staff through our human resource management programs if they are suffering from a drug or alcohol related problem; we assist them with rehabilitation. These situations arise infrequently, but they have arisen, and we support our staff wherever we can.

**Mr WATKINS:** It is, of course, appropriate for any employer to assist staff in matters like this and, of course, the most important aspect of Corrective Services in New South Wales is the men and women who put on the uniform every day and go into our prisons. Prisons are often difficult places in which to work. We will assist them as far as possible when problems arise, and they do. Stress and the difficulties of the job are extremely real in Corrective Services—there is no doubt about that. Several members of the Committee may have visited gaols, and you cannot help but be struck by the often stressful work situations that prison officers work in, both men and women. I am especially proud of the work that they do in New South Wales.

**The Hon. MICHAEL GALLACHER:** Madam Chair, through you, to Dr Keliher perhaps: Did your department spend approximately \$10,000 on a rapid detox program for one prison officer who was charged and convicted of purchasing a substantial quantity of heroin in Cabramatta?

**Mr WATKINS:** If you have details of that matter, you could raise them with me.

**The Hon. MICHAEL GALLACHER:** I would prefer not to put the person's name onto the record at this stage.

**Mr WATKINS:** No, I am not suggesting that you do. I am saying that if you have details of that, you can raise them with me and I will get back to you.

**The Hon. MICHAEL GALLACHER:** Well, Minister, can you answer the question then?

**Mr WATKINS:** I am asking you to provide the details to me about that and I will come back to you.

**The Hon. MICHAEL GALLACHER:** So I take it, Minister, that—

**CHAIR:** The Minister will take it on notice, in other words.

**The Hon. MICHAEL GALLACHER:** But he has clarified that. The Minister is not aware at this stage—

**CHAIR:** I think the Minister actually answered that question or took it on notice.

**Mr WATKINS:** The question has been answered. Next?

**The Hon. MICHAEL GALLACHER:** Madam Chair, through you, to Dr Keliher: Has your department adopted alcohol testing for prison officers?

**Mr WATKINS:** Not at this stage, and I am advised that there is no legal basis for that. Perhaps you should understand that better than most, having been a serving police officer in the past.

**The Hon. MICHAEL GALLACHER:** Through you, Madam Chair, on that point: What action has the department taken into allegations of two prison officers taking an inmate to a funeral in February and the inmate returning to the correctional facility in an intoxicated condition?

**Mr WATKINS:** That matter is public because it was, as I understand it, noted in the *Daily Telegraph*. An investigation is under way. It has not concluded. But I should make the point that this is a budget estimates hearing and I have given some leniency, but these are matters far and away distant from the budget papers.

**CHAIR:** Can I say, Minister, that I was advised that any question in relation to all the things you do relate to the budget.

**The Hon. MICHAEL GALLACHER:** Minister, next?

**Mr WATKINS:** Well, just on this matter, surely budget estimates are for issues that are current and relevant to the—

**The Hon. MICHAEL GALLACHER:** This is relevant. You just said this was a current investigation.

**Mr WATKINS:** Well, the media release about this from the shadow Minister was published on 20 February. This is old news. It is dragging up issues.

**The Hon. MICHAEL GALLACHER:** No, it is not. It is still current. You just said it is a current investigation. There is nothing old about it. It is still going.

**Mr WATKINS:** I said the investigation is current. This is old news.

**The Hon. MICHAEL GALLACHER:** So it is old and current? Okay.

**Mr WATKINS:** The matter is currently—

**The Hon. MICHAEL GALLACHER:** It is currently old.

**Mr WATKINS:** —under investigation. Surely this Committee has more appropriate things to ask in relation to—

**The Hon. MICHAEL GALLACHER:** This is not a significant issue, Minister?

**Mr WATKINS:** —probably the most difficult aspect of government involvement in our community: How do we control, how do we rehabilitate, prisoners in New South Wales?

**The Hon. MICHAEL GALLACHER:** Madam Chair, just before I finish on that point, by the Minister's own admission, the matter was first raised in the public eye in February. As it is now almost the end of June, and bearing in mind the requirements so far as turnaround time in relation to investigations with the Ombudsman, when do you envisage this matter being finalised and when is the completion date of this investigation?

**Mr WATKINS:** In the not too distant future.

**The Hon. MICHAEL GALLACHER:** Minister, to the best of your knowledge, what is the turnaround time for Ombudsman complaints with regard to departmental officers?

