

GENERAL PURPOSE STANDING COMMITTEE NO. 3

Thursday 21 August 2014

Examination of proposed expenditure for the portfolio area

TRADE AND INVESTMENT, REGIONAL INFRASTRUCTURE AND SERVICES, TOURISM AND MAJOR EVENTS, SMALL BUSINESS, THE NORTH COAST

The Committee met at 9.00 a.m.

MEMBERS

The Hon. N. Maclaren-Jones (Chair)

The Hon. N. Blair (Deputy Chair)
Ms J. Barham
Mr J. Buckingham
The Hon. L. A. Foley
The Hon. P. Green

Mr S. MacDonald
The Hon. A. Searle
The Hon. W. W. Secord
The Hon. M. S. Veitch
The Hon. S. J. R. Whan

PRESENT

The Hon. Andrew Stoner, *Deputy Premier, Minister for Trade and Investment, Minister for Regional Infrastructure and Services, Minister for Tourism and Major Events, Minister for Small Business, and Minister for the North Coast*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2014-15. We are conducting a hearing in the Government party room because the Jubilee Room is not available due to public works. On behalf of the Committee, I thank the Government for making this room available for today's hearing. I welcome Minister Stoner and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Trade and Investment, Regional Infrastructure and Services, Small Business, and the North Coast.

In accordance with broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming and photography. I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply for what witnesses may say outside of their evidence at the hearing. I urge witnesses to be careful about comments that you make to the media or to others after you complete your evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for broadcast proceedings are available from the secretariat.

There may be some questions that a witness could not answer or that they could have answered had they had more time or documents to hand. In these circumstances witnesses are advised that they can take questions on notice and provide an answer within 21 days.

Any messages from advisers or members of staff seated in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. Minister, I remind you and your officers accompanying you that you are free to pass notes and refer directly to the advisers seated behind you. Transcripts of the hearing will be available on the web as of tomorrow morning. Finally, I remind everyone to turn off their mobile phones.

All witnesses from departments, statutory bodies or corporations will be sworn in prior to giving evidence. Minister, I remind you that you do not need to be sworn in as you have already sworn an oath to your office as a member of Parliament.

MARK IAN PATERSON, Secretary, NSW Trade and Investment, sworn and examined:

JEANNINE BIVIANO, Deputy Secretary, Finance Strategy and Operations, NSW Trade and Investment, and

ANGUS ARMOUR, Deputy Secretary, Industry Innovation Hospitality and The Arts, NSW Trade and Investment, affirmed and examined:

CHAIR: I declare the proposed expenditure for the portfolio of Trade and Investment, Regional Infrastructure and Services, Tourism and Major Events, Small Business, and the North Coast open for examination. The questioning of the portfolio of Trade and Investment, Regional Infrastructure and Services, will run from 9 a.m. to 10.20 as Government members are not asking questions. Questioning for the portfolio of Tourism and Major Events, and Small Business will run from 11.15 a.m. to 11.55 a.m. Questioning for the portfolio of the North Coast will run from 12.15 p.m. to 12.45 p.m. As there is no provision for the Minister to make an opening statement, I will commence with questions from the Opposition.

The Hon. LUKE FOLEY: Can I start by asking why you signed the memorandum of understanding [MOU] with Santos concerning the Narrabri gas project rather than your Minister for Resources and Energy?

Mr ANDREW STONER: The simple answer to that question, Mr Foley, is that I was the Acting Premier at the time. Santos had a desire to sign an MOU about a process and some time frames—not outcomes, I stress—with the Premier of the State, as they had done previously in other jurisdictions.

The Hon. LUKE FOLEY: I am interested in the clusters inside the Government. Is it the case that as the senior Minister in the principal Department of Trade and Investment, Regional Infrastructure and Services you have, on occasion, cause to deal with resources and energy matters?

Mr ANDREW STONER: Only in the sense of budgetary matters or the broader strategic policy matters, not in a direct portfolio sense.

The Hon. LUKE FOLEY: What involvement, if any, have you had in the Government's dealings with the Maules Creek coal project?

Mr ANDREW STONER: I have not had any involvement in that project or any other resource projects in that portfolio sense, neither have I had any involvement as a cluster Minister.

The Hon. LUKE FOLEY: But you have met with the proponents of the Maules Creek coal project, have you not?

Mr ANDREW STONER: I have met—I think certainly in opposition. I would have to check my diaries to see whether that has occurred since I came into government.

The Hon. LUKE FOLEY: You have met with former Nationals Federal leader Mark Vaile, chairman of Whitehaven Coal, and discussed Maules Creek?

The Hon. NIALL BLAIR: Point of order: The Minister has clearly answered that this is outside his direct portfolio area and the Minister has clearly answered that he has not had responsibility for this area in his jurisdiction. The member's questions should have been more accurately directed towards the relevant Minister.

The Hon. STEVE WHAN: To the point of order: Mr Stoner is the senior portfolio Minister and he has by definition responsibility for all those areas under him.

CHAIR: Order! I will allow the question. I remind the Hon. Luke Foley to keep his questions within the portfolio.

The Hon. LUKE FOLEY: Deputy Premier, you have met with Mark Vaile, the former Nationals Federal leader, chairman of Whitehaven Coal, and discussed the Maules Creek coal project, have you not?

Mr ANDREW STONER: I have already answered that question. I said that I can certainly recall doing so in opposition; I am not sure whether I have since being in government. I will have to check my diary

records and come back to you. I meet with thousands of people over the course of a calendar year and that includes the proponents of large-scale resource projects like Maules Creek. I do so in my role as Minister for Trade and Investment because these represent very significant investments in New South Wales and they also represent the creation of many jobs, which is within my direct portfolio purview. However, in relation to the approval of any development application, the issue of any mining licences or exploration licences, I have absolutely nothing to do with any of those matters.

The Hon. LUKE FOLEY: It is a matter of public record that you met with representatives of Nathan Tinkler's companies six times from August 2010, is it not?

Mr ANDREW STONER: It is a public document at the Independent Commission Against Corruption. They published my diaries. There is nothing surprising about that. I would hasten to add that those people met with quite a few Labor figures as well and those matters are currently being investigated before the ICAC. I do not think that it is appropriate that I comment on those matters.

The Hon. LUKE FOLEY: On 24 August 2010 you, Chris Hartcher and Mike Gallacher met with Nathan Tinkler's executives, did you not?

Mr ANDREW STONER: Those matters are on the public record and they have been investigated by the ICAC. The commission has made some statements in relation to me that I am in no way under any allegations of impropriety or being investigated in relation to those matters. You are just trawling over things that are already out there in the public.

The Hon. LUKE FOLEY: One of the ICAC exhibits to which you have drawn our attention is page 4001. That is a briefing note of the meeting that you, Chris Hartcher and Mike Gallacher had with Nathan Tinkler's executives on 24 August 2010?

Mr SCOT MacDONALD: Point of order: The rules governing budget estimates hearings state that wide latitude is to be allowed in questions about proposed expenditure, but this is supposed to be about the 2014-15 budget papers.

The Hon. LUKE FOLEY: He probably wants to answer it.

The Hon. MICK VEITCH: To the point of order: I agree with the Hon. Luke Foley: I have no doubt that the Deputy Premier wants to answer the question. Matters that are undertaken prior to becoming a Minister may well have a direct impact on what one does when one becomes a Minister; therefore, it is within the purview of this General Purpose Standing Committee.

Mr SCOT MacDONALD: Further to the point of order: If it is about prior expenditure, in the period being spoken about the Deputy Premier was not a Minister.

CHAIR: Order! There is no point of order. Wide latitude is allowed in questions at budget estimate hearings. The Minister has answered a number of these questions. If the member wishes to continue to ask the same questions and get the same answers he is within his right to do so.

The Hon. LUKE FOLEY: I go back to the briefing note that is an exhibit at ICAC. The discussion document issued by Nathan Tinkler's executives for a meeting between you, Chris Hartcher, Mike Gallacher and Tinkler executives states: "Nathan Tinkler has a number of mining interests, including the largest shareholding in Aston Resources ASX-listed mining company, \$1.2 billion, with mine holdings at Maules Creek. Maules Creek will be the largest single coalmine in New South Wales with a peak production forecast at 15 million tonnes per annum." You discussed the Maules Creek project with Tinkler's executives in August 2010, did you not?

Mr ANDREW STONER: The said meeting to which you refer took place when I was the shadow Minister for Ports. That was the topic of discussion. I have given sworn testimony to the ICAC in relation to these matters.

The Hon. LUKE FOLEY: Have you?

Mr ANDREW STONER: I do not intend to prejudice the investigation—

The Hon. LUKE FOLEY: Are you telling the Committee that you have appeared at a private hearing?

Mr ANDREW STONER: —that is underway by the ICAC at the moment and neither do I think should you. This has absolutely nothing—

The Hon. LUKE FOLEY: Are you revealing that you gave evidence at a private hearing?

Mr ANDREW STONER: No, I am not. I told you—

The Hon. LUKE FOLEY: A breach of the ICAC Act—

The Hon. NIALL BLAIR: Point of order: The member has asked a detailed question and the Minister has every right to answer that question without being constantly interrupted and spoken over by the member asking the question.

The Hon. LUKE FOLEY: He does not have the right to breach the confidentiality provisions of the ICAC Act.

CHAIR: Order!

Mr ANDREW STONER: What do you think you are trying to do?

CHAIR: Order!

The Hon. NIALL BLAIR: I ask that when the Deputy Premier is asked a question he be afforded the courtesy of answering that question without having to shout over other Committee members.

CHAIR: Order! I remind all members to be courteous and not interject when questions are being asked and answers given. Minister, do you wish to respond to the question?

Mr ANDREW STONER: I do. I have provided evidence to the investigating body in relation to these matters. There is an investigation currently underway. During the course of that investigation the commissioner has made the point that there are no allegations or suggestions of impropriety on my part. All the evidence to which you refer—

The Hon. LUKE FOLEY: There were none against Tim Owen when counsel gave his opening address.

CHAIR: Order!

Mr ANDREW STONER: —are public documents. The meeting to which the member refers, I will state again, took place in my role as the shadow Minister for Ports when I was in opposition. I was not a Minister of the Crown. I was in no position to give anyone any favours. If that is the point the member is trying to make, all he is doing is prejudicing a current investigation of the ICAC.

The Hon. LUKE FOLEY: In March 2011, the month that your party and the Liberal Party came to government, you had a private dinner with Chris Hartcher, Mike Gallacher and Nathan Tinkler's executives, did you not?

Mr ANDREW STONER: That was prior to the election and these again are matters on the public record.

The Hon. LUKE FOLEY: The next week, two directors of Nathan Tinkler's companies and two of their spouses donated \$20,000 to the National party and then Nathan Tinkler donated \$50,000 to the National party. That is the case, is it not?

Mr SCOT MacDONALD: Point of order: My objection to this question is paragraph 4.11 of the *Budget Estimates Manual 2014-2015*—namely, the disclosure of information required by the question would be prejudicial to the privacy or the rights of the other persons, particularly parties in proceedings.

The Hon. STEVE WHAN: To the point of order: This question has been raised in other estimates hearings and has been allowed to proceed. Page 16 of the estimates manual states that wide latitude should be given to the nature of questions at budget estimates. It has also been ruled in the past, as the Hon. Mick Veitch referred to earlier, that it is reasonable for people to ask questions about periods before coming to government because they do influence decisions.

The Hon. NIALL BLAIR: Further to the point of order: The Deputy Premier is appearing here today in the capacity for which he has budgetary responsibility within the Executive Government. He is not appearing here today as the leader of a political party. Questions in relation to donations to his party are not matters about which he is appearing before this Committee—

The Hon. LUKE FOLEY: Maybe we should ask you, Mr Party Chair.

CHAIR: Order!

The Hon. NIALL BLAIR:—nor are they matters to be examined in budget estimates. They are matters for the party officials themselves.

CHAIR: Mr Scot MacDonald was referring to estimates paragraph 4.11 in relation to the disclosure of information in relation to other persons in particular legal proceedings. I have sought advice in relation to that. If the matter relates to a matter before the courts then, yes, that is upheld. In relation to the Independent Commission Against Corruption [ICAC], there is greater latitude given. However, I remind all members that questions must be relevant to the Minister's portfolio as he currently serves as opposed to portfolio matters that he may have dealt with prior to being a Minister.

Mr ANDREW STONER: Can I answer the question, Madam Chair?

CHAIR: Certainly.

Mr ANDREW STONER: The Hon. Luke Foley would be aware that matters regarding donations are matters for the relevant political party—in this case, the National party. I have never accepted an illegal donation and I have always complied with the relevant rules. Political parties, including the Labor Party, I hasten to add, receive, disclose and process political donations—not individual candidates or members of Parliament. I note from the public records, which the Hon. Luke Foley has been trawling obviously, that Labor accepted \$75,000 from a developer, Shepherds Bay Proprietary Limited, in 2010 less than a year after the ban on developer donations was introduced by the Hon. Nathan Rees in 2009. I note that Labor also accepted donations from, amongst others, the NSW Minerals Council and AGL Energy—and I could go on and on.

The Hon. STEVE WHAN: Are you are saying that they are banned donors?

Mr ANDREW STONER: All I am saying is that these matters are for the relevant political parties.

The Hon. LUKE FOLEY: Deputy Premier, let us turn now to your period in office. Did you, following your meetings and dinners with Mr Tinkler's executives and the receipt of donations by your party from Mr Tinkler's executives, then participate in discussions inside the Government concerning the approval of Mr Tinkler and Mr Vaile's Maules Creek coal project?

Mr ANDREW STONER: I have already said that, in relation to the approval of any development application, exploration licence or mining licence, I have no direct involvement whatsoever.

The Hon. LUKE FOLEY: Did you participate—

Mr ANDREW STONER: Well, I cannot participate—

The Hon. LUKE FOLEY: in internal Government discussions?

Mr ANDREW STONER: I may have met—and I have told you that I would have to come back to you—with Aston Resources, and I think it is Whitehaven Coal now, in relation to that or other projects. I do not

know. I meet with thousands of people in their capacity as significant investors in the State of New South Wales. I have said I would check my diary and come back to you.

The Hon. LUKE FOLEY: This has been a matter of some public attention recently, Deputy Premier. Surely you would have done a search before you came here on what meetings you have had with Mr Tinkler's group of companies since you came to office. Deputy Premier, have you met with representatives of Whitehaven Coal and have you met with representatives of Aston Resources since you came to office?

