

GENERAL PURPOSE STANDING COMMITTEE No. 1

Monday 28 August 2006

Examination of proposed expenditure for the portfolio areas

PREMIER, STATE DEVELOPMENT, CITIZENSHIP

The Committee met at 4.00 p.m.

MEMBERS

Reverend the Hon. F. J. Nile (Chair)

The Hon. J. C. Burnswoods
The Hon. C. E. Cusack
The Hon. A. R. Fazio
The Hon. M. J. Pavey

The Hon. G. S. Pearce
The Hon. P. T. Primrose
Ms L. Rhiannon

PRESENT

The Hon. M. Iemma, Premier, Minister for State Development, and Minister for Citizenship

Premier's Office

Dr C. Gellatly, *Director General*

Cabinet Office

Mr R. Wilkins, *Director-General*

Mr J. Schmidt, *Deputy Director-General*

Department of State and Regional Development

Mr L. Harris, *Director-General*

Community Relations Commission

Mr S. Kerkyasharian, *Chair*

COLIN GELLATLY, Director General, Premier's Department, affirmed and examined,

LOFTUS HARRIS, Director-General, Department of State and Regional Development, sworn and examined,

ROGER BRUCE WILKINS, Director-General, Cabinet Office, and

JOHN LANCE SCHMIDT, Deputy Director-General, Cabinet Office, affirmed and examined:

CHAIR: I declare this hearing open to the public and welcome the Premier and accompanying officials. At this hearing the Committee will examine the proposed expenditure for the portfolios of the Premier, State Development, and Citizenship. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, members of the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available at the table by the door.

Any messages from attendees in the public gallery should be delivered through Chamber and support staff, or through the Committee clerks. Premier, you and the officers accompanying you are reminded that you are free to pass notes and refer directly to your advisers while at the table. I remind everyone to turn off any mobile phones. The Committee has agreed to the following format for this hearing. Questions will be asked by the chairman as a crossbench member, by the Opposition, by Ms Lee Rhiannon as a crossbench member, and then by Government members. Crossbench members will have 10 minutes, Opposition and Government members will have 20 minutes and we will rotate in that way throughout the hearing. Premier, do you anticipate that posing any problems?

Mr MORRIS IEMMA: No.

CHAIR: At this stage the Committee wishes to deal as a priority with questions directed to the Premier. If necessary, at 6.00 p.m. we will take a break for 10 minutes and then the Committee may ask questions on the other two portfolio areas—State Development and Citizenship. If there are other questions for the Premier they will be postponed until 7.00 p.m. Mr Premier, are you available or you are appearing before the inquiry only for a limited time?

Mr MORRIS IEMMA: I am available.

CHAIR: Premier, the Committee has also resolved to request answers to questions taken on notice to be provided within 21 calendar days. Do you anticipate any problems with that request?

Mr MORRIS IEMMA: No.

CHAIR: Premier, do you wish to make an opening statement?

Mr MORRIS IEMMA: Yes I do. It is good to report back to the Committee on a year of progress and achievement, a year of building activity and investment, a year of getting our fiscal house in order, a year of creating new opportunities for families in New South Wales, and a year of delivering on the social commitments we said we would deliver back in August. That will define this Government. When it comes to basic services we are doing immeasurably better. Train on-time running is now consistently above 90 per cent. Average classes in kindergarten are down from 24 to 19 and, in year 1, from 25 to 21. Crime rates are stable or falling in most categories and long waits in our hospitals, those of 12 months or more, have been cut to negligible levels.

To back up these improvements we are hiring an extra 900 nurses and 750 extra police. At the same time we are offering new opportunities to young people who do not want to go to university. We are opening 10 trade schools across New South Wales—a \$10 million investment to give young people wider choice and help alleviate the skills shortage. In terms of capital works we have created a credible fully funded \$110 billion infrastructure plan to cater for our infrastructure needs over the next

decade. The first instalment of \$10 billion was delivered in this year's State budget. That funding includes an extra \$120 million to help tackle the backlog in school maintenance as well as record investment in public transport.

The past year has also seen major inroads into the three areas of social priority that I outlined in August last year. For example, we have announced a \$1 billion plan to bring new hope to people with disabilities and their families. We have announced a near \$1 billion plan to help those with a mental illness. We are embarking on a \$2.7 billion plan to reshape public housing, focusing on the needs of the elderly. To underwrite all these achievements we are getting the State's fiscal house in order, with savings of \$2½ billion and tax cuts worth \$3.2 billion to drive activity and provide incentive. We will also ensure that the public sector continues to live within its means and the burden on business is lifted. We are providing further incentives for business, for example, with a 15 per cent cut to workers compensation premiums and other pro-business policies that I have announced over the past 12 months.

It is all about building a stronger economy and a fairer society—a society that looks after the most vulnerable while at the same time attracting the investment needed to create jobs and opportunities for families in New South Wales. We are also strengthening our public services so that they are more reliable and user friendly. We are about preparing for the challenges of the future through the development of a State plan. It is being created as we speak by the stakeholders and communities in New South Wales right across all areas of the State—regional, rural and urban. We are listening to their needs on how government can improve in delivering services for them and the priorities that they want to see. It is about providing better government and a better future because business as usual will not cut it any more and we are determined to improve the quality of services for the people of New South Wales. These are just some of the initiatives over the past 12 months since I was last here. Of course, there is still a long way to go but we are getting on with the job of making real progress, delivering better services and creating a better climate for investment for the people of New South Wales.

CHAIR: Thank you, Mr Premier. As you know, there is quite a degree of drama surrounding the dramatic cuts to the parliamentary budget, which I know were initiated by the Treasurer's office. I would like your response as to whether you were involved in approving those cuts. You said a moment ago that you want to improve the quality of service for the people of New South Wales. Do you believe those cuts will dramatically affect the quality of service for members of Parliament in carrying out their duties?

Mr MORRIS IEMMA: In February we announced the results of the audit commissioned into State Government expenditures and the Government announced a series of savings and efficiency measures to provide for the savings. The Parliament, like a whole range of government agencies in back office and administration, is not exempt from those. The 5,000 sector-wide voluntary redundancy call is part of that. Parliament House's budget stems from the decision of the February audit results and the \$2½ billion saving in administration costs over the next four years. For example, I can tell you that the Parliament's expenditure has increased by approximately \$33 million over the past decade. That is an 11 per cent increase in real terms. The Legislature did not have to submit savings plans in 2003-04, 2004-05 and 2005-06, when most other agencies did. For example, in 2005-06 agencies were given a 1 per cent efficiency target and The Legislature did not have to meet that. But it is part of the sector-wide efficiency measures announced in February to make some \$2½ billion worth of savings over the next four years.

CHAIR: The cuts in the parliamentary budget seem to be higher even than the 1 per cent to which you just referred.

Mr MORRIS IEMMA: They involve the voluntary redundancies. They also involve efficiencies in the operations of the Parliament. Having been, as I am advised, exempted from previous savings targets, this time as part of our determination to reduce administration costs all agencies have been included.

CHAIR: We understand from the evidence we heard from the President of the Legislative Council this morning that there was a major change in policy concerning meal charges in the dining

room. She indicated that the change of policy came directly from the Premier's Office. It is basically user pays, and the cost of catering staff was added to the cost of meals. Is that correct?

Mr MORRIS IEMMA: If she is referring to the ending of the food subsidy, that is correct. That measure was announced in February, when the audit results were released plus the Government's response. I believe it is approximately \$1 million in savings. Again, members of Parliament are not exempt from finding savings in non-essential areas—back-office savings to enable us to maximise the dollars that are spent on front-line services. These are savings in administration. They include information communication technology, procurement, property management, corporate services, as well as the 5,000 sectorwide voluntary redundancy call.

CHAIR: Apparently the cuts are so dramatic they are forcing the Parliament to request voluntary redundancies from a large number of members of staff, many of whom have faithfully served the Parliament. This has caused great concern to the Public Service Association [PSA], which covers parliamentary staff, and it has called for a stop-action at 5.00 p.m. on Tuesday. Do you have a response to that? Do you believe that a Labor Government that has good relationships with unions should negotiate?

Mr MORRIS IEMMA: Always negotiation is better than confrontation. The Parliament cannot be exempted from back-office administration savings to protect front-line services—that is, the \$2½ billion announced over the next four years. The food subsidy was a specific measure announced in February and it is a measure from which members of Parliament cannot be exempt. The Legislature has also taken to participate in the 5,000 voluntary redundancy program—that too was announced in February—to reduce our administration costs.

CHAIR: Have you assessed the impact of the action of the PSA tomorrow on the operation of both Houses of Parliament?

Mr MORRIS IEMMA: The Leader of the House is the manager of Government business, but as I understand it the House rises tomorrow at 5 o'clock and then normal sitting patterns resume.

CHAIR: We have been advised that at 4.00 p.m. there will be a restriction on Parliament carrying out its role?

Mr MORRIS IEMMA: The advice I have from the Leader of the House is that it is at 5 o'clock. Again The Legislature is not exempt from having to make saving efficiencies in administration.

CHAIR: Should there be a change in the allocation of funds for parliamentary expenditure to provide greater autonomy for the budget of the Parliament so it is not directly affected by the Executive Government?

Mr MORRIS IEMMA: The particular measures are for the managers of the Parliament to determine. They are given a budget, and there is discretion on the part of parliamentary managers with regard to spending their allocations. The food subsidy that was announced in February was a specific measure. There is discretion on the part of the parliamentary managers. There are a number of the fixed matters on which they expend dollars, but there are areas of discretion.

The Hon. GREG PEARCE: Do you really believe that the community is going to accept your cynical decision this morning to impose double jeopardy over the Lane Cove Tunnel opening, that is, to impose disruption when it opens and then, four to six months after the election, to do it all over again?

Mr MORRIS IEMMA: The community would expect us to have a plan to minimise disruption. The establishment of the integration group is about that. It is about working through the issues on Lane Cove, sitting down with the company to integrate this piece of infrastructure when it opens in a way that minimises disruption to motorists.

The Hon. GREG PEARCE: Do you really believe that the community is going to accept that level of cynicism and contempt for it by your Government: you are going to putt off the mess until after the election?

Mr MORRIS IEMMA: What the community would expect is that the Government would learn lessons from the Cross City Tunnel. Opening a motorway at the same time as construction work was taking place, as we saw with William Street, aggravated motorists and caused disruption. I believe what the community, particularly motorists, would expect is for the Government to have learnt a lesson from the Cross City Tunnel and seek to transition changes when a major piece—

The Hon. GREG PEARCE: Shifting the disruption until after the election?

CHAIR: Let the Premier conclude his answer.

Mr MORRIS IEMMA: In fact, it is not one piece of infrastructure. There are two pieces because there are two motorways in one when you take into account Gore Hill. The community would expect that the Government would do its best to minimise disruption. As we saw with the Cross City Tunnel the opening of that motorway coincided with large-scale construction work taking place on a major road like William Street, and this caused disruption and inconvenience to motorists. The Government believes the community would expect it to learn a lesson from the Cross City Tunnel and seek to minimise the disruption when the Lane Cove Tunnel opens.

The Hon. MELINDA PAVEY: I think the community would expect a plan to ensure that it does not cost taxpayers a lot of money. In terms of that community expectation, the Lane Cove Tunnel and the compensation that will now be due under those contracts, would you tell the community what is the plan with regard to compensation for delaying the opening of the tunnel as proposed in the original contract?

Mr MORRIS IEMMA: As the Minister indicated today, any question of possible compensation it will depend on the recommendations of the integration team.

The Hon. MELINDA PAVEY: What plan will the integration team recommend?

Mr MORRIS IEMMA: If we have to invest in getting an effective transition, we will.

The Hon. MELINDA PAVEY: What sort of investment does this plan require?

Mr MORRIS IEMMA: I have just answered that.

The Hon. MELINDA PAVEY: You do not know?

Mr MORRIS IEMMA: The question of compensation will depend on what the integration team recommends.

The Hon. MELINDA PAVEY: Who is on the integration team?

Mr MORRIS IEMMA: It is made up of representatives of Treasury, the infrastructure implementation group and obviously the Roads and Traffic Authority. They are the people working with the company through these issues.

The Hon. MELINDA PAVEY: In your opening statement you pointed out that it was important for New South Wales to get its fiscal house in order. With regard to the Lane Cove Tunnel there would be community expectation for a costs plan. What do taxpayers expect to pay out for the two debacles of the Lane Cove Tunnel and the Cross City Tunnel?

Mr MORRIS IEMMA: What I can tell you is that the integration group is sitting down with the company to work through these issues, and they will be worked through in a careful and considered manner. What will not happen is people going off half-cocked with suggestions like that of your leader in November with regard to the Cross City Tunnel that would have imperilled taxpayers to the tune of nearly \$1 billion. What we will do is sit down and work through these issues on the Lane

Cove Tunnel in a careful, considered manner, as we did with the Cross City Tunnel so that now if the company does take us to court with the Cross City Tunnel we will be in a better position to defend the taxpayer. We will not be going off half-cocked, as you would have us do with the Cross City Tunnel.

The Hon. MELINDA PAVEY: Do you think you will end up in court over the Lane Cove Tunnel or are we hoping that this group of experts will avoid that? Is that part of the plan?

Mr MORRIS IEMMA: We have a company that at this point in time is prepared to sit down with the Government and work through these issues. I am encouraged by that.

The Hon. MELINDA PAVEY: In terms of getting our fiscal house in order it is not a good step forward, is it?

Mr MORRIS IEMMA: It is a measure to ensure that there is minimum disruption to motorists. In that regard we will sit down with the company and work through these issues in a careful, considered manner.

The Hon. GREG PEARCE: These are contracts that your predecessor and your Government have entered into, and you are now having to wriggle around and either go to court, as in the case of the Cross City Tunnel, or try to do a deal, as in the case of the Lane Cove Tunnel. You talk about minimising disruption. Of course, that is the disruption that was written into your Government's contract. What you have said is that you are going to minimise the disruption—disruption that you wrote into the contract—by shifting the large-scale surface construction works until after the election.

Mr MORRIS IEMMA: You obviously have never been down William Street. You have been missing in the last 12 months. A motorway opens, as Cross City did, and at the same time as it opens you engage—

The Hon. GREG PEARCE: In accordance with your Government's contract.

Mr MORRIS IEMMA: You have asked the question. Do you want an answer?

CHAIR: Mr Pearce, let the Premier answer the question. Thank you.

Mr MORRIS IEMMA: And at the same time the motorway opened, and we had wholesale construction. William Street was a construction site—

The Hon. GREG PEARCE: In accordance with your Government's contract.

Mr MORRIS IEMMA: —for a long period of time, which caused a great deal of inconvenience to motorists. With the opening, now the last of the motorways to be procured prior to the Richmond report and the recommendations of changing the procurement method, we now seek to ensure that the opening of the Lane Cove Tunnel minimises disruption. If you are about ensuring maximum disruption for motorists, all well and good for you.

The Hon. GREG PEARCE: You are about double jeopardies—

Mr MORRIS IEMMA: And you can put that proposition to the public. And you can also tell us what would you do to transition this motorway in? Would you run in and rip up the Lane Cove Tunnel contract? There is good precedence for that, because within a matter of weeks of the Cross City Tunnel opening that is the proposition you are putting forward.

The Hon. MELINDA PAVEY: We would not have done those contracts in that way.

Mr MORRIS IEMMA: If the proposition you are advancing is "do nothing", then you go out and tell motorists who will be using the Lane Cove Tunnel that you are about doing nothing. Or, secondly, if you are about, as is the case with the Cross City, racing in there and ripping up the Lane Cove contract, go out and tell them that. Then you can tell the taxpayers of New South Wales how much that imperils them.

The Hon. GREG PEARCE: Your Government's contract and your mismanagement imperilled them. Have you had any briefing at all on the likely amount of compensation that you are going to have to pay for the Lane Cove Tunnel?

Mr MORRIS IEMMA: You have asked that question twice before.

The Hon. GREG PEARCE: Have you had a briefing at all?

Mr MORRIS IEMMA: You have asked that question twice before.

The Hon. GREG PEARCE: Have you had any briefing at all on the amount of compensation?

Mr MORRIS IEMMA: I have answered your question on compensation.

The Hon. GREG PEARCE: Have you had a briefing on the amount of the likely compensation?

Mr MORRIS IEMMA: The question you asked in relation to compensation I have answered twice before.

The Hon. GREG PEARCE: Have you had a briefing of any description in relation to the range of compensation that you are likely to be paying?

Mr MORRIS IEMMA: I have answered your question on compensation.

The Hon. GREG PEARCE: So you refuse to say? You know how much money you are going to be up for, and you refuse to say.

Mr MORRIS IEMMA: If you want me to, I will repeat it again. As to the question of possible compensation, this will depend on what the integration team recommends. If we have to invest in getting an effective transition, we will. How much this might be will depend on the recommendations from the group, which the Government will sensibly consider. I can repeat it for you a fourth time.

The Hon. MELINDA PAVEY: No. We are just wondering whether they gave you a range of compensation. You have not answered the question.

The Hon. JAN BURNSWOODS: Say it more slowly for them.

Mr MORRIS IEMMA: I am happy to. As to the question of possible compensation, this will depend on what the integration team recommends. If we have to invest in getting an effective transition, then we will. How much this might be will depend on the recommendations from the group, which the Government will sensibly consider. It is irresponsible to canvas this when we have not concluded discussions with the company.

The Hon. MELINDA PAVEY: Greater or less than \$20 million?

The Hon. GREG PEARCE: The Premier's circular on infrastructure, which you issued in October, might partly explain why your contracts are so confusing to look at. In that circular you talked about establishing the IIG within the Premier's Department and the OIM in Treasury, and about the IPCC, which is supported by the IIG, Treasury and Department of Planning, and you have got the OIM responsible for providing recommendations, through the Minister for Infrastructure and Minister for Finance, to the IPCC and the BCC—the BCC chaired by you, I gather—which continues to be responsible for financial approvals, and the IIG and OIM monitor the implementation of infrastructure. Could you explain how infrastructure projects are approved and delivered by your Government?

Mr MORRIS IEMMA: The BCC is the Budget Committee of Cabinet. The Infrastructure Planning Committee of Cabinet is the IPCC that you referred to. And the Infrastructure Implementation Group is the one that I established, headed up by Mr Richmond.

The Hon. GREG PEARCE: What about the OIM?

Mr MORRIS IEMMA: Treasury has a monitoring role in infrastructure projects, and it has been a longstanding role that Treasury has had in relation to procurement of infrastructure. Final sign-off rests with the Budget Committee of the Cabinet.

The Hon. JAN BURNSWOODS: Mr Chair—

The Hon. GREG PEARCE: I just want to hand up to the Premier a diagram—

The Hon. PETER PRIMROSE: Are you seeking to table something?

The Hon. GREG PEARCE: No. I am handing it up to the Premier to assist him.

The Hon. PETER PRIMROSE: No. Are you seeking to table something?

The Hon. GREG PEARCE: It is a diagram—

Mr MORRIS IEMMA: Perhaps you might want to tender the diagram that got us the airport rail link and Port Macquarie hospital as well.

The Hon. GREG PEARCE: This is the diagram that explains how you expect people to deal with infrastructure under your Government.

The Hon. PETER PRIMROSE: Is this on your prop?

The Hon. GREG PEARCE: I will show you.

The Hon. PETER PRIMROSE: No, I do not want to see the prop.

CHAIR: Mr Pearce, we will have no props, please.