**Mr WATKINS:** I think we have canvassed this issue—

**The Hon. MICHAEL GALLACHER:** No.

**Mr WATKINS:** —enough.

**The Hon. MICHAEL GALLACHER:** In other words, you do not know, Minister?

**Mr WATKINS:** I have answered the question.

**The Hon. GREG PEARCE:** Minister, has there been an investigation by the Inspector General following complaints about bias and nepotism in the recruitment and appointment of senior officers? Were reference checks for these officers selectively edited and falsified prior to being given to the commissioner? Has the report been finalised? Have you taken any action to stand aside Senior Assistant Commissioner Ron Woodham from any role in senior appointments as a result?

**Mr WATKINS:** The Inspector General is investigating a wide range of matters. He reports to me and that Inspector General's report is made public to the Parliament. I saw the Inspector General yesterday in one of my regular meetings. There is a process whereby the Parliament is informed about his work, and that will occur in due course.

**The Hon. GREG PEARCE:** Minister, will Senior Assistant Commissioner Woodham receive a \$12,000 performance bonus again this year?

**Mr WATKINS:** No.

**The Hon. GREG PEARCE:** Why not, Minister?

**Mr WATKINS:** Madam Chair, the commissioner would like to answer that question.

**Dr KELIHER:** Performance bonuses for all senior executives in the New South Wales State Government were abolished last year. Performance bonuses are not given to anyone.

**The Hon. GREG PEARCE:** I understand. Do inadequate staff numbers at Berrima gaol mean that at night, when only two officers are rostered on duty, both officers would have to attend an inmate's cell call alarm in an emergency, with their security keys in their possession? Is the public at risk if those two guards are overcome?

**Mr WATKINS:** I will ask the commissioner to answer that question. It is an operational matter.

**Dr KELIHER:** The security at Berrima Correctional Centre has never been shown to have any weaknesses in this regard. It has operated with two people on the night shift for many years, and it has operated effectively. The classification of the inmates in Berrima Correctional Centre indicates that it would be highly unlikely for that class of inmate to act in this manner. We do not believe that it is an issue that warrants any deep concern by any member of the public.

**Mr WATKINS:** I would like to take the opportunity, Madam Chair, to advise the public that we have a very secure prison system in New South Wales. The department has put into play strategies to improve security throughout our correctional system. These include, as the commissioner referred to, an effective classification system, improved security systems, and the tightening of existing and the development of new policies relating to inmate management. The indications are that these strategies are working. In 1995 the average number of inmates was 6,700; the present number is in the high 7,000s. The current number of escapes from prisons in New South Wales is half what it was in 1995. Therefore, prison numbers are up by more than 1,000 in five years, but escapes are less than half what they were in 1995. There are fewer escapes despite the increase in prison population and despite the fact that there are more than 100,000 inmate movements between police, courts, correctional centres and hospitals. As most people know, that is a most difficult time for prison officers. Approximately 50,000 people have been under Corrective Services supervision in court complexes. These are excellent results, and they deserve to be made clear—I understand that it is the lowest escape rate in about 23 years.

In 1995-96, the escape rate was 2.7 per 100 inmate years. In 2000-01, that has dropped to 0.9. This figure is as of 21 June this year—today. In five years there has been a drop from 2.7 to 0.9. At the same time, there has been quite a dramatic increase in prisoner numbers. This is good news for New South Wales. They should feel very pleased with the work done by correctional officers. Having said that, any escape or abscond from a Corrective Services institution, a courthouse or anywhere else is unsatisfactory. When and if it occurs, the department reassesses its security to ensure that the likelihood of it happening again is reduced. However, 100,000 movements of inmates per year involves massive logistical problems. It is said that on any one day the number of prisoners moving between gaols, going to court, to hospital, et cetera, in New South Wales would almost fill a prison. These are excellent results and they should not be disguised by specific questions about a particular institution.

[Short adjournment]

**The Hon. GREG PEARCE:** Minister, page 61 of Budget Paper No. 4 deals with the Department of Corrective Services State Asset Acquisition program. I went through it looking for anything in the electorate of Ryde, and I found nothing there. Therefore, I went right through this budget paper looking for the electorate of Ryde.