Mr ANDREW STONER: Mr Foley, I told you I would have to check my diary records and come back to the Committee with the details of any such meetings. I have literally thousands of meetings with industry groups across the spectrum of the New South Wales economy, whether it is manufacturing, mining, tourism or education. I meet with many people—thousands of people—over the course of a year.

The Hon. LUKE FOLEY: Yes, but only a handful of them are before ICAC, Deputy Premier. I suggest that you would recall your meetings with them since you came to office. You meet with Mr Mark Vaile, the Chairman of Whitehaven Coal, regularly, do you not? He offered to sponsor your aborted bid for Canberra, did he not?

The Hon. NIALL BLAIR: Point of order: The question is full of absolute rubbish. It has no relevance. It also contains argument. I ask that that stupid question be ruled out of order.

The Hon. STEVE WHAN: Says the chairman of the National party.

CHAIR: Order!

The Hon. NIALL BLAIR: You are wrong there are too. You guys are asleep at the wheel.

CHAIR: Order! The question did contain argument.

The Hon. LUKE FOLEY: I will withdraw it.

CHAIR: Does the Hon. Luke Foley have another question?

The Hon. LUKE FOLEY: Deputy Premier, will you give us an assurance today that there has been no correspondence from you or anyone in your ministerial office to anyone else in government or industry concerning the Maules Creek coal project since you became a Cabinet Minister? Will you give us that assurance?

Mr ANDREW STONER: I will give you the assurance that I will check my records and come back to this Committee.

The Hon. LUKE FOLEY: And if you find in your records correspondence from you or anyone in your office concerning the Maules Creek coal project, will you reveal that correspondence to this Committee when you come back to us?

Mr ANDREW STONER: I said I would advise the Committee if there had been any correspondence. I must make the point that in relation to significant developments and investments in New South Wales—whether that is, for example, another mining development, a proposed manufacturing plant or anything else—from time to time I will write to another Minister or a committee of the Cabinet. If it is to a committee of the Cabinet of course those documents are Cabinet in confidence. But as I said, and I stand by this, if I have written in relation to the Maules Creek mine—which, incidentally, I do not think is the subject of the investigations of ICAC—then I will advise the Committee.

The Hon. LUKE FOLEY: Why did Nathan Tinkler text one of his executives in May 2011 that he had given up on Tim Owen and Barry O'Farrell—

The Hon. NIALL BLAIR: Point of order: Without even hearing the end of that question, the question starts with "Why would Nathan Tinkler text someone?". How can the Deputy Premier be asked to answer why another individual would be sending a particular text, and what would be in that text?

The Hon. LUKE FOLEY: To the point of order: Madam Chair, to assist the Committee I will rephrase my question. Given that Nathan Tinkler texted one of his executives in May 2011 that he had given up on Tim Owen and Barry O'Farrell and "we'll drive through Stoner and Tim can read about it in the papers like his boss", is it the case that you were, and are, Nathan Tinkler's agent inside this Government?

Mr ANDREW STONER: Mr Foley, you will have to ask Nathan Tinkler that question—I cannot read Nathan Tinkler's mind. I do recall another piece of public evidence where Nathan Tinkler was hurling expletives at the National party and calling them useless because they would not do what he wanted. Why are you not talking about that piece?

The Hon. LUKE FOLEY: Deputy Premier, have you ever been on a bike ride with him?

Mr ANDREW STONER: This is bizarre. No. What does this have to do with my portfolio?

CHAIR: Order! I remind the Hon Luke Foley to try to keep his questions relevant to the portfolio.

The Hon. LUKE FOLEY: Deputy Premier, did you participate in discussions that resulted in the Government removing third-party appeal rights for the approval of the Maules Creek coal project? Did you participate in discussions about the removal of those third-party appeal rights?

Mr ANDREW STONER: No, I did not.

The Hon. LUKE FOLEY: Do you give that undertaking?

Mr ANDREW STONER: I just said it twice. How many times do you want me to say it?

The Hon. LUKE FOLEY: Will you check your records?

Mr ANDREW STONER: I do not need to.

The Hon. LUKE FOLEY: You will come back to us and release—

Mr ANDREW STONER: I already said that I would.

The Hon. LUKE FOLEY: any and all correspondence—

Mr ANDREW STONER: I did not say I would release any and all correspondence; I said I would advise the Committee whether I had written to anyone else in relation to the Maules Creek mining development.

CHAIR: Time has expired for questions from the Opposition. We will now move to questions from the crossbench, beginning with Mr Jeremy Buckingham.

Mr JEREMY BUCKINGHAM: Good morning, Minister. Minister, what was your role or your department's role, if any, in the unsolicited proposal bid from Buldev and Hunter Ports to build a new coal terminal in Newcastle?

Mr ANDREW STONER: As I recall, early in the term of our Government there was a request to look at the proposed investment and the economic benefits of that proposal, which I understand had also been considered by the former Treasurer, Eric Roozendaal, and the former Minister for Ports and Waterways, Joe Tripodi. I asked my department to have a look at the proposal. I was advised that it did not meet policy and that it should not go ahead, and the proponent was so advised.

Mr JEREMY BUCKINGHAM: Do you recall when you asked your department to do that?

Mr ANDREW STONER: As I said earlier, it was early in the term of our Government so it was in 2011 at some stage.

Mr JEREMY BUCKINGHAM: Was that a written request that came to you from Buldev and Hunter Ports? Did it come to you directly?

Mr ANDREW STONER: I cannot recall.

Mr JEREMY BUCKINGHAM: Could you look at your records and table a document if it exists?

Mr ANDREW STONER: I will look at my records and advise how the request came about.

Mr JEREMY BUCKINGHAM: You are confirming your department asked the Department of Premier and Cabinet, was it, to have a look at this proposal?

Mr ANDREW STONER: I asked my Director General of NSW Trade and Investment to advise as to whether this proposal should go further. His advice to me was that it should not and the proponent was subsequently advised I am not sure whether by me or whether by the Minister for Planning.

Mr JEREMY BUCKINGHAM: When you say whether or not it should go further, do you mean further in terms of a project that should get up or whether or not it should go through the unsolicited proposals process?

Mr ANDREW STONER: I was seeking advice as to whether the proposal ought to have further assessment through the normal development application processes through the Department of Planning. I was not seeking advice as to whether the project in itself ought to be approved but simply as to whether it ought to be further assessed.

Mr JEREMY BUCKINGHAM: Through the unsolicited proposals process?

Mr ANDREW STONER: I think there was already a development application with the Minister for Planning. I would have to come back to you.

Mr JEREMY BUCKINGHAM: An unsolicited proposals process goes through Premier and Cabinet?

Mr ANDREW STONER: Correct. I am not sure whether it had come through Premier and Cabinet. I do not know. I think this may have been a transition issue or a legacy issue because, as I said earlier, I am aware that the previous Labor Treasurer and ports Minister had had some involvement in this already. So it may have gone through some sort of early unsolicited proposal assessment under the previous Government.

Mr JEREMY BUCKINGHAM: Former Ministers Roozendaal and Tripodi had been suggesting that it go through the unsolicited proposals process and then on coming to Government that is something that you undertook as well?

Mr ANDREW STONER: I was asked to have a look at the economic merits. I had been advised that it may involve a significant investment, the creation of many jobs and possibly some productivity gains. I asked that those aspects which are within my purview in Trade and Investment be looked at. The advice that I got back was that the whole thing did not stack up and it ought not go any further. So at that point I was satisfied that it should not.

Mr JEREMY BUCKINGHAM: Do you recall that was in January 2012, almost a year after you had come to Government?

Mr ANDREW STONER: I cannot be 100 per cent on the time frames.

Mr JEREMY BUCKINGHAM: In that period after coming to Government in March 2011 and considering this proposal did you ever meet with Buildev, Hunter Ports or representatives of those interests?

Mr ANDREW STONER: No.

Mr JEREMY BUCKINGHAM: Did AGL make any representations to you or your department regarding the recent changes to the mining State Environmental Planning Policy [SEPP]?

Mr ANDREW STONER: I have met with the chief executive officer of AGL. The topic of discussion was not in relation to the mining SEPP. The topic of discussion was in relation to the changes to the strategic

regional land use planning and he was expressing great disappointment in relation to the two-kilometre buffer zones. We were not discussing the mining SEPP. That was the last meeting.

Mr JEREMY BUCKINGHAM: You have never made any representations in relation to the mining SEPP?

Mr ANDREW STONER: Not on behalf of AGL to my recollection, no.

Mr JEREMY BUCKINGHAM: What is a strategic energy project and have you had any discussions with AGL about giving its proposed stage two and stage three projects at Gloucester strategic energy project status?

Mr ANDREW STONER: Strategic energy project status simply means that certain energy resource projects that are of significant scale and of significance in terms of contribution to the State's energy needs are given consideration by a subcommittee of the Cabinet. That subcommittee has defined what a strategic energy project is and it is along the lines of what I just described. In relation to the AGL Gloucester project, no, I have had not any discussions with AGL about whether it ought to be a strategic energy project.

Mr JEREMY BUCKINGHAM: You have made no representations to anyone within Government that it should be considered a strategic energy project?

Mr ANDREW STONER: To the best of my recollection, no.

Mr JEREMY BUCKINGHAM: If I provided you with a letter signed by you that said that you have done that would you be surprised?

Mr ANDREW STONER: As I said, I cannot recall having done so but if you have got a letter, show me.

Mr JEREMY BUCKINGHAM: I will do that.

The Hon. NIALL BLAIR: Where is it?

Mr JEREMY BUCKINGHAM: It is with the *Herald*.

The Hon. NIALL BLAIR: So it is a stunt.

Mr JEREMY BUCKINGHAM: It is not a stunt. It is pretty important that the Minister cannot recall.

CHAIR: Does Mr Jeremy Buckingham have something he would like to tender?

Mr JEREMY BUCKINGHAM: I will.

The Hon. NIALL BLAIR: He has not got it.

Mr JEREMY BUCKINGHAM: Not at this stage. Minister, have you read the Deloitte Access Economics report into the impacts on industry of gas price rises due to the move to export LNG from the east coast of Australia?

Mr ANDREW STONER: I read many reports. I cannot recall specifically having read that section of that report.

Mr JEREMY BUCKINGHAM: Would you be concerned or is it on your radar that the report suggests that the increase of 11 billion in the gas and service industries will be completely dwarfed by a cumulative loss of up to 32 billion over 2014 to 2021 in manufacturing, agriculture, construction and other industries, a lot of which will be in New South Wales? What is your response to that?

Mr ANDREW STONER: Thirty-two billion and 11 billion what? Dollars, do you mean?

Mr JEREMY BUCKINGHAM: An \$11 billion improvement to the economy from the gas industry compared with a \$32 billion loss in the manufacturing, agriculture and construction industries according to Deloitte Access Economics. How would you respond to that?

Mr ANDREW STONER: On what basis are they suggesting there would be that loss to the economy?

Mr JEREMY BUCKINGHAM: By increased gas prices.

Mr ANDREW STONER: I am absolutely concerned about gas supply issues in the medium term in New South Wales. Absolutely concerned. You ought to be concerned too.

Mr JEREMY BUCKINGHAM: I am very concerned, Minister. What effect do you think coal seam gas in New South Wales will have on international gas prices?

The Hon. NIALL BLAIR: Point of order: That question is asking for an opinion from the Minister. He is not here to provide opinions and speculative projections in his capacity at budget estimates today.

Mr JEREMY BUCKINGHAM: To the point of order: I will rephrase the question.

CHAIR: You are withdrawing the question?

Mr JEREMY BUCKINGHAM: Yes. Minister, what effect will coal seam gas in New South Wales have on international gas prices?

Mr ANDREW STONER: Again you are asking me to speculate as an economist rather than a Minister but basic economics would say that if supply increases and demand remains the same then prices will generally drop.

Mr JEREMY BUCKINGHAM: Do you think that the development of a coal seam gas industry in New South Wales will lower gas prices here?

Mr ANDREW STONER: I am saying that if there is more gas—

Mr JEREMY BUCKINGHAM: I meant lower gas prices internationally?

Mr ANDREW STONER: Internationally it depends on the quantum and whether that gas is actually exported. There is a whole lot of speculation and different parameters that you would have to put together to give an accurate answer to the question. If there was a huge gas supply that was exported, yes, it would have an impact on international gas prices.

CHAIR: The member's time has expired. We will move to questions from the Hon. Paul Green.

The Hon. PAUL GREEN: Minister, I think it is great news that New South Wales service exports recorded the strongest performance since the global financial crisis at 9.8 per cent annual growth in nominal terms to \$22.4 billion. I note you mentioned publicly that the New South Wales economy was in transition to a more diversified economy beyond growth dominated by the mining sector. Minister, in what industries are those areas of growth located?

Mr ANDREW STONER: Again, the report mentioned earlier by your colleague identifies a number of sectors that are primed for growth. They include agribusiness. They include professional services, particularly finance. They include international education and they also include gas, according to that report. It is very pleasing for us to see the professional services exports doing so well. This is a theme for NSW Trade and Investment since we released the industry action plan for professional services.

We have engaged internationally on a range of issues, including the establishment of an offshore trading hub in the Chinese renminbi here in Sydney and discussions are well progressed on that. This will be a topic of discussion at the joint economic meeting with the Quandong Province next month and at a Boao forum on financial services to be held probably in July next year. Our international officers are consistently facilitating opportunities for New South Wales businesses such as agribusiness, finance, accounting, engineering and legal.

Also we cooperate closely with universities in relation to education. We recently established a new body, StudyNSW, in partnership with universities. Again, this is to push that particular sector.

CHAIR: Order! I remind members of the public gallery that interjecting is disorderly and the public gallery can be cleared.

The Hon. PAUL GREEN: In terms of the historic free trade agreements [FTAs] between Japan and South Korea, in what way will they contribute to the New South Wales economy over the next decade, in your view, particularly in job creation?

Mr ANDREW STONER: There is huge opportunity for our exporters as a result of, initially, the Malaysian FTA with Australia, which was in 2012; now South Korea and Japan. The particular sectors that stand to benefit greatly again are in agribusiness pretty much across the board, although the Japanese FTA has a phase-out tariffs over probably a longer period than Korea so there are more immediate opportunities in Malaysia and Korea. Korea has opened up significantly in relation to those professional services that we mentioned earlier—so, again, some huge opportunities there.