The Hon. GREG PEARCE: This is the way that it is done. Premier, that is your circular.

Mr MORRIS IEMMA: I am aware of your diagram. You have shown it to Macquarie Bank many times, Mr Pearce. And when they asked you, "Name the five infrastructure projects that you would proceed with if you ever occupied the Treasury benches," why don't you tell everybody the answer you gave them?

The Hon. GREG PEARCE: It is your circular.

Mr MORRIS IEMMA: You looked at your leader and said, "Mmm, that's for him to answer." And, when he then looked at you, he said, "I don't know. I couldn't name you five projects we would do."

The Hon. GREG PEARCE: That is why you cannot deliver an infrastructure project. Let us turn to one that you have had a great role in—the Royal North Shore Hospital development. When you were Health Minister you had an allocation in 2003-03 of \$15 million for the Royal North Shore Hospital redevelopment. How much do you think you spent in the year that you were the Health Minister?

Mr MORRIS IEMMA: I became the Health Minister in 2003, so the 2002-03 budget would have been the one that ended when I took over.

The Hon. GREG PEARCE: So you had carriage of it.

Mr MORRIS IEMMA: But I was very happy to open the Poem building at Royal North Shore Hospital, at a cost of \$55 million—a new emergency department, paediatric department and maternity department at Royal North Shore. That was a \$55 million investment, with state-of-the-art facilities for the people of the north shore, particularly mothers giving birth at Royal North Shore Hospital. I am very proud to have been there to open the magnificent Paediatrics, Obstetrics and Emergency [POEM] building, at a cost of \$55 million, as the first stage in the redevelopment of Royal North Shore Hospital. I am very proud also to have been there when we opened extra beds at Royal North Shore Hospital—the day surgery facilities at Royal North Shore. You can obtain all of that from the previous budget.

The Hon. GREG PEARCE: When you opened the first stage the project was supposed to be, you said, a \$452 million redevelopment. How is it that nothing occurred until this year in relation to that redevelopment? And, surprise, surprise, just eight months before the election, you now announce that the project will cost \$720 million, not \$400 million!

Mr MORRIS IEMMA: The concept master plan has been done, and there has been detailed planning on the full redevelopment of the hospital. The Government makes no apologies for taking time to plan and develop and get the project right, as well as defining the proper scope of the project. We make no apologies for that. And the people of the north shore are going to get an even better project as a result of the Government taking the time to plan it properly—and that includes consulting properly with the clinicians who will be working there. We make no apologies for procuring them a \$700 million hospital, as you say—no apologies for that whatsoever. Nor do we make any apologies for having opened stage one of that hospital. And we do not apologise for Coffs Harbour Hospital in two stages, when your colleagues in The Nationals would not even commit to building it in one stage.

The Hon. GREG PEARCE: Why did you not do that work and consultation before you announced it as a \$400 million project?

Mr MORRIS IEMMA: I came into the portfolio and, as I said to you, was very proud to have participated at the opening of the POEM building, at \$55 million for the first stage of that hospital. And I am very proud to say that we have taken time to develop this project properly, to do the proper planning, the proper scope definition, and deliver proper clinical services for the people of the north shore.

The Hon. GREG PEARCE: Three years after he first announced it you actually come up with a project?

Mr MORRIS IEMMA: As you can see from the concept master plan, I am sure that the clinicians who work there, as well as the people of the north shore, would give that concept master plan a resounding endorsement.

The Hon. MELINDA PAVEY: I will fill our last four minutes with a question relating to your performance as Premier in the past year. It is just over the anniversary of your appearing before budget estimates one year ago. In terms of your own style, have you received much media training since you became Premier?

Mr MORRIS IEMMA: I am always subjecting myself to critical analysis and seeking to improve my performance.

The Hon. MELINDA PAVEY: In terms of that media training, who recommended you undertake media training? Who gave you that recommendation, or was it several people?

Mr MORRIS IEMMA: As I said to you, I always seek to improve my own performance. I am very critical of myself. As you have outlined, no-one around here would say that I am the best media-performing Premier that has been. I am happy to acknowledge that, and, to repeat again, there ain't no career for Morris Iemma in the media when he is done with politics.

The Hon. MELINDA PAVEY: In terms of repetition—

The Hon. PETER PRIMROSE: There is not much of a career for their leader when he is finished with politics either.

The Hon. JAN BURNSWOODS: Point of order: I was hoping that the Opposition's time had run out. We are here to deal with public business. We are not here for Melinda Pavey, no matter how much personal pleasure she might get out of it, to be fishing about the Premier's private life.

The Hon. MELINDA PAVEY: I am sorry, that is not a question about his private life. It is about a question—

The Hon. JAN BURNSWOODS: Are you speaking to the point of order?

The Hon. PETER PRIMROSE: It has to be relevant.

The Hon. MELINDA PAVEY: It is very relevant.

The Hon. PETER PRIMROSE: It has to be relevant to the affairs of the State. That is what GPSC 1 is about.

The Hon. JAN BURNSWOODS: Are you speaking to the point of order?

The Hon. MELINDA PAVEY: Can I get the question out, please, Ms Burnswoods?

The Hon. JAN BURNSWOODS: Is she speaking to the point of order?

CHAIR: It has to be relevant to expenditure.

The Hon. MELINDA PAVEY: How much have you paid your mate Peter Barron to do your media training, on behalf of the taxpayer?

The Hon. JAN BURNSWOODS: I took a point of order.

The Hon. PETER PRIMROSE: It is a point of order.

CHAIR: And I said that she had to relate the question to the budget, so she then said—

Mr MORRIS IEMMA: Seeing as you have asked me a question about a friend, I am very proud to say that Peter Barron has been a friend of mine for 20 years.

The Hon. MELINDA PAVEY: He is a good mate, is he not?

Mr MORRIS IEMMA: He is—

The Hon. MELINDA PAVEY: In the best New South Wales Labor tradition?

CHAIR: Do not interrupt.

Mr MORRIS IEMMA: He is a friend of 20-years standing and someone whose advice I value and seek out. After all, he has been an adviser to a former Premier and a former Prime Minister.

The Hon. MELINDA PAVEY: Has he done it as a mate, for free?

Mr MORRIS IEMMA: Zero. He is a friend.

The Hon. MELINDA PAVEY: So he has done it for free?

Mr MORRIS IEMMA: He is a friend whose friendship I enjoy and whose advice I value.

The Hon. GREG PEARCE: You are giving a new definition to "mates' rates", are you?

The Hon. PETER PRIMROSE: Not everyone has to pay for friends.

Mr MORRIS IEMMA: But seeing as Peter Barron is such a subject of interest to estimates, the answer is zero. He is a friend, he is a mate, and I am proud to say so, and someone whose advice I value and friendship I enjoy, and will continue to do so.

The Hon. MELINDA PAVEY: Has the taxpayer had the privilege of paying for any other media training?

Mr MORRIS IEMMA: I have answered your question.

The Hon. MELINDA PAVEY: No, not quite.

Mr MORRIS IEMMA: I certainly have.

The Hon. MELINDA PAVEY: So you have not received any media training—

Mr MORRIS IEMMA: I certainly have.

The Hon. MELINDA PAVEY: —at the expense of the taxpayer?

Mr MORRIS IEMMA: I can go through all of the media expenditure of prior Liberal Ministers, if you want me to.

The Hon. MELINDA PAVEY: I am sure you have that.

The Hon. GREG PEARCE: What have you got to hide? Why do you not just answer the question?

Mr MORRIS IEMMA: I have plenty of information on that. If you want me to I am more than happy to take up your time doing that, if you want me to.

The Hon. PETER PRIMROSE: Yes, it sounds great.

The Hon. AMANDA FAZIO: The answer to the question sounds interesting to me.

The Hon. PETER PRIMROSE: You guys asked the question.

The Hon. GREG PEARCE: What do you have to hide?

The Hon. PETER PRIMROSE: It is relevant to the question.

The Hon. MELINDA PAVEY: Can we have an answer to the question first?

The Hon. JAN BURNSWOODS: He answered in the question.

The Hon. MELINDA PAVEY: No, he has not quite—

CHAIR: The Premier has answered the question.

Mr MORRIS IEMMA: I have answered your question.

CHAIR: There has been no expenditure

Mr MORRIS IEMMA: Enough of the frivolity, I have answered your question.

The Hon. MELINDA PAVEY: Good, no media training at the expense of the taxpayer. That is great. Thank you, Premier, for clearing that up.

Mr MORRIS IEMMA: I have answered your question.

The Hon. MELINDA PAVEY: Is what I said correct or not?

Mr MORRIS IEMMA: Your—

The Hon. JAN BURNSWOODS: How many more times do you want him to answer the question?

The Hon. PETER PRIMROSE: How many times?

The Hon. MELINDA PAVEY: I just want an answer.

The Hon. PETER PRIMROSE: He has given you the answer.

The Hon. MELINDA PAVEY: No, he has not. He is slippery.

The Hon. PETER PRIMROSE: If you are not happy with it, that does not make any difference. He has answered the question.

The Hon. MELINDA PAVEY: Do we have more time?

CHAIR: You have 10 seconds.

The Hon. PETER PRIMROSE: You have 10 seconds. Ask it again.

The Hon. MELINDA PAVEY: I will yield to the Greens for the 10 seconds rather than go down that path.

The Hon. JAN BURNSWOODS: Typical, absolutely typical.

The Hon. PETER PRIMROSE: You have run out of questions already.

Mr MORRIS IEMMA: In relation to Mr Barron, as I have indicated he is a friend and someone whose friendship I value and whose advice I value. The second part of your question was zero in relation to the question about Mr Barron.

The Hon. MELINDA PAVEY: What about other media training?

The Hon. JAN BURNSWOODS: I thought your time had expired.

Mr MORRIS IEMMA: I answered that earlier in the evening.

The Hon. MELINDA PAVEY: Let us clarify: you have not had any media training at the expense of the taxpayer?

The Hon. PETER PRIMROSE: So much for your yielding to the Greens.

Mr MORRIS IEMMA: I have clarified it for you at length. You asked me the question about media and then you asked me about Mr Barron, and I have answered both questions.

Ms LEE RHIANNON: When the Federal Government changed disclosure rules for donations to political parties, a number of your Federal colleagues strongly objected to the new donations of disclosure regime. They even wrote in their dissenting report to the Federal Joint Standing Committee on Electoral Matters:

There must be a complete and meaningful disclosure back to the true source of funds.

I notice that you have also made a number of statements arguing the importance of transparency in all aspects of government. Would you follow the lead of Queensland and Western Australia in requiring

annual disclosure to our State Electoral Office of all gifts and other income of \$1,500 or more received by political parties and associated entities in New South Wales?

Mr MORRIS IEMMA: We have no plans to change our current disclosure rules in relation to elections, which are stringent.

Ms LEE RHIANNON: Considering your own comments about the need for transparency, clearly transparency could be improved on and your colleagues in the other States have shown the way when it comes to the disclosure of donations, are you not at least considering making a change?

Mr MORRIS IEMMA: We have stringent disclosure rules in New South Wales, and they have operated for quite some time. New South Wales, over a long period of time, has taken leadership in this issue.

Ms LEE RHIANNON: But it is not leadership when Queensland and Western Australia have tighter rules than yours. There is a possibility here for you to catch up.

Mr MORRIS IEMMA: I do not have the details of Queensland and Western Australia before me. What I can tell you is that New South Wales has a long history of stringent controls on electoral matters, the full range of electoral matters including disclosure rules, and has led the way.

Ms LEE RHIANNON: I do not see how you can say that you have led the way when the other States have tighter regulations.

Mr MORRIS IEMMA: New South Wales pioneered this, as I understand, under the premiership of Neville Wran—electoral reform.

Ms LEE RHIANNON: Like in a lot of areas we fall behind, and we have fallen behind under Premier Carr. You have tried to differentiate your regime—

Mr MORRIS IEMMA: On your interpretation.

Ms LEE RHIANNON: —and you have a chance to do that.

Mr MORRIS IEMMA: That is your interpretation.

Ms LEE RHIANNON: Moving on to freedom of information [FOI], the number of freedom of information applications refused in part has more than trebled in recent years. To give specifics, in 1995-96 81 per cent of FOI decisions were to release documents. By 2000-01 this had decreased to 60 per cent, and I think it has dropped further in recent times. Does this indicate that the Freedom of Information Act is being used inappropriately to refuse applications?

Mr MORRIS IEMMA: No. It may indicate that the rules are being applied.

Ms LEE RHIANNON: Considering there has been such a sharp drop of at least 20 per cent and you have talked about transparency and openness time and time again when you have run into problems, how do you match that with the actual figures?

Mr MORRIS IEMMA: A significant amount of material is released on freedom of information, as you would be aware and as two of your colleagues sitting next to you would be aware as well.

Ms LEE RHIANNON: Last year your department actually declined to review the Freedom of Information Act. Considering that these days reviewing axing of laws in New South Wales is par for the course, do you continue to refuse to review this Act?

Mr MORRIS IEMMA: Just on the previous question, I have advice here that to some extent that trend that you referred to could also be due to the fact that documents that normally would be released under FOI are now being released under alternate regimes.

Ms LEE RHIANNON: What do you mean by "alternate regimes"?

Mr MORRIS IEMMA: This is from the Ombudsman, who noted that the FOI applications granted in full have fallen, for example in medical records. In addition, FOI applications to police have increased considerably and police receive the largest number of FOI applications. Given the sensitive nature of law enforcement material, few of these applications are likely to be released in full. That is advice I have—Standing Order 52.

Ms LEE RHIANNON: Considering that you resist those most of the time, it does not do much for your argument. In the interests of open and accountable government, as the Premier do you plan to undertake a review of the Freedom of Information Act?

Mr MORRIS IEMMA: I can advise you that the operation of the Freedom of Information Act is reviewed on an ongoing basis. Following consultation with the Ombudsman, the Government has published additional guidance to agencies in relation to Cabinet confidentiality. The Government has also been working with the Ombudsman to update the manual for freedom of information practitioners. The manual will be finalised by the end of this year and will be up to date with the latest rulings and judgments.

Ms LEE RHIANNON: When you say that you review it on an ongoing basis, what does that mean? We had an interesting exchange last year at estimates about what a review actually meant. Does that mean just having a little chat, or does it mean that the public will actually see what the review is?

Mr MORRIS IEMMA: As I have just advised, the administration continues to review the operation of the Act on an ongoing basis. Following that, along with consultation with the Ombudsman, the Government has published additional guidance for agencies in relation to Cabinet confidentiality. The Government has also been working with the Ombudsman to update the manual for freedom of information practitioners. That manual will be available at the end of this year. It will be finalised by the end of this year and will be up to date.

Ms LEE RHIANNON: With all due respect, Premier, that does not sound like the standard reviews that you have of legislation. It sounds as though you are just clarifying what is already happening. That is why I am trying to get to the bottom of this. When you say, "reviewed on an ongoing basis", what you mean?

Mr MORRIS IEMMA: Precisely that.

Ms LEE RHIANNON: Are we just talking about updating in terms of the language and in terms of an explanation of what currently exists?

The Hon. JAN BURNSWOODS: How many more times do you want to ask this?

Ms LEE RHIANNON: You are not actually changing or having an external input into fundamental changes that are needed.

Mr MORRIS IEMMA: As I have just mentioned, we have, through the Ombudsman and through the advice that we have given agencies in relation to that first matter on Cabinet confidentiality, the updating of the manuals so that it incorporates the latest rulings and procedures. They will be available at the end of the year. That is an updating. That is a review, and it is a substantial piece of work.

Ms LEE RHIANNON: On your draft State Plan, how many randomly selected community members have been invited to attend each session? Of those invitations, how many community members have actually attended?

Mr MORRIS IEMMA: The exact numbers attending, I would have to take on notice.

Ms LEE RHIANNON: Thank you, Premier. I have noticed in your plan that you have given public transport a priority, but considering you have had the Action for Transport 2010 Plan, is this

not actually hypocritical? You have a plan, it vanishes, then you talk about another plan that you consult the public with. How many plans do we get before they are put into action?

Mr MORRIS IEMMA: As I have said on a number of occasions, the State Plan for individual agencies does not necessarily mean re-writing everything they have ever done. Agencies—for example, Health—have very good plans. So too has Transport. In a lot of cases with the State Plan, it will be pulling together what agencies have been doing as well as incorporating plans that they have. Of course, in also developing new priorities in relation to public—

Ms LEE RHIANNON: But Premier, that was done in that major work, Action for Transport 2010 Plan.

The Hon. AMANDA FAZIO: Point of order: My point of order is that the Premier's answers are continually interrupted by Ms Lee Rhiannon asking new questions. Given that we have four hours to deal with these portfolio issues, I think it would be more appropriate if the Premier were allowed to finish his answer before a new question is asked.

Ms LEE RHIANNON: To the point of order: I have not been interrupting all the time.

Mr MORRIS IEMMA: Just some of the time.

Ms LEE RHIANNON: But the problem that we have had, as we have already seen in estimates today, is that so much of our time is eaten away and we have to come back.

The Hon. JAN BURNSWOODS: But you are eating it away yourself by being repetitive.

CHAIR: Let us proceed with the estimates hearing, allowing the Premier to answer questions.

Mr MORRIS IEMMA: Should we have public transport as a priority in the State Plan? Absolutely—I make no apologies for that. In that, there are measures when it comes to rail reliability and on-time running. Again, we make no apologies for it. It is part of our determination to deliver better services for the people of New South Wales. In relation to the second part of your question, the development of the State Plan does not necessarily mean throwing out existing agency plans. Health, for example, has embarked on its own futures plan and when it comes to that it will be incorporating its very good parts and its good priorities and measures that will come from that exercise. In public transport, there is the untangling of the spaghetti locked rail lines that we have, the rail network that we have. Clearways is absolutely part of our priority in public transport—

Ms LEE RHIANNON: So, Mr Premier, does that mean when you say—

Mr MORRIS IEMMA: —as well as expanding the network with the three lines—the north-west, the south-west and the second harbour crossing—the Clearways Program, the rolling stock, the maintenance, and the signalling. For the massive investment taking place in our rail public transport, we make no apologies.

Ms LEE RHIANNON: Mr Premier, I have got just a really quick question you can answer quickly. As you can see, my time has run out. You said that just because the State Plan is now being considered, it does not mean that we have lost other plans. Does that mean that the Action for Transport 2010 Plan is still alive?

Mr MORRIS IEMMA: What I have said was that there are a number of very good plans that agencies have and the development of the State Plan does not—

Ms LEE RHIANNON: But I just want a specific answer on that plan.

Mr MORRIS IEMMA: If you allow me to finish, you will get your answer. What I said was that the development of the State Plan does not necessarily mean throwing out the very good plans that agencies have. In a lot of cases it will be linking those individual plans into an overarching State Plan. I mentioned the example of Health. Now, in relation to Transport, those projects that are in

existence and those plans that are about delivering better services for the people and improving the infrastructure, we will not throw out—of course not. The Clearways Program—we are not going to throw out the Clearways Program. It is about untangling our spaghetti locked rail line system.

Ms LEE RHIANNON: Can you mention the Action for Transport 2010 Plan?

Mr MORRIS IEMMA: Yes. There are lots of aspirational parts of that document as well as specific projects, but when it comes to public transport, there is the biggest investment in the State's history taking place in rail transport right now as well as what is planned over the next 10 years. If you are asking me are we going to throw those out, the answer is no, we are not.

CHAIR: We will move on to Government members' questions.