**Mr WATKINS:** It is a lovely place.

**The Hon. GREG PEARCE:** It is a lovely place. Other than a little bit of money on Ryde hospital, it does not receive much. I then looked a bit further afield in the northern Sydney metropolitan area, where there is very little asset expenditure by this Government. It is admirable that you have not attempted to use your influence as a Minister in any way to gain assets for your electorate, but could you explain to me why the Government is not placing any significant investment in the northern metropolitan area of Sydney?

**Mr WATKINS:** Do you want me to answer that? I have not been able to get onto the Legislative Assembly's list to speak to the budget. If you want me to go on a budget tour of my electorate, I would be more than happy to do so. Perhaps you should look at my next newsletter. I think \$23 million was set aside from public moneys this year for the wonderful electorate of Ryde. I was pleased that the honourable member identified the \$3 million to upgrade the operating theatres at Ryde hospital. Ryde hospital will continue to be the central place for acute care for my community. We have an upgraded accident—

**CHAIR:** Minister, I do not think your answer is relevant. I do not think the question is that relevant either.

**Mr WATKINS:** Madam Chair, my answer is extremely relevant.

**The Hon. PETER PRIMROSE:** Point of order: First, the Opposition did not want to talk about sport. Now it has run out of questions on Corrective Services.

**The Hon. GREG PEARCE:** No way!

**The Hon. PETER PRIMROSE:** Now Opposition members have asked the Minister, as a local member, for a budget tour of his electorate. With due deference to you, Madam Chair, you quite correctly are saying that it is irrelevant. The Minister is paying courtesy to honourable members by trying to answer a question that has been put to him by a member who obviously does not have any questions. If his advisers have not been able to give him sufficient questions in relation to Corrective Services, I am very happy to ask questions in relation to Corrective Services. However, as we agreed, we are leaving it open and allowing the Opposition to ask the Minister—

**The Hon. GREG PEARCE:** Is this a point of order or a speech?

**The Hon. PETER PRIMROSE:** —about a very important area of Corrective Services. If you cannot do so, then—

**CHAIR:** There is no point of order. I normally would have allowed the Minister to answer the question but listening to the answer, Minister, I thought it was quite irrelevant to our topic.

**The Hon. PETER PRIMROSE:** The question was asked.

**The Hon. GREG PEARCE:** The question related to the Government's failure to spend anything under the Corrective Services Asset Acquisition program in the northern metropolitan area of Sydney.

**The Hon. PETER PRIMROSE:** You did not ask that.

**The Hon. GREG PEARCE:** That is exactly what I asked.

**The Hon. PETER PRIMROSE:** No, you did not.

**The Hon. GREG PEARCE:** That is exactly what I asked.

**CHAIR:** Order! There is no debate. The Minister may want to resume answering the question if he chooses to, but please be more relevant, Minister.

**Mr WATKINS:** I will try. There was a specific question about my electorate and I am very happy to answer it, I can tell you.

**CHAIR:** On Corrective Services.

**The Hon. PETER PRIMROSE:** He did not mention Corrective Services.

**The Hon. GREG PEARCE:** You did not listen, obviously.

**The Hon. PETER PRIMROSE:** I was listening.

**The Hon. GREG PEARCE:** You will be able to pick it up in *Hansard* when you have a look at it. I started off. I took him to the page.

**CHAIR:** Order! The Minister has the call.

**Mr WATKINS:** I should finish that answer. Now with new surgical wards, accident and emergency, a maternity section and a continuing place for people with acute needs, Ryde hospital is a critically important part of my electorate. I would love to spend some time talking about the wonderful schools in my electorate—both primary and senior—and the upgrade of Eastwood police station, which is also significant for my community, which is one of the safest areas in Sydney. I am very lucky for that. I could also mention that there is a Corrective Services facility in the north-western corner of my electorate at Eastwood. It is a first-class facility which, at the moment, does not need capital upgrade, which is why there is no capital expenditure for it in this budget. However, that does not downgrade the importance of that facility in the Department of Corrective Services or in my electorate. It provides an integral part of training for

prison officers in my department. There has been quite a massive increase in training that has been undertaken at the Eastwood Corrective Services Academy in recent years. What other services are based there, Leo? It is all training?

**Dr KELIHER:** It is dedicated to training.

**Mr WATKINS:** It is dedicated to training. The profession of the men and women who make up Corrective Services staff has changed, yet their basic duty remains something that has been happening since 1788—locking people down at certain times. But in recent years they especially have become skilled in through care, in individual care for inmates. They are able to do that because they are properly trained in corrective services models, and that happens at Eastwood. I am pleased that it does. I never thought as the member for Ryde and as Minister prior to January this year that I would be responsible for an institution such as that.