In terms of current exports to those jurisdictions, the great majority are in terms of resources, particularly coal and minerals, to both Japan and Korea for their manufacturing sectors. There would not be, I do not think, too much impact on those because the tariffs are already minimal or zero. It is mainly in terms of foods, wines and professional services that we see some big upside. I will mention that through our agency, Destination NSW, we are also pursuing and achieving strong growth in tourism exports from all those jurisdictions, including, I have to say, China where I know the Federal Government is giving high priority to negotiating a further free trade agreement.

The Hon. PAUL GREEN: I commend the Government on recently announcing a 12-month pilot program called the Smart Work Hub, which will be located in Rouse Hill, Oran Park Town, Penrith, Gosford and Wyong. Minister, given that Wollongong virtually missed out on Royalties for Regions—

The Hon. MICK VEITCH: Resources for Regions—different program.

The Hon. PAUL GREEN: —why not put one in Wollongong? Will you put one in Wollongong?

Mr ANDREW STONER: Resources for Regions did come to Wollongong in the last round.

The Hon. PAUL GREEN: Small.

Mr ANDREW STONER: They are also in the assessment this round, and hopefully they will have learnt how to put together more successful submissions this time around.

The Hon. STEVE WHAN: It was their fault.

Mr ANDREW STONER: Initially they did not even nominate, even though they were eligible, so there is a bit of learning to be done. But in relation to smart work hubs, you mention the pilot program and the locations, which are principally Western Sydney and the Central Coast. I might mention that this pilot of smart work hubs came out of our industry action plan process. It was a consistent theme across a number of industries about working smarter and closer to home. It being a pilot, funded with a \$1.5 million contribution in 2013-14 and 2014-15, we will arrange an evaluation of how they have gone—impacts on things like commuting, impacts on things like the productivity of those who are using the smart work hubs and feedback from industry, particularly those who initially participated in the industry action plans. Based on that evaluation, we may well scale up our support for smart work hubs, at which point I would hope that Wollongong would be able to participate.

The Hon. PAUL GREEN: Likewise, Minister. The Christian Democratic Party also commends the Government for its announcement of a \$6 billion investment in regional New South Wales, which will consist of a package including \$1 billion for a Regional Roads Fund, \$1 billion for a Regional Water Fund, a statewide \$2 billion Schools and Hospitals Building Fund, which will be made possible by the New South Wales Government's proposed long-term 49 per cent leasing of the State's electricity distribution and transmission businesses. What are your expectations of the job creation in rural New South Wales with this? What measures will the Government put in place to ensure that these investments will best achieve their intended outcomes?

Mr ANDREW STONER: Thank you for the questions. Can I just make the point that the proposed \$6 billion additional infrastructure funding to which you refer follows some very significant additional infrastructure funding into regional New South Wales over the past three or so financial years. That includes around \$1.4 billion for regional hospital upgrades. It includes record amounts for the Pacific Highway. It includes more than \$200 million for Resources for Regions. It also includes \$1 billion additional funding for regional roads every year. The process for deciding much of that money and the \$6 billion into the future involves a fund that we have established called Restart NSW. Restart NSW is all about infrastructure. It is additional to normal capital budgets that agencies have and, importantly, it has an economic imperative about the sorts of infrastructure. We are investing in the future of the economy of New South Wales through infrastructure.

We have set up the body, Infrastructure NSW, to advise us what is the best bang for the buck in terms of the investment of money into infrastructure. Infrastructure NSW has already determined something called the State Infrastructure Strategy. Items like WestConnex seem to have significant product of amendments to New South Wales. Items like the Bridges for the Bush, western freight roads, the Regional Tourism Infrastructure Fund we announced in this year's budget—all of these deliver significant positive benefit cost ratios to the State. To get to the short answer: Through Infrastructure NSW we will be advised as to the projects that deliver a positive benefit cost ratio to New South Wales. The jobs benefit that comes through significant construction—I mean, thousands of jobs in building these roads, hospitals, water security projects and tourism infrastructure, et cetera—but there is also a long-term benefit for the State, mainly through productivity improvements.

CHAIR: Unfortunately, time has expired.

The Hon. PAUL GREEN: Can I add a comment to it? It is good to have all of that infrastructure going in terms of regional airports, but it is no good if there are no planes landing in those areas. That might be an area you might give some attention to.

Mr ANDREW STONER: Unfortunately Restart NSW will not go as far as buying airlines.

CHAIR: We will now move to questions from the Opposition.

The Hon. MICK VEITCH: Good morning, Deputy Premier. Governments of all persuasions in New South Wales have made considerable efforts to enhance our trading position with China. I am interested in your comments about Clive Palmer's comments this week and what impact that will have on New South Wales.

Mr ANDREW STONER: It is a good question, Mick. I think his comments are—I was going to say "ignorant" but he is not ignorant; he is hypocritical, frankly, because he has made a fortune out of dealing with Chinese investors. So he is not ignorant in terms of the positive contribution that strong trade and cultural relationships between Australia and China can have. I find his comments offensive and very destructive, in terms of the relationship that our Government and other governments have been careful to try to grow.

It is a mutually beneficial relationship. China is the number one two-way trading partner for New South Wales. I think in 2013 the figure was just shy of AU\$30 billion in goods going to and from China. China has become New South Wales' number one source of tourists. I know that a lot of Australians are enjoying visiting China, which is more modern, open and welcoming towards Australian tourists. So to have those sorts of offensive comments broadcast back through the Chinese media, I think, is an embarrassment to us all and Clive Palmer ought to pull his head in. And his colleague in the Palmer United Party—I won't even go there.

The Hon. MICK VEITCH: The next group of questions may well be better answered by Mr Paterson but I will leave it to you to decide that. I have looked at the annual reports for the Department of Trade and Investment for the last two years. What is the provision for bad debt in the department?

Mr PATERSON: We will check that for you.

The Hon. MICK VEITCH: Whilst you are checking, can you explain a dunning letter?

Ms BIVIANO: A dunning letter is a letter that you usually send out to debtors that owe you money, to remind them how much they owe you and what it relates to.

The Hon. MICK VEITCH: And at what point does that letter go out? Is it a time frame or a dollar level? At what point does the department send those letters out?

Ms BIVIANO: Usually there is a planned debt recovery process for sending debt recovery dunning letters out.

The Hon. MICK VEITCH: A planned debt recovery process—is it a time frame or a dollar value?

Ms BIVIANO: Usually after 90 days or 120 days—similar to what normal businesses do.

The Hon. MICK VEITCH: What is the department's current provision for bad debt?

Ms BIVIANO: I will have to get back to you on that.

The Hon. MICK VEITCH: Will you take it on notice?

Ms BIVIANO: Yes.

The Hon. MICK VEITCH: When you do so, can you do it for the last annual report as well? I have read a few financial statements in my time but one has to admit that the Department of Trade and Investment, after the amalgamation and the creation of the cluster, has a complex financial statement. I would appreciate it if you could do that. Have we sent any dunning letters out in the last 12 months?

Ms BIVIANO: No.

The Hon. MICK VEITCH: No. I have been given advice that the department's provision for bad debt is in the vicinity of \$50 million. Would that be correct?

Ms BIVIANO: I will have to get back to you on that.

The Hon. MICK VEITCH: You do not know?

Ms BIVIANO: Not off the top of my head, sorry.

The Hon. MICK VEITCH: Are you able to tell us how many bad debtors we have for \$50 million that we have not sent the letter out saying, "Please pay"?

Ms BIVIANO: I cannot give you that figure.

The Hon. MICK VEITCH: You cannot tell us that either?

Mr PATERSON: I would make the point that bad debtors may not just be people who owe us money directly; they may well be grant recipients who have failed to meet milestones where a business may have entered financial difficulties or may have not met the milestones they were obligated to meet, in terms of payments. So it will not just be the provider of newspapers or sandwiches.

The Hon. MICK VEITCH: Hence, Mr Paterson, my question: Is it based on a time frame or a dollar amount?

Mr PATERSON: We will need to get the detail in relation to the actual provision for bad debts that is in the annual report. I think you will find there may well be a provision being made—and some of those could be extended over an extended period of time—where there is a grant recipient from one of our strategic investment support arrangements or some of the prior ones that may have existed, where people have entered into multi-year contracts of support and they are supposed to deliver employment investment and other outcomes, where they may not have been met. And because they have entered into financial difficulties, we may not be able to recover moneys that have been paid and a provision would be made in those circumstances. So, it is not just the cut-and-thrust of normal commercial transactions because of the nature of grant programs that we run.

The Hon. MICK VEITCH: It seems to me that, to the taxpayers, \$50 million is a number that should be of interest to us. Will you take on notice when the last dunning letter was sent? How long is it since we actively tried to get some of that money back?

Ms BIVIANO: We have an active debt recovery system in place at the moment. We have not sent a dunning letter out, as such.

The Hon. MICK VEITCH: Since when?

Ms BIVIANO: Since the new system went in.

The Hon. MICK VEITCH: Since the implementation of SAP Business ByDesign, which I asked questions about last year. Deputy Premier, were you aware about the bad debt provision and the fact that we have not pursued the bad debt?

Mr ANDREW STONER: No.

The Hon. MICK VEITCH: Do you think the Secretary should have told you of a \$50 million bad debt provision in the annual report that was not pursued?

Mr ANDREW STONER: I think the Deputy Secretary was just saying that, whilst dunning letters, per se, may not have been issued, there is a debt recovery unit within the agency that does pursue debts. So, to say that a dunning letter means we are writing off \$50 million is a kind of quantum leap.

The Hon. MICK VEITCH: Are you comfortable with the way that bad debt has been handled in your department since you have been Minister?

Mr ANDREW STONER: I will seek further information on the topic as well when the Deputy Secretary puts that together.

The Hon. MICK VEITCH: Were you aware, Deputy Premier, that your department was in a position where it is not sending out debt recovery letters and we have \$50 million in our annual reports?

Mr ANDREW STONER: I rely on my department to undertake those responsibilities and I do not involve myself in the detailed running of the department.

The Hon. MICK VEITCH: Did you see the \$50 million—

Mr ANDREW STONER: Well, \$50 million is a lot of money.

The Hon. MICK VEITCH: Absolutely, Deputy Premier—it is a lot of money.

Mr ANDREW STONER: And I would want to be sure that we are not simply writing off \$50 million.

The Hon. MICK VEITCH: Hence my question: How is the department pursuing the repayment of that money?

The Hon. NIALL BLAIR: Which was taken on notice.

The Hon. MICK VEITCH: They took the details.

Mr ANDREW STONER: I think the Deputy Secretary wants to say something further.

Ms BIVIANO: We do have staff whose job it is to look at debts and debt recovery. So we have systems in place. The fact that we have not sent a dunning letter out does not mean we are not recovering moneys.

The Hon. MICK VEITCH: So you are absolutely positive—you can confirm to this Committee, with full confidence in the system—that you are happy with the way this place has been operating since the implementation of SAP Business ByDesign?

Mr SCOT MacDONALD: Point of order: Could the Chair clarify, is this in contravention of paragraph 4.9 of *Budget Estimates Manual 2014-2015*, which states, "... public servants should not be required to justify government policy ..."?

The Hon. MICK VEITCH: Government policy—this is actually finances. You were arguing the other day—

CHAIR: Order!

The Hon. MICK VEITCH: —that we should be asking questions about the budget—

CHAIR: Order!

The Hon. MICK VEITCH: —and this is clearly in the budget.

CHAIR: Order! I ask the Hon. Mick Veitch to calm down. The Minister is entitled to answer the question by Mr Paterson. There is no point of order.

Mr PATERSON: I make the point that the provision for bad debt is not a write-off. It is a provision under the accounting standards to ensure that we demonstrate that there is a potential risk of not being paid the money that may be owed to us at a point in time. It is another matter to identify what is being written off, which is an irrecoverable identified bad debt. Maybe, for clarity, what we will do is identify both the detail in relation to the provision for bad debts and the second point in relation to the actual write-off of debts, because I think that that will put the question in context.

The Hon. MICK VEITCH: I am happy for you to do that. Thank you, Secretary. That is one issue that has obviously arisen because of the transition to SAP Business ByDesign.

Mr PATERSON: I do not accept that proposition.

The Hon. MICK VEITCH: What other implementation issues are there with SAP ByDesign?

Mr PATERSON: No. You are taking a big step there in relation to it.

The Hon. MICK VEITCH: Have there been—

Mr PATERSON: I do not accept the proposition that we have a provision for bad debts because of the nature of the accounting system that we use. We will always have a provision for bad debts.

The Hon. MICK VEITCH: That is true.

Mr PATERSON: We will have a provision for bad debts from year to year, irrespective of the accounting system that is adopted within the department. So you cannot say that we have that provision for bad debts because of the nature of the accounting system.

The Hon. MICK VEITCH: Okay.

Mr PATERSON: Nor can you assert that that is a problem associated with the accounts.

The Hon. MICK VEITCH: Have there been problems with the phase two implementation of SAP ByDesign?

Ms BIVIANO: Phase two was the implementation across the cultural institutions.

The Hon. MICK VEITCH: Yes. Has there been any problem at all with the implementation of SAP ByDesign?

Ms BIVIANO: We have been able to pay all our staff on time and we have been able to pay creditors.

The Hon. MICK VEITCH: Secretary, did you go to Germany at any stage in the past 12 months to talk to the people who look after SAP ByDesign?

Mr PATERSON: No.

The Hon. MICK VEITCH: You have not been to Germany?

Mr PATERSON: I have not.

The Hon. MICK VEITCH: Have you had discussions with them?

Mr PATERSON: Well, I have been to Germany, but I have not been to Germany in the time that I have served this Government. And I have not been to Germany to meet with SAP.

The Hon. MICK VEITCH: Have you had discussions with SAP around the implementation?

Mr PATERSON: Of course.

The Hon. MICK VEITCH: We are now moving to a cloud-based system, is that right? I will get the phraseology right here; I am not an IT guru. You called for tenders just recently to "further our cloud journey" I believe was the phrase that was used in this document.

Mr SCOT MacDONALD: Point of order:

Mr PATERSON: Would you like to table the document?

The Hon. MICK VEITCH: Actually, I can tell you where it is from. It is from delimiter.com.au and states:

NSW Trade and Investment wants to go full cloud on 10 March 2014.

Mr SCOT MacDONALD: It is not so much a point of order, but you have ruled already about commentary from the gallery. Will that continue?