The Hon. JAN BURNSWOODS: Premier, I wonder if you could let the Committee have some information about the impact of rising fuel prices and interest rates on the New South Wales budget?

Mr MORRIS IEMMA: I can. Spiralling petrol prices and interest rates are hurting New South Wales families and they are hurting the New South Wales Government while the Commonwealth stands by and does nothing. In the homes of hardworking families across the State, there are two payments that have to be met every week: putting fuel in the family car and paying the mortgage. When those costs rise, you have to take the money from somewhere else—kids' excursions, weekend leisure activities, holidays. In the same way, the State Government's ability to deliver front-line services is also being undermined by rising fuel and interest rates.

Rising interest rates increase the cost of government borrowings and can impact on the return that we get on investments. That affects insurance and superannuation costs. They also dampen the economy and thus produce lower government revenues. I recently asked New South Wales Treasury to provide me with a thorough analysis of the impact of interest rate rises on the New South Wales budget. Their analysis shows each and every quarter of a per cent interest rate rise costs the New South Wales State budget \$84 million a year. Likewise, rising fuel costs force us to spend more money on fuel that we would rather spend on front-line services. The Treasury analysis reveals that a 10¢ a litre increase in the price of fuel is estimated to cost the State budget around \$22 million.

Over the past two years, the cost of the total State fuel bill has increased by \$80 million or almost 40 per cent. This affects the government businesses that have large fuel costs, such as the State Transit Authority, RailCorp, and Sydney Ferries. It includes fuel for the private bus services which the Government now provides under the successful metropolitan bus reform contracts. It also slugs agencies that use a lot of vehicles, such as the Ambulance Service, NSW Police and the RTA. Fuel costs increases between 2004-05 and this financial year include NSW Police rising from \$15 million to \$19 million, up 26 per cent; Health, up from approximately \$15.5 million to \$16.9 million; Fire Brigades, up from \$2.5 million to \$3.6 million; the Department of Primary Industries, up from \$2.6 million to \$3.3 million; State Transit buses, increasing from approximately \$35 million to \$43 million; and Sydney Ferries, increasing from \$6 million to \$10.6 million.

Faced with those rapidly rising costs the New South Wales Government has sent Canberra a detailed list of quick-and-easy steps that can be taken to help drive down the cost of fuel at the bowser. These include, first, better Australian Competition and Consumer Commission price monitoring and a stronger Trade Practices Act to monitor the whole supply chain, not just retail prices; examine regional variations in prices; examine price hikes, especially around public holidays and weekends; and increase penalties and powers to target market abuse, anti-competitive behaviour and cartels.

The second step is a Productivity Commission inquiry into the impact of rising fuel on the economy, Australian families, businesses and government service providers. The third point is further exploration of alternative technologies, such as biofuels. The fourth point is supporting tax concessions for public transport usage. Currently one can receive generous tax breaks for driving to work, but nothing for taking the train, bus or ferry. The fifth and final point is enhanced tax relief for small business vehicles in rural and regional areas. The Federal Government can take heed of our submission to help with spiralling increased costs of fuel. In the meantime, the Committee would be

aware that the New South Wales Government has announced our proposal to support ethanol. The Government is making significant efforts in that regard.

The Hon. MELINDA PAVEY: Well picked up.

Mr MORRIS IEMMA: Sorry?

The Hon. MELINDA PAVEY: Well picked up.

CHAIR: The Hon. Melinda Pavey is congratulating you.

Mr MORRIS IEMMA: Thank you. Lastly, you would be aware of our support for an ethanol mandate going ahead, subject to the work of an expert panel. Subject to the findings of the taskforce we will mandate E10 petrol by 2011. Of course, in response to the Hon. Melinda Pavey, mandating ethanol is not as simple as flicking a switch. So we will work through all of the issues to ensure there is a reliable supply and community confidence before mandating its use. The task force will undertake consultation with industry and the community, including refiners, importers, retailers and primary producers, as well as environmental and motoring organisations, to work through those issues and provide advice to Government, along with an implementation plan.

I should also clarify claims that the New South Wales Government is obtaining a GST windfall from the rising cost of fuel. That is, of course, complete rubbish. We would get more GST if petrol prices rose, petrol consumption remained the same, and all other forms of consumption remained the same. But, of course, they do not. As petrol prices rise, families start tightening their belts and that means, first, that they will try to use less petrol, thus depressing GST revenues. This appears to have happened in the past year, as demonstrated by the volume-related fall in petrol excise duty of 1.2 per cent. Second, families will curtail other expenditures, again depressing GST revenues. There is no evidence of higher petrol prices boosting total GST revenues for the States.

Put simply, rising fuel prices and rising interest rates are hurting families and also hurting the Government. So like every household in New South Wales, the Government will do its best to absorb the increases in interest rates and petrol prices. However, there is no doubt that these additional costs will have an impact. We would prefer to spend the additional dollars on front-line services, not on interest payments and fuel costs.

The Hon. PETER PRIMROSE: Premier, will you outline the impact on front-line services of plans announced by the New South Wales Liberal Party to cut 29,000 public servants?

Mr MORRIS IEMMA: Today I can reveal the first definitive analysis on the impact of the Opposition's plans to rip the heart out of the New South Wales public sector.

The Hon. GREG PEARCE: Whose analysis?

Mr MORRIS IEMMA: The Leader of the Opposition is on record as saying he will slash the New South Wales public service by 29,000 over two years in the unfortunate event he were to be elected Premier. Let us get a few facts on the record before we examine this claim. Firstly, New South Wales has the second-lowest number of public servants per capita of any State bar Victoria, and that level will get even smaller due to the 5,000 back-office reductions that we announced in February. So, we already have a relatively low number of public servants and the back-office numbers are falling. Now the Leader of the Opposition claims it can reduce the public sector by 29,000 staff with the flick of a pen, but then he adds the fine print: that that excludes front-line workers, it includes only back-office staff—and that reduces the pool drastically.

The Leader of the Opposition says the cuts will not apply in rural and regional New South Wales, they will apply only to Sydney-based agencies. Again, that drains the pool from which to draw those 29,000 scalps even further. Now I do not want to make wild claims about all this, so I asked the Premier's Department to study the figures because they undertake an objective yearly survey of the New South Wales public sector workforce, which details every agency and every position in the State. This is the bible for understanding the New South Wales public sector, and it states: There are around 252,000 full-time equivalent public servants in New South Wales. Of those, about 49,000 are

considered back-office positions, the remainder being front-line workers such as police, nurses and teachers.

Of those back-office positions, 33,000 are located in Sydney. So the Leader of the Opposition wants to cut 29,000 Sydney-based back-office positions from the New South Wales public sector, but there are just 33,000 Sydney-based back-office positions from which to do it. A cut of 29,000 would leave just 4,000 people to perform the work previously performed by 33,000 people. In other words almost every agency in Sydney would be left without clerical staff to process payrolls, fix computers, file records and perform the myriad tasks that take the pressure off front-line staff.

But it gets worse! The Leader of the Opposition did not promise to sack them all at once. He promised to meet his target through attrition. The problem is that back-office staff have an attrition rate of 11 per cent per year. At that rate it would take eight years to reach his target of 29,000. And as I said, that would leave just 4,000 people to perform the work previously performed by 33,000 people. Even in the heroic new world of WorkChoices, that would be an unfair and completely unsustainable burden to place on public servants, and it begs the question:

If the main source of savings to fund his election commitments will not come on line for eight years—that is, two terms of government—how does he propose to fund his \$20 billion catalogue of promises? The answer is: He will have to target the whole public sector in order to cut 29,000 staff within two years. That is the only way it can be done in that two-year time frame. On that analysis that would mean terminating 3,500 nurses, 1,500 police officers and 6,000 teachers.

What would be the impact in the country? The Premier's Department analysis shows what devastation would occur in country communities. In Wagga Wagga, 365 jobs would go; in Lismore 281 jobs would go; in Tweed 262 jobs would go; in Coffs Harbour 253 jobs would go; and in Hastings 245 jobs would go. In short, there would be widespread devastation in the public sector. Either the Leader of the Opposition sticks to his original proposition of cutting 29,000 back-office Sydney-based staff—in which case it will take more than eight years and leave 4,000 people to do the work of 33,000—or, the more likely outcome, he will cut 29,000 positions across the board. That would slash front-line services, slash jobs from country communities. Either way it is a recipe for fewer nurses, teachers and police.

The Hon. AMANDA FAZIO: What is the latest estimate on the budget impact of the New South Wales Opposition's unfunded spending commitments?

Mr MORRIS IEMMA: The Leader of the Opposition has made an art form of making promises to every group, every town and every project. He is promising everything to anyone. There is just one problem: Opposition members do not bother to tell anybody where the money is coming from. The unfunded spending commitment list of the Leader of the Opposition grows every day. His unfunded spending and tax promises now total more than \$20 billion, and that is only what we have been able to count. The spendometer ticks over every day, faster even than the calculator-wielding Treasury boffins can keep up with.

But the member for Vacluse cannot answer the basic question—politics 101: Where is the money coming from? You cannot fund \$20 billion worth of promises by freezing public sector recruitment and cutting government advertising. Almost every policy the Leader of the Opposition announces he says he will fund this way. It is like a magic pudding but in the real world it just does not add up. Hardworking families in New South Wales will see cuts to services—hospitals, schools and disability programs—and tax increases that the Opposition would have to introduce to fulfil these promises. That is the spendometer up to now and we are 200 days away from the election. Imagine what it will be by that time!

By comparison, the Government is cutting administration costs by \$2.5 billion and State taxes by \$3.2 billion over the next four years. The Government will deliver budget surpluses worth \$2.1 billion over the five years 2005-06 to 2009-10. Just last week we received confirmation from Standards and Poor's of the States triple-A credit rating—a stark contrast to the promises gushing from the Leader of the Opposition who has no prospect of being able to fund them. Here are just a few of these unsustainable promises: reintroducing trams to the Sydney central business district [CBD] at \$200 million; cash payments to help young people buy farms at \$20 million over four years; a Blue

Mountains superhighway at \$3.3 billion; the Spit Bridge tunnel at \$3.3 billion; in-tunnel filtration of all major traffic tunnels at \$973 million; paying people to move west of the Great Dividing Range at \$240 million; a \$300 payment for self-funded retirees at \$137 million; and scrapping the insurance tax increase at \$768 million.

None of these promises is funded and none of them is credible, and that is just the start. The Opposition's spendometer is \$20 billion and it is going up. However, there is an opportunity for an amnesty. How about an amnesty? We can offer Opposition members an amnesty now. They should tell us which projects they would like to scale back, which projects were made in the heat of the moment, and which projects they would like to take off the list. We will do that, just like those successful gun amnesties in the past. We will take them off the list and we are prepared to compile an alternative document called "The Amnesty Promise List". We can deduct the billions of dollars off that list, no questions asked. We will do it as a special arrangement with Opposition members. We have even told Treasury mathematicians to get put out their calculators and get ready after this amnesty offer. We can rework that list of promises so we can get it halfway back to being credible.

The Hon. PETER PRIMROSE: Protected disclosures.

Mr MORRIS IEMMA: Here is a chance; do not blow it.

The Hon. GREG PEARCE: In the spirit of that amnesty, Premier, would you table your list?

CHAIR: Order! The Hon. Greg Pearce can ask his question in a moment.

The Hon. JAN BURNSWOODS: Premier, on another subject, can you give us information on counterterrorism preparedness in New South Wales?

Mr MORRIS IEMMA: I can. New South Wales agencies have detailed and well-practised plans in place.

The Hon. Greg Pearce: Another plan?

The Hon. AMANDA FAZIO: He is a fool; he does not think counterterrorism measures are important.

Mr MORRIS IEMMA: He jokes about counterterrorism preparedness, which is sad, particularly after this morning's newspaper reports. He treats it as a joke. Supported by new powers and more than \$330 million of additional resources and training, our police, fire services, health, road and transport agencies are working hard to be as prepared as possible. We have worked hard with our Commonwealth colleagues to learn the lessons of the attacks on the United States of America, Bali, Madrid and London to ensure that New South Wales has the best possible plans, resources and emergency responders.

Since last year, there have been further advances in our counterterrorism preparedness. A state-of-the-art State Co-ordination Centre outside the central business district was established in the middle of last year to ensure strategic policy advice and communications in the event of a major terrorist incident or threat. That is supported by a co-located Public Information Co-ordination Centre to ensure that timely, accurate and consistent measures are provided to the public. The CBD emergency plan, which was launched in August last year, covers arrangements to provide for the safety of people in the CBD in a major disaster by directing them to shelter in place or to evacuate to safe locations.

The key elements of the evacuation plan include the establishment of sydneyALERT, a notification system, to inform CBD building managers of action to be taken in an emergency; improved emergency Internet access, and information to provide advice on preparing for emergencies and real-time information in an emergency; and safety site marshals to assist people to safety. As a result of the co-operation the States provided to the Commonwealth at the special meeting of the Council of Australian Governments on counterterrorism last year, a number of initiatives are being worked on which include communications, a national closed-circuit television [CCTV] a code of

practice, a national emergency protocol, a refocused national counterterrorism exercise program, a chemical, biological, radiological and nuclear security strategy, and counterterrorism legislation.

A number of national exercises, including Mercury 05, have been held to further prepare our emergency response personnel in the event of a major terrorist attack. In transport, the Government has committed more than \$50 million to the upgrading of CCTV cameras across the CityRail network and the Sydney bus fleet. The CCTV capability of Sydney Ferries will be increased by almost 50 per cent with the introduction of a \$6 million CCTV upgrade program. The successful awareness campaign slogan "If you see something say something" was launched in New South Wales in July 2005 and has since been adopted in Victoria and Western Australia.

Train station staff are trained to respond to any incident and evacuate a danger area, relocate passengers to a safer place, and secure an affected area. Staff are provided with emergency response training each year. On 16 April this year we announced that train escape ladders in Sydney tunnels would be upgraded as part of a \$120 million investment in rail counterterrorism plans. RailCorp is evaluating tenders for the purchase and installation of 374 sets of new aluminium stairs and 182 modified replacement landings to help passengers escape in the event of an emergency.

The new stairs will complement more than \$80 million of new and improved tunnel security measures, including station CCTV, deployable CCTV, and special glass smoke curtains to stop the spread of smoke and vapour. Security at CBD stations will also be enhanced with shutter doors to be installed over the next two years to control crowds that could continue to surge into stations during an incident. Currently we are trialling new rapid rescue trolleys that are battery powered and can transport rescuers to the scene of an emergency in the CBD tunnel network. The trolleys can be fitted with stretchers and emergency equipment and allow firefighters, police or other workers to get to the scene of an incident faster, stay there longer, and bring victims out more rapidly.

We are also investing in 505 new buses all of which will be required to be fitted with the latest in-driver and passenger security. As well as increased CCTV surveillance, security screens for bus drivers, additional fencing, boom gates, lighting, access controls, and staff and visitor identification screening are being introduced at bus depots in Sydney and in Newcastle. The co-ordinated raids that were made on 8 November 2005 in Sydney and Melbourne were part of Operation Pendennis. Eight people were arrested in Sydney and have been charged with conspiring to commit a terrorist act. Follow-up raids have occurred in both Sydney and Melbourne. These matters are before the courts but they resulted from a significant degree of co-operation between Federal and State authorities. In this year's budget, police were provided with funding for the replacement of tactical operations equipment trucks, the replacement of bomb disposal trucks, the replacement of chemical and biological radiation suits and maintaining a range of bomb disposal items.

In Health, we have established Australia's first Counter Disaster Unit within the health system. This is staffed by 12 people to drive planning, policy and training for NSW Health. To date, eight hospitals have decontamination units and five portable decontamination units are also available. Further upgrades are being rolled out. Additional chemical antidotes have been purchased and there are now three purpose-built ambulances that provide mobile treatment facilities for the on-scene treatment of multiple contaminated patients and their transport to emergency departments. The Counter Disaster Unit has completed a national mass casualty burns plan.

The investment in New South Wales Fire Brigades totals \$12 million and includes the upgrading of equipment and the purchasing of new equipment. In April 2006 half a million dollars was invested to open a new technical service centre for hazardous material [hazmat]. The new centre is custom designed to handle the maintenance, repair and distribution of thousands of pieces of equipment, including breathing apparatus, protective clothing, air cylinders, hazmat material booms and bins and chemical, biological and radiation detection equipment. During an emergency this service centre will be in full swing as a logistics supply centre, distributing equipment, managing emergency supplies, testing gear and refilling air cylinders.

As part of an ongoing program, in April 2006 Alexandria fire station was upgraded to a primary hazmat response station, with 20 firefighters being trained as hazmat technicians. St Marys and Berkeley Vale fire stations will also be upgraded to become primary hazmat response stations. Additionally, intermediate hazmat appliances have been installed at Tweed Heads, Narrabri, Wagga

Wagga, Batemans Bay, Dubbo, Lithgow and Lismore, with appliances to be installed at Grafton, Maitland and Condobolin in this financial year. It is also important to recognise that this work is in addition to the ongoing co-operation of our police with Federal police and security organisations at the Commonwealth level.

CHAIR: I want to clarify your earlier answers regarding the Lane Cove Tunnel and your indication that a transition review group will be monitoring that situation. Is it a possibility that the proposed narrowing of Epping Road from three lanes to one general traffic lane in either direction could be delayed for a period in order to assess motor vehicle usage of the tunnel and to ascertain whether there has been a reduction in traffic? The narrowing could be delayed for six or twelve months while that occurred. Is that a possibility?

Mr MORRIS IEMMA: The Minister for Roads can provide you with full details on roads, but the transition group's task is to transition this motorway as smoothly as possible to ensure that there is a minimum of disruption to motorists. Obviously Epping Road is a major road so working through issues regarding Epping Road would be part of the work of the integration group.

CHAIR: So you are not ruling out the possibility of postponing the narrowing of Epping Road as one of the recommendations.

Mr MORRIS IEMMA: Your Committee's recommendations?

CHAIR: No, a recommendation of the transition group.

Mr MORRIS IEMMA: The integration group's task is to transition this motorway in a way that minimises disruption to motorists. Epping Road is a major road and Epping Road would be one of the roads that would be the subject of the work of the integration group.

CHAIR: Is it a possibility that the narrowing of Epping Road might be delayed? Are you open to that possibility?

Mr MORRIS IEMMA: It would be premature of me to speculate at this point in time other than to say that the integration group is working through issues on the Lane Cove Tunnel. The issue of the surrounding roads is one of a number that the integration group is working through with the company. Epping Road is a major road and it would be part of the work that the integration group is undertaking.

CHAIR: Was a guarantee given to the tunnel construction company that the road would be narrowed? Was that a requirement from the company?

Mr MORRIS IEMMA: I have no information to that effect. I will have to take the question on notice.

CHAIR: Thank you. To follow up another issue, as we all know, we are facing a State election next March and we have had problems with phoney political parties. What is the final situation with that issue? The date by which political parties must be registered for the next election has now passed. How many parties will confront the people of New South Wales, particularly in the Legislative Council, at the next election?

Mr MORRIS IEMMA: I will take that question on notice. I will seek the advice of the Electoral Commissioner.

CHAIR: You do not have that information available.

Mr MORRIS IEMMA: No.

CHAIR: So you will take that on notice.

Mr MORRIS IEMMA: Yes. A draft consultation bill will come back before Parliament in this session. There will be changes to the Act.

Ms LEE RHIANNON: But that does not impact on the parties that are already registered.

Mr MORRIS IEMMA: They are not included.