I was at the test cricket watching India when the Premier called me and asked me to join him at Governor Macquarie Tower [GMT] that afternoon. It was about four o'clock. I left at tea time, actually, which was a shame, because Australia was playing very well. When I joined the Premier at GMT he asked me whether I would accept the portfolio of Corrective Services, and I was very pleased to accept that invitation. I have been very pleased since then. I do not think I made the wrong decision, Dr Keliher. In conclusion, I should say that there is always a dispute about where northern Sydney begins or ends. Many people would classify Parklea and South Windsor as areas of northern Sydney.

**The Hon. MICHAEL GALLACHER:** Oh, come on!

**The Hon. GREG PEARCE:** Name them. Name them both.

**The Hon. JOHN RYAN:** I think you are drifting a little, Minister.

**Mr WATKINS:** North of the Parramatta River. They are in the north-western area of Sydney.

**The Hon. GREG PEARCE:** And the Treasurer tells us about how he lost his dog when he was a child.

**CHAIR:** Order!

**Mr WATKINS:** I did not have a dog as a child, no.

**Ms LEE RHIANNON:** This is outrageous! It is all time wasting.

**Mr WATKINS:** Let me talk about the northern part of Sydney. If you want to really draw lines in—

**The Hon. MICHAEL GALLACHER:** Madam Chair, can we get back to questions now?

**Mr WATKINS:** —Corrective Services in the northern part of Sydney—

**CHAIR:** Order! The Minister is answering a question.

**Mr WATKINS:** You want to talk about Corrective Services in the northern part of Sydney. Now, many people would say that Ryde does not come within the northern part of Sydney. However, let us accept for our purposes that Ryde does. There is no capital expenditure in the northern part of Sydney because there are no Corrective Services institutions in the northern part of Sydney. If we opened a gaol at Pittwater or Roseville we could spend some money on it, but we do not have any facilities in northern Sydney. That is why my department does not spend money in northern Sydney.

**The Hon. MICHAEL GALLACHER:** Madam Chair, can you ask the Minister to draw his answer to a conclusion?

**CHAIR:** I call Ms Lee Rhiannon.

**Mr WATKINS:** If you want to talk about north-western Sydney—

**The Hon. MICHAEL GALLACHER:** Madam Chair!

**CHAIR:** I have asked Ms Lee Rhiannon to ask a question.

**Mr WATKINS:** I am answering the question.

**Ms LEE RHIANNON:** How much did it cost to transport Ivan Milat to the Toronto court this week? I am interested in the cost of the whole operation—the transport and additional security that was required. Was the option of closed-circuit television considered—obviously a less costly option? If not, why not?

**Mr WATKINS:** But I want to finish the other question on north Sydney.

**The Hon. MICHAEL GALLACHER:** Madam Chair, draw the witness to his answer on this question.

**The Hon. JOHN JOHNSON:** He is not a witness.

**Mr WATKINS:** I will answer that question. In north-western Sydney we have—

**Ms LEE RHIANNON:** This is outrageous! The Minister says he wants to go out for the night.

**The Hon. MICHAEL GALLACHER:** Madam Chair, will you please direct the Minister to answer the question that is before the Chair now? That other matter is concluded.

**CHAIR:** If the member will not interject, it will give more time to the Minister to answer the question.

**The Hon. JOHN RYAN:** Which one? You gave the call to Ms Lee Rhiannon.

**CHAIR:** The question that Ms Lee Rhiannon just asked.

**Mr WATKINS:** Ms Lee Rhiannon asked about Mr Milat, how much it cost and so forth. It cost too much. I did not want to see Mr Milat taken to Toronto. I think a lot of people in New South Wales did not want to see Mr Milat taken to Toronto, but the Coroner requested the attendance of Mr Milat. It was not a request; it was a subpoena. The Department of Corrective Services will always co-operate in those circumstances. The transfer of Mr Milat to Toronto was conducted with all due diligence and that which the community of New South Wales would expect. Milat was transported according to the usual procedures for extreme high-risk inmates. He was moved by specially trained officers in an armoured vehicle, he was handcuffed, and he wore ankle cuffs and a restraining belt. Security at the court was increased and officers from the department's security unit had examined the court and surrounding areas.