CHAIR: Order! No. I ask the lady who is standing to either leave the room or resume her seat, and also not to interject because it is disorderly.

The Hon. MICK VEITCH: This document is an article from delimiter.com.au, which I read regularly because I am an IT know-nothing. We now are moving towards, I guess, full integration. We have things such as Google apps, and I believe the department is one of the first to go towards using the Google platform. Do we have absolute surety that the disaster recovery systems we will need when we move into this new phase are in place and are solid?

Mr PATERSON: There are a number of aspects to the question. I will try to cover them. We have moved to a cloud-based software as a service for our ERP system. So that is our finance, payroll system and the like. That is the arrangement we entered into, having gone to the marketplace, with SAP and the Business ByDesign platform. So we have an integrated, cloud-based software as a service. We do not buy a system; we buy a service from the marketplace, which is the provision of an accounting service and the provision of a payroll service. That is provided by SAP in an integrated contract. We have separately entered into contracts for the provision of our mail services on a cloud-based Google platform.

So we are transitioning from enterprise-based solutions where everything is held in-house, where all of the infrastructure is held in-house, to cloud-based software as a service, which, in our view, is the direction that the marketplace more generally is going; it is consistent with the Government's broader policy in relation to consideration of cloud-based services. We are not doggedly pursuing a particular path. What we are looking for is the most efficient delivery of the services that are required and recognising that, I think on my last recollection, we are in 220 locations around New South Wales. We have a half a dozen offshore offices. So we need to be able to provide a platform that enables staff within that disparate array of offices to be able to be paid, to have accounts paid sensibly and to do so in the most efficient way we can.

The Hon. MICK VEITCH: Deputy Premier, earlier in response I think to Mr Green's question you were talking about the Resources for Region program.

Mr ANDREW STONER: Yes.

The Hon. MICK VEITCH: I have obtained correspondence from Lake Macquarie City Council dated 29 May 2014 objecting to the termination of its eligibility for Resources for Regions funding. Why is Lake Macquarie not included in the Resources for Regions program? Earlier you spoke about Wollongong coming on board; why is Lake Macquarie not included?

Mr ANDREW STONER: What we attempt to do is establish what is a mining-affected community through a process of assessment based on a range of criteria. That is about establishing the priority for the direction of the limited funds. Many communities affected in some way by mining were not included in the priority regions, including Gunnedah and Orange as well as Lake Macquarie. It does not mean that those communities have been, in any sense, overlooked or discriminated against. It simply means that the assessment found other communities to be more impacted by mining.

I can mention that the assessment criteria include the amount of royalties paid out of the local government area to the Government as a direct form of assessment. Also, the number of mining jobs in the local government area is added—it is almost like an algorithm—to produce what is the highest priority. There are also assessments on indirect impacts, including the number of mining trucks so that areas like Wollongong and Newcastle have been able to get in because they are impacted but not in that direct sense. The criteria were pulled together through consultation with the relevant industries, including, obviously, the Minerals Council, NSW Farmers Association and Local Government NSW.

The Hon. MICK VEITCH: I thank you for your answer. I just want to talk about Lake Macquarie.

Mr ANDREW STONER: So they were assessed but they were not in the priority. They were just below.

The Hon. MICK VEITCH: I shall quote from the letter, which was to Mr Paterson by the way, from the General Manager, Brian Bell. He said:

Given the obvious flaws with both the consultation process and the adopted eligibility criteria ...

Clearly, Deputy Premier, Lake Macquarie council is not happy; its view is that it followed the processes articulated for it to follow and it still feels slighted. That is a pretty strong comment from the general manager, do you not agree?

Mr ANDREW STONER: It is a strong comment. Again, I stress that there is a limited amount of money available through Resources for Regions so we have to get it to the areas most affected by mining activity. We have an annual economic assessment of mining-affected communities and we have refined the assessment process in response to representations like that. Obviously, everyone wants a slice of the pie. For example, we have expanded the criteria for what is a mining-affected community. As I mentioned, we go to the indirect impacts now. In fact, the latest set of indicators increased to four, and I gave you an outline of some of those.

The Hon. MICK VEITCH: Yes.

Mr ANDREW STONER: As a result of submissions like the one to which you refer, it is an independent process; it is an objective process. If I were to pick favourites, I would be accused of pork-barrelling. I do not.

The Hon. MICK VEITCH: That would not happen, Deputy Premier!

Mr ANDREW STONER: I have an objective, independent assessment process, which I am happy to make available to Lake Macquarie council if it wants to see the range of indicators and how it is assessed. It is welcome to that.

The Hon. MICK VEITCH: On the back of that comment, do you give an undertaking to this Committee that you will have some dialogue with Lake Macquarie City Council about its eligibility for the Resources for Regions program?

Mr ANDREW STONER: I will ask NSW Trade and Investment to provide all the information about the economic assessment and take on board any feedback Lake Macquarie council might have.

The Hon. MICK VEITCH: Before my time concludes, I have one final question that relates to the Central West Jobs Action Plan but, particularly, the payroll tax rebate scheme bill that is before the upper House, on which we have foreshadowed an amendment in good faith. Why has that bill not progressed? It seems to me to make such great common sense to everyone.

The Hon. NIALL BLAIR: Point of order: The member clearly knows that the bill is before the House and, therefore, we cannot be discussing it in this hearing today.

The Hon. MICK VEITCH: I mentioned it in an adjournment speech and you blokes were all asleep.

The Hon. NIALL BLAIR: He has alluded to that in his questioning—

The Hon. MICK VEITCH: He is awake.

The Hon. NIALL BLAIR: —so I ask that the question be ruled out of order.

CHAIR: Order! The question is out of order.

The Hon. MICK VEITCH: I am certain that he wants to answer the question.

CHAIR: Order! The member is fully aware that we cannot ask questions of legislation on the *Notice Paper*.

The Hon. NIALL BLAIR: Is that it? Is that all you have got?

The Hon. STEVE WHAN: You have just timed us out.

CHAIR: Order! We now move to questions from Mr Jeremy Buckingham.

Mr JEREMY BUCKINGHAM: Minister, you would be aware of the recent announcement of the export deal from Norco to send milk to China, a good result for that dairy cooperative. Do you think that coal seam gas and dairy can coexist?

Mr SCOT MacDONALD: Like in Camden?

Mr ANDREW STONER: I understand that the member has already asked this question of the Minister for Primary Industries in whose portfolio the dairy industry properly lies and possibly also the Minister for Resources and Energy in whose portfolio the issue of coal seam gas properly lies.

Mr JEREMY BUCKINGHAM: Minister, the issue relates to trade and whether or not this industry can coexist and be viable and meet its contracts. Do you think the dairy industry can coexist adjacent to a coal seam gas industry, be viable and export to China?

Mr ANDREW STONER: Certainly in relation to the export issue NSW Trade and Investment facilitated that arrangement. Our Shanghai office had a significant role in bringing together Norco and the importers of the fresh milk.

The Hon. STEVE WHAN: They went to one meeting.

Mr JEREMY BUCKINGHAM: Do you think that Norco can coexist with coal seam gas? Are you aware that Norco made a submission to the upper House inquiry into coal seam gas, saying that it could not coexist, that it posed a major risk to its business? What is your response to that?

Mr ANDREW STONER: My response is that our Government has introduced a lot of new regulation around coal seam gas. The former Government issued a lot of exploration licences and the coal seam gas exploration and production in the south-west of Sydney commenced also under the former Government. What we have done is to put in place a policy that essentially says that in relation to prime agricultural land, if there is any impact on the land itself or the water resources that are associated with that area, then any proposal to extract coal seam gas would not be approved. So if it meant no dairy industry, it would not go ahead.

Mr JEREMY BUCKINGHAM: Thank you, Minister. At the recent Nationals conference, in reference to the community at Bentley who were protesting gas drilling, you said, "Mark my words, we were prepared to go head to head with the protest group." A community protest camp is being set up to blockade gas drilling at Gloucester. Do you expect the Government to use significant police resources—

Mr SCOT MacDONALD: Point of order: Going back to 4.4, I appreciate there is wide latitude but this is meant to be about the 2014-15 budget or prior expenditure.

CHAIR: Order! There is no point of order. Wide latitude is given in relation to questions.

Mr JEREMY BUCKINGHAM: I will finish the question. Do you expect the Government to use significant police resources to try to break this community blockade as well?

The Hon. NIALL BLAIR: Point of order: The member is clearly asking the Minister for Trade and Investment a question that should be directed to the Police Minister. The Minister for Trade and Investment does not allocate police resources and, therefore, I ask that the question be ruled out of order. It should be redirected to the Police Minister.

CHAIR: Order! The Minister has previously outlined where it is beyond his portfolio. I am happy for him to answer the question and if Mr Jeremy Buckingham wishes to ask questions outside the portfolio of the Minister, then the Minister will answer as he wishes.

Mr JEREMY BUCKINGHAM: Deputy Premier.

Mr ANDREW STONER: I am not in a position to direct how police resources ought to be used, but if people break the law there is an expectation from the broader community that police enforce the law.

Mr JEREMY BUCKINGHAM: Minister, in response to previous questions earlier in this session, I want to confirm that you said that the initial request for the proposed Buldev and Hunter Ports coal terminal in Newcastle that was to be considered within the unsolicited proposal process came to you.

Mr ANDREW STONER: No, I did not say that.

Mr JEREMY BUCKINGHAM: A request came to you that it be considered under the unsolicited proposals process?

The Hon. NIALL BLAIR: Point of order: The member clearly has just admitted that the first part of his question is incorrect. When the Minister has said no he did not say that he is now changing tack. I believe that his question contains argument. He has just verified the fact that the first part of his question, by his own admission, contains argument. I therefore ask that the question be ruled out of order.

The Hon. MICK VEITCH: To the point of order.

CHAIR: Order! The question is out of order. The member should rephrase his question or ask a different question.

The Hon. STEVE WHAN: How can it be out of order if he said it before?

Mr JEREMY BUCKINGHAM: Minister, I wish to confirm that a request from Buldev and Hunter Ports for their proposed coal terminal to be considered under the unsolicited proposals process came to you or your department.

Mr ANDREW STONER: I did not say that. What I said earlier was, to my knowledge—it is probably an assumption on my part—if there was an unsolicited proposals process in relation to that proposal, it was begun under the former Government. As I have read the papers I have become aware of Eric Roozendaal and Joe Tripodi's involvement in that matter. What I did say was that I asked my department to assess the economic merits of the proposal and whether it was consistent with Government policy.

Mr JEREMY BUCKINGHAM: But that was on the basis of a request, Minister?

Mr ANDREW STONER: The advice that I received was that, no, it did not, and hence it did not go forward for any further assessment under our Government.

Mr JEREMY BUCKINGHAM: That assessment was on the basis of a request that was made to you and your department from the proponents of the development?

Mr ANDREW STONER: I did not say that.

Mr JEREMY BUCKINGHAM: I am asking you if that is the case. How did it come to pass that you asked for that project to be assessed as to whether it fitted within that process?

Mr ANDREW STONER: There may have been a request to me; from whom I cannot recollect.

Mr JEREMY BUCKINGHAM: Was it from Nathan Tinkler at one of your dinners?

The Hon. NIALL BLAIR: Point of order:

Mr JEREMY BUCKINGHAM: Is that what he was getting for his money?

The Hon. NIALL BLAIR: We are now straying into other matters. Not only has the Minister answered this question a number of times, but the member is straying into questions outside the Minister's portfolio. I believe the question is out of order.

The Hon. STEVE WHAN: To the point of order: The Deputy Premier has clearly already indicated in this hearing that he has dealt with this issue, so it is clearly within his portfolio responsibilities.

The Hon. MICK VEITCH: He does not need protection from Mr Blair.

CHAIR: Order! As has been pointed out, the Minister has already commented on this but I remind Mr Jeremy Buckingham to be generally relevant in his questions.

Mr ANDREW STONER: It would not be appropriate for me to provide a running commentary on matters that are currently being considered by the Independent Commission Against Corruption. I would say to the member that it would be remiss of me as the Minister for Trade and Investment not to satisfy myself as to the merits of a proposal that could generate significant economic benefit and create a significant number of jobs for New South Wales. I did satisfy myself. The answer was, no, it ought not be supported.

Mr JEREMY BUCKINGHAM: I understand that, Minister. Would you be prepared to table any written correspondence requesting that particular project be considered under the unsolicited proposals process to the Committee?

Mr ANDREW STONER: Again, it is not appropriate for me to provide a running commentary—

Mr JEREMY BUCKINGHAM: I am not asking for commentary, I am asking for the document, the letter.

Mr ANDREW STONER: —or to prejudice matters that are currently under investigation by a body that has a lot more investigative powers than this one and would have each and every document in relation to those matters. That is enough. I am not going anywhere near it.

Mr JEREMY BUCKINGHAM: You are not prepared to table that document or give any sort of indication about—

Mr ANDREW STONER: I have cooperated with the authorities in relation to matters that are currently under consideration. If you have got some allegations, take them down to ICAC.

Mr JEREMY BUCKINGHAM: I might.

Mr ANDREW STONER: Go for your life.

Mr JEREMY BUCKINGHAM: Are you saying that the unsolicited proposals process is under investigation by ICAC.

Mr ANDREW STONER: I am saying—

The Hon. NIALL BLAIR: Point of order: The Government's unsolicited proposals policy is certainly not something that the Minister should be talking about here. [*Time expired.*]

The Hon. PAUL GREEN: Minister, thank you for your answer about the Norco Cooperative fresh milk supply agreement with China. With the establishment of this trade precedent do you see an expansion in this export area?

Mr ANDREW STONER: I am very hopeful that that will be the case, not only in relation to fresh milk but also in other fresh food products from New South Wales. The difficulty always is the delivery timing of the product. The protocol on entry into China is often quite difficult to navigate and can add delay to the delivery of the product and therefore the freshness and quality of the product. It is early days for milk. I did meet with the two Chinese entrepreneurs behind this import of fresh milk. They are utilising e-commerce, which has been taken up with great gusto in China through Alibaba and other platforms.

They are of the view that their imports of milk will increase significantly over time. I am sure, like me, you would know the difference between ultra-heat treated [UHT] milk, or milk powder, and fresh milk—it is huge. The taste for quality products is certainly there from the emerging middle and upper class in China. Those entrepreneurs and other importers are looking to all fresh foods out of Australia, in particular New South Wales. I have to say that we have a fantastic reputation for clean, healthy and high-quality food. It may be oysters or beef or it could be cherries from the Central West—

The Hon. MICK VEITCH: Young.