CHAIR: It should not affect the registration process at the moment.

Mr MORRIS IEMMA: I will seek the advice of the Electoral Commissioner and provide you with a response.

CHAIR: In regard to the State election, as we know, the Boundaries Commission has produced a great deal of material on the proposed boundaries. I noted a recent advertisement asking for any final responses to those boundary changes. Does that mean that there is still uncertainty about the boundaries?

The Hon. PETER PRIMROSE: That is Federal.

CHAIR: Are the State boundaries finalised?

Mr MORRIS IEMMA: The State ones are finalised. The Federal boundaries are still at draft and public submission phase.

CHAIR: But the State boundaries are definitely finalised?

Mr MORRIS IEMMA: Yes.

CHAIR: I note in the budget papers a positive report about World Youth Day 2008, with a budget figure of \$0.5 million in 2005-06 and \$1.9 million in 2006-07 as an expression of the Government's support. What does that sum cover? What will the highlights be and what is the expected attendance?

Mr MORRIS IEMMA: It covers the establishment and resourcing of a secretariat and co-ordinating a number of agencies to provide support. It covers our education facilities providing for public open areas, sporting and recreational facilities for events to take place, providing transport support for the event and providing accommodation support. Our schools are a potential source of accommodation support for the event through their halls and centres. There will be major venues where events will take place.

Dr GELLATLY: There are a couple of major events. There is obviously the final mass and the pilgrimage and walk the day before. That is on the Saturday and the Sunday. There is the pilgrims sleepover night. The final venue is being co-ordinated with the local organising committee. Then there are the Stations of the Cross, which happen on the Friday, and a number of other events also during the week. The World Youth Day Secretariat is co-ordinating all those government agencies, as the Premier mentioned—the school authorities, police, transport authorities, venue managers, the Roads and Traffic Authority, health officials and so on.

Ms LEE RHIANNON: Is Mel Gibson still involved? It is a serious question.

CHAIR: It is not the member's time to ask questions. Has there been any assessment of what economic value the World Youth Day will bring to the State by way of tourism?

Mr MORRIS IEMMA: There is an estimate and it is approximately \$100 million. There will be potentially up to 110,000 visitors from overseas.

CHAIR: There has been some discussion about the Ombudsman's Office, which is part of the Premier's Department. Are you anticipating any changes to the Ombudsman's Office or a reduction in that office in relation to police matters particularly?

Mr MORRIS IEMMA: No, I am not. I understand that there is a modest increase in his budget to deal with additional functions that he has been required to undertake. In 2005-06 the

estimate of expenditure was \$19.4 million. In 2005-06 the actual expenditure was \$19.1 million. The 2006-07 estimates foreshadow a net cost of services of \$21.590 million and this is provided for the Ombudsman. This is an adjustment of additional funding being provided to his office for complaints handling and renewable debt functions as well as for the review of a number of police powers. The funding also provides for public sector pay increases.

CHAIR: There was a suggestion of transferring some of the Ombudsman's responsibilities to the Police Integrity Commission, for example, in order to streamline matters relating to police and avoid duplication.

Mr MORRIS IEMMA: As I understand it two pieces of work are taking place. One is a review that I announced earlier this year on police red tape. The second review is an oversight committee review examining the areas of duplication of functions between the Police Integrity Commission and the Ombudsman with a view to streamlining the complaints procedures.

CHAIR: In New South Wales there is great concern about the availability of water, and there has been an announcement about the Shoalhaven River. As this is a major policy matter concerning the people of this State could you advise the Committee of the Government's policy in this regard?

Mr MORRIS IEMMA: The transfers from the Shoalhaven system are a vital part of securing Sydney's water supply. They are part of the Metropolitan Water Plan, which was released in February. In the past few years 25 per cent of the water used in Sydney, the Blue Mountains and the Illawarra has been supplied through the Shoalhaven transfer scheme. The scheme is currently a drought reserve supply scheme and it has only been used three times since the Tallawa Dam was constructed in 1977. As I have already mentioned, it is part of the Government's Metropolitan Water Plan in which the Government ruled out raising the Tallawa Dam on the Shoalhaven River—a proposal floated earlier.

Instead, the Government is embarking upon the Shoalhaven scheme with a view to diversifying and securing Sydney's long-term routine water supplies and minimising environmental and social impacts. The Government is going out to consultation with regard the Shoalhaven scheme. Today, the Government released for consultation the discussion paper on Shoalhaven water supply transfers and environmental flows. The formal consultation period will run for six weeks until early October. The discussion paper will broaden the public consultation that is already in place in that regard through the Shoalhaven community reference group. It will widely canvass the views of the public on the future of the Shoalhaven scheme. The paper discusses the potential to increase the volume of drinking water that Sydney may source in the future from the Shoalhaven River, and the use of additional water from the Shoalhaven is part of the plan to secure Sydney's long-term water supply.

The Hon. CATHERINE CUSACK: I have some questions regarding the Statutory and Other Offices Remuneration Tribunal [SOORT], which determines the payouts to members of the senior executive service [SES] and chief executive service [CES] when they are leaving. Will you advise the Committee who are the current members of the tribunal? What is SOORT's staffing and cost to government?

Dr GELLATLY: The current tribunal member is Ms Helen Wright. There are two advisers: I, as Director General of Premier's Department, am one of them and the other one is Anne Raine, a former public servant who worked for AMP in human relations for a long time. The cost is the payment to the tribunal member of \$60,000 a year and of the adviser of \$15,000 a year. I do not get paid for that position, that is part of my daily work. There is also a part-time executive officer and general support if secretarial work is required.

The Hon. CATHERINE CUSACK: When SOORT makes a determination, who bears the cost of the determination? Is it the individual agency?

Dr GELLATLY: The agency that was employing that person.

The Hon. CATHERINE CUSACK: Are they monitored overall? For example, would you have information on the value of determinations over a 12-month period?

Dr GELLATLY: Yes.

The Hon. CATHERINE CUSACK: What was the cost for 2005-06?

Dr GELLATLY: I will have to take that question on notice.

The Hon. CATHERINE CUSACK: How many cases were considered by SOORT in 2005-06?

Dr GELLATLY: We can work it out and come back to it, but it is a relatively small number, if I remember.

The Hon. CATHERINE CUSACK: What is the maximum entitlement of officers who have been terminated from the SES or the CES?

Dr GELLATLY: Thirty-eight weeks.

The Hon. CATHERINE CUSACK: Are there guidelines for these determinations, and is it possible to table those guidelines for the Committee?

Dr GELLATLY: The 38 weeks is determined in legislation.

The Hon. CATHERINE CUSACK: Does SOORT operate under guidelines?

Dr GELLATLY: There are principles for SOORT and they are on the web site.

The Hon. CATHERINE CUSACK: Does it have additional guidelines under which it operates or is that the complete information for making determinations?

Dr GELLATLY: Yes, that is the complete information.

The Hon. CATHERINE CUSACK: Every other document would relate to the individual case being considered?

Dr GELLATLY: Sure, that is right.

The Hon. CATHERINE CUSACK: Are retiring officers eligible for payouts?

Dr GELLATLY: No.

The Hon. CATHERINE CUSACK: Is it correct that SOORT only considers terminations?

Dr GELLATLY: Yes, where the contract is terminated.

The Hon. CATHERINE CUSACK: Was the former Deputy Director General of Fair Trading, Mr David O'Connor, entitled to a SOORT payout when he voluntarily retired in 2005?

Dr GELLATLY: No.

The Hon. CATHERINE CUSACK: Did he receive a payout?

Dr GELLATLY: As far as I am aware, no.

The Hon. CATHERINE CUSACK: No termination agreement at all?

Dr GELLATLY: No.

The Hon. CATHERINE CUSACK: Was the former Director General of Urban Parks, Mr Bill Gillooley, entitled to a payout when he retired?

Dr GELLATLY: That is a long time ago, I would have to check on that. It is a clear rule: if you are terminated and your contract is finished, then you are eligible to apply to SOORT for a payout; if you retire, then you are not eligible. David O'Connor retired, was not eligible and did not get a payout. Even if your contract is terminated, you have to make an application to SOORT. You put your individual facts before it. The employer is also asked for a submission and then SOORT makes a determination based on that information.

The Hon. CATHERINE CUSACK: If you did receive a termination payout, could you be re-engaged by the Government again or is there some guideline relating to that?

Dr GELLATLY: In terms of employment there is a basic rule, particularly with regard to getting a voluntary redundancy: throughout the sector you cannot be employed within a period of time that is equivalent to your payout. If you were employed within that time, you would have to pay it back.

The Hon. CATHERINE CUSACK: All that information is available on the web site? Is that correct?

Dr GELLATLY: Yes, I think that is in Premier's circulars and memoranda and that sort of thing.

The Hon. CATHERINE CUSACK: Was Mr Rob Griggs the Deputy Chief of Staff to former Premier Bob Carr?

Dr GELLATLY: At one time, yes.

The Hon. CATHERINE CUSACK: Did Mr Griggs receive a redundancy payout following the resignation of Premier Carr?

Dr GELLATLY: He was not in Premier Carr's office when the former Premier resigned.

The Hon. CATHERINE CUSACK: Did he receive any payment when he left that office?

Dr GELLATLY: When he left the Premier's office he did not receive any payment.

The Hon. CATHERINE CUSACK: Did Mr Griggs receive an appointment to a level 6 SES position in the Department of Gaming and Racing that was not advertised and did not undergo the requirements of merit selection?

Dr GELLATLY: As I remember, Mr Griggs had a number of appointments after he left the Premier's office and they were in the form of temporary employment, and that does not necessarily require any merit process. You can have temporary employment. He had a number of those, I think, in the Department of Transport and within the Premier's Department, and his last position was in the Department of Gaming and Racing.

The Hon. CATHERINE CUSACK: Can you confirm that he was level 6 SES?

Dr GELLATLY: It might have been equivalent to level 6. I am not sure it was an SES position, because from my recollection he was employed as a contractor, a short-term employee.

The Hon. CATHERINE CUSACK: As a contractor?

Dr GELLATLY: Short-term employment on a temporary basis.

The Hon. CATHERINE CUSACK: With an equivalent SES level 6 salary?

Dr GELLATLY: Yes. You can be employed in that way and have an equivalent SES salary.

The Hon. CATHERINE CUSACK: What is the salary range for level 6 SES?

Dr GELLATLY: I have got it here: \$236,801 to \$267,300.

The Hon. CATHERINE CUSACK: What was his position in the Department of Gaming and Racing?

Dr GELLATLY: I would have to take that question on notice. I cannot remember the detail of the exact position.

The Hon. CATHERINE CUSACK: Would he show up on the books as a consultant?

Dr GELLATLY: No. He would show as an employee.

The Hon. CATHERINE CUSACK: Was he holding a substantive position?

Dr GELLATLY: As I said, he can be employed as a temporary employee at that sort of total remuneration.

The Hon. CATHERINE CUSACK: For how long did this temporary arrangement continue?

Dr GELLATLY: I would have to take those details on notice.

The Hon. CATHERINE CUSACK: Was his term in the position characterised by chronic absenteeism from his position?

Dr GELLATLY: I could not answer that. You would have to talk to the employer.

The Hon. CATHERINE CUSACK: Would that be the Director-General of Gaming and Racing?

Dr GELLATLY: Yes.

The Hon. CATHERINE CUSACK: Was the director-general responsible for his performance?

Dr GELLATLY: Yes.

The Hon. CATHERINE CUSACK: What was the cost of relocating another former Carr staffer, Brad Fitzmaurice, and his family from a government office in London to Sydney soon after Mr Iemma became Premier?

Dr GELLATLY: Relocating from London?

The Hon. CATHERINE CUSACK: London office.

Dr GELLATLY: Back to his position in Sydney?

The Hon. CATHERINE CUSACK: Yes.

Dr GELLATLY: I would have to take that on notice. He was actually an employee of the Department of State and Regional Development when he was doing that job.

Mr HARRIS: I would have to take the cost of the relocation on notice, but it would be in accordance with the normal provisions supplied by the Commonwealth to relocating staff from overseas.

The Hon. CATHERINE CUSACK: While he was an employee of that department just referred to, he was on secondment, as I understand it, from the Premier's Department.

Mr HARRIS: That is correct.

The Hon. CATHERINE CUSACK: Which enabled you to top up his salary while he was away.

Mr HARRIS: We actually paid a base salary. Any variation to the salary was paid by the Premier's Department.

The Hon. CATHERINE CUSACK: I am not sure that he is here today. I was hoping that he might have been here today; he was certainly here at previous estimates hearings. Has he returned to his substantive position in ministerial and parliamentary services?

Dr GELLATLY: Yes.

The Hon. CATHERINE CUSACK: Has Mr Joseph Hannah been appointed to director level of Ministerial and Parliamentary Services? And is this senior officer level 2?

Dr GELLATLY: He is acting in that position.

The Hon. CATHERINE CUSACK: What is the pay scale for senior officer level 2?

Dr GELLATLY: Around \$130,000.

The Hon. CATHERINE CUSACK: What was Mr Hannah's previous position and grading?

Dr GELLATLY: Grade 12, Freedom of Information.

The Hon. CATHERINE CUSACK: And what was the pay scale for that?

Dr GELLATLY: \$105,000.

The Hon. CATHERINE CUSACK: So it is up about \$30,000.

Dr GELLATLY: He is acting in that position. Yes.

The Hon. CATHERINE CUSACK: What are his substantial responsibilities?

Dr GELLATLY: In his new position?

The Hon. CATHERINE CUSACK: Yes. Having come from a Freedom of Information officer position, what is he now doing?

Dr GELLATLY: I could take those statements of duties on notice.

The Hon. CATHERINE CUSACK: Is there no-one in Premier's Department who knows what Mr Hannah is doing?

Dr GELLATLY: Mr Hannah is here, and I will ask him what he is doing—preparing briefing notes for tonight! He is assisting his boss on remuneration tribunals doing FOI, parliamentary services, in terms of briefing notes—obviously helping tonight, and doing a very good job.

The Hon. CATHERINE CUSACK: Who previously held the position that Mr Hannah is holding at the moment?

Dr GELLATLY: Can I take that on notice?

The Hon. CATHERINE CUSACK: Yes. How long will it be before that position goes to merit selection?

Dr GELLATLY: We are still looking at the roles and functions. We can let you know in due course.

The Hon. MELINDA PAVEY: Premier, in terms of the amnesty that you mentioned earlier, will the taxpayers of New South Wales have an amnesty on paying for Labor Party advertising and research?

Mr MORRIS IEMMA: The Government advertises to provide important public information. For example, when special events are on, such as Anzac Day and other special events, important public information is put into the public domain regarding traffic movements and transport arrangements. The Government also undertakes advertising to make the public aware of health issues. There are public health campaigns—for example, on breast screening, and important public information about quit smoking campaigns and no drinking and driving campaigns. These are either important campaigns that are put before the public to inform them of major events and transport and traffic arrangements, or important public campaigns like drink-driving campaigns, quit smoking campaigns, breast screening campaigns, anti-speeding campaigns, campaigns to curb teenage cannabis use, to reduce water consumption and to recruit front-line personnel, like police.

The Hon. MELINDA PAVEY: For services for the administration of government, the budget for the Strategic Project Unit, according to the budget papers, is \$15 million for this year, and there are 69 staff in that area.

Mr MORRIS IEMMA: Which unit?

The Hon. MELINDA PAVEY: The strategic projects. It is "To lead and contribute to the resolution of complex issues and projects involving multiple stakeholders through strategic responses for the benefit of citizen and communities at state, regional and local levels." Is this unit, part of the Premier's Department, involved in the State plan?

Dr GELLATLY: Part of the Strategic Projects Division are the regional co-ordinators, located in the regions. In terms of the State plan, their involvement has been at a local level in helping the delivery unit co-ordinate those community consultations, including arranging the place where it is held, working with local leaders, and so on.

The Hon. MELINDA PAVEY: Premier, in terms of the State plan, whose idea was it?

Mr MORRIS IEMMA: I am sorry?

The Hon. MELINDA PAVEY: The \$1 million advertising campaign we have for the State plan. Whose idea has the State plan been? Has it been yours?

Mr MORRIS IEMMA: Our State plan is a decision of the Government.

The Hon. MELINDA PAVEY: But whose idea was it?

Mr MORRIS IEMMA: It was the Government's idea. It was the Government's idea to have a strategic plan and a vision for the State.

The Hon. MELINDA PAVEY: Was market research undertaken into the idea of the New South Wales State Plan before it was launched?

Mr MORRIS IEMMA: I will have to take that question on notice.

The Hon. MELINDA PAVEY: If so, how much did the market research for the New South Wales State Plan cost? Who undertook the market research for the New South Wales State Plan? Where was the market research for the New South Wales State Plan undertaken? Generally, also, what market research was undertaken? On notice, we would also like answers to the following questions. How were the 25 locations for consultations chosen? Where have all the consultations taken place? It has been very difficult to get an answer to that question in telephone calls to the State plan people. Can you also provide a list of where the consultancies will be, the invited guest lists and who actually

attended each consultancy? Also, we would like to know who undertook the research, and what was the cost of the research of putting all programs together? And what consultancies were involved in developing the State plan, given that we have a department that is supposed to look at strategic projects and where the Government is heading, with a staff of 69 staff.

Mr MORRIS IEMMA: In relation to the locations for the consultations, they were determined after advice from Premier's Department as to the most suitable places. The aim has been to cover all the regions of New South Wales and sub-regions in Sydney. We are very proud of the fact that we are developing a vision and a blueprint for the State for the next 10 years. It stands in stark contrast to yourselves in major rural towns. I understand that some of your colleagues have attended and have found them quite constructive.

The Hon. JAN BURNSWOODS: Did you go to one in Coffs Harbour last week?

The Hon. MELINDA PAVEY: I was not there.

The Hon. CATHERINE CUSACK: Only invited people could go. Who was it who determined the Tweed rather than, say, Lismore as the area for consultation, given that the Tweed is in the extreme north and the next nearest consultation is Coffs Harbour? Why not the regional centre of Lismore?

Mr MORRIS IEMMA: I refer to the previous answer—

The Hon. MELINDA PAVEY: Is it because it is not a Labor marginal seat?

Mr MORRIS IEMMA: —and the object has been to provide coverage in regional and rural areas to enable people, selected at random off the roll—

The Hon. MELINDA PAVEY: Did you know that people have been refused access to attend these consultations?

Mr MORRIS IEMMA: —to engage in consultation. As all, there have been parallel consultations with organisations and stakeholders.

The Hon. MELINDA PAVEY: What has been the total cost of the State plan to date?

Mr MORRIS IEMMA: The total budget for the preparation of the State plan is \$1.8 million. A little under \$1.1 million has been set aside regarding the plan and the consultation process to the public, and this has been entirely funded from existing agency budgets.

The Hon. CATHERINE CUSACK: What was the community consultation component?

Mr MORRIS IEMMA: A little under \$1.1 million has been set aside for communicating the plan and the consultation process.

The Hon. MELINDA PAVEY: It is \$1 million for the advertising and \$100,000 to pull the meetings together?

Mr MORRIS IEMMA: The total budget is \$1.8 million and \$1.1 million is for communication and consultation, funded entirely from existing agency budget.

The Hon. MELINDA PAVEY: Could we get a breakdown of the entire funding and expenditure? As I said earlier, it would be interesting to see—

Mr MORRIS IEMMA: I have just given you some information about the costing. I will take that question on notice.