**Ms LEE RHIANNON:** Minister, I asked you about the cost.

**Mr WATKINS:** I am coming to that, but I think your question correctly requires some of these issues to be made clear. The details of his exact movements on that day were known to the High Risk Management Committee, to the Department of Corrective Services, to the commissioner and to myself. However, for security reasons they were not released to the media or to the public. I think the obvious intent of the question was how do we reduce that cost. I think reference was made to audio-visual links.

**Ms LEE RHIANNON:** Closed-circuit television.

**Mr WATKINS:** Closed-circuit television. I understand that the Coroner was offered that but wished to have the physical presence of the prisoner. I certainly believe that wider use of audio-visual resources is appropriate. A bill will shortly be introduced into the House—perhaps next week, although it could have been introduced today; I am not sure—that requires a preference for audio-visual hearings in a whole range of bail matters. I asked for the workings of the Parole Board to be included in that legislation. We are moving towards that delivery but it is going to take some time, I think, to convince the legal fraternity, and especially judges, that that is a viable option or should be the first preference. I think it should have been this week.



We do not have the total cost of the project, the total government costs. It would certainly involve police, and I am not aware of their costings. I understand that for the Department of Corrective Services there was a total cost—Dr Keliher advised me—of \$4,748, which includes an overtime component of \$2,436 and also includes vehicle costs for petrol and so on of \$405. I reiterate what I said at the start: I would have much preferred it if we had not had to spend that money and if the prisoner could have given evidence in Goulburn. I understand that there was a contrary view, certainly by the Coroner, but there was certainly an issue relating to the families of some of the victims that the inquest was dealing with. I am not certain about where they hoped to have the evidence taken, but there was a suggestion made that perhaps they needed to have their day in court, if you would like, with the prisoner.

**Ms LEE RHIANNON:** Minister, the *Daily Telegraph* of 15 June published a letter from Commissioner Keliher in response to an article about the alarming rise in serious prison assaults. In it he claimed:

Prisoners are used to solving problems with their fists.

I was surprised to read that. Do you accept that these comments suggest that the Department of Corrective Services is less concerned about attacks on prisoners than it is on non-prisoners?

**Mr WATKINS:** Not at all.

**Ms LEE RHIANNON:** Well, how do you explain such an extraordinary statement?

**Mr WATKINS:** I think there is just a recognition that gaols are often extremely violent places and that many of the people in gaol—not all, but many—relate to other human beings with violence. That is a given.

**The Hon. JOHN JOHNSON:** You would not expect them to write a letter and ask for an apology.

**Mr WATKINS:** That is a difficult position for other prisoners to be in, and it is certainly a difficult position for prison officers to be in. The department has a range of measures and expends large amounts of money to ensure that prisoners and prison officers are as safe as they can be. However, I do not think anyone denies the fact that our prison system is full of people for whom violence is often one of their earliest, if not their first, way of relating to another person. They are disenchanted or people with a whole lifetime's experience of anger and violence problems. That is the reality of our prison system. I do not think anything that the commissioner said meant anything other than that.

**Ms LEE RHIANNON:** Minister, my final question relates to the High Risk Management Unit [HRMU] at Goulburn. I understand that that unit is based on the Close Supervision Centre in the United Kingdom and that that centre was justified on the basis that it was needed to house prisoners who had killed prison guards or had continually taken hostages. Considering that we do not have prisoners who are in that category in New South Wales, could you give us the justification for such a unit in this State? How much has that unit cost to build? How many staff are required to run it? What is the average cost per prisoner per day to keep someone in the HRMU?

**Mr WATKINS:** We will come to the detail of questions of costing.

**The Hon. JOHN HATZISTERGOS:** The Opposition thinks it is a five-star resort.

**Mr WATKINS:** I would prefer not even to canvass that whole thing. I think the original part of your question was inaccurate. It is my understanding that the people who will be incarcerated in the High Risk Management Unit at Goulburn—the gaol within a gaol—are, in fact, exactly like that description you outlined. They have either committed extreme crimes of violence to people outside the prison system or people within, and are likely—

**Ms LEE RHIANNON:** Can I remind you of what I said? I understand that the Close Supervision Centre in the United Kingdom was for prisoners who have killed prison guards or who have taken hostages. I understand that we do not have such prisoners in New South Wales. A prisoner at the Metropolitan Remand and Reception Centre took a hostage, but all he was trying to do was get into the medical centre— so there is a difference in classification here.