Mr ANDREW STONER: —they are delicious. They are good cherries.

The Hon. PAUL GREEN: Minister, you support the dairy sector being a significant beneficiary of the proposed Chinese Free Trade Agreement?

Mr ANDREW STONER: Absolutely. One has only to look across the Tasman to New Zealand. Its dairy industry has been very export focused. They have taken the opportunities available to them. There has been a significant economic benefit to New Zealand from dairy exports to Asia, particularly China. I would like to see our dairy sector also take advantage of the opportunities before them. For example, things like baby formula on the supermarket shelves just about get bought out by Chinese visitors because of the clean, healthy reputation of our product.

The Hon. PAUL GREEN: Minister, can you comment on the contribution of homebuilding to investment in New South Wales and how that investment provides growth and a minimum stability to our economy, given that we need increased growth in building of up to 40,000 houses per year to be able to meet supply and demand needs?

Mr ANDREW STONER: That is a very good question. Certainly the housing and construction sector is one of the contributors to the positive news out of the New South Wales economy over the past couple of years. We have deliberately targeted that sector for its economic contribution to the State. There are always significant jobs involved in the housing sector, whether it is tradespeople, building suppliers, transport and development of land and so on. What we have done to stimulate the sector is firstly make more land available for housing. We have released new subdivisions.

We have also funded something called the Housing Acceleration Fund to help connect essential infrastructure to those subdivisions. Whether it is water, power or roads, they are being funded in many cases through our Housing Acceleration Fund. Additionally, we have targeted first home owner incentives towards the construction of new homes. I am advised that in the 12 months to March this year some 50,000 new homes were constructed. These measures do seem to be working and they have contributed to the jobs that have been created in New South Wales.

The Hon. PAUL GREEN: It is my understanding that the numbers of people participating in First Home Owner Grants are down, not up.

Mr ANDREW STONER: Again, you would have to separate out the data from the previous scheme in relation to new dwellings as opposed to existing dwellings. By targeting new dwellings we are driving supply and we are also driving those construction jobs, which are critical to our economy.

The Hon. PAUL GREEN: There are about 57,000 people on waiting lists for social, public and affordable housing, which is going to grow to about 86,000 in coming years, so there are not enough houses being built to address housing needs. I now turn to another issue. A recent report indicated that foreign investment in New South Wales residential real estate more than tripled between 2009-10 and 2011-12 from \$1.9 billion to \$6.9 billion. While I commend the Government for declaring New South Wales open for business, there is a legitimate and growing concern in the community that there should be greater limits, regulation and scrutiny regarding the amount of residential not-built real estate that is being acquired by foreign investors. What is the Government doing to ensure that the locals and struggling first home buyers do not have to compete in an unwinnable fight?

Mr ANDREW STONER: Firstly, I make the comment that policy in relation to foreign investment is generally the purview of the Federal Government through the Foreign Investment Review Board. They have no particular restrictions on investment in property unless it reaches a certain threshold, which off the top of my head I cannot recall.

The Hon. STEVE WHAN: Which is a bit bigger than a house?

Mr ANDREW STONER: Correct. I am told that much of the foreign interest in property is at the higher end of the market and it is driving up prices on what is already relatively expensive property. By adding to the supply of land and houses we are helping, as a government, to keep housing affordable for the people who live here in New South Wales. Additionally, our efforts aimed at decentralisation also assist in providing affordable housing to people. We are actively encouraging people to move to regional communities where certainly housing is very affordable. That is one of the many attractions of living and working in regional New South Wales, as I know the member is well aware.

The Hon. PAUL GREEN: I know that it is pretty open down the south and across regional Australia to fully participate in relocation grants. What is the New South Wales Government doing about the impacts of the major drought we are currently experiencing?

Mr ANDREW STONER: I am aware that the Minister for Primary Industries was questioned at length about drought response over the last couple of days.

The Hon. STEVE WHAN: Feel free to give a better answer.

Mr ANDREW STONER: The member who interjects would no doubt be aware that an intergovernmental agreement was signed by the previous State Government that steered drought support towards drought preparedness rather than the traditional subsidies, which have been found to be somewhat ineffective in terms of coping with the impacts of drought by farmers. Nevertheless, over the last financial year we did continue some of the traditional forms of drought support—that is, transport subsidies. We also did steer assistance towards emergency water infrastructure to help those farmers get through.

There were a lot of farmers who were quite well prepared for the current drought. They were quick to reduce the size of their livestock herds, seeing the impending drought, and they were also prepared in terms of access to ongoing supplies of water and fodder to keep their breeding herds in place until the drought broke. However, some were not so prepared. Hence we did extend those traditional forms of assistance—at, I have to say, considerable cost—until 30 June this year. From 30 June the measures agreed previously between the States

and the Commonwealth will apply. Those measures do include forms of income support from the Federal Government.

CHAIR: Order! Unfortunately time has expired for the examination of the portfolios of Trade and Investment, Regional Infrastructure and Services. We will take a short recess and resume at 11.15 a.m. to examine the portfolios of Tourism, Major Events and Small Business.

(The witnesses withdrew)

(Short adjournment)

MARK PATERSON, Secretary, NSW Trade and Investment, on former oath:

SANDRA CHIPCHASE, Chief Executive Officer, Destination NSW, and

ROBYN HOBBS, Small Business Commissioner, Office of Small Business, sworn and examined:

CHAIR: I welcome everyone back to the examination of the proposed expenditure for the portfolios of Tourism and Major Events, and Small Business. We will be examining these portfolios from 11.15 a.m. to 11.55 a.m. followed by the portfolio of the North Coast. I understand that Mr Paterson would like to make some comments in relation to a previous question asked by the Hon. Mick Veitch, which he is quite happy to receive.

Mr PATERSON: The Hon. Mick Veitch asked some questions in the earlier session in relation to the provision for doubtful debts. The reason we looked a little perplexed at the time was because the numbers he referred to in the question did not ring true with us. The provision for doubtful debts for 2012-13, which was the annual report that has been published, was \$8.3 million, not \$50 million as was suggested in the question.

I will provide our unaudited provision for doubtful debts for the 2013-14 financial year. Our annual report has not yet been published and we do not have a final audit signed off in relation to our accounts, but in our draft accounts our provision for doubtful debts is \$20.9 million for debtors over 90 days. The debts written off for 2013-14 in those unaudited accounts are \$7,000 and statements to debtors were last issued on 19 August, which was two days ago, based on time frames. They are not technically dunning letters, which was the nature of the question that was put to me, but the most recent statements to debtors were sent out on 19 August. I repeat: The provision for doubtful debts for 2012-13 was \$8.3 million and our unaudited provision for 2013-14 is \$20.9 million.

CHAIR: There is no provision for the Minister to make an opening statement so we will commence with questions from the Opposition.

The Hon. STEVE WHAN: Lately when I go to tourism events people often say to me, "Who is the tourism Minister?" In the new structure you are the Minister and you have a Minister assisting. Both of you have other significant portfolios. Do you think it is devaluing the importance of tourism to New South Wales to have Ministers who fail to have the dedication and commitment to highlight this portfolio with the importance it should have?

Mr ANDREW STONER: No, I do not accept that. In fact, just yesterday I met with a number of peak tourism bodies that were quite pleased with, firstly, the Government's priority towards tourism and major events. They also made the remark that it is good to have a senior Minister in Government who is able to ensure that the right priority is given to the portfolio.

The Hon. STEVE WHAN: They did not count George Souris as being that?

Mr ANDREW STONER: That has changed; I am the current Minister. I have Minister Hodgkinson as assistant Minister for Tourism and Major Events. She has a particular purview for certain events. She assists me as a relatively senior Minister in the Government, the reason being that, as you see, my portfolios are fairly broad and there will be times when I cannot get to particular events or particular meetings. Having another senior Minister to be able to take that on would be a benefit to the industry rather than a detraction.

The Hon. STEVE WHAN: I note the fact that this year we have about a third of the time that we had last year to explore these portfolios. That is an example of the way things are being squeezed out by this new arrangement. With the \$110 million Regional Tourism Infrastructure Fund that you recently announced, which I gather is funded through the proceeds of the sale of the Newcastle port, can you tell us the time frame for applications for that to be made available, whether the guidelines are out and who will be making the decisions on those funds?

Mr ANDREW STONER: My agency is working on those guidelines and the assessment process for the guidelines. They will be out certainly well before the end of the year. We want to have successful applicants announced as soon as possible. The main criteria will be around economic benefit. This money, as you highlighted, is coming through the Restart NSW Fund, which necessarily involves Infrastructure NSW. Their purview is to ensure that any infrastructure has a positive economic benefit to the State. So they will be involved

in the process, which will again be seeking a positive cost-benefit ratio. I think that will be the main direction of the guidelines.

The Hon. STEVE WHAN: Who makes the final assessment? Is it Destination NSW that makes the final assessment?

Mr ANDREW STONER: I have not got the final recommendations on the process, but if it is anything like Resources for Regions, yes, Destination NSW will be involved, possibly with industry input as well. Again, what we do not want is me or any other politician running around pork-barrelling.

The Hon. STEVE WHAN: You expect to have an announcement about how those would be determined by the end of the year?

Mr ANDREW STONER: Absolutely. As I say, the process will involve Infrastructure NSW, Destination NSW and possibly some industry input.

The Hon. STEVE WHAN: Minister, given that Destination NSW has reported international and domestic tourist numbers on the North Coast continue to increase and that Nimbin attracts a significant number of those tourists, will you consider providing financial assistance for the re-establishment of the recently burned down Nimbin Museum and help to repair the damage to the Nimbin main street?

Mr ANDREW STONER: That is the type of project that may meet the criteria under the Regional Tourism Infrastructure Fund that we announced in this year's budget. It is hard infrastructure to rebuild, a museum. Previously there has not been any particular fund from certainly the State Government to undertake that sort of restoration. It is possible and it is positive for the Nimbin Museum that there now is such a program.

The Hon. STEVE WHAN: Moving on to some other issues, can you tell me whether Destination NSW was involved in consultation with Transport over changes to signage for public transport in Sydney and the move away from internationally recognised symbols for things such as buses and trains? If so, did Destination NSW raise concerns about confusion that might be caused to international visitors?

Mr ANDREW STONER: I will defer to Ms Chipchase on that one.

Ms CHIPCHASE: We were not in a formal meeting around that and of course that is not our remit. We can certainly have input. We work very closely with Transport for NSW and other agencies on signage. We also work very closely on the Sydney official guide. That gives us an opportunity to explain to any visitors, particularly those from overseas, where to get visitor information. The international "i" sign is featured throughout signage in the city but also, increasingly, in the digital space, as you would be aware.

The Hon. STEVE WHAN: In terms of actual signage for the whereabouts of trains, buses and ferries, does it concern Destination NSW—it has certainly been expressed to me by people in the tourism industry—that moving away from the internationally recognised symbols to things like T1 and T4 for trains is causing confusion.

Ms CHIPCHASE: We have not undertaken any consumer research on that, but what I can tell you is that under the Government's visitor economy industry action plan there is a remit for Destination NSW to work with the other key agencies—Transport for NSW, City of Sydney and the Sydney Harbour Foreshore Authority—on not only signage but also visitor information. We have our new manager of visitor services starting next week, in fact.

The Hon. STEVE WHAN: Would you prefer it if there were internationally recognised symbols for these things from the point of view of the experience of an international visitor?

The Hon. NIALL BLAIR: Point of order: I am sure Ms Chipchase may, if she wants to, answer this.

The Hon. STEVE WHAN: Well, let her do it.

The Hon. NIALL BLAIR: But it is seeking an opinion.

The Hon. STEVE WHAN: No, it is not.

The Hon. NIALL BLAIR: It is—"Would you prefer". What is your preference?

The Hon. STEVE WHAN: Okay. Would Destination NSW prefer it?

The Hon. NIALL BLAIR: Can I finish?

CHAIR: Order! There is a point of order before the Chair.

The Hon. STEVE WHAN: I have very limited time and the Deputy Chair is trying to eat it up.

CHAIR: Order!

The Hon. NIALL BLAIR: Mate, I will take as long as I need to to take a point of order when you keep interrupting. My point of order is that the Hon. Steve Whan has asked for an opinion on Government policy and I think that is out of order.

CHAIR: Order! Would the Hon. Steve Whan like to rephrase the question?

The Hon. STEVE WHAN: Would Destination NSW prefer if the international symbols were used in these circumstances?

Ms CHIPCHASE: I would make the point that there are many international symbols and there are many organisations that claim to have the remit of what is accepted. For example, Esperanto was supposed to be the international language. It comes down to opinions.

The Hon. STEVE WHAN: Would it be preferable if a train was symbolised by the picture of a train?

Ms CHIPCHASE: I would assume that the answer to that would be yes, but again I do not have the remit for that. If I am asked for opinions and if we are asked to do research on international symbols, I am more than happy to assist.

The Hon. STEVE WHAN: Ms Chipchase, what input has Destination NSW had into the design of the fares for the Opal card and specific products for tourists when they arrive, particularly at Sydney airport?

Ms CHIPCHASE: We have had no input into ticketing arrangements. Our relationship regarding Opal has been one of being able to promote the products. Given that it is relatively new, we are promoting the Opal card in the arrival guides—the Sydney official arrival guide—and also on our websites. We have some meetings coming up to talk about how we can engage more—

The Hon. STEVE WHAN: Meetings with Transport?

Ms CHIPCHASE: Yes, with Transport for NSW.

The Hon. STEVE WHAN: In those meetings, will Destination NSW be seeking a product which gives people the opportunity to arrive at Sydney airport or any other access point and get a card that they can use for a few days at a time, without having to register?

Ms CHIPCHASE: What we will be seeking is to understand more about how the product is being rolled out. Certainly in our discussions to date with Transport for NSW they are looking at a tourism product and are very aware that we would support them.

The Hon. STEVE WHAN: Is it of concern to you that you are only about to have meetings when this is a product that has been in planning for so long?

The Hon. NIALL BLAIR: How long did it take you guys and you have got nothing—15 years or something.

Ms CHIPCHASE: We are delighted that we are being involved in this process. The number one priority is clearly for the commuters and we are delighted that Transport for NSW is seeking a very strong

engagement with us. As I say, we have already been talking about what it could look like, how it could work and how we can support Transport for NSW in getting those Opal cards distributed and having a good travel product.