The Hon. MELINDA PAVEY: —the research companies involved in the development of the plan. In the State's plan there is a heading "Focus on water and long-term funding of

infrastructure", but it ignores a lot of the current issues facing people throughout New South Wales. Why has the Government consistently underfunded rural water—

Mr MORRIS IEMMA: I am sorry, I could not hear the second part of the question.

The Hon. PETER PRIMROSE: Why do you not want them to go to the Tweed? Which other areas should they not go to?

CHAIR: Let the member ask the question.

The Hon. JAN BURNSWOODS: Does the microphone work or not?

The Hon. PETER PRIMROSE: I cannot hear.

The Hon. JAN BURNSWOODS: Why does she not turn the microphone on?

The Hon. MELINDA PAVEY: The microphone is on. If you would desist from talking the Premier may be able to hear.

The Hon. JAN BURNSWOODS: Why does it not have a red light?

CHAIR: Proceed with your question.

The Hon. MELINDA PAVEY: The State's plan for water is heavily focused on long-term funding of infrastructure, but there are a lot of current problems that we have in front of us. Why has your Government consistently underfunded the rural water management plan, the Country Towns Water Supply and Sewerage Program on an average of \$32.5 million for the past decade?

Mr MORRIS IEMMA: I thought you were asking about the Metropolitan Water Plan. The New South Wales Government's allocation for the Country Towns Water Supply and Sewerage Program has increased from \$855 million to \$915 million. To date \$757 million has been allocated to projects. This increase in enhanced funding will ensure ongoing assistance is provided to more than 40 projects that are already under construction, as well as up to 20 projects that are expected to commence in the financial year 2006-07. I am advised further that this funding has enabled completion of over 290 water supply and sewerage projects, which have delivered, as you have outlined, improved environmental outcomes and security of supply to more than one million people living in country areas of New South Wales. I am further advised that the completed works in this program include seven new storage dams, 47 new water reservoirs, 78 new or upgraded sewerage treatment works, 35 new small town and sewerage schemes, 27 new or upgraded water treatment works and, if the current drought continues, the Government will also provide funding for emergency drought relief works to ensure that no towns run out of water.

The funding will provide emergency water sources where practical and economic, and shall provide for water cartage where alternate sources of water are not available. I am further advised that the new funding rules for the program were introduced to ensure the remaining funds are directed to the most urgent and deserving projects in regional New South Wales. I am further advised that care was taken to ensure financial support for smaller local water utilities. Larger local water utilities have larger rate bases and, thus, have an ability to spread their costs and not be as reliant on government assistance as smaller, less well-off utilities. To ensure the most urgent and deserving projects receive funding, I am advised that an interagency privatisation committee ranks all preconstruction projects against agreed established criteria, which include public health, environment and security of supply, and the program funds are then allocated to the highest-ranked projects.

Ms LEE RHIANNON: How do you reconcile your rhetoric on climate change with the massive expansion in the coal industry in New South Wales? Just to remind you of some of the comments in the current State plan, climate change is identified as one of the key challenges ahead for New South Wales. In November 2005 you said that the greatest threat to our environmental way of life comes from climate change. Does this not sit very uneasily with the massive expansion of the coal industry, particularly the new coal loader in Newcastle and the plan for new coalmines in the Hunter, Gloucester, Caroon and Gunnedah?

Mr MORRIS IEMMA: The point to make about the coal loader is that it is for export, and most of the coal investments in those projects are for export. New South Wales has led the way on greenhouse gas reductions with our Greenhouse Gas Abatement Scheme, only the second in the world and the biggest outside of the European Market. The New South Wales Greenhouse Gas Abatement Scheme has led to a 10 million tonne reduction in greenhouse gas emissions, which is the equivalent of taking some two million cars off the road. We have also, as recently as two weeks ago, again led the way with a National Emissions Trading Scheme. Yes, investments occurring in the coal industry in the Hunter most of that is for export, but the position of New South Wales is that we can still provide for a strong economy, investment and jobs at the same time as tackling climate change by taking a leadership role through our State-based scheme as well as leading the debate on a national trading scheme.

Ms LEE RHIANNON: Surely you would recognise and agree that coal burnt here or overseas still contributes to the greenhouse gas emissions? Is it not extraordinary that both of these new coalmines, particularly Anvil Hill Coalmine, which will produce 10.5 million tonnes of coal per year, and the export coal loader make no mention in their environmental assessment of climate change? Does this not weaken your case?

Mr MORRIS IEMMA: The New South Wales Government has never said that it is anti coal. What we have said is that we are about tackling emissions—and practical, workable programs and schemes to tackle emissions is what we are about. I have outlined some, and there is a whole range of measures we are taking to reduce emissions, to encourage offsets and to encourage investment in cleaner coal technology as well as alternate sources of energy and fuel.

Ms LEE RHIANNON: But nobody is saying that just by putting into an environmental assessment [EA] a requirement to look at climate change you are anti coal, it just means that you are being responsible in terms of actual environmental assessment. Are you embarrassed by requiring the EA to look at climate change for coal projects?

Mr MORRIS IEMMA: No, we are quite proud of our environmental assessments, our planning system and that requires a stringent environmental assessment when it comes to proposals, coalmining in particular. There are very stringent controls in the environmental assessment and the conditions that have to be met for a project to proceed to receive planning approval. They are stringent. We are quite proud of that. It provides for stringent environmental controls as well as a planning regime that enables proposals to be assessed, and for projects to proceed where they meet strict environmental guidelines and controls. As well as that, we are not, as I said, being anti coal. The issue is tackling emissions.

Ms LEE RHIANNON: Premier, you are talking about tackling emissions, but you often talk about the need to develop other areas. Do you plan to develop a strategy for renewable energy, considering that the other States are pulling ahead of us quite fast? South Australia has legislated for a renewable energy target of 20 per cent by 2014. Victoria has legislated for a target of 10 per cent by 2016. What is the target in New South Wales?

Mr MORRIS IEMMA: In New South Wales, we have adopted the approach of enabling the market to make those adjustments.

Ms LEE RHIANNON: So there is no target?

Mr MORRIS IEMMA: I will come to renewables in a second. In New South Wales, the Greenhouse Gas Abatement Scheme is a scheme that sends price signals to the market and the market makes the adjustment through those on the investment decisions that they make. It is the same as the NET scheme. That has been our approach. Others have taken a different approach in setting targets, but our approach has been that. In relation to renewable energy, we initiated the Green Power Accreditation Program, which has now been adopted nationally. The government agencies that purchase electricity through the State Government contract are required to purchase 6 per cent of their electricity as green power.

Green Power has also assisted the increase in renewable energy with the national program continuing to show strong growth in both customer numbers and in the amount of renewable energy generated. I might also add that there are Victorian and, as I am advised, South Australian participants in our State-based Greenhouse Gas Abatement Scheme. But a return to green power will be further supported in New South Wales where our electricity retailers will soon be required to offer a 10 per cent green power component to all new and moving residential customers. The GGAS abatement scheme targets low-cost greenhouse gas abatement and has not generally supported most renewable technologies that provide a relatively high-cost abatement. However, because of the high greenhouse impact of methane in instances where fugitive methane is captured or voided, such as for landfill gas generation or biodigestion of wastes, GGAS can be a strong incentive.

I am advised that 25 per cent of the existing electricity generation capacity installed in New South Wales is powered by renewable sources. The Government is aware of around 1,900 megawatts of renewable generation proposals in New South Wales in the area of wind, solar, biomass and others. To give an example, in June of last year the Government announced planning approval for a 92 megawatt wind farm at Crookwell and in January this year announced approval for a \$185 million wind farm of approximately 100 megawatt capacity at Taralga. The world-leading Greenhouse Gas Abatement Scheme has provided additional encouragement to the development of renewable energy generation in this State.

Ms LEE RHIANNON: Premier, you have boasted about the two, and I understand there are only two wind turbines in New South Wales. South Australia has 215. This is where you have allowed the other States to pull ahead. Can you not acknowledge that a small amount of Government support for renewables would trigger millions of dollars of investment, thousands of jobs, and open up export markets? I mean, you are robbing this State of jobs and investment because of this close relationship you have with the coal industry. You do not seem to be willing to challenge them or just wind them back slightly so that we can open up a renewable market.

CHAIR: Could we concentrate on questions rather than statements?

Ms LEE RHIANNON: That was certainly a question.

Mr MORRIS IEMMA: Was it?

The Hon. PETER PRIMROSE: I thought it was an adjournment speech.

CHAIR: It was a mini-speech.

Ms LEE RHIANNON: You work so well with Mr Nile. It was still a question.

Mr MORRIS IEMMA: Could you repeat the question?

CHAIR: I am, as Chairman of the Committee, seeking questions from the Committee members, thank you.

Ms LEE RHIANNON: There are two wind farms in New South Wales, 215 in South Australia. Why?

The Hon. AMANDA FAZIO: Wind farms or wind turbines?

The Hon. JAN BURNSWOODS: You said "two wind turbines".

Ms LEE RHIANNON: I am sorry, wind turbines. I apologise. Wind turbines.

The Hon. JAN BURNSWOODS: There are more than two.

Mr MORRIS IEMMA: There are two projects.

Ms LEE RHIANNON: The Premier has not denied there are only two.

Mr MORRIS IEMMA: There are two projects, two wind farm projects—those I have just outlined.

The Hon. AMANDA FAZIO: But there are existing ones.

Mr MORRIS IEMMA: We have a GGAS abatement scheme in New South Wales, which I have already answered. Some States have gone down the path of setting a target. In New South Wales we have gone down the path of a scheme that sends price signals to the market to provide incentives and encouragement to the market to make the investments. It is a different approach—I said that earlier—and the generation capacity of this State, on the advice that I have from our electricity people, is 25 per cent. I am further advised that the wind farms that you referred to in South Australia are probably partly a result of GGAS providing incentives. Our scheme!

Ms LEE RHIANNON: Just moving on, I imagine you are aware of the education and employment rates for young men in Western Sydney. I am referring to the 2001 census data that shows that 15- to 24-year-old males in the Bankstown-Lakemba area fare pretty badly when it comes to employment opportunities and education. I mean, 39 per cent of young Islamic males in Bankstown said they had reached year 12 compared to 45.4 per cent across Sydney.

Mr MORRIS IEMMA: I am sorry, are you referring to employment opportunities and education?

Ms LEE RHIANNON: No, there I was referring to reaching year 12. The unemployment rate of young Islamic males was 16.3 per cent in Bankstown and 15.4 per cent in Lakemba compared to 7.7 per cent for young men across Sydney. Considering you have been so quick to legislate for additional police powers to tackle so-called gang crime, what specific programs have you established to specifically assist young men in Western Sydney with regard to illiteracy, poverty and unemployment?

Mr MORRIS IEMMA: I am not sure that the two are linked, that you should make that assumption. I am rather disappointed that you do make that assumption.

Ms LEE RHIANNON: What? You do not believe that by assisting to end illiteracy and unemployment you will get some of the crime off the streets?

Mr MORRIS IEMMA: No, no, the rather critical picture you have just painted—that because of education qualification, that there is a direct link, that our gang legislation is related to those individuals. I am rather disappointed that you are—

Ms LEE RHIANNON: No, I was not saying that.

Mr MORRIS IEMMA: Well, that is how it came across.

The Hon. AMANDA FAZIO: Yes.

The Hon. PETER PRIMROSE: That is right.

Ms LEE RHIANNON: Oh, the cheer squad!

Mr MORRIS IEMMA: That it is some sort of ethnic specific, religious specific or socio-demographic specific—

Ms LEE RHIANNON: You are the one who runs that line, Premier.

The Hon. AMANDA FAZIO: Come off it!

The Hon. JAN BURNSWOODS: What rubbish! Why don't you talk to Debnam about his line? It's outrageous.

Ms LEE RHIANNON: I am giving you a question so that you can tell us about your programs.

Mr MORRIS IEMMA: In relation to education, on the last advice I received from the Minister for Education and Training, we have approximately 52,000 of our students in our secondary schools who have participated in vocational education training through the courses made available at our schools linked with our TAFE colleges to provide a career path for those who are not choosing the path of the university. Building on that, the budget this year provides for the establishment of 10 trade schools to provide even more opportunities for those students in our high schools and to broaden their choice, to increase their opportunity, particularly those who do not want to pursue an academic path through university. There are a number of those trade schools in Western Sydney.

CHAIR: We will have to take a break.

Mr MORRIS IEMMA: I am answering a question.

Ms LEE RHIANNON: The illiteracy, poverty and unemployment—what are you doing to address them?

Mr MORRIS IEMMA: They are specific measures in education through our schools to broaden opportunities and provide more choice, particularly with the trade schools and the 52,000 vocational education training places. The trade schools will enable kids like that to be able to undertake an apprenticeship, training and study at school, which will assist them in taking a year off their apprenticeship courses post high school. In relation to supporting jobs, according to the last advice I had, one of the local government areas you have just mentioned qualifies for the payroll tax concession package that was announced by the Government in February. It encourages small firms or those who are about to enter into the payroll tax net and are seeking to add additional staff to take advantage of that. That is a very practical incentive for businesses to employ people. From memory, it is the Canterbury local government area that qualifies under that scheme. I would have to take advice on whether the Bankstown local government area qualifies for that. In relation to the other areas, you can obtain the detail from my Ministers on a whole range of programs, particularly in the area of literacy and numeracy in schools and post-school options for our young people.

(Short adjournment)

The Hon. AMANDA FAZIO: Premier, what is the latest information on efforts by the New South Wales Government to promote investment and jobs in New South Wales?

Mr MORRIS IEMMA: Since August 2005, the Government has worked to build a climate conducive to investment, growth and job creation. A number of initiatives have been taken. For example, the Government has implemented a business confidence campaign to promote business and economic growth as a top priority. The "NSW: We Mean Business" campaign, launched on 16 June 2006, aims to increase business confidence by highlighting the strengths and diversity of the New South Wales economy, and to highlight the potential for business achievement in New South Wales. The campaign uses six case studies of world-class companies talking about the business successes they have achieved in New South Wales. These authentic campaigns use real business people telling their stories in their own words.

The Government introduced also a \$95 million Payroll Tax Incentive Scheme on 1 July this year, to encourage investment and job creation in areas with unemployment above the State average. In this financial year, the Payroll Tax Incentive Scheme will apply to the Richmond-Tweed, mid North Coast, Gosford-Wyong, Illawarra-Wollongong, Hunter-Newcastle, Fairfield-Liverpool and Canterbury-Bankstown local government areas. The Payroll Tax Incentive Scheme offers eligible employers payroll tax rebates of up to \$575,000 over five years. Assistance is available to start up businesses in their first year of operation, businesses wanting to relocate from interstate or overseas and expanding businesses eligible to pay payroll tax in New South Wales for the first time. The Payroll Tax Incentive Scheme gives a strong new reason for business to invest in New South Wales.

In 2005-06, the Department of State and Regional Development helped secure 135 projects for New South Wales, including 121 in regional areas. These projects involved the creation or

retention of more than 6,200 jobs, including more than 4,600 in regional areas of New South Wales, over the life of the projects. In August 2005, international funds manager Fidelity announced it would set up its new Asia Pacific Regional Services Centre in Sydney, creating at least 100 jobs. In late August and early September 2005, we hosted the Forbes Global CEO Conference, showcasing Sydney as a global business destination.

In October 2005, French company Manitou, a world leader in fork-lift trucks, set up a regional services centre in Sydney to import and distribute products in Australia and the Pacific region creating 17 jobs over three years with an investment of \$1.4 million. In November, the Government announced that Fujitsu Australia would establish a Regional Product Integration Support Centre in North Ryde, creating up to 15 new positions. In January this year, China's leading telecommunications equipment manufacturer, Huawei Technologies, relocated its East Pacific headquarters from Singapore to Sydney, boosting its New South Wales employee numbers from 60 to 150 over three years and involving a \$5 million investment. Also in January, Sydney won the combat systems design node as part of the support for the Department of Defence's \$6 billion Air Warfare Destroyer project, employing more than 20 highly skilled engineers.

In February, the New Zealand-based superyacht builder Sensation Yachts announced it would establish a major manufacturing and refit operation in Newcastle, with State Government support. That \$30 million investment will employ about 190 people by June 2007. Also in February, the Government supported the purchase of ION Automotive Systems in Albury by Drivetrain Systems International, which secured more than 500 jobs and an investment of \$30 million. The New South Wales Government assisted the biotechnology company G2 Therapies Limited and announced one of Australia's most significant biotechnology licensing agreements, worth up to \$138 million, with global healthcare leader Novo Nordisk of Denmark to develop, manufacture and commercialise new anti-inflammatory therapies.

In April, we officially opened the Gingko Mine at Pooncarie near Broken Hill and an associated processing plant in a project that will directly and indirectly employ almost 200 people. Also in April, the Government signed an agreement with Union Switch and Signal to establish a Railway Signalling and Technology Centre in Newcastle, involving the creation of 115 jobs.

In May the Stellar Call Centre in Wollongong announced an expansion of 114 full-time equivalent staff following Government assistance through the Illawarra Advantage Fund. We also hosted the CeBIT Australia ICT exhibition in May, attracting more than 30,000 visitors, 700 exhibitors and contributing about \$12 million to the New South Wales economy. The Government is also supporting important research in New South Wales to help create smart jobs and industries for our future. We have implemented a \$10 million a year Science Leveraging Fund to help New South Wales attract a fairer share of Commonwealth research funding. Furthermore, we have appointed Professor Jonathan West to assist us in developing innovation and business strategies to attract further investment to New South Wales.

The Hon. PETER PRIMROSE: Can the Premier give us the latest information on infrastructure investment and service improvements for rural and regional New South Wales?

Mr MORRIS IEMMA: Over the last 12 months the Government has focused on attracting investment, creating jobs and encouraging growth in regional and rural New South Wales. As I have already outlined, one of the major planks of this support is the \$95 million payroll tax incentive scheme that targets investment and job creation in areas with unemployment above the State average. I will not go through the list of areas—

The Hon. Melinda Pavey: But none west of the Great Dividing Range?

Mr MORRIS IEMMA: That is because there are unemployment rates below the State average, and that is a good thing.

The Hon. Melinda Pavey: Not at Walgett, Brewarrina or Bourke.

Mr MORRIS IEMMA: There are 200 new mineral and mining processing jobs, and that is good for Broken Hill. Opposition members want people in Broken Hill to see above-average

unemployment rates. That is not a good thing to wish on them. Since August the Government has also approved 334 major planning development applications with a capital value of \$5.8 billion, generating over 16,000 jobs. Two hundred and thirty of those jobs are located in regional New South Wales with a capital value of \$2.58 billion, generating 6,000 jobs for rural communities. These include the \$50 million Bayswater power station wastewater upgrade, which is expected to provide 95 new jobs for the Muswellbrook area.

We have also approved the \$84 million expansion of the De Bortoli winery near Griffith, which will support 168 new jobs. The Tugun bypass project will see \$340 million invested in critical infrastructure and support 200 new jobs in that region. In north Goulburn we expect to see another 400 jobs created through the \$45 million Coles Myer distribution facility. The Government has also assisted a number of companies relocate to regional centres or expand their existing operations. In February this year I announced that New Zealand-based Sensation Yachts, which is joining Azzura Yachts, will be opening a manufacturing and marine refit facility in Newcastle. This decision by Azzura Yachts will create 400 jobs for the Hunter region.