**Mr WATKINS:** Well, I would disagree with that entirely. A prison employee to whom I spoke six weeks ago had been taken hostage by an extremely violent prisoner. Some prison officers have been seriously assaulted in New South Wales and could have been killed except for the vigilance of other prison officers and the security inherent in our system

in New South Wales. It is simply wrong to say that the people who will go into the HRMU are not the most violent and difficult prisoners in New South Wales and, therefore, on par with the most violent and difficult prisoners in the western world—indeed, the whole world. Regarding the costs, the HRMU capital cost is just over \$21 million. There are 79 staff, both custodial and program—I can get the individual costing of that to you. I do not have that with me. But the HRMU—a lot of nonsense has been expressed about the HRMU—is a serious and, yes, grim gaol for the most serious offenders in this State. I, as Minister, make no apologies for that. However, the inmates who will be held there will be treated humanely. They will undertake a range of programs which, hopefully, they will respond to and they will be rehabilitated. If that occurs, eventually they can move outside that prison back into the main prisoner population.

**The Hon. JOHN JOHNSON:** Minister, last year the Department of Corrective Services was required to provide approximately 400 answers to questions flowing from the estimates hearings. Could you provide the cost of providing the information that was requested? Will you provide the costs associated with the number of questions you are likely to have flowing from this hearing?

**Mr WATKINS:** As I was not Minister for all that time, I will ask the commissioner to answer that question.

**Dr KELIHER:** Madam Chair, I believe the estimate of the cost was something in the order of \$25,000 in staff time alone in preparing answers for those additional questions which we received after the hearing.

**CHAIR:** Minister, my questions require only very short answers, fortunately. In the budget papers it was stated that accommodation for community-based correctional programs such as home detention is expected to increase in the next few years.

**Mr WATKINS:** Accommodation in home detention is expected to increase.

**CHAIR:** The numbers. What is the cost of the home detention program? What plans are there to extend the home detention program into regional areas of New South Wales? Has there been any evaluation by the department of the home detention scheme, particularly as it relates to women with children?

**Mr WATKINS:** Thank you for the question. It is an interesting scheme.

**CHAIR:** It would reduce the number of women in prison.

**Mr WATKINS:** The Commissioner of Corrective Services has advised that as of 30 April 2001 1,360 offenders had been admitted to the home detention program. Of those, 964 had completed the program, 152 were still under home detention supervision and a further 92 referrals from the courts were under assessment. The number of persons subject to a home detention order as of 1 May this year totalled 152; 132 of those were male and 20 female—which probably is proportional to the number of female prisoners as opposed to male prisoners in New South Wales. The commissioner may like to add to that.

**CHAIR:** The costs of the home detention program?

**Dr KELIHER:** Madam Chair, we already operate home detention in the Illawarra, Hunter and greater metropolitan area, and we intend to expand that program into regional areas. The first area that we will be moving into is around the Kempsey-Coffs Harbour area. The cost of the home detention program is \$3.4 million per annum.

**The Hon. JOHN RYAN:** It is a bit more than us asking questions.

**CHAIR:** How much does it cost for one home detention?

**Mr WATKINS:** Can we come back to you?

**The Hon. MICHAEL GALLACHER:** How many breaches do you have?

**Mr WATKINS:** We will try to get those figures.

**Dr KELIHER:** We have the figures. It is about \$45 per day, which is significantly cheaper than any other form of incarceration.

**The Hon. JOHN RYAN:** Then we should do more of it.

**The Hon. MICHAEL GALLACHER:** And how many breaches have you had?

**CHAIR:** Order! My next question relates to indigenous women. Because of the high number of indigenous women in prison, what resources have been committed to these women in relation to correctional services? What programs do you have for their rehabilitation to reintegrate them into the community?

**Mr WATKINS:** That is a major focus of the department's work and a major challenge because I think we would all agree around the table that the number of indigenous inmates in New South Wales prisons—indeed, all prisons in Australia—is extremely distressing. The department is committed to culturally appropriate supervision of Aboriginal offenders, and a wide range of programs specifically targeting Aboriginal inmates have been developed to provide training and support to reduce recidivism and divert Aboriginal offenders from custody. They include both educational and vocational training and, in particular, alcohol and drug programs and cultural programs. We have established new centres in the State's west.