The Hon. STEVE WHAN: Before I hand over to Small Business, what work is Destination NSW doing about identifying skills gaps in tourism in New South Wales and planning to meet them? And if you have a lot, you might want to table it. I am hoping there is a lot.

Ms CHIPCHASE: This is an area that has been coordinated by Trade and Investment. We have certainly had a seat at the table. I am more than happy to go through the—

The Hon. STEVE WHAN: Is there an answer you would be able to table for us?

Ms CHIPCHASE: Yes, sure.

The Hon. STEVE WHAN: I will rephrase that: Would you take that question on notice?

Ms CHIPCHASE: Yes.

CHAIR: Order! To clarify it, you are not tabling it, you are taking it on notice?

Ms CHIPCHASE: No, it is a question on notice.

The Hon. ADAM SEARLE: Minister, your Coalition election policy with respect to small business committed the Government to repealing two regulations for each new regulation that the Government made—the so-called "one on, two off policy". Will you advise the Committee of how many regulations the Government has made in its term of office and how many it has repealed? I am happy for you to answer either whole-of-government or just for your specific portfolio.

Mr ANDREW STONER: I will answer for whole of government. Since March 2011, when we came to office, we have repealed 205 legislative instruments for the 37 we have introduced. That is a ratio of more than 5:1. In 2011 alone, we repealed 152 instruments for the 14 that we introduced. I am advised that our red tape reforms have resulted in approximately \$500 million in savings for small business. We set ourselves a goal of \$750 million by June 2015.

This includes a removal of fees on State contracts for businesses that supply goods and services to Government, saving \$63 million a year; the introduction of a national electronic conveyancing system, which allows easy online lodgement and saves more than \$46 million a year; the implementation of the national Business Names Register, which removes the need for businesses to register multiple times and pay multiple fees, saving more than \$22 million per year; changes to the Workers Compensation Scheme that have resulted in major reductions in premiums for employers and time savings due to the improved performance of the scheme; and also Service NSW, a customer-focussed one-stop shop, that saves businesses time and money by making it easier to interact with the New South Wales Government.

I add that our 30-day payment policy has resulted in Government agencies either paying their invoices on time—the current figure is 93 per cent—or paying penalty interest to compensate small businesses for the delay in the payment. So, in conclusion, I think we are meeting our pre-election commitments.

The Hon. ADAM SEARLE: Last year the budget for the NSW Office of the Small Business Commissioner was \$14 million. That is in last year's Budget Paper No. 3, page 8-7. In this year's Budget Paper No. 3, page 8-6, it is the same budget of \$14 million. There has been no increase to account for inflation. Inflation is running at nearly 3 per cent, so that is a cut, in real terms, of more than \$400,000. Does that show a diminishing commitment to the NSW Office of the Small Business Commissioner by you, as Minister?

Mr ANDREW STONER: Absolutely not.

The Hon. ADAM SEARLE: Then why the cut?

Mr ANDREW STONER: We have more than made up for inflation through enhanced productivity within the Office of the Small Business Commissioner. We are delivering our programs and services to small

business more efficiently than ever and reaching more small businesses than ever. I will ask the Commissioner if she wants to add to that.

Ms HOBBS: Thank you, Deputy Premier. Yes, the productivity has increased. I have held the position for just a few days short of six months, on 25 August. We have implemented a strategic business plan, we know where our key focus areas are and, as the Deputy Premier has indicated, we have implemented a range of multicultural tools, which had not been available before, in Arabic, Chinese, Korean and Vietnamese. More than one-third of New South Wales small businesses are from non-English-speaking backgrounds, so to be able to speak to them in their own languages is really important. We have created a portal on our website that is specific to those languages and we are adding more information to that. We have been hosting seminars in all those languages. Those materials have been widely received and well respected.

We also have a regional program and we are beginning to work with regional communities in New South Wales. We have identified three so far. That is an important thing, to be out in the regions and to understand what is happening there. We are helping with a whole range of programs of activation. We have had some very successful programs, one in Hay in particular. We have a program we are running in Deniliquin and a third component, which is to be launched next month by the Deputy Premier is the Small Business Friendly Councils program, which is the first of its kind in Australia. We have had interest from Western Australia to adopt the same program there. That will be a great thing to launch next month. There are 35 councils and shires in New South Wales that will participate in that program.

Mr ANDREW STONER: I add to that, that the \$1.5 million we have committed for the Smart Work Hub pilot program benefits mostly small business owners. So, in that context, the budget has increased.

The Hon. ADAM SEARLE: So that is in addition to the \$14 million, is it?

Mr ANDREW STONER: Correct.

The Hon. ADAM SEARLE: And how is that being rolled out?

Mr ANDREW STONER: We have rolled out smart work hubs, three in Western Sydney and two on the Central Coast, supported by \$1.5 million of funding to make the tenancies or the use of these smart work hubs affordable to small businesses. It is about assisting them with their productivity and keeping their overhead costs down. The feedback so far has been very positive. Mostly small businesses, start-ups and entrepreneurs are taking up these opportunities. It reduces the commute and ultimately we are seeing benefits in terms of productivity to those small businesses by working smarter, not harder.

The Hon. ADAM SEARLE: Last year we were told that some 10,000 businesses had accessed the advisory service provided by the NSW Office of the Small Business Commissioner in the previous year. Can you tell us, in the last financial year, how many businesses accessed the advisory service provided by the Office of the Small Business Commissioner and how many do you expect to be accessing it in the current financial year?

Ms HOBBS: Yes, I can and thank you for the question. In terms of 2013-14, we are receiving something like 13,000 calls in that year—29 per cent up on the previous year. Looking at the figures to date, I expect them to move into around 15,000 inquiries coming in. Many of those, as you know, want to access our mediation dispute resolution services, so we are seeing proportional gains in what is coming in. We are also seeing the same level of success, in terms of actually helping those customers who get to the formal part of mediations. We have seen the increase from 1,800 to just under 2,000, and our success rate on that is more than 90 per cent. The wonderful thing about that is that it actually gets businesses back to doing what they should be doing and that is, being in business. It reduces the time it takes for a dispute to be resolved and, importantly, it frees up the court system. As you would know from the Motor Dealers and Repairers Act, section 6 requires that any dispute under that Act first comes to the Office of the Small Business Commissioner. So the figures have increased.

The Hon. ADAM SEARLE: Where were dispute resolution services provided face to face throughout New South Wales? Was it only in Sydney? Was it in the regional and rural areas? Was it in western Sydney?

Ms HOBBS: We provide them wherever the need is. If we need to be out in the country, we go out there.

The Hon. ADAM SEARLE: Can you identify the locations?

Ms HOBBS: Yes. I know that we have been up to Taree, I think there is one in Bathurst coming up and we were in the Southern Highlands recently. Wherever the need is, we will go there.

The Hon. ADAM SEARLE: Can you take it on notice to provide a full list of where you have been?

Ms HOBBS: Absolutely. I am happy to do that.

The Hon. ADAM SEARLE: I understand with dispute resolution, some of it is done by persons employed in your office and you also engage people from a panel of mediators. How many people are employed, full-time equivalent, to do that work and how many panel members have you engaged on a sessional or casual basis over the last year?

Ms HOBBS: In terms of dispute resolution, we have mediation officers because, of those 13,000 calls that are coming in—but I think it will be 15,000 calls or thereabout—there are basically three steps: the level of inquiry that people come into, the informal mediation that we try to help people with, and then it moves to the formal mediation. The first two steps are handled within the dispute mediation team in our office. If it goes to a formal mediation, we have a panel of external mediators who come in. They tend to be the more complex issues. I think you might be aware that we charge the parties \$760. Average mediation time takes between three and five hours. As you know, anything we do in mediation, the nature of the complaint becomes confidential because I think that provides the opportunity to resolve the dispute.

The Hon. ADAM SEARLE: I will put the remainder of my questions on notice.

Ms JAN BARHAM: Minister, Action 6A of the Visitor Economy Industry Action Plan referred to the NSW Visitor Accommodation Supply Plan. Can you identify how much has been allocated to the development of the supply plan? When will it be implemented? What progress or actions will be taking place for the progression of the plan?

Mr ANDREW STONER: Thank you for the question. Certainly Destination NSW is charged with working through the relevant items in the Visitor Economy Industry Action Plan, including the Visitor Accommodation Supply Plan, I am advised that the development of that plan has begun and is well underway. The aim is to deliver that by the end of this year—that is, by the end of 2014. We believe that the final plan will give both government and industry some really good data on accommodation supply, but also the demand needs for our State's visitor economy moving forward. We have pulled together a joint government and industry advisory group to guide the development of the plan. Its membership comprises peak industry associations as well as relevant government agencies and, obviously, DNSW and NSW Trade and Investment are included. We have also engaged Jones Lang Lasalle to assist us with analysing what is fairly complex and diverse data, as well as in compiling this plan.

Ms JAN BARHAM: Are you including local government in that peak industry or joint advisory group? Does local government have a seat?

Mr ANDREW STONER: My understanding is that we are consulting local government.

Ms CHIPCHASE: Yes. Trade and Investment has carriage of the plan but, obviously, we are inputting into that. I think their number-one starting place is to look for who holds the key data on accommodation right across the different types of accommodation as well.

Mr ANDREW STONER: And obviously local government does have some of that data.

Ms JAN BARHAM: Action 6C of that same report referred to the release of Crown lands for tourism visitor purposes. Are you able to advise how many parcels of land have been identified or are proposed for visitor economy?

Mr ANDREW STONER: That is a question that would be better directed to the Minister for Natural Resources, Lands and Water, who has responsibility for Crown lands. I think Trade and Investment has engaged

with the Minister for Natural Resources, Lands and Water in relation to that. If Mr Paterson has any further advice, I ask him to give it.

Mr PATERSON: I do not have any detail to hand.

Ms JAN BARHAM: I will submit it.

Mr PATERSON: Crown Lands estimates hearing was on Monday afternoon.

Ms JAN BARHAM: Yes.

Mr PATERSON: We can come back to you on notice.

Ms JAN BARHAM: Thank you. Do you have any updates on how the Aboriginal Tourism Action Plan project is progressing and on its implementation?

Mr ANDREW STONER: I will ask Ms Chipchase to respond to that.

Ms CHIPCHASE: Yes. As you would be aware, the plan was released in August 2013 and it was designed to identify ways that Destination NSW, partner agencies and the tourism industry can help and support the Aboriginal tourism sector and foster opportunities for Aboriginal people to successfully operate tourism businesses and also gain employment in the tourism industry. There were 26 actions in the action plan.

Ms JAN BARHAM: I am particularly interested to know how has it progressed with new businesses or in the training and employment of Aboriginal people.

Ms CHIPCHASE: You may be aware that we ran a workshop for Aboriginal tourism operators to try to upskill and assist them in understanding commission structures—how to work with inbound tour operators. We have had some great success. You may be aware of a product in the Port Stephens area that has quad bikes run by Aboriginal tourism operators. They have now been included in international brochure products, which is a huge success. We are running a second workshop. The first one was run in Redfern. The second one was up in Port Stephens and we have a third one coming up. So this has been an exceptional initiative and it has been very widely accepted.

Ms JAN BARHAM: Do you know how many new products or increased employment have come from it?

Ms CHIPCHASE: I cannot give you employment numbers—

Ms JAN BARHAM: Training?

Ms CHIPCHASE: —but I can take that as a question on notice.

Ms JAN BARHAM: Okay.

Ms CHIPCHASE: In fact, Destination NSW has taken on an Aboriginal trainee under the Government's scheme. He is doing a stellar job for us.

Mr ANDREW STONER: Can I just add, if you do not mind, Jan, that within the Aboriginal Tourism Action Plan there are 26 actionable items, of which 19 are either completed or ongoing, four are in progress or underway and three are in planning. We are very well progressed in moving through those items. In addition, within DNSW we have an Aboriginal tourism specialist, who represents us on the Commonwealth Indigenous Tourism Group.

Ms CHIPCHASE: If I may add to that, the Aboriginal tour guide program led by the Northern Sydney Institute of TAFE has advised us that 34 people participated in that program. Employment opportunities have been circulated to those participants and to date 11 have achieved employment outcomes.

Ms JAN BARHAM: Is there an update on the website? I did not see one. Is it possible to provide updates on the website?

Ms CHIPCHASE: Absolutely.

Ms JAN BARHAM: I have received a number of requests as to whether there will be a regional focus, particularly the North Coast, which has a lot of product potential. The previous Government ran workshops and I hope that energy was not lost to pick up on potential projects on the North Coast?

Ms CHIPCHASE: As you know, the first workshop was in Sydney and then in Port Stephens in April this year. The next one will be held at Narooma in September and we are hoping to roll these out, if possible, on a quarterly basis, but at least three times a year.

Ms JAN BARHAM: Are the recommendations about increasing the supply of international and short-term labour based on the need to do more in jobs for travellers? Have you some evidence that identifies the shortages and the regional shortfalls or whether they are competing with already high unemployment in regions? Are problems being created by the advantage of travellers being able to work, particularly in the hospitality industry? I could not find any evidence of that undersupply, but it has been referred to. There is a city-based one but not regional.

Mr ANDREW STONER: The industry consistently tells the Government, including me, that in the skilled stream of the tourism and hospitality industry we have skills shortages, and that includes chefs, cooks and hotel managers. I am aware that, in Sydney, there are shortages for occupations such as wait staff. That would not be the case in most of the regional areas. We advise the Commonwealth Government about identified skills shortages through a process that we have that involves the Service Skills Australia yearly environmental scan of the tourism and hospitality industry. In 2013 the scan confirmed the shortage of qualified cooks and chefs—

Ms JAN BARHAM: In Sydney?

Mr ANDREW STONER: Yes, and forecasts the trend to continue.

Ms JAN BARHAM: If you are—

CHAIR: Order! Your time for questions has expired, unfortunately. We will move to questions from the Hon. Paul Green.

The Hon. PAUL GREEN: Minister, are we on track with the State's goal of doubling overnight visitors expenditure by 2020?

Mr ANDREW STONER: We are tracking very well.

The Hon. PAUL GREEN: What is the percentage?

Mr ANDREW STONER: Since March 2011 we have seen a 13 per cent increase in overnight visitor expenditure. Bearing in mind that we are talking through to 2020, yes, there is a way to go, but the results are quite impressive and give us cause for optimism that we will reach that stretching target. We have achieved the highest number of international visitor nights and expenditure since 2005 in the year 2013. We saw some three million international visitors staying 72.8 million nights and spending \$6.7 billion for the calendar year 2013. I will ask Ms Chipchase if she wants to add to that.