Earlier this year BHP Billiton was granted an exploration licence for the Caroon coal area, in the State's north-west. The exploration works could ultimately lead to a major coal industry in the State's north-west supporting 1,000 new jobs and up to \$2 billion in capital works and infrastructure over the next two decades should mining proceed at some point in the future. These companies recognise that New South Wales is a great place to do business and they have shown a willingness to invest in our industries and in our communities. Regional and rural New South Wales will also benefit from a record investment in education, health, roads and transport, energy and water infrastructure.

This year will see expenditure of \$5.7 billion on capital works and road maintenance in rural and regional New South Wales. That is 51 per cent of the \$10 billion allocated across the State and, by way of comparison, more than the Commonwealth Government has allocated for infrastructure for the entire nation this financial year. Some of the projects include \$90 million for new and ongoing capital works in country schools, and \$241 million to rebuild hospitals and install state-of-the-art medical equipment across rural and regional New South Wales. These upgrades to hospitals and health facilities include Ballina Junee, Batlow, Nyngan, Wialda, Merriwa, Walcha, Bathurst, Orange, Queanbeyan and—

The Hon. Melinda Pavey: Bombala?

Mr MORRIS IEMMA: Yes, indeed, and Portland. Our road network is of critical importance to our regional and rural communities. I am pleased to say that two-thirds of our roads capital maintenance program this financial year will be invested outside Sydney, with \$1.8 billion, or 65 per cent, committed to work on regional and rural New South Wales. There are other projects, including the \$28 million Barren Box water saving project near Griffith, which has been commissioned. New South Wales contributed \$11 million to that project. It also will see the release of around 20 gigalitres of water a year to the Snowy River. It represents a new direction for water management—one that uses an innovative infrastructure project to help achieve water savings.

Tenders for structural works to help reduce evaporation at Menindee Lakes have recently been called—a project that has huge water savings possibilities for people in far-western New South Wales. We are continuing to implement our reinvestment plan for agricultural research centres across the State to inject new life into those facilities by providing state-of-the-art equipment and, in many instances, brand new facilities. The end result will mean a more productive team of scientists working in more modern facilities to produce better, faster results for our farming community. Since the reinvestment program began two years ago we have made real progress. For example, a new \$1.6 million crop health and soil biology laboratory has been completed at the Wagga Wagga Agricultural Institute.

A \$1 million upgrade to Wagga Wagga's oil chemical testing facilities is also on track, which will provide a boost to our budding olive oil industry. We have replaced a 40-year-old irrigation pumping system at the Dareton Agricultural Research and Advisory Station with a new \$600,000 unit. We have completed a \$350,000 upgrade to temperature controlled rooms and glasshouses at Yanco Agricultural Institute. In addition, we are investing \$750,000 for a new soil and plant processing facility at Tamworth Agricultural Institute and we are building a new \$500,000 soil and environmental science

laboratory at the Department of Primary Industries' Australian Cotton Research Institute in Narrabri. These are just some of the projects that we are investing in for the benefit of rural and regional New South Wales.

I can also inform you that over the past four years we have committed more than \$215 million in drought support measures, providing our farming communities with practical, compassionate assistance when they need it most. We will continue to review our drought support programs on a regular basis and make the adjustments where they are needed so that our farming families have the help they require. In relation to that, I can announce that the Government has today decided to once again extend our transport subsidy scheme for drought-affected producers for another three months. This will help to ease the financial burdens on our farmers as they face one of the worst droughts in living memory and ensure that they have the help they need to look after the welfare of livestock.

The Hon. JAN BURNSWOODS: Mr Premier, can you tell us how the New South Wales Government is working to attract skilled workers to the State, particularly in the financial services sector?

Mr MORRIS IEMMA: On Thursday 10 August I went to Queensland to talk to a group of young finance professionals interested in making the move from Queensland to work in the New South Wales finance sector. This was unashamedly a cross-border raid, aimed not just at recruiting some of Queensland's brightest and best young graduates into the New South Wales financial services sector but at sending a strong message to Peter Beattie that poaching and interstate competition run both ways. New South Wales is not going to let Mr Beattie have a free hand. He can come to New South Wales and encourage those who want to spend their golden years in the sunshine State but we are happy to take the young people who will spend the best years of their working lives in the business State, New South Wales.

Our biggest source of comparative advantage is our finance sector. Sydney is the nation's only global city and we rank as one of the world's biggest financial centres. Sydney is home to almost half our nation's finance industry and 80 per cent of Australia's banking headquarters. Of the top 10 fund managers in Australia, nine are headquartered in Sydney. Our harbourside city is home to the Australian Stock Exchange, the Australian Futures Exchange and the Reserve Bank. Of the 11 multinational banks in Australia, nine have their Australian headquarters in Sydney. Names such as ABN-Amro, the Bank of China, HSBC, Deutsche Bank, Morgan Stanley, ING, State Street, UBS and many more call Sydney home.

The Hon. MELINDA PAVEY: The Macquarie Bank.

Mr MORRIS IEMMA: Macquarie Bank calls Sydney home. In short, if you want to be involved in the finance sector in Australia, Sydney is the place to be. We are conscious that Sydney and New South Wales will remain the nation's leading financial sector only if we keep up the hard work, and that includes attracting Australia's most talented people to New South Wales. That is why I led the cross-border raid to Queensland: to tempt those young professionals in the finance industry to pursue their careers in New South Wales. Attendees at that function included Steve Harker, chief executive officer of Morgan Stanley; Rob Goodland, Managing Director of State Street Global Advisors; Deborah Wilson, Chairman of Hamilton, James and Bruce; and Stuart Davies, chief executive officer of HSBC. We had approximately 150 young people at the event, and they eagerly pursued delegation members during the function about the opportunities available in Sydney. Based on that success, we are currently looking at running similar promotions in other States.

While we were up north the Department of State and Regional Development also held a series of investment promotion meetings with Queensland companies looking to expand into, or relocate to, New South Wales. A significant number of investment leads were generated from that meeting, including a software company looking to relocate part of its business to New South Wales; a law firm investigating establishing an office in Sydney; a tourism business interested in investing in the Northern Rivers region; a manufacturer looking for an acquisition in the Hunter; and a number of firms looking to expand their presence in the Sydney market. It is all part of our effort to attract business investment to New South Wales. That is what was behind that particular cross-border raid, and there will be more to come.

The Hon. AMANDA FAZIO: Earlier Opposition members raised the issue of advertising but, typically, they did not wait to hear your answer. Can you please tell us what is the latest information on government advertising, given that the Coalition apparently wants to scrap advertisements that help people in their day-to-day lives? Shame on them for that!

Mr MORRIS IEMMA: I note that the honourable member for Vacluse has announced that he would cut \$192 million from the cost of government advertising and engaging consultants. That sounds tough and it sounds impressive—until you look behind the rhetoric to see what it would actually mean for New South Wales. As I mentioned earlier, the Coalition would ensure that there were no drink-driving campaigns, no more quit-smoking campaigns, no more breast-screening campaigns, no more anti-speeding camera campaigns, no more campaigns to curb teenage cannabis use, no more ads to cut water consumption, no more police recruitment ads and no more help for seniors to get free flu vaccines. That is their State plan. It does not have a good ring to it. The idea of a plan—a vision for the State—has a nice ring.

The Hon. AMANDA FAZIO: That is why they are upset.

Mr MORRIS IEMMA: That is right: that is why they are upset. There would be no more advice on transport arrangements for the Royal Easter Show.

The Hon. JAN BURNSWOODS: That is terrible.

Mr MORRIS IEMMA: It would be the same with consultants. Does the Opposition really want us to stop bringing in outside legal experts to help us take up the fight against James Hardie or against WorkChoices? I suppose the answer to the last one is very simple.

The Hon. PETER PRIMROSE: Of course they do.

Mr MORRIS IEMMA: That is right. Does the Opposition want us to refrain from hiring experts to assist in royal commissions and special commissions of inquiry? The fact is that when you look behind the statement it has no credibility. By way of comparison, in the final year of the last Coalition Government it increased its advertising expenditure by nearly 37 per cent over the previous year to a record figure of \$80.3 million, which equals \$106.3 million in today's dollars. In contrast, the Government's advertising costs for the year 2005-06 were \$55.3 million—half of what the Coalition spent in its last year in government.

In 2005-06 money is going towards supporting front-line services such as police front-line recruitment. A review of the latest police recruitment campaign found that it had a much stronger impact than previous ad hoc recruiting drives. In particular, this year's advertisements were designed to attract people who wanted to specialise in a police career as well as rejoiners, who may have left the force for family or career reasons but who wanted to return and bring their experience back to the force. Another good example is the Water for Life campaign. At a cost of \$4.3 million, that campaign has been incredibly successful in bringing the water conservation message to 1½ million households in New South Wales. Just \$2.86 per household has been a worthwhile investment to save our precious water resource during the worst drought in a century.

Another campaign that is paying for itself is the rail information campaign. With petrol prices at record highs, we are encouraging more people to use public transport. Public transport costs 90 per cent less than the cost of running a car from Western Sydney. With rail reliability now consistently at or above 92 per cent, the time has never been better to catch public transport. I am advised that tonight's on-time running was 97 per cent. The Government will spend more than \$15 billion over the next 15 years improving public transport. No private sector company would invest that heavily in front-line services without telling anybody about it—except maybe one run by the Coalition. After the introduction of the new timetables in September last year, patronage grew by 90,000 people a week over the first six months of the new system. Following the short run of the advertising campaign, patronage figures grew, on 2005 figures, by 103,000 per week, and they have continued to rise. The latest figures will be out soon but the message is clear: The campaign has been successful in building public confidence in public transport and taking more cars off the road. That is something to be supported, not condemned.

CHAIR: Thank you, Mr Premier. I have some general questions relating to the Community Relations Commission. I note in the budget papers the report on the commission's 2005 symposium, involving delegates from community, religious, academic and private sector organisations developing the theme of commonality of Australian citizenship. Who was invited to the symposium? With the need to co-operate with the Muslim community were there Muslim representatives? What were the results and have you planned any follow-up?

Mr MORRIS IEMMA: Perhaps Mr Kerkyasharian can answer that question.

STEPAN KERKYASHARIAN, Chair, Community Relations Commission, sworn and examined:

CHAIR: Could you answer the question on behalf of the Premier?

Mr KERKYASHARIAN: I missed the reference to the symposium.

CHAIR: In Budget Paper No. 3, volume 1, at page 2-25 reference is made to the commission's 2005 symposium on the theme Commonality of Australian Citizenship. Who were the delegates? Were Muslim representatives at the symposium? What were the results of the symposium? Do you have any follow-up plans?

Mr KERKYASHARIAN: The Community Relations Commission is required by its legislation to consult systematically with ethnic communities. We do that through a number of initiatives. One of the major initiatives in the Sydney metropolitan area is the annual symposium. We invite representatives of major ethnic community organisations. The 2005 symposium was held in Parramatta. There were more than 200 people present from virtually all ethnic communities. The themes discussed there included community harmony, as well as other issues such as the settlement of refugees from Africa, which is of major concern, particularly given that the initial settlement arrangements determined by the Commonwealth appear to be lacking to a great extent. We also discussed issues relating to youth.

As to the follow-up, last week another symposium was held over two days according to directions provided through the 2005 symposium. The first day was dedicated completely to young people. We had more than 120 young people, high school students from year 10 to undergraduates. Also as a result of last year's symposium the commission has undertaken an inquiry into the settlement of people from Africa, humanitarian entrants into New South Wales. We have also undertaken a number of interfaith initiatives and intercommunal initiatives to promote harmony and a better understanding of Islamic communities by the rest of the community.

CHAIR: What percentage of the 120 people were from the Islamic community?

Mr KERKYASHARIAN: I do not have the exact figures but there was a fair representation, including from Islamic schools that we approached, as well as mainstream schools. For example, there were two students from the Kings School, which indicates to me a fairly good environment for young students to understand each other.

CHAIR: There is ongoing controversy about publications for sale in some Muslim bookshops which promote terrorism and other violent action. I know this issue is between the State and Federal governments. Has it been resolved to remove those publications from sale from those bookshops?

Mr MORRIS IEMMA: The Commonwealth reviewed the decision. You might recall a reference to the Commonwealth, which then sought legal advice. There was an initial decision on the part of the Commonwealth that action could be taken. That was then reviewed by the Commonwealth and, as I understand it, a small number of those books were deemed to offend and were to be taken out of circulation but the majority were not. Since then the Ministerial Council of Attorneys General has gathered and progressed this matter. I would suggest you would be able to obtain more detail from the Attorney, but the original decision was reviewed and I understand some action is capable of being

taken in relation to some of the books, but not the majority. The matter was then referred to the Ministerial Council of Attorneys General.

CHAIR: Should the State Government take some action if the Commonwealth is not acting?

Mr MORRIS IEMMA: As I am advised, the State has no legal jurisdiction. The matter was reviewed by the Commonwealth and action was able to be taken in relation to two of the seven books, I think it was. The matter has since been referred to the ministerial council by the Commonwealth Attorney-General for the matter to be considered by it. Our Attorney could provide you with an update.

CHAIR: I know the classification system of publications can and does prohibit publications that encourage violence. Could State law such as that be used?

Mr MORRIS IEMMA: I am advised that classification is an area of Commonwealth legal responsibility.

CHAIR: The State handed it to the Commonwealth. I believe the State always reserves a right to initiate action in the State, as has happened in South Australia and Queensland?

Mr MORRIS IEMMA: I would have to take further advice from the Attorney in relation to that matter.

CHAIR: In relation to the Community Relations Commission and citizenship, there are reports of anti-Jewish meetings being held in the western suburbs that appear to incite attacks on Jewish communities, schools and synagogues. Has any action been taken or been considered in that regard?

Mr MORRIS IEMMA: The police have increased their surveillance around places of worship. In particular, they have been working with not only the Jewish community but others that have had threats of violence or against whom acts of violence have been carried out. The police are investigating and targeting those acts as well as increasing patrols around places of worship. In relation to the increase in racially motivated violence against the Jewish community and the Islamic community and other communities, the Minister for Police has been working with his commissioner for an appropriate police response of increased patrols and surveillance around places of worship. It needs to be said that these sorts of statements, these acts of intimidation, harassment and violence have no place in our community whatsoever. Those hatreds and disagreements should be left behind. Whatever is occurring in the Middle East is no excuse for people to bring their arguments, wars and hatreds here.

CHAIR: Former Premier Carr took a very keen interest in the area of promoting citizenship in our schools and to promote our Australian history. Do you have any plans in that area?

Mr MORRIS IEMMA: We have established an Australian values unit in our schools to instil greater respect for Australian values, our national symbols, our democratic institutions and the teaching of those values in our schools. It commences with an Australian values unit that has been established in our primary schools and it builds on the work that my predecessor had commenced. It is part of the Government's plan to instil greater respect and responsibility.

CHAIR: I note that the term of the Auditor-General, who has been doing an excellent job, is coming to a conclusion and for some reason his position is not being renewed. What plans do you have for a new appointment to that position?

Mr MORRIS IEMMA: As I am advised, his term cannot be renewed. A selection process has commenced to fill the position.

CHAIR: My concern is that there be no period when there is a lengthy vacancy in that position. It will be filled promptly?

Mr MORRIS IEMMA: Yes, it will be, yes.

The Hon. GREG PEARCE: Premier, in your responses to the Labor members you indicated that you had as a top priority increasing business confidence through your business confidence program. When do you expect that to show some results?

Mr MORRIS IEMMA: It is already showing some results. As you will be aware, New South Wales unemployment rate is at a 20-year plus low. The rate of private business investment in New South Wales is some 17 per cent up. There are encouraging signs that the New South Wales economy is strengthening. As revealed in Standard and Poor's report delivered this week, there was confirmation of the State's triple-A credit rating, its sound financial position and the budget strategy to return the budget to surplus and to instil greater confidence in New South Wales. It is the third confirmation of the State's triple-A credit rating and its sound financial position in 12 months.

The Hon. GREG PEARCE: Coming from zero growth in the March quarter, and all the rates above the national average throughout your term as Premier, is a fairly low base to be coming from.

Mr MORRIS IEMMA: And a 1 per cent turnaround from September to March and a growth rate predicted at around 2½ per cent, shows, in the words not of Morris Iemma, Premier, but in the words of Standard and Poor's, strong growth and is reflective of a diversified, mature economy, able to withstand the booms and busts of mineral booms in other States. I return to something I said earlier. Companies might want to mine in Western Australia and Queensland, but they want to do business in New South Wales.

The Hon. GREG PEARCE: We had some questions earlier on advertising. Have all of the advertising campaigns, in particular the State Plan and so on, complied with your Government's advertising peer review system?

Mr MORRIS IEMMA: I will take that question on notice.

The Hon. GREG PEARCE: In relation to that question, can you tell me who the campaign sponsor was?

Mr MORRIS IEMMA: The Minister responsible for government advertising is the Hon. John Della Bosca, and you can direct your questions to him.

The Hon. GREG PEARCE: I want to ask you a couple of questions about your capacity to manage and deliver on infrastructure projects. During the period you were Minister for Health the Prince of Wales Hospital Parkes block was due to progress. In 2002-03, when you took over as Minister, there was an allocation of \$3 million towards that project. Can you explain why only \$250,000 of that allocation was spent during your period as Minister for Health?

Mr MORRIS IEMMA: You will have to direct your question to the Minister for Health.

The Hon. GREG PEARCE: In relation to the Griffith hospital emergency department, can you explain why during your period as health Minister an allocation of \$2½ million was not spent? Only \$1.1 million was spent.

Mr MORRIS IEMMA: Again, in relation to the detail of those expenditures, you might want to direct your question to the Minister for Health, but I make no apologies for progressing the Griffith emergency department project at all.

The Hon. GREG PEARCE: You did not progress it, that is the point.

Mr MORRIS IEMMA: It did not exist, so let us start from the basis of fact. That is, it is this Government that has the redevelopment of the Griffith emergency department as a project to be done. Again, the planning of that project is something we want to get right. I do not make any apologies for it, but in relation to the expenditures in financial years you can direct your question to the Minister for Health. Indeed, the project was also to include space in the emergency department to assess mental

health patients, which was a change from the original concept of the emergency department redevelopment. Again, that is something I make no apology for.

The Hon. GREG PEARCE: My concern is that you as Minister for Health had a whole series of projects where you announced allocations of funding but it was not spent.

Mr MORRIS IEMMA: And very proud to announce. If we want to go through—

The Hon. GREG PEARCE: In most of those cases—

Mr MORRIS IEMMA: If you want to go through projects, let us go through them. Bathurst hospital, under construction.

The Hon. GREG PEARCE: Let us do Dunedoo health services.

Mr MORRIS IEMMA: Equipment on site, project under construction. Queanbeyan hospital, work commenced.

The Hon. GREG PEARCE: How late?

The Hon. MELINDA PAVEY: No, you have not. Queanbeyan hospital has not started.

Mr MORRIS IEMMA: Concord hospital, under construction. We are very proud of our capital works program and proud to say so. John Holland construction company, with its earth moving equipment, is right there at Bathurst hospital rebuilding that hospital. Orange hospital is going out to expressions of interest. We are very proud of our hospital rebuilding program right across New South Wales.

The Hon. GREG PEARCE: How late is each of those projects?

The Hon. PETER PRIMROSE: Which budget are you talking about?

Mr MORRIS IEMMA: Would you like us not to proceed with the Griffith hospital redevelopment?

The Hon. GREG PEARCE: No, we would like you to actively get on with Griffith.

Mr MORRIS IEMMA: Would you have us not proceed with it? Is that the proposition you are advancing?