These include Warakirri at Ivanhoe, which caters for 50 minimum security, primarily indigenous, inmates who work on community projects in the national parks within a 400-kilometre radius. Yetta Dhinnakkal operates a 10,000-hectare property near Brewarrina and provides an opportunity for, primarily, first-time indigenous offenders to learn rural work skills. It houses about 50 minimum-security inmates. And to help keep Aboriginal offenders out of full-time custody, periodic detention has been expanded in areas with a high Aboriginal inmate population, such as Tamworth, Broken Hill and Bathurst. There is also the Karrka Aboriginal Women's Cultural Awareness program, formerly known as the Goodooga Mercy Camp. That is conducted as a five-day camp, which enables Aboriginal women to increase their understanding of their culture and also to look at their cultural identity. Karrka is an Aboriginal word, apparently, for togetherness.

Elders from the local community, custodial and non-custodial staff, and the inmates work together on the program. These cultural awareness camps address the diversity of Aboriginal cultural by working with different Aboriginal communities throughout New South Wales. Non-indigenous women also attend these camps. There is also the Girrawaa Creative Work Centre at Bathurst Correctional Centre, which opened in July 1998. It employs minimum-security indigenous inmates producing arts and crafts for sale to the public, where they can develop skills that they will take with them outside the prison system. I have yet to visit Yetta Dhinnakkal. I will be doing that, I hope, in July-August. But all reports to me from the staff to whom I have spoken, from the department and from inmates is that it is an amazingly effective centre in restricting recidivism, that it gives young Aboriginal offenders a real chance. So I am very pleased with a lot of the work done by the department with indigenous offenders, but it is going to take more than this department to—

**CHAIR:** I have a very short question. How many indigenous prison officers, teachers or welfare positions have been established in Corrective Services?

**Mr WATKINS:** Before I answer that question, how are we going for time?

**CHAIR:** We have two more minutes.

**CHAIR:** Will you take the question on notice if you do not have the answer now?

**Mr WATKINS:** We will have to take that one on notice.

**CHAIR:** I would like to know the number of indigenous officers and employees in Corrective Services.

**The Hon. MICHAEL GALLACHER:** Madam Chair, to Dr Keliher—

**Mr WATKINS:** I just—

**The Hon. MICHAEL GALLACHER:** I am conscious of the time, Minister, that is all.

**Mr WATKINS:** I must say there is one statement that I wish to make that I need to get on the record.

**The Hon. MICHAEL GALLACHER:** Madam Chair, before we go to that—

**Mr WATKINS:** I am not wasting time.

**The Hon. JOHN JOHNSON:** Who has got the call?

**Mr WATKINS:** I will take the question but I want to mention something to ensure that it gets on the record. In north-western Sydney we have Parklea prison, on which \$7 million was spent in 2000-01; it will be \$19 million in 2001-02. Dillwynia at South Windsor—

**CHAIR:** That is the new one.

**Mr WATKINS:** —\$4.6 million in 2000-01; \$20 million in 2001-02. The final point before I take the last question is that on leaving here I am not "going out for the night", as has been claimed. I am attending an official function at the Sydney Cricket Ground Trust. Sir Nicholas Shehadie is retiring today after 23 years. I am giving a farewell speech to him at 9.30 p.m.

**The Hon. MICHAEL GALLACHER:** Minister, why was a 19-year-old male on remand at Silverwater gaol last weekend, who had twice been assessed as suicidal, able to commit suicide?

**Mr WATKINS:** That matter is currently before the Coroner, so it would be inappropriate for me to comment any further. Thank you, Madam Chair.

**CHAIR:** The last question I would like to ask is—

**The Hon. JOHN JOHNSON:** You are worse than Richard Jones!

**CHAIR:** No, it is not my question.

**Mr WATKINS:** I do have to get to the SCG, Madam Chair.

**CHAIR:** I understand. But you are going to undertake to answer these questions?

**Mr WATKINS:** Yes, questions on notice.

**CHAIR:** How long will it take you to come back with the answers?

**Mr WATKINS:** If there are \$50,000 worth of questions, I am not sure, but if there is a reasonable amount we will get back to you as soon as we possibly can.

**CHAIR:** The question is about the new gaol, the Dillwynia gaol—

**Mr WATKINS:** Yes, I would have liked to have got on to that.

**CHAIR:** The cost-benefit analysis. I would like to know if you have done that.

**Ms LEE RHIANNON:** There are a couple of questions I did not ask. Can I put everything on notice?

**CHAIR:** We will put them on notice. The Minister has agreed.

**The Hon. JOHN RYAN:** He has agreed.

**The Committee proceeded to deliberate.**