Ms CHIPCHASE: We are very pleased with the results and, as the Deputy Premier said, we have achieved the best results since 2005. Certainly it vindicates a lot of the planning that we have put in place under the stakeholder management programs and cooperative marketing programs. If you look at any of the forward projections—and keep in mind it is a national goal to double overnight visitor expenditure by the year 2020—we have a focus on the year 2017 as the year that there will be a lift. That is primarily due to the increase in the size of aircraft, the increase in aircraft movements and, indeed, the programs and special events that we have got. The fact that we have a billion dollar new convention and exhibition centre under construction at the moment will have an enormous impact on Sydney and, indeed, regional New South Wales when it opens its doors in 2017.

Mr ANDREW STONER: I do not mean to take up time, but it is quite important to note that there are two global factors that give us further cause for optimism, other than all of the strategies that we are undertaking. One is the recovery of the global economy, particularly the United States, where the numbers of visitors are rising—they are coming back to Australia—and we are seeing an increase in numbers from Europe as well. The spectacular increases have been out of Asia because of the growth of the middle class across South-East Asia, in particular, China.

Japan's economy is recovering and Korea's as well, but the real positive for all exports, including our tourism exports, is the softening of the Australian dollar. It has gone up to US\$1.12 and it is down to around the 90 cent mark and is forecast to come off even more. It makes our product more affordable and it is underpinned by the marketing campaigns, the development of tourism infrastructure and the events we are securing. We are seeing groups like Shangri-La—in today's *Australian Financial Review* there is an item titled, "Shangri-La bullish on Sydney tourism"—for all of those reasons.

The Hon. PAUL GREEN: Has the New South Wales Government changed the Regional Visitor Economy Fund grants for periods longer than 12 months?

Ms CHIPCHASE: Under the grant system people can apply for funding for programs that run longer than 12 months, up to a period of two years. Keep in mind that this is a fluid process. We are always reviewing it but the success of the program speaks for itself. Any of the regions that have undertaken cooperative programs under the Regional Visitor Economy Fund have had extraordinary success in terms of visitor numbers. We have had great feedback from them. They are all lined up to do it again.

The Hon. PAUL GREEN: One of the issues that came out of our inquiry is that less than 12 months was not helpful. I am hoping that fluid situation was as a result of those recommendations. Secondly, has the New South Wales Government reduced the minimum matched funding threshold for the Regional Economy Visitor Fund grants?

Ms CHIPCHASE: No. At the moment, it is \$50,000 matching.

The Hon. PAUL GREEN: Why not?

Ms CHIPCHASE: We have not been asked to.

The Hon. PAUL GREEN: I think you have.

The Hon. STEVE WHAN: There is a recommendation from a report.

The Hon. PAUL GREEN: We are going to follow it up. Once again, this is part of the recommendation of the tourism in local communities inquiry, which issued a report in March 2014, which brings me to the next question. There are 25 recommendations. How many of these have been actioned or entertained, given the fact that we want to grow the overnight experience by 200 per cent by 2020? Obviously when we went on the road we found out that these issues were the cause of some of the hindrances and I am asking if they have been removed or complemented so the regional economies that are subject to grants can flourish.

Ms CHIPCHASE: My understanding is that we have put in a response to some of the recommendations and that would be a government decision as to which direction they wish to take. The Deputy Premier has always asked us to focus on improving commercial outcomes for regional New South Wales as well as Sydney, and anything that we could do that would deliver more on that outcome, we would certainly be happy to support.

The Hon. PAUL GREEN: Thank you. What is the Government doing to open opportunities in national parks? Anyone can take that answer.

Ms CHIPCHASE: That is obviously environment and heritage.

The Hon. PAUL GREEN: It is tourism.

Mr ANDREW STONER: I think that is probably a better question for the Minister for Environment and Heritage. However, I know my agency, Trade and Investment, and also Destination NSW liaises with the Office of Environment and Heritage regarding tourism opportunities. We recently had, for example, out of this coordination, a regional New South Wales guide. There was a publication that was inserted in newspapers—mainly in Sydney, was it—

Ms CHIPCHASE: The eastern seaboard. They are regional.

Mr ANDREW STONER: —which featured national parks as some of the tourism attractions in the regions.

The Hon. PAUL GREEN: One of the recommendations in the report was that the National Parks and Wildlife Service address difficulties with inter-agencies and stakeholder outcomes. It is across the Office of Environment and Heritage and tourism. Hopefully you are working together to achieve those outcomes.

Ms CHIPCHASE: We are certainly working with them to improve the quality of the content on our website, so photography, nature trails, and information about the parks. You would be aware that many of them are seasonal in nature. It is a key market for us. If I look at the stats for the year ending December 2013, New South Wales received nearly 22.6 million international domestic nature-based visitors, and they spent about \$14 million. That is a really important segment for us. We have a great relationship and we would be looking at working to ensure that we have sustainable tourism because obviously conservation and national parks are very important as well.

The Hon. PAUL GREEN: Absolutely. In terms of growing the regional visitor economies, it is of great concern that air services are breaking down in our regional areas. How do you address that issue because if we are going to get people from the gateway of Australia—Sydney—out to our regional communities, and flight is not an option, what is the strategy to break through that?

Mr ANDREW STONER: I will make some preliminary comments and then ask Ms Chipchase to follow on. This is one of the reasons why, for the first time, we have put a Regional Tourism Infrastructure Fund of \$110 million into the budget. We would expect that some of the successful applications will involve the upgrading of regional airports. One example that springs to mind is Lord Howe Island where there are problems with the existing airport compared with the airline's plans for aircraft—they are moving to larger aircraft that can carry more and more passengers to bring down the unit cost of providing the flight. So we do need to move with the industry.

That said, whether an airline flies into a regional airport or not will always come down to the economics of whether it is a viable route—that is, the number of passengers paying fares covers the cost of providing the service to the regional airport. The best thing we can do to address that, ultimately, is to grow regional economies—more jobs, more people—which we do through our decentralisation policy, including our Regional Industries Investment Fund, which has supported around 30,000 new regional jobs since we came to office.

CHAIR: Time has expired for the examination of the portfolio of Tourism and Major Events, Small Business. We will take a short adjournment before moving to the portfolio of the North Coast.

(Short adjournment)

(The witnesses withdrew)

MARK PATERSON, Secretary, NSW Trade and Investment, and

SANDRA CHIPCHASE, Chief Executive Officer, Destination NSW, on former oath:

CHAIR: I declare the estimates hearing into the portfolio of the North Coast open. As there is no provision for the Minister to make an opening statement, we will commence with questions from the Opposition.

The Hon. WALT SECORD: Minister, is it correct that you were sworn in as Minister for the North Coast on 23 April 2014?

Mr ANDREW STONER: I would have to check the exact date, but yes, it was in April.

The Hon. WALT SECORD: As Minister do you think that coal seam gas activity and agriculture can coexist?

Mr ANDREW STONER: The Government has introduced a comprehensive set of regulations around coal seam gas exploration as well as production. The previous Government had no similar controls in place. The end objective of this comprehensive set of regulations is to ensure that in respect of prime agricultural land if there is any damage likely to be caused to either the land itself or the water resources then any proposal to either significantly explore for gas or to produce gas would not be approved. I guess the summary version of that is: If there is going to be any detrimental impact on farming activity on our good farmland, which we have mapped out, it will not coexist.

The Hon. WALT SECORD: In June, in Queanbeyan, you labelled farmers, librarians, mothers, grandmothers, schoolteachers, clergy and students at the Bentley Blockade as "professional bludgers". Do you still stand by those comments?

Mr ANDREW STONER: You should get comments in their full context because at the same time I also said there were a great many decent people involved in the Bentley Blockade.

The Hon. WALT SECORD: Minister, are you saying that Jenna Cairney of *The Land*, former Editor of the Grafton *Daily Examiner* misquoted you?

Mr ANDREW STONER: No, I am saying that she took a small comment from the full context of the comments that were made. That is what I am saying.

The Hon. WALT SECORD: Do you apologise for people interrupting that you called them professional bludgers?

Mr ANDREW STONER: If that was their interpretation that is not an apology for me to make. What I have tried to do is to clarify—including personally meeting with representatives of the Bentley Blockaders—the full context of my statement, which was not to call those people professional bludgers. However, amongst the group there were people who I would still refer to as professional bludgers.

The Hon. WALT SECORD: Minister, have you ever had direct contact with Dart Energy?

Mr ANDREW STONER: No.

The Hon. WALT SECORD: Has your staff ever met with Dart Energy?

Mr ANDREW STONER: Not to my knowledge, but I will seek their advice.

The Hon. WALT SECORD: Can you take that on notice?

Mr ANDREW STONER: Sure.

The Hon. WALT SECORD: As Minister for the North Coast do you support the current legislation banning property developers from donating to political parties?

Mr ANDREW STONER: This has got—

The Hon. WALT SECORD: It is a yes or no question.

Mr ANDREW STONER: It is a complex issue that deserves a proper response and a proper response is that the Labor Government introduced that ban because of events that were occurring under that government, and that was that property developers were donating large sums of money to the Labor Party and the Labor Party had in place under its planning Act something called part 3A and it was pulling in DAs—

The Hon. NIALL BLAIR: Point of order:

The Hon. MICK VEITCH: Can you take a point of order on the Deputy Premier?

The Hon. WALT SECORD: Stop eating up my time. What is your point of order?

The Hon. NIALL BLAIR: I am taking a point of order. I will take directions from the Chair. I do not need any help from you as to how I take my point of order.

CHAIR: Order! I remind the Deputy Chair that he should make his point of order.

The Hon. NIALL BLAIR: My point of order is that the member has asked the Deputy Premier a question. The Deputy Premier should be afforded the ability to answer that question without interjection from the member who asked the question. I ask you to bring the member to order and to direct him to stop interjecting on the Deputy Premier mid-sentence.

CHAIR: Order! I remind all members that interjections are disorderly at all times.

Mr ANDREW STONER: Can I finish my answer?

The Hon. WALT SECORD: I thought you had finished.

Mr ANDREW STONER: No. I would like to finish the answer.

The Hon. WALT SECORD: You were not answering my question but go ahead.

Mr ANDREW STONER: I am getting to it.

The Hon. WALT SECORD: It was a yes or no. Do you support the current ban on property developers donating to the National party?

Mr ANDREW STONER: What I said to you earlier was that it is a complex issue that is deserving of a comprehensive response. Your former Premier Nathan Rees introduced a ban on developer donations in 2009 because of what was known as a climate conducive to corruption.

The Hon. WALT SECORD: No, you are referring to the North Coast National party. That was a phrase Labor directed at Don Page.

The Hon. NIALL BLAIR: Point of order: I probably do not even need to continue with the point of order. Now the member is reflecting upon—

The Hon. WALT SECORD: I was quoting from a 1998 ICAC—

CHAIR: Order! The Hon. Walt Secord will come to order.

The Hon. WALT SECORD: I know what you are referring to—a 1998 ICAC report.

CHAIR: Order! The Hon. Walt Secord will come to order.

The Hon. NIALL BLAIR: We can do this all day. I have got plenty of time to raise points of order. If the member wants to keep interrupting me taking a legitimate point of order he is wasting his own time. My point of order is that now the member, through interjections—which, again, are disorderly—is reflecting upon another member of Parliament. It is against the standing orders—

CHAIR: Order! I have the gist of the point of order. The Minister has the call to answer the question.

Mr ANDREW STONER: Just to finish, and I will speed it up: in response to Wollongong and other events, your Government banned developer donations. My side took it a step further and we removed part 3A. You kept part 3A in there so you could pull in all of those DAs from your developer mates. We got rid of part 3A so there is no connection between a Minister of this Government and development decisions. In relation to donations, I point out that after Nathan Rees introduced the ban on developer donations the Labor Party accepted a \$75,000 donation from Shepherds Bay Pty Limited less than a year after the ban was introduced.

The Hon. WALT SECORD: Point of order: My point of order relates to relevance. This is nowhere near my question. I would like to ask questions about the North Coast.

CHAIR: Order! As the member knows, questions can be given wide latitude, as can the responses, but if the member has another question—

The Hon. WALT SECORD: I would like to ask another question. Minister, did you participate in the Chat with a Nat bus tour commencing in Tweed Heads on 21, 22 July?

Mr ANDREW STONER: This year?

The Hon. WALT SECORD: Yes.

Mr ANDREW STONER: Yes, I did.

The Hon. WALT SECORD: Did you attend any events or meet with local residents during the Chat with a Nat tour?

Mr ANDREW STONER: Yes, I did.

The Hon. WALT SECORD: Did you meet with any prohibited donors during that Chat with a Nat tour?

Mr ANDREW STONER: Not to my knowledge. Donations are the province of political parties. Frankly, I do not know who is a —

The Hon. WALT SECORD: Let me jog your memory. Did you meet or have discussions with a man called Idwall Richards, a self-described property developer?

Mr ANDREW STONER: No, I did not.

The Hon. WALT SECORD: Did any of your staff have meetings with him?

Mr ANDREW STONER: Not to my knowledge, no.

The Hon. WALT SECORD: Are you aware that he has given a \$3,000 donation to the member for Lismore's State Electoral Council?

The Hon. NIALL BLAIR: Point of order: The Deputy Premier has clearly indicated that donations to political parties are the responsibility of the political organisation, not the responsibility of the Minister for the North Coast, in which role the Deputy Premier is appearing presently before this Committee. I believe that the question should be ruled out of order.

CHAIR: Order! The question is out of order.

The Hon. WALT SECORD: I will move on. Minister, are you comfortable with the way that Roads and Maritime Services is carrying out work on the Pacific Highway on the North Coast?

Mr ANDREW STONER: From what I see when I drive the Pacific Highway, which is very regularly, there is a massive amount of construction underway. Most of the projects are being delivered on or ahead of time and under budget. The final product in terms of the standard of the road and the safety aspects of it are incredibly impressive. Already in those upgraded sections we have seen a very significant reduction in road accidents and fatalities. So, yes, I think they are doing a pretty good job.

The Hon. WALT SECORD: On 21 February 2011 in a media statement you said, "Only the NSW Liberals and Nationals are committed to completing the upgrade of the Pacific Highway by 2016." In light of recent fatalities on the Pacific Highway, do you stand by your Government's decision to break a key election promise to the North Coast by pushing the Pacific Highway back to 2020 or beyond?