The Hon. PETER PRIMROSE: Which year is the Hon. Greg Pearce in now?

The Hon. GREG PEARCE: In 2004-05 you claimed there was an allocation of \$7 million. Less than \$300,000 was spent in that year.

The Hon. PETER PRIMROSE: We go back to which document are you reading from?

Mr MORRIS IEMMA: I am sure you can obtain the details of 2004 from the Parliamentary Library. If you have a specific capital works allocation in relation to the Health portfolio, the Minister for Health will be more than capable of answering your questions. Again, when it comes to the Hunter, the Mater hospital redevelopment is under construction. When that is finished, the James Fletcher Psychiatric Hospital will also be rebuilt. The Belmont hospital redevelopment project is well advanced. The new \$100 million-plus centre for John Hunter Hospital will open this year, a magnificent new facility that will attract world-class clinicians to the Hunter as part of the Government's commitment to give the people of the Hunter the best health infrastructure in the nation. I am proud to do so.

The Hon. GREG PEARCE: Over budget and late.

CHAIR: Can we deal with questions in this current budget's estimates inquiries?

The Hon. GREG PEARCE: Every project he has been associated with is over budget.

The Hon. PETER PRIMROSE: What are you talking about? This is absolute rubbish. The honourable member does not have any questions about this budget. The Opposition has no questions about this budget.

CHAIR: Can we get onto the current budget?

The Hon. MELINDA PAVEY: How many drivers have been allocated to ferry former Premier Carr around? Is it one or two? The standard practice is one.

CHAIR: Are you clear about the question?

Mr MORRIS IEMMA: How many drivers have been allocated?

Dr GELLATLY: Former Premier Carr is entitled to an office, two administrative staff and an official driver as a long-term Premier. So he currently has one driver.

The Hon. MELINDA PAVEY: He only has one driver allocated to him—only one?

Dr GELLATLY: That is my advice, yes.

The Hon. MELINDA PAVEY: How much was the cost of moving his office out of Governor Macquarie Tower to wherever he is now? Was that met by him personally or was that met by taxpayers?

Dr GELLATLY: Mr Carr is currently located in Bligh House. He will then move into the Hunter Street office currently occupied by Minister McBride, so it has just been minimal costs. He has moved from his Governor Macquarie Tower office.

The Hon. MELINDA PAVEY: So he is still there at Governor Macquarie Tower?

Dr GELLATLY: No. I said he is in Bligh Street at present and he will be moving into Hunter Street in the next month.

The Hon. MELINDA PAVEY: But there is a cost in all of that. The cost of establishing an office in Governor Macquarie Tower and then going to Bligh Street and then going to Hunter Street?

Dr GELLATLY: No, there was no cost in establishing the office in Governor Macquarie Tower. It was already existing. The office in Bligh Street was already existing, and the one he is going into in Hunter Street is already existing.

The Hon. MELINDA PAVEY: How many displaced employees are there currently in the New South Wales public service?

Dr GELLATLY: It is 0.1 per cent of the total number employed, which is 297,000. So there are 297 active displaced staff registered on the redeployment and relocation database.

The Hon. MELINDA PAVEY: Is that better or worse than this time last year?

Dr GELLATLY: I think it is roughly about the same.

The Hon. MELINDA PAVEY: Has a mandatory registration policy been implemented, as was discussed last year?

Dr GELLATLY: We are still working on that policy and finalising it.

The Hon. MELINDA PAVEY: It has taken over a year.

Dr GELLATLY: A lot of consultation has been going on.

The Hon. MELINDA PAVEY: Do you support mandatory registration, Premier?

Mr MORRIS IEMMA: I will run through the policy for you. This also goes back to the financial statement released in February. As the director general has just indicated, negotiations have been ongoing in relation to the new plan, as well as increasing job matching opportunities. Mandatory registration will improve sector-wide work force skills planning. This will ensure that displaced persons can be matched to job vacancies across the New South Wales public sector, rather than just in their own agency.

The policy also reinforces a standardised 12-month period salary maintenance. In addition, I can advise that in the financial year just finished, 147 displaced persons were permanently redeployed to positions within the sector and 54 displaced persons gained temporary appointments within other agencies. I can indicate that 111 of these staff are working in funded temporary positions within their agency that otherwise would have had to have been filled through alternative recruitment.

The Hon. MELINDA PAVEY: The wages bill for registered displaced people has increased by \$340,000 since last year to an annual cost this year of \$17.9 million. It is not good, is it? How many SES employees are on the displaced list?

Mr MORRIS IEMMA: I would have to take that question on notice.

The Hon. MELINDA PAVEY: How many have been on it for longer than a month?

Mr MORRIS IEMMA: I can inform you that we have overshot our target on SES reductions. We had aimed to reduce the SES by 400 positions; we have reduced it by 571. In relation to how many are on the displaced persons list, I would have to take that question on notice. As at 30 June 2006 there were a total of 863 CES [chief executive service] and SES positions, which is a reduction of 571 positions. The Government has exceeded its reduction target by 171 positions.

The Hon. MELINDA PAVEY: What is the situation with senior officers, the SES look-alikes? Have they got a new name?

Dr GELLATLY: Senior officers are at the top end of the graded scale. They are not on contract, they are permanently employed.

The Hon. MELINDA PAVEY: Their pay rates are similar to SES pay rates.

Dr GELLATLY: At the lower end, yes.

The Hon. MELINDA PAVEY: Why are they not just SES positions? Why have two different categories? Is it just about labels and wanting to be able to sprout that the figures have come down? In fact, they probably have not come down, the positions just have a different name.

Dr GELLATLY: No, as part of employment arrangements that have been reviewed over time it has been decided that there was a need for higher-graded permanent positions. Part of that was in terms of attracting women who wanted the security of a graded position versus a contract position. It has been part of the ongoing work force strategy. It was decided a number of years ago that we needed some higher-graded positions.

The Hon. MELINDA PAVEY: How many senior officers are in the New South Wales public service?

Dr GELLATLY: We do not keep that figure centrally. The positions, as with all graded positions, are handled by the agencies.

The Hon. MELINDA PAVEY: Could you provide the answer on notice for the Premier's Department?

Dr GELLATLY: Yes, certainly.

The Hon. GREG PEARCE: Premier, a moment ago in answer to questions I asked you about advertising you said that the Minister responsible for advertising was Mr Della Bosca. Would you explain what the Public Employment Office in your department does and the amount of \$10.83 million allocated for "Other operating expenses", which according to the budget papers includes \$5.8 million as a reallocation of advertising budgets to your department?

Mr MORRIS IEMMA: The Minister for Commerce has the government advertising agency within his portfolio and has portfolio responsibility for advertising. In relation to that part of your question Dr Gellatly can provide you with some information.

Dr GELLATLY: The Government made a decision that it would be sensible to centralise the recruitment campaigns of a number of the major agencies—Health, Education, Police—to make savings in the economies of scale for that sort of advertising and to have a central recruitment focus. Therefore the money was allocated in last year's budget from the other agencies and this year there was an allocation also. So there is one central allocation in the Public Employment Office, but that advertising is still handled through Minister Della Bosca's Department of Commerce.

The Hon. GREG PEARCE: What about the reference to "infrastructure advertisements" as part of the \$5.8 million that was transferred to the Premier's Department?

Dr GELLATLY: Again, in terms of there being any advertising in that area, economies of scale favour centralisation rather than each agency doing its own.

The Hon. GREG PEARCE: Could you give us a breakdown of the \$5.8 million that was slotted into advertising in the Premier's Department?

Dr GELLATLY: I will take that on notice.

The Hon. GREG PEARCE: Could you explain what the Public Employment Office, with a staff of 85, in the Premier's Department does, other than spend \$5.8 million on advertising?

Dr GELLATLY: It undertakes a number of activities. A lot of it has to do with industrial actions. It is the agency that negotiates on behalf of the budget agencies for their wage negotiations plus industrial disputes along the way. So it centrally monitors industrial action. It often appears in the commission with an agency on behalf of an agency. It carries out the Workforce Profile, which is a valuable document that gives a full report on the structure of the public sector in New South Wales. It has been doing that for a number of years.

It undertakes surveys on retirement intentions to look at the future of the public sector. So it undertakes work force planning and carries out the Workforce Profile. It runs a number of programs in terms of Aboriginal employment and disabled employment. It runs the centralised programs that we have for future executives and their development. There is a program with the Australia and New Zealand School of Government, for which we fund centrally 30 positions a year. The Public Employment Office runs that program.

There is also a program through the Graduate School of Government at the University of Sydney where 50 places are funded centrally. Again, the Public Employment Office does that. There is the Public Sector Management course that is run with Commonwealth agencies and also the Executive Development Program, which is run by the Public Employment Office. So it undertakes a mixture of programs and research—the Workforce Profile, work force planning, working with agencies on their future needs and how to handle skills gaps, plus being a centralised industrial resource for the over 100 agencies in the sector. It also undertakes centrally on behalf of the Government negotiations with the major unions. It holds monthly meetings and regular meetings with all the public sector unions to discuss issues right across the board, plus, obviously, it holds a lot of individual meetings with individual agencies on individual actions that are happening.

The Hon. GREG PEARCE: It receives \$20 million to deal with unions.

Mr MORRIS IEMMA: A unit that carries out the wages policy of the Government, which includes negotiations. Of course, under your system it would not exist because the State industrial relations system would be handed over to WorkChoices.

The Hon. PETER PRIMROSE: And you would have 29,000 fewer public servants.

Mr MORRIS IEMMA: It is entirely consistent with your commitment to hand it all over to John Howard and WorkChoices and rip the guts out of the safety net industrial systems at the State level.

The Hon. JAN BURNSWOODS: And sack 29,000 workers.

Mr MORRIS IEMMA: A body that centralises negotiations to ensure that agencies are not picked off by individual unions and a consistent wages policy is carried out across the government is a very sensible and practical part of managing wages policy. If you find that as something extraordinary, it comes as no surprise. Because if you ever got a hold of the Treasury benches, yes, the Public Employment Office would not exist because a State-based industrial relations system would not exist.

The Hon. PETER PRIMROSE: Public employment would not exist.

The Hon. GREG PEARCE: Premier, in the State Administration Services allocation in your department in particular, what does "Other operating expenses" of just on \$24 million cover?. The service employs 106 people. I am surprised you do not know a little bit about it.

Dr GELLATLY: State Administration Services is a centralised area within the Premier's Department that performs a number of functions. It includes the Office of Protocol and Special Events, the Counter Terrorism and Disaster Recovery Unit, the Office of the Executive, the Office of the Inspector General of ICAC, the Marine Park Secretariat, the Infrastructure Implementation Group, the Premier's Delivery Unit, Forestry Policy and Review, and Management Services.

The Hon. GREG PEARCE: What is the Premier's Delivery Unit?

Mr MORRIS IEMMA: That is the service delivery unit established to drive improvement in services across state agencies, starting with Health and the triage categories three and four to improve benchmarks. It is also charged with helping RailCorp to improve on-time running and bearing down on the rate of assaults. It was part of an initiative launched a couple of weeks ago dealing with community policing and working with the police, local councils and local communities to prevent assaults. They are three of the projects in which the unit is involved.

The Hon. GREG PEARCE: And State Planning, of course.

Mr MORRIS IEMMA: Of course; we are very proud of State Planning.

The Hon. GREG PEARCE: I did not get an answer to the question about the other operating expenses of \$24 million.

Dr GELLATLY: The \$19.96 million spent in 2005-06 includes \$2.39 million for the Office of Protocol and Special Events, which runs Australia Day, New Year's Eve and other major events.

The Hon. JAN BURNSWOODS: And International Women's Day.

Dr GELLATLY: Yes. The Counter Terrorism Unit has \$1.85 million; and the Management Services Unit, because it is a central part of the Premier's Department, covers corporate costs such as rent, cleaning, electricity, PABX and general corporate services. The increase in 2006-07 relates to the establishment and operation of the World Youth Day Secretariat and extra funding for the installation of lighting on Macquarie Street and the State Co-ordination Centre. That is the central unit in the Premier's Department dealing with rents, cleaning, electricity, corporate services and so on, and that is the reason for that amount.

Ms LEE RHIANNON: Why are there laws in New South Wales that restrict which jobs police officers and Office of Liquor, Gaming and Racing officials can take up when they leave the Public Service?

Mr MORRIS IEMMA: I assume that it would be to protect the integrity of the Police Force.

Ms LEE RHIANNON: Why have you chosen a model without sanctions or a similar regime to that which applies to police officers and Office of Liquor, Gaming and Racing officials for members of Parliament?

Mr MORRIS IEMMA: A range of oversight bodies—

Ms LEE RHIANNON: Why not legislate for a similar cooling-off period?

Mr MORRIS IEMMA:—dealing with police, including the Ombudsman, the Police Integrity Commission, ICAC—

Ms LEE RHIANNON: I am talking about when they leave their profession and the cooling-off period.

Mr MORRIS IEMMA: Guidelines on post-separation for members of Parliament were announced earlier this year. Ministers preparing to leave and those who have left Parliament must seek the advice of the Parliamentary Ethics Adviser about any portfolio they held during the two years before their departure. I released those guidelines earlier this year. I refer the honourable member to my speech and statement.

Ms LEE RHIANNON: I am asking why there is an enormous discrepancy between how some workers are treated—in this case police officers and Office of Liquor, Gaming and Racing officials—and how members of Parliament are treated. Those officers are subject to a clear cooling-off period, but you and other Ministers have a self-regulatory system. Did you take advice on this matter before you adopted that model?

Mr MORRIS IEMMA: The amendments to the code of conduct that I announced are based on the United Kingdom model. They provide that former Ministers must during the first 12 months after leaving office obtain written advice from the Parliamentary Ethics Adviser before accepting any employment or engagement or providing services to third parties. That obligation applies if the proposed employment relates to portfolio responsibilities held during the last two years of holding a ministerial office.

Ms LEE RHIANNON: Why not adopt the Independent Commission Against Corruption recommendation of June 2004 that former Ministers should be barred for a period from taking jobs with the corporate sector? You have quoted the United Kingdom, but surely you are aware that the United States and Canada have adopted a model similar that recommended by the ICAC.

Mr MORRIS IEMMA: We chose to implement a model which we believe is workable and practical and which enables people to seek employment after leaving a career in politics.

Ms LEE RHIANNON: Premier, given that you have attempted, and succeeded in many cases, to distance yourself from your predecessor, have you considered restoring the New South Wales Department of Women?

Mr MORRIS IEMMA: No.

Ms LEE RHIANNON: Have you not considered it or have you considered it and rejected it?

Mr MORRIS IEMMA: It is an office within the Premier's Department.

Ms LEE RHIANNON: The budget papers state that the Premier's Department plays a co-ordinating role in improving the economic and social wellbeing of women in New South Wales through partnerships with New South Wales Government agencies, the community, the private sector

and other levels of government. However, not one project is mentioned, and there are no details or budget. What is done?

Mr MORRIS IEMMA: There is information. Over the past 12 months the Office for Women has implemented and managed a range of initiatives and programs for women across New South Wales. I am advised that this year 22 financial independence workshops have been held for the Girl\$avvy Program for 1,239 young women in 59 middle to senior high schools across New South Wales. The program received a commended award in the Community Building category of the 2005 Premier's Public Sector Awards. The Lucy Mentoring Program—

Ms LEE RHIANNON: Can you provide the amount that has been allocated to each program as you go through them?

Mr MORRIS IEMMA: Well, I can go through them. I am advised that the Lucy Mentoring Program provided a leadership initiative for 59 women studying business, economics and law. Since its inception in 2004, 122 women have graduated from the Lucy program.

Dr GELLATLY: Reference is made at page 248 of the budget papers to the Office for Women's budget, which includes total net costs to services of \$2.35 million and 14 staff.

Mr MORRIS IEMMA: Sister Speak, a program to assist young Aboriginal girls in early secondary school to focus on education, career development and financial independence, was piloted with five mentors assisting 21 women from Delroy Campus in Dubbo. The program is being rolled out to Lismore, Newcastle and Nowra this financial year.

The office launched the Young Women's Leadership Project, a partnership project established in conjunction with the Western Sydney Regional Organisation of Councils [WSROC]. The project provides mentoring, training and opportunities for young women from culturally and linguistically diverse backgrounds in Western Sydney. I am advised that the program was so successful in 2005-06 that funding has been continued this financial year to support WSROC as it seeks to develop independent funding sources from councils and corporate sponsors.

Grants of \$900 were given to 78 local councils to work with community groups to organise an event or project to celebrate 2006 International Women's Day. I am advised that this represents a 50 per cent increase over the support given in 2004-05. Council reports indicate that nearly 12,000 people participated in those events celebrating International Women's Day. The Office for Women is preparing a whole-of-government document entitled "Our Commitment to Women" highlighting future plans and achievements for women.

I am further advised that strategic partnerships have been developed with community groups and local government, including the following projects: A \$100,000 project under the auspices of the Inner City Legal Centre to undertake a women's employment rights project; a \$5,000 project under the auspices of Asian Women at Work to educate Asian and Arabic-speaking women about their rights at work; the Young Women's Leadership Project, a \$100,000 project partnered with WSROC that was established to develop leadership skills among 60 women living in Western Sydney—that was referred to earlier; and a \$100,000 media and sponsorship training program for sportswomen. A range of other functions is also being co-ordinated by the office.

A range of other functions are also being co-ordinated by the Office for Women. I am advised that these include Aiming High, a function to be jointly undertaken with Qantas for young women, aimed at motivating them to start thinking about their careers and aspiring to senior and leadership positions; an Aboriginal leadership event to celebrate the achievements of Aboriginal women and encourage more Aboriginal women to participate in local communities and other spheres via involvement on boards and committees.

Ms LEE RHIANNON: You may wish to take this question on notice. You mentioned a whole-of-government report on women. Can you tell us when that report will be finalised and when it will be publicly available?

Mr MORRIS IEMMA: I will take that on notice.

Ms LEE RHIANNON: Premier, I think you would agree that election campaigning starts long before the writs are issued. Can you inform the Committee how you determine which of your activities are paid for out of public money and which activities are paid for by your party?

Mr MORRIS IEMMA: My activities as Premier are determined in accordance with the rules that govern these matters.

Ms LEE RHIANNON: Did you plan to use your parliamentary allowances up to 24 March, or will you stop when the writs are issued?

The Hon. JAN BURNSWOODS: Look who is asking the question. You are notorious!

Ms LEE RHIANNON: I am not notorious at all. The member should watch what she is saying. Premier, when I asked these questions before, I got totally inconsistent answers from your Ministers.

Mr MORRIS IEMMA: I use my entitlements in accordance with the rules that govern those entitlements.

Ms LEE RHIANNON: When Premier Carr was in office your Ministers gave very different answers, so there is clearly a very different interpretation in relation to this amongst your Ministers. Could you tell us what rule you will be following and how you will interpret it?

Mr MORRIS IEMMA: The rules that govern the use of the entitlements.

Ms LEE RHIANNON: The question was: Do you plan to use your parliamentary allowances up to 24 March, or will you stop when the writs are issued?

Mr MORRIS IEMMA: The Parliamentary Remuneration Tribunal determines the range of allowances and entitlements of members of Parliament and what they contain. I understand that the tribunal also establishes rules, as well as the Clerks. They provide the ongoing interpretation outside the determinations of the tribunal as to the guidelines and rules, and I understand they approve some of the material that is distributed by members of Parliament on the use of those entitlements. So there are guidelines governing those entitlements, and mine will be used in accordance with those guidelines.

Ms LEE RHIANNON: For the record, Premier Carr said he used his allowances right up until election day, whereas Dr Refshauge said he stopped when the writs were issued. So there is clearly a problem there, and I am simply asking for the matter to be clarified.

CHAIR: The Premier has answered the question.

The Hon. JAN BURNSWOODS: Premier, tonight the Opposition has wasted your time, the Committee's time, and the time of all the people who are here. The Opposition asked for four-hour hearings, yet they have asked you questions about the *Sydney Morning Herald*, they have indulged in a huge amount of repetition, and the Hon. Greg Pearce even tried a sort of puppet show with placards and posters. I wonder whether you could give us your opinion about what this lot would do if they were elected and had to handle the State budget, given their performance tonight and their past performance, which the Hon. Greg Pearce is so keen to talk about. Could you give us your views on this important matter?

Mr MORRIS IEMMA: I will give the Hon. Greg Pearce a little reminder about the record. Members of the Opposition should be the last people to come in here asking questions about public expenditure. The last Coalition government was a high-maintenance government with a taste for the high life. For example, our old friend Terry Griffiths, the former police Minister, in his short and scandalous period of office managed to spend almost \$20,000 on his ministerial bathroom. It reminds me of a joke. Terry was the police Minister, but if he had been the health Minister he could have said, "In that bathroom, the water in this toilet has been passed by the Minister for Health."

Terry Griffiths managed to spend almost \$20,000 on his ministerial bathroom—complete with full-length mirrors and gold-inlaid showers and mood lighting. When it was disclosed in Parliament on 31 May 1995, the ministerial bathroom was renamed the "disco dunny". Needless to say, he was washed up before he got a chance to put it to much use. Along the way, Mr Griffiths also acquired an unusual nickname: Inspector Gadget. That is because he acquired a rather eccentric—and expensive—taste for obscure and unnecessary gadgets and devices. For example, he had a siren and flashing lights fitted to his ministerial car, a high-tech security system that operated by recognising hand prints, and \$258 worth of special locks on the ministerial suite—possibly on the disco dunny itself.

Then there were Terry Griffiths' home videos: clips of all his television appearances, edited, copied, and sent to the bush to all his relatives—at public expense. On 27 June 1994, when he was forced from office, he did not go empty-handed. He grabbed as much of the booty as he could carry. Some of those goods included a mobile phone worth \$2,400, a cordless phone worth \$245, a \$900 stereo system, and a luxurious leather chair, sold to Mr Griffiths for \$200.

But the most shameful cost of this buffoon's short time in office was the impact on the women he abused and the legal costs that arose from his improper behaviour: compensation for the 10 women, to the tune of \$174,000; legal costs of \$41,000; counselling costs of \$17,000; staff termination payments of \$15,000; and Niland inquiry costs of \$371,000. Throw in the renovation costs worth \$23,000 and Terry Griffiths cost the taxpayers of this State more than \$644,000. Not bad for just 1,000 days as a Minister—one of the most disastrous and incompetent Ministers we ever had.

That pales into insignificance when you compare it with the office fit-out of Mr Hartcher. But the member for Gosford is still here to tell the tale of his lavish taste in office furnishings. The member for Gosford spent \$617,000 refurbishing his ministerial office, on the ninth floor of the St James Centre at Elizabeth Street. The refurbishment included a large conference room with a custom-made Huon pine table seating 20 people; another conference room to seat 12; a Huon pine servery, coffee table and built-in wall unit purchased for the princely sum of \$23,000; a built-in liquor cabinet; an original Ken Done painting; a high-tech audiovisual system featuring on the compact disc player the former Minister's copy of *The Adventures of Priscilla Queen of the Desert*; designer art deco light fittings; two kitchens, each equipped with microwave, stove, oven and dishwasher; and a specially built bedroom with ensuite, complete with a Thomas The Tank Engine bedcover.

External consultants were brought in to advise on the refurbishment, at a cost of \$6,000. The chairs and fittings cost \$41,000—despite the fact that he already had a fully furnished ministerial suite at Westfield Towers. And when the member for Gosford faced electoral oblivion in March 1995, his staff rampaged through this newly decorated office, trashing the place with empty beer bottles, plastering the walls with stickers, and setting off a fire extinguisher throughout the office. The cleaners took two nights to clean the office and subsequently lodged a complaint with the building's manager.

Then there was the elite penthouse on level 41 of Governor Macquarie Tower. The two-bedroom penthouse suite included antiques and silk curtains. It would have cost more than \$1.7 million. And what was the justification for the then Premier's use of these premises? He said, "I do not apologise for having somewhere to crash at the end of a long day." Thankfully, Mr Carr had a better use for it: he turned the 41st floor into a State reception centre, a place where the New South Wales Government could offer an appropriate welcome to overseas dignitaries like the King and Queen of Sweden, the General Secretary of Guangdong, Lord Sebastian Coe, the Chairman of the London Organising Olympic Committee, to name a few of the guests who have graced the 41st floor. It also has been used to hold functions for groups that have potential economic benefits for the State such as the sponsors of the Sydney Festival sponsors. The Coalition's record in this regard is one of real indulgence in public expenditure.

The Hon. GREG PEARCE: That very research explains why you did not know what the Administrative Services Section of the Parliament was.

The Hon. MELINDA PAVEY: On the issue of indulgence, do you recall receiving a letter from the membership of the Public Service Association [PSA] late last year in relation to, amongst other things, credit card expenses in relation to Paul Willoughby and inappropriate sexual

relationships with young executives and young graduates by Paul Willoughby? A registered letter was sent to your office by the PSA. Do you remember reading that letter late last year?

Mr MORRIS IEMMA: I do not.

The Hon. MELINDA PAVEY: You do not remember receiving that letter?

Mr MORRIS IEMMA: I do not recall the letter. I receive many letters.

The Hon. MELINDA PAVEY: Do you want to consult with your staff as to whether they have seen it?

Mr MORRIS IEMMA: I will certainly take that on notice and we will consult our records.

The Hon. MELINDA PAVEY: Are you concerned that such a letter was received by your office in November of last year and yet here we are in August 2006 and Mr Willoughby is being paid out by the New South Wales taxpayers?

Mr MORRIS IEMMA: I will take the question on notice in relation to correspondence that arrives in my office. We will peruse our records.

The Hon. MELINDA PAVEY: Is that what the good people of New South Wales would expect as part of the great overall plan of yours to be paying redundancy payments to Mr Willoughby, whose behaviour has gone uninvestigated despite a letter to your office by the Public Service Association?

Mr MORRIS IEMMA: As I have indicated, in relation to correspondence received in my office we will examine our records and provide you with advice.

The Hon. MELINDA PAVEY: That is good because it is most concerning that this sort of behaviour has gone on and you have paid a record amount of money out to Mr Willoughby.

The Hon. JAN BURNSWOODS: Alleged behaviour. You are prepared to hang, draw and quarter and be judge and jury as well.

The Hon. PETER PRIMROSE: These are the same people who said, "Just go and arrest 200 of them."

CHAIR: Let the member ask her question.

The Hon. MELINDA PAVEY: There is another issue of impropriety that you may like the opportunity to address here tonight. The Hon. Jan Burnswoods referred to us asking questions about the Sydney Morning Herald. I do not recall doing that tonight, but I will now because the matter has been raised. I thought you would like to take the opportunity to clear up the issue of the Canterbury Bulldogs premises at Belmore. Could you detail for the Committee the representations you made to your Labor colleague, then Canterbury Mayor Kayee Griffin, concerning the redevelopment of the Bulldogs premises at Belmore?

Mr MORRIS IEMMA: Could you repeat the question?

The Hon. MELINDA PAVEY: Would you be able to detail for the Committee the representations you made to Kayee Griffin, who was at the time the Canterbury Mayor and who is now a member of the Legislative Council, concerning the redevelopment of the Bulldogs site known as Oasis?

Mr MORRIS IEMMA: I was asked a number of questions in Parliament about this and I direct you to my answers, which are in *Hansard*; they are there for you to peruse.

The Hon. MELINDA PAVEY: There is nothing else you would like to say? How many meetings, for example, did you organise or orchestrate?

Mr MORRIS IEMMA: The questions I was asked at the time in the House related to meetings and Oasis and they are there in *Hansard*. You can peruse those answers in *Hansard*; they are there and are available.

The Hon. MELINDA PAVEY: With regard to the difficulties associated with doing business in New South Wales, I bring to your attention a particular concern on the North Coast of New South Wales. Your Government has said Australia's largest economy is open for business, yet it has made it extremely difficult for businesses to apply to have advertising signs erected on major roads. A North Coast heritage accommodation business has been endeavouring for four years to have a heritage sign erected along the Pacific Highway to advertise its heritage-listed premises.

The Hon. JAN BURNSWOODS: Is this the one Larry Anthony has got shares in?

The Hon. MELINDA PAVEY: Yet the rules and requirements keep changing. This contrasts with—

The Hon. JAN BURNSWOODS: You are not answering my question, are you? Is this the company that Larry Anthony is tied up in?

CHAIR: Let the member complete her question, thank you.

The Hon. MELINDA PAVEY: This contrasts with States like Tasmania, Victoria and Queensland, where quality signage is permitted as part of their efforts to encourage tourism. If tourism is a major component of the State, why are there such outdated issues? Could you offer to maybe have a look at this particular case?

Mr MORRIS IEMMA: If you wish to provide me with a written submission outlining those details, I will have the RTA and the Minister for Planning and the Minister for Tourism examine the matter. And the Department of State and Regional Development, if there is a role there for them.

The Hon. GREG PEARCE: Premier, you have been quoted as saying that the airport rail link cost the taxpayers \$800 million, or thereabouts, this year. Where can I find that in the budget papers?

Mr MORRIS IEMMA: I did not say this year. I said it cost the taxpayers \$800 million.

The Hon. GREG PEARCE: When?

Mr MORRIS IEMMA: It cost the taxpayers \$800 million. This was said to be a project with not cost to the taxpayer. You might not have been a member of Parliament at the time of that statement, but I was and we all heard it: "This is no cost to the taxpayer." But \$800 million later—that is the bill for the taxpayers for the southern rail link.

The Hon. GREG PEARCE: Can you give us a breakdown of the \$800 million?

Mr MORRIS IEMMA: My Minister can. It is a figure that has been in the public domain for a very long time. I can perfectly understand that you would be embarrassed by it, as you would be embarrassed by Port Macquarie hospital.

The Hon. GREG PEARCE: Can you give me the breakdown of the \$800 million?

Mr MORRIS IEMMA: You would be embarrassed by that figure, I can perfectly understand that.

The Hon. GREG PEARCE: Can you provide the figures—

Mr MORRIS IEMMA: It has cost \$800 million for the southern rail link, which was to be procured at no cost to the taxpayer. That is a perfect example of your record on PPPs, as was Port Macquarie hospital.

The Hon. GREG PEARCE: Can you provide a breakdown of the figures that support your assertion?

Mr MORRIS IEMMA: It is \$800 million for the southern rail link and \$150 million for Port Macquarie hospital.

The Hon. GREG PEARCE: You can't, can you?.

Mr MORRIS IEMMA: The Port Macquarie hospital was paid for how many times did the Auditor General say? Twice over?

The Hon. GREG PEARCE: Okay, you can't. What is the total media monitoring budget for the year?

The Hon. PETER PRIMROSE: Which budget are you asking about?

The Hon. GREG PEARCE: The current financial year.

The Hon. PETER PRIMROSE: So we are back to this year's budget.

Mr MORRIS IEMMA: The costs for the Media Monitoring Unit [MMU] are contained within line item 3.1.4, Ministerial and Parliamentary Services. The MMU staff form part of the total maximum operations staff of 77. The breakdown of the costs of the MMU is as follows: in 2005-06 it was \$1,057,494; in 2004 it was \$1,019,662; other operating expenses were \$205,680. The increase in costs is due mainly to the purchase of new equipment and new technology.

The Hon. GREG PEARCE: Do you charge back to the agencies and departments for the actual provision of that service? Is there a charge back?

Mr MORRIS IEMMA: Just before we get to that. The cost of the sector-wide contract in 2003-04 was \$3 million, whereas in 2005-06 the cost of the contract has been reduced to just over \$1 million, and based on this the broadcast contract that commences on 1 October will be similar.

The Hon. GREG PEARCE: Perhaps you could take the question on notice and give us the detail of the charge back.

Dr GELLATLY: It is basically centralised. Rather than each Minister's office doing its own, it has been now been centralised. On economy of scale we are doing that, and by going to the markets we have made some significant savings by centralising in the Media Monitoring Unit.

The Hon. MELINDA PAVEY: Who is employed in the Premier's Delivery Unit [PDU]?

Mr MORRIS IEMMA: The director is Ben Keneally.

Dr GELLATLY: We will take on notice the others. It is a very small unit.

Mr MORRIS IEMMA: Are you asking numbers or names?

The Hon. MELINDA PAVEY: Names, numbers and salaries, please?

Dr GELLATLY: Yes, sure.

The Hon. AMANDA FAZIO: What do you mean by "numbers"?

The Hon. MELINDA PAVEY: Numbers of people, their names and salary?

Mr MORRIS IEMMA: In relation to the Premier's Delivery Unit, the director is Mr Ben Keneally and we will take the other parts of the question on notice.

The Hon. MELINDA PAVEY: Are they working with the State plan?

Mr MORRIS IEMMA: Part of their duty is. The other part of their duty is as follows: They have taken on four projects to assist in achieving the national benchmarks for triage three and four waiting times in the emergency departments. NSW Health has achieved improvements in the number of patients being seen within the benchmark times, and that comes despite a 7 per cent increase in presentations over the last 12 months.

The Hon. MELINDA PAVEY: So they look after the political hot spots?

Mr MORRIS IEMMA: Treatment is commenced for over 60 per cent of triage three patients within the benchmark time of 30 minutes and for over 65 per cent of triage four patients within 60 minutes. This represents a seven percentage point increase over the last year. The PDU is working with NSW Health to monitor and track its progress and provide report.

The other function is to work with RailCorp to identify a number of performance improvement projects that will lead to further reliability improvements and better passenger information in rail. The third project is the PDU working with Police and other agencies to implement strategies to reduce the level of non-domestic violence-related assault in the community and, as I indicated earlier, they have launched four pilot crime prevention partnerships in which local government, community members and a range of State government agencies have come together to form partnerships to work with Police to develop assault reduction strategies in Orange, Cowra, Lake Macquarie, Sydney Central and in the Eastern Beaches command.

These strategies are currently being implemented and that forms part of the PDU's work. Related to that, with policing, they work with the police to identify opportunities to reduce red tape and enable police time to be redeployed to proactive policing. The fourth major area of activity is the co-ordination of the process of the State plan.

The Hon. MELINDA PAVEY: Are they in the Governor Macquarie Tower?

Dr GELLATLY: They are based in the Governor Macquarie Tower. This is based very much on the Blair Delivery Unit that has been quite successful and there has been quite a lot of work done in Canada on a similar type of model. I think the work so far since they have been running has been very successful in providing a catalyst for change within agencies, such that we are working very much with agencies and we are very proud of the work they have been doing so far. They have achieved significant results. The agencies are pleased to be working with them and this is a good, new model that has been implemented in the New South Wales public sector.

CHAIR: Ms Lee Rhiannon can ask the last few questions.

Ms LEE RHIANNON: Premier, the Maldon to Dumbarton rail line down on the South Coast comes off the main line near Mount Kembla. What do you plan to do with that?

Mr MORRIS IEMMA: At this point in time there is no sustainable business case to proceed with that. When volumes and a sustainable business case is there—my predecessor had committed to investigate funding options for it—that is what the Government will do.

Ms LEE RHIANNON: He actually committed to complete it.

Mr MORRIS IEMMA: I have heard that, but I have also seen statements from the former Premier in which he did not say that.

Ms LEE RHIANNON: Have you or any of your Ministers been in talks about it being completed as a public-private partnership [PPP]?

Mr MORRIS IEMMA: I have not but this matter touches on the portfolios of two other Ministers and I would ask that you direct your question to them.

Ms LEE RHIANNON: Are you aware of these talks?

Mr MORRIS IEMMA: I do not know that there have been talks. I ask you to direct your question to them.

Ms LEE RHIANNON: Are you aware that in July Minister Campbell was at a ceremony in Wollondilly and he said in a very loud voice, described by some as actually yelling at acting mayor Judith Hannon, "Your council let out confidential information", after she had spoken about a possible PPP for this project?

Mr MORRIS IEMMA: No.

Ms LEE RHIANNON: Considering you made a comment that a viable business case has not been established, similar language being used by Minister Watkins and Minister Campbell, why are you continuing to use this line when you have a major upgrade that will be occurring for Port Kembla, which will clearly put enormous amounts of freight on Mount Ousley Road and the other roads coming out of that area?

Mr MORRIS IEMMA: Are you referring to the transfer of the car trade to Port Kembla?

Ms LEE RHIANNON: Yes, the car trade out of Port Kembla.

Mr MORRIS IEMMA: The transfer of the car trade from Glebe Island to Port Kembla, is that what you are referring to?

Ms LEE RHIANNON: Yes, and the cars then being trucked out of Port Kembla. Clearly there will be a lot of freight going into that port and, at the moment, it is dependent on a narrow, winding road. As part of the upgrade for Port Kembla, has your Government not been looking at how the freight will be moved in and out of that area?

Mr MORRIS IEMMA: As you would be aware—and you can obtain all the details from the Minister for Ports and the Minister for Roads—that matter has been examined, it has been addressed, and the port expansion can proceed.

Ms LEE RHIANNON: When it was addressed was any consideration given to the need to have freight moved by rail?

Mr MORRIS IEMMA: There was an examination of the road issues and the results and the details, I am sure, you can obtain from the Roads minister.

Ms LEE RHIANNON: At that point of examination you are saying no consideration was given to moving the freight by rail?

Mr MORRIS IEMMA: If you wish to pursue further detail on this, I am sure you can obtain further information from the Roads minister.

CHAIR: I have one or two matters in conclusion. Could you update the Committee on the James Hardie situation in view of the Federal Government's attitude on the tax concession?

Mr MORRIS IEMMA: At the Council of Australian Governments the Prime Minister undertook to facilitate meetings between our Cabinet Office advisers, James Hardie and the Tax Office to resolve the outstanding tax issue, being the charitable status of the fund. The other major issue had been resolved—that is, the tax deductibility of the proceeds going into the fund. At that time there were encouraging signs that the matter could be resolved. As I am advised, that has not proved possible at this point in time and there are still ongoing discussions between James Hardie and the Tax Office.

The Commonwealth had indicated that they were matters of interpretation plus the wording of the agreement and it would be possible that amendments could be made to the wording to accommodate the Tax Office's issues. The discussions remain around the wording plus the Tax

Office's interpretation and those discussions are ongoing, but at this point in time they have not been able to be resolved.

CHAIR: Has there been any consideration given to a one-off piece of Federal legislation, obviously submitted by the State, dealing with this single issue to simply override the existing tax law, that is, to simply say that the legislation gives approval for this tax deduction for this agreement?

Mr MORRIS IEMMA: As I understand, there is a proposal or there has been one put to the Commonwealth Parliament by the Opposition. The Opposition has proposed legislation in Canberra to rectify this problem.

CHAIR: Thank you, Premier, for your attendance. I thank also the witnesses and the departmental officers for their attendance at this hearing.

(The witnesses withdrew)

The Committee proceeded to deliberate.