The Hon. NIALL BLAIR: Because of the Federal Government's renegeing on their election promises.

CHAIR: Order! Allow the Minister to answer the question.

Mr ANDREW STONER: There is a fair bit of water under the bridge since then. In particular, I refer to the former Federal Minister for Infrastructure, Anthony Albanese, shifting the goal posts on Federal funding.

The Hon. WALT SECORD: Absolutely untrue.

Mr ANDREW STONER: He went from 80 per cent to 50 per cent; then he said that our 20 per cent represented 50 per cent, so he offered up 20 per cent. We went from 80 to 50 to 20. What we have seen from the new Federal Government is a restoration of the 80:20 funding arrangement that applies on transport projects of national significance based on that new injection of funding. You guys were not covered in glory in this either. I think it was in the 2008 budget you pulled \$300 million out of the Pacific Highway upgrade. It was our intention, had the 80:20 funding ratio continued, to deliver it by that time frame; now the time frame has slipped.

The Hon. WALT SECORD: What is your response to Tweed Chamber of Commerce's proposal to establish a convention centre on the North Coast?

Mr ANDREW STONER: It sounds like a good idea. I would like to see the details of that idea so we could assess it, including what sort of ask from the State Government—the financial liability. We are all for growing the regional visitor economy, and convention centres are certainly a major contributor to the visitor economy in this State.

The Hon. WALT SECORD: On 25 September 2009—and it is on YouTube—you spoke against fluoride at the Wauchope fluoride forum. Do you still hold those views and oppose moves to introduce fluoride to drinking supplies on the North Coast—to Lismore and Byron?

Mr SCOT MacDONALD: Point of order: I understand there is a crossover with North Coast but it is clearly not an expenditure item for the State Government.

The Hon. WALT SECORD: Yes it is expenditure. The Department of Health funds—

CHAIR: Order! Did the member mention a year?

The Hon. WALT SECORD: 2009, but it is in the current budget for the Department of Health involving funding—

CHAIR: Order! The Hon. Walt Secord should rephrase his question. He is asking about comments—

The Hon. WALT SECORD: In light of the Department of Health—

CHAIR: Order! Do not argue with the Chair. Rephrase your question to the Minister.

The Hon. WALT SECORD: Minister, in light of the Department of Health funding to assist Lismore City Council to put fluoride in the water on the North Coast, do you still hold your views—on the web—of 25 September 2009 when you addressed the Wauchope fluoride forum and spoke against fluoride?

Mr ANDREW STONER: For a start, you are taking liberties when you say that I spoke against fluoride. I never spoke against fluoride. What I spoke in support of was people's right to choose whether they had fluoridated water or not. I am not a scientist and I told that particular forum I am not a scientist, I do not know the science of fluoride; in fact, I told them that as a child I had taken fluoride tablets which my mother gave me. My teeth are pretty good and I am alive, so I did not speak against fluoride. What I will say is that I support the Government's policy, which—based on the best science—is to improve the dental health of residents of the North Coast.

The Hon. WALT SECORD: Minister, do you support the plan by Northern NSW Local Health District to introduce paid parking at the Tweed Hospital? That is in the budget—it is under the Department of Health.

The Hon. NIALL BLAIR: Point of order: The member has just answered my own point of order—that comes under the Department of Health budget and the question should be directed to the Minister for Health because it relates directly to expenditure of the portfolio of Health.

The Hon. WALT SECORD: To the point of order: Madam Chair, earlier you allowed a question using the very same argument.

The Hon. NIALL BLAIR: To the point of order: The Hon. Walt Secord is canvassing a ruling of the Chair.

CHAIR: Order! I ask members to refrain from debating points of order. They will allow me to rule on the point of order. I have previously ruled that Ministers are entitled to answer questions as they see fit. Yes, the Minister is responsible for the North Coast and there is a wide range of latitude in relation to portfolios. The Minister may respond to the question, if he would like to.

Mr ANDREW STONER: Because that policy or decision is one that is properly for the Minister for Health, I was not aware of it. I would need to see the details of what is proposed. I have not seen such details up to this point. I will say, however, that the issue of access to parking for patients is a really important one, particularly where you have limited parking in certain communities around central business districts. If it is the case that people who should not be parking in a hospital car park are making parking less available for people who legitimately ought to be there then it would be the case that paid parking is a possible solution. It would discourage people from using a hospital car park as a free car park instead of paying elsewhere. I have not seen the details of it. I would have to read it through and give you an answer later.

CHAIR: The time for questions from the Opposition has expired. We will now move to questions from the crossbench, beginning with Ms Jan Barham.

Ms JAN BARHAM: Minister, does the Cross-Border Commissioner fall under your portfolio in relation to the North Coast?

Mr ANDREW STONER: Not specifically under the North Coast portfolio, but in my role as Minister for Regional Infrastructure and Services it does.

Ms JAN BARHAM: Might you be able to give an update on the activities and program of the Cross-Border Commissioner?

Mr ANDREW STONER: I am always happy to help.

Ms JAN BARHAM: I am also interested in the funding allocation. I am happy if you would like me to put my questions on notice if the details are not immediately to hand.

Mr ANDREW STONER: I will tell you what I can, and I do have some information as to the Cross-Border Commissioner. We recently re-advertised the position. The first Commissioner was Steve Toms and he began work on identifying and seeking to address a range of cross-border issues, including the New South

Wales-Queensland border, the New South Wales-Victoria border and the New South Wales-Australian Capital Territory border in particular—mostly because the New South Wales-South Australia border is relatively unpopulated. We do not have so many cross-border communities out there.

As a result of the advertising process we have a new Cross-Border Commissioner, James McTavish. He took up his role on 28 July. The former Commissioner prepared something called a listening tour report, which identifies the issues, and also a business plan for addressing those issues—added to by two subsequent reports on progress in terms of the business plan. That information is available on the web at www.business.NSW.gov.au/CBC.

I am told that the Cross-Border Commissioner to date has successfully advocated over 25 local issues across those State borders that I mentioned. He visited communities during 2013-14 including Tweed Heads, Murwillumbah, Tenterfield, Wallangarra, Bonshaw, Moree, Boggabilla, Toomelah, Mungindi, Tamworth, Canberra, Queanbeyan, Albury, Wagga Wagga, Narrandera and Broken Hill. His expenditure in 2013-14 was \$353,000, which included \$23,868 of travel-related expenses.

Ms JAN BARHAM: Minister, could you answer a specific question about the issues that have been raised—is the rabbit-proof fence an issue that has been raised? And are you able to identify how much funding New South Wales commits to that fence, which appears to be a bit useless in fact?

Mr ANDREW STONER: Ms Jan Barham, I am afraid that we will have to take that question on notice. It is not in my notes. We will come back to you on that.

Ms JAN BARHAM: The next issue is one that has been raising a lot of concern on the North Coast, and I think it has been raised with you—that is, the activities of Crown reserve holiday parks and the redevelopments. I know there are issues in Clarence, Brunswick and the Tweed. Minister, what actions are you taking to address some of those concerns of permanent residents and the tourism operators, who are concerned about the State essentially going into competition with commercial tourism operators?

Mr ANDREW STONER: Again, this question needs to be addressed to the Minister for Natural Resources, Lands and Water. Crown lands have a process where they try to reconcile the needs of local communities with the costs and the financial viability of maintaining those parks.

Ms JAN BARHAM: Minister, does the North Coast Holiday Parks Trust not come under your portfolio?

Mr ANDREW STONER: No, that goes to the Minister for Lands, Minister Humphries.

Ms JAN BARHAM: So comments made previously by you were under—

Mr ANDREW STONER: They were made when I was the Minister for Lands.

Ms JAN BARHAM: Okay, thank you. I turn now to employment opportunities on the North Coast. Minister, have you been advocating for any specific programs or can you advise of any particular North Coast employment programs?

Mr ANDREW STONER: Absolutely. A couple of years ago we pulled together something called the Northern Rivers Jobs Plan, which was quite successful in supporting a number of jobs across the Northern Rivers district. From memory, we funded a business called the Gods of Wheat Street, which produced a television program. It created something like a dozen jobs. There was an Indigenous component to those jobs. We also supported the creation of some jobs around food products as well as timber recycling—that was in Ballina, Lismore and Grafton.

We further supported that region through the decentralisation of a number of government jobs, particularly into Grafton. There was in the order of 100 jobs decentralised, mostly out of Sydney, to Grafton. That included Roads and Maritime Services for the Pacific Highway redevelopment. It included what was formerly known as the Rental Bond Board jobs and some of Office of Environment and Heritage jobs as well. But the largest component was from Crown lands. It was a unit to process applications for Crown road purchase. The total number of government jobs was around 100.

So we were supporting through our Regional Industries Investment Fund [RIIF] some private sector jobs and adding to that with those public sector jobs. On that bus tour I went out to the Stone and Wood Brewing Company. We supported them through the RIFF to expand their business and they make a good beer.

Ms JAN BARHAM: It is, and it is a proud Byron product. There are about six jobs there, I think. I know that you previously supported a chook farm.

Mr ANDREW STONER: Correct.

Ms JAN BARHAM: But I am talking about broad scale North Coast jobs. We have a casualised workforce, predominantly around tourism. I am asking whether you have been advocating for real jobs long-term for the region.

Mr ANDREW STONER: I was about to say there have been thousands of jobs on the Pacific Highway upgrade.

Ms JAN BARHAM: Long term though?

Mr ANDREW STONER: A project is generally for three to four years, depending on the scale of the upgrade section. Additionally, we have poured a fair bit of money into other infrastructure, including a number of hospitals across the North Coast. For the first time ever we have a regional Tourism Infrastructure Fund, \$110 million, to support tourism infrastructure, possibly including the North Coast rail trail, which will create those real long-term jobs, and even including the Regional Relocation Grant, which has a skilled stream now to encourage people with the skills our growing industries need to make the tree or sea change but not to Byron.

The Hon. PAUL GREEN: How many people in the North Coast region have taken up the relocation grants?

Mr ANDREW STONER: I bet I have a note on that. The North Coast has done quite well. In fact—

The Hon. PAUL GREEN: They all come to Byron.

Ms JAN BARHAM: No, none of them can come to Byron.

Mr ANDREW STONER: No, they are not allowed to go to Byron. Since we introduced the skilled stream and removed the requirement for applicants to sell a property in the metropolitan area we have seen a bit of a spike in applications. The top five local government areas for regional relocation grants to 30 April this year—that does not factor in the trend from the changes we made to the scheme, because we only made those in January of this year—were Lake Macquarie, which is not quite the North Coast, with 383 grants; Shoalhaven, 309; Port Macquarie-Hastings, 293; Shellharbour, 202; and Wingecarribee, 201. As with all policies, we seek to refine the policy. Earlier we talked about Resources for Regions, about how we have refined the assessment process over time. We will probably refine the Regional Relocation Grant again so that it is delivering the people who contribute to the regional economies into which they move, rather than being perhaps a drain on the local infrastructure and services. But that said, it looks like certainly the mid North Coast is tracking pretty well among those top five areas.

The Hon. PAUL GREEN: Is it a fact that a correctional centre has been announced for Tamworth?

Mr ANDREW STONER: I am not aware that anything has been announced, but that would be outside the North Coast so it is not surprising—

The Hon. MICK VEITCH: I know you claim more of southern New South Wales for the Shoalhaven.

CHAIR: Order!

The Hon. PAUL GREEN: I just wanted to get on the record whether it is or not. The reason I ask is secondary to former thoughts on the matter, which is that one outcome of downsizing New South Wales correctional centres—

The Hon. MICK VEITCH: Well chaired.

The Hon. PAUL GREEN: Thank you. I note that interjection by the Hon. Mick Veitch. One recommendation was that Grafton should be the first priority, given the downsizing of that staff and the appropriateness of the historical sense. That correctional centre has a long history and it would have been complementary to the other infrastructure on site. Can you comment on why you would send it to Tamworth, given that it would have been ideal to go to Grafton for the jobs and everything that goes with that?

Mr ANDREW STONER: I cannot speak for the Minister for Corrective Services, but we have had some bizarre fluctuations with the prisoner population. I do not know whether the forecasts are out or whether it is the result of changes to the criminal law, for example, around the issue of alcohol-related violence. We have tightened up the laws there, which would flow through into more prisoners. I am aware that the Corrective Services Commissioner is preparing a plan. We have gone from a situation of a declining prisoner population to what I now understand is an increase in the prisoner population. I know that the member for Clarence, Chris Gulaptis, has made representations that Grafton jail should be considered in terms of providing more capacity for prisons, and I support those recommendations.

I would add, though, that in the context of the declining prisoner population, Grafton, amongst other jails, was earmarked for downsizing because the costs of operating Grafton and the level of workplace health and safety, given the age of the facilities, were a great concern. At the time the cost per prisoner per day was substantially higher than the new facilities, for example, the correctional centre at Cessnock or even the one at Kempsey, which has expanded over the years. If Grafton were to be brought back online to assist with this growth in prisoner population, the agency would have to address issues around safety for the officers, as well as the cost of operation.

The Hon. PAUL GREEN: Grafton was twofold: Grafton jail had the historical part but it also had a new section built on it that was unused. I imagine you could fill that up. It would have been complementary to put a new centre near that, and hence prisoners would not have to travel long distances to see their loved ones and all the things that come with that. Staying in Grafton, recently there was an accident on Grafton bridge. Two trailers being towed crashed into the wall of the bridge, causing damage to a stationary car that had stopped to give way. The accident could have easily become a tragedy. Temporary repairs were made to the bridge. Considering how close the accident was to becoming a tragedy, what repairs were made to the bridge? I know there is a plan for a new bridge. What is the life expectancy of the current bridge and when will we see something in the ground for the new bridge?

Mr ANDREW STONER: Most of those details would have to come from Roads and Maritime Services around the life of the bridge, the repairs and so on. But one commitment I made to the people of Grafton in the last term was that we would build a new bridge and that we would begin construction by the end of this term of government. We have some money put aside in the State budget to begin that early construction work, and I am confident that certainly before next March people will see that—

The Hon. PAUL GREEN: Is that construction or desktop?

Mr ANDREW STONER: It will be on-the-ground stuff—do not worry about that.

CHAIR: The time has expired for examination of the portfolio of the North Coast.

(The witnesses withdrew)

The Committee proceeded to deliberate.